

## IMPACT OF DYNAMICS CAPABILITIES ON COMPETITIVE ADVANTAGE IN THE CONTEXT OF STRATEGIC FIT OF ENTERPRISES

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**Purpose:** The purpose of the article is to explore the relationship between dynamic capabilities and competitive advantage in the context of strategic fit taking into account the specifics of family businesses.

**Design/methodology/approach:** Validation of the set research objective and research hypotheses was done using statistical tools (factor analysis, Pearson's linear correlation analysis, structural equation modeling). The research was conducted on a sample of 422 enterprises.

**Findings:** On the basis of the empirical research conducted, it should be concluded that strategic alignment is a significant mediator of the relationship between dynamic capabilities and competitive advantage of the enterprise. In addition, both dimensions of dynamic capabilities - perceiving and seizing opportunities - are positively related to financial performance and strategic fit as dimensions of a company's competitive advantage.

**Research limitations/implications:** One significant limitation was the relatively small survey sample, and another was its non-random nature. A further limitation is that the survey included one respondent from each of the companies surveyed. As a result, the respondent may have succumbed to social desirability bias, which is counted among the most common sources of error affecting the accuracy of survey and experimental results.

**Practical implications:** The presented research results can be considered relevant for both theoreticians and practitioners because they contribute to understanding how family and non-family enterprises cope with adversities and what specifically determines their competitiveness in the conditions of the global economic crisis caused by the pandemic. The need for strategic adjustment (through formulating and implementing adequate competition strategies) in the context of strengthening the competitiveness of family and non-family businesses is a crucial factor in the functioning of these organizations in a changing environment.

**Keywords:** competitive advantage, strategic fit, dynamic capabilities, family and non-family firms.

**Category of the paper:** Research paper.

## 1. Introduction

In recent years, there has been an increase in interest in family entrepreneurship. The literature often emphasizes the significant role that family enterprises – their creation process, activities, and failures – play in the domestic and global economy. In highly developed economic countries, the share of family businesses ranges from 60 to 90 percent of all operating business entities, and Poland is edging closer to these standards. Therefore, taking into account their significant share in the SME sector, the efforts of management theorists and practitioners aimed at identifying the determinants of family business competitiveness and understanding the conditions of their operations are justified. Although a growing body of research examines how family businesses achieve competitive advantage, the features that distinguish family businesses from non-family businesses are not always taken into account. However, it is worth remembering that family enterprises have certain unique characteristics that may lead to gaining a competitive advantage. This is related to the specific culture of family entrepreneurship expressed through properties, such as family nature (Pearson, Carr, Shaw, 2008; Kraśnicka, Ingram, Bratnicka-Myśliwiec, 2019), the firm's desire to survive for the next generations (Lopez-Gonzalez, Martínez-Ferrero, García-Meca, 2019), different growth models (Moreno-Menéndez, Casillas, 2021), special values shared by owners (Głód, Wronka-Pośpiech, 2018), socio-emotional wealth (Berrone, Cruz, Gomez-Mejia, 2012), or a specific leadership style (Rondoy, Dibrell, Craig, 2009). In addition to other significant differences between family and non-family businesses (Chrisman et al., 2012), researchers such as Acquaah (2013) pointed out that family businesses also achieve high efficiency in a different way than non-family businesses. Despite the justifications indicated in the literature for in-depth studies on the factors determining competitiveness in both types of enterprises, empirical research in this area is relatively rare. Little is also known about how family and non-family businesses cope with adversity. In light of the above, the COVID-19 pandemic raises the question of how both types of enterprises deal with unforeseen adversity. And what is even more interesting, is what specifically determines their competitiveness in the conditions of the global economic crisis caused by the pandemic and whether the conclusions from Acquaah's research (2013) are also confirmed in the current, highly specific conditions. Considering the above assumptions, the author decided to present the study in three parts. In the first one – based on a literature review – research hypotheses are formulated. Then, the methodology of empirical research is outlined and the obtained survey results are interpreted. The summary indicates theoretical and practical implications and formulates avenues for further research.

## 2. Dynamic capabilities

When organizations are confronted with unpredictable, changing markets, they find that their level of resources is insufficient to maintain a competitive advantage. The dynamic capabilities approach aims at understanding and explaining an organization's competitive advantage over time. Dynamic capabilities have been recognized as a firm's ability to change its resource base to respond to rapidly changing environments (Teece, 2007). In the conducted research, it was argued that dynamic capabilities include the ability to maintain constant change (Oxtoby et al., 2002). They are, therefore, challenging to observe and even more difficult for other organizations to replicate. For this reason, they have been associated with sustainable competitive advantage, especially in environments characterized by change (Ambrosini et al., 2009). Similarly, Teece (2007) found three dynamic capabilities for detecting and shaping opportunities and threats, seizing opportunities, and maintaining competitiveness by strengthening, combining, protecting, and, if necessary, reconfiguring the enterprise's intangible assets. Eisenhardt and Martin (2000) defined dynamic capabilities as "organizational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve, and die." Given the competence perspective proposed by Zahra, Sapienza, and Davidsson (2006), a dynamic capability can be interpreted as the ability to reconfigure resources and procedures. Wang and Ahmed (2007) proposed that the component factors of dynamic capabilities include adaptive, absorptive, and innovative capabilities. Some definitions of dynamic capabilities also focus on organizational routines. For example, Teece et al. (1997) emphasized that dynamic capabilities reflect how organizations develop firm-specific capabilities and competencies in a changing business environment. These capabilities and competencies are closely related to the management and organization of intra-organizational processes, market position, and the development path of the organization itself. Dynamic capabilities are characterized by their repeatable element, as noted by Helfat et al. (2007). This means that a dynamic capability results in a series of organizational changes that are undertaken in a similar way over time. However, there are ongoing debates about how dynamic capabilities should be modeled. This makes the concept of dynamic capabilities more practical and supports empirical research on such capabilities. Note that we distinguish between the introduction of a dynamic capability and the dynamic capability itself. Dynamic capability is introduced when organizational development is undertaken, while dynamic capability is the ability of the enterprise to undertake this development. In other words, a dynamic capability is the "potential for action" (Helfat et al., 2007) rather than the action itself (Easterby-Smith, Prieto, 2008). Firms need dynamic capabilities, which are "the capabilities of firms to integrate, build, and reconfigure internal and external competencies to respond to rapidly changing environments" (Teece et al., 1997, p. 516). Thus, these capabilities are firm-specific, developed over time, depending on the distinctive strengths and opportunities facing the firm, and are

a function of organizational learning (Teece et al., 1997). Given a business's market position, dynamic capabilities help companies sense and exploit opportunities by reconfiguring resources or developing new ones, thereby enabling organizations to gain a competitive advantage. Therefore, research has found more and more evidence that dynamic capabilities influence the development of companies, and thus affect their efficiency and productivity (Henderson, Cockburn, 1994; Mol, Birkinshaw, 2009), sales growth (Evangelista, Vezzani, 2010) and are responses to new market requirements (D'Este, 2002). This capability is used by companies to recognize and respond to opportunities and threats, which involves modifying and/or creating normal capabilities that enable change. It is the dynamic capabilities of the organization that are considered to be the determinant of its success or failure (Bratnicki, 2010). This is even more important because the organization's pursuit of immortality, measured by the durability of sources of competitive advantage, can be deadly because it makes it difficult to get rid of ineffective resources (Bratnicki, 2003). Although the abilities to sense, grasp, and reconfigure may not be rare (Eisenhardt, Martin, 2000), there is variation in the frequency and skill with which firms perform such activities (Winter, 2000) as they accumulate knowledge about how to change (Zott, 2003). Dynamic capabilities can, therefore, be a source of competitive advantage (Schilke, 2014b; Teece, 2014). However, dynamic capabilities also come with costs associated with committing resources to change activities (Zollo, Winter, 2002). For example, firms typically incur transaction and coordination costs when they change their resource base (Chakrabarti, Vidal, Mitchell, 2011; Karim, 2006), such as hiring external consultants and other specialists to facilitate the change. Similarly, sensing capacity relies on the allocation of managerial effort and attention to externally oriented activities (Helfat, Peteraf, 2015; Wilde, Gudergan, 2015). Furthermore, unlearning costs arise when it becomes necessary to remove existing processes to reduce the friction associated with implementing change (Lavie, 2006). The disruptive effect of changes in the resource base, especially when they are made repeatedly, can prevent a company from achieving potential competitive advantage (Schilke, 2014a). Research shows a positive relationship between dynamic capabilities and competitive advantage in dynamic environments, although this relationship may become weaker at very high levels of environmental dynamism (Schilke, 2014a). Moreover, though dynamic capabilities may be more valuable on average in dynamic settings (Karna et al., 2016), dynamic capabilities may also be useful in stable environments (Ambrosini, Bowman, 2009; Eisenhardt, Martin, 2000; Wilden, Gudergan, 2015; Zahra, Sapienza, Davidsson, 2006).

### 3. Competitive advantage

Competitiveness can be understood as a set of opportunities to compete in the market; when a company has high competitiveness, it can survive and operate in the market for a long time (Gorynia, 2002, p. 48). Therefore, competitiveness is related to the assessment of the company's performance and its ability to obtain positive results in the future, in particular, the profit from its activities in the company's changing environment (Bossak, Bieńkowski, 2004, p. 18). Competitiveness may also mean the possibilities and ways of competing in the market sector within the market mechanism in the short and long term (Pierścioneł, 2005, p. 9) It is equally often considered as a condition for the organization's survival, especially in the context of sudden, difficult, or highly unfavorable situations from the perspective of its operations – referred to as crisis (Flak, Głód, 2012). According to Filipova, the final expression of an enterprise's competitiveness is its adaptive capacity, expressing the adequacy of its responses to the impact of the environment and adapting changes to the dynamics of the environment. (Filipova, 2004). Dimitrova indicated that competitive advantages are of key importance for the process of shaping and developing the firm's competitiveness. She also noted that the emergence of the modern competitive advantage concept is related to the development of scientific and technological progress, globalization, and internationalization of competitive relations (Dimitrova, 2014, p. 38). Competitive advantages are extremely time-consuming features of an entity or factors in the external environment that provide the company with an advantage over competitors in a given market in a given period. A competitive advantage is the features or properties possessed by a product or brand that give it an advantage over its closest competitors. Kotler mentioned that competitive advantage is an advantage over competitors obtained based on offering greater value or lower prices or by having more benefits justifying higher prices (Kotler, 1996, p. 431).

### 4. Strategic fit

Strategic fit is “the degree to which the needs, demands, goals, objectives and/or structure of one component are consistent with the needs, demands, goals, objectives and/or structure of another component” (Nadler, Tushman, 1980, p. 40). It is also perceived as a link between the firm and its external environment. Strategic fit indicates how an organization adapts, changes, and reconfigures itself to achieve fit (Venkatraman, 1989). Errors in these activities may prevent the firm from adequately responding to market changes (Zajac et al., 2000; Carmeli, Sheaffer, 2008), thereby incurring risk and reducing performance. As the firm must constantly adapt to dynamic environments, adaptability becomes a resource that allows the firm to create

a competitive advantage and helps ensure long-term growth (Murray et al., 2009). The concept of strategic fit is related to strategic change because the latter involves modifying the way how companies perceive their position in terms of fit and internally change this position to achieve the best possible fit with the surrounding environment. Many studies agree that organizational success is based on the dynamic and evolutionary nature of the fit between the organization and its environment (Gabrielsson et al., 2012; Zajac et al., 2000). The term “strategic fit” is used to explain how an organization’s strategy must “fit” with its external context and how the organization must be internally aligned with the strategy. This alignment is, of course, the primary responsibility of the CEO team. Strategic fit is therefore related to the concept of building a competitive advantage, which is the situational approach, which assumes that the organization's resources should ensure its flexibility to the changing environment, which ultimately leads to strategic fit (Rybicki, Pawłowska, 2010, p. 181). Competitive advantage is revealed in the quick response of the organization in terms of continuous adaptation to market conditions dictated by the environment. Strategic fit expresses the degree to which organizations adapt their capabilities and resources to changing features in their environment and internally from a strategic perspective (Zajac, Kraatz, Bresser, 2000). In other words, it is the compliance of the organization’s external environment (requirements or demands placed on the organization by buyers or customers) with its resources and capabilities (Amoako-Gyampah, Acquah, 2008; Da Silveira, Sousa, Pieter van Donk, 2010). Strategic adjustment according to the adopted criteria should most likely also “sensitize” the organization to changes in the environment. In the context of considerations about the competitiveness of family and non-family businesses in a crisis, the element of changing the business model and competitive strategy (adjustment) seems to be crucial (Hock, Clauss, Schulz, 2016).

Based on the literature analysis, the following research hypotheses were formulated:

H1: Dynamic capabilities affect the enterprise’s competitive advantage level.

H2: Strategic alignment affects the enterprise’s competitive advantage level.

H3: Dynamic abilities affect the strategic alignment level.

H4: Strategic alignment mediates depending on the dynamic capabilities and the enterprise’s competitive advantage.

## **5. Empirical research methodology**

The discussed empirical study is one of the research strands undertaken in broader research on the competitiveness of family and non-family enterprises in Poland in the conditions of the global economic crisis, which was carried out at the Department of Entrepreneurship and Innovative Management at the University of Economics in Katowice. The research was carried out in August-October 2021 among 422 firms. According to the size criterion, 174 were micro-

enterprises (41.23%); 116 were small (27.49%); 122 were medium (28.91%), and 10 were large (2.37%). The dominant activity profile of the surveyed firms was the service profile – 187 firms (44.31%); followed by mixed – 84 firms (19.91%) and commercial – 76 firms (18.01%) and manufacturing – 75 firms (17.77%). Most businesses operate on the domestic market – 132 firms (31.28%), then 125 firms (29.62%) conduct business on the local market, while 80 firms (18.96%) operate on the regional market, and 70 firms declare international activity (16.59%) and 15 in the global market (3.55%). To verify the research hypotheses, it was decided to conduct empirical research embedded in the theory testing trend. In the first step, the examined variables were operationalized. Existing and tested in international literature scales taken from reliable sources were used for the measurement. In the next step, the size of the population was estimated using a free tool available at: <https://www.danielsoper.com/statcalc/calculator.aspx?id=89>. The minimum sample size was estimated at a minimum of 110 entities to enable at least an estimation of the model structure, taking into account the number of latent variables - 5, and two observed variables. It should be borne in mind that the recommended sample size with the anticipated effect of 0.1, the statistical power level of 0.8, and the value of the coefficient  $p = 0.05$ , amounting to 1,713 entities, was beyond the financial reach of the project. In agreement with the Center for Research and Development at the EU in Katowice, it was agreed that the Center would collect data from at least 400 economic entities randomly selected from its database containing over 10,000 records, which should allow obtaining data at least moderately representative of the population. In October and November 2021, the Center collected 422 responses from representatives of enterprises operating in Poland, which were included in the analysis. The data was collected in the following way: representatives of the center telephoned or sent links to participate in the study. If the organization agreed to it, an e-mail was sent with a link to participate in the research. The respondents were either owners or managers/representatives of senior management in the enterprise. The presented results are part of a larger study carried out as part of the funds for maintaining the capacity of the Department. Following the work carried out, the sample included 290 micro and small enterprises, 122 medium-sized enterprises, and 10 large economic entities. The structure of the research sample is presented in Tables 1, 2, and 3.

**Table 1.**

*Structure of the research sample – size and existence period/lifetime/duration of the enterprise*

	Number of observations	Mean	Standard variation	Median	Minimum	Maximum
Size of the surveyed organizations	422	83.791	431.452	14	1	8000
Organization age	422	18.085	12.534	17	2	102

Source: Own research.

**Table 2.***Market in which the organization operates*

Market	Frequencies	Percentage	Cumulative percentage
Local	125	29.62	29.62
Regional	80	18.96	48.58
Domestic	132	31.28	79.86
International	70	16.59	96.45
Global	15	3.55	100.00
Total	422	100.00	

Source: Own research.

**Table 3.***Organization's business profile*

Profile	Frequencies	Percentage	Cumulative percentage
Retailing	76	18.01	18.01
Services	187	44.31	62.32
Manufacturing	75	17.77	80.09
Mixed	84	19.91	100.00
Total	422	100.00	

Source: Own research.

## 6. Variables' characteristic

Two scales were used to measure the dependent variable – the enterprise's competitive advantage. The first one referred to the assessment of EBIT, ROI, and ROS compared to competition, in relation to the industry and three elements relating to strategic effectiveness. The Cronbach's alpha coefficient for this scale was 0.8514, and removing any of the statements caused a significant decrease in this value. Therefore, this scale can be considered reliable. The conducted factor analysis employing the method of principal components analysis (coefficient under the correlation matrix = 0.047; Bartlett's sphericity test = 1282.84, 15 degrees of freedom,  $p = 0.000$ ; Kaiser-Meyer-Olkin measure of sampling quality = 0.805) led to the identification of two dimensions, and the orthogonally the rotated factor structure is presented in Table 4. The level of explained variance for the two dimensions was 0.7628.

**Table 4.***Factor analysis results of the enterprise's competitive advantage*

Variable	Financial result	Strategic effectiveness	Uniqueness
ROS against the sector	<b>0.900</b>	0.237	0.134
EBIT against the sector	<b>0.886</b>	0.218	0.167
ROI against the sector	<b>0.849</b>	0.200	0.240
Being more successful than competitors	0.239	<b>0.840</b>	0.237
Market share size	0.208	<b>0.839</b>	0.253
Strategic advantage over competition	0.288	<b>0.724</b>	0.392

Statements significantly loading into individual dimensions have been bolded.

Source: Own research.

The tool proposed by Wilden, Gudergan, Nielsen, and Lings (2013) was used to measure the main independent variable – the organization’s dynamic capacity. The Cronbach’s alpha level for the scale was 0.7849. The analysis of the loading degree of individual statements showed that the first question, referring to the employee participation in the activities of trade associations, significantly lowers the alpha level, and after removing this statement (alpha if item deleted), the reliability level for the tool increased to 0.79. Therefore, on such an 11-item scale, factor analysis was performed (coefficient under the correlation matrix = 0.007; Bartlett’s sphericity test = 2089.37, 55 degrees of freedom,  $p = 0.000$ ; Kaiser-Meyer-Olkin measure of sampling quality = 0.856) indicated two dimensions – the first of them, consisting of 7 statements, refers jointly to the capacity to sense and seize opportunities, the second, consisting of 4 statements - to the capacity to reconfigure enterprise resources. The orthogonally rotated factor loadings explaining 61% of the cumulative variance are presented in Table 5.

**Table 5.**  
*Factor loadings of the organization’s dynamic capabilities*

Variable	Sensing and seizing opportunities	Reconfiguring resources	Uniqueness
Observing best practices in the sector	<b>0.793</b>	0.013	0.371
Implementing sector best practices	<b>0.790</b>	-0.130	0.359
Investing in finding solutions for customers	<b>0.763</b>	0.035	0.416
Changing practices based on customer feedback	<b>0.712</b>	-0.120	0.479
Collecting economic information on business activity and the environment	<b>0.638</b>	0.238	0.536
Using established processes to identify target market segments, customer needs, and their innovativeness	<b>0.602</b>	0.191	0.601
Responding to defects indicated by employees	<b>0.582</b>	0.131	0.645
Substantial renewal of business processes	-0.007	<b>0.902</b>	0.186
New or substantially changed ways to achieve goals and accomplish tasks	0.061	<b>0.896</b>	0.194
New or substantially changed marketing method or strategy	0.071	<b>0.865</b>	0.247
Implementing new types of management methods	-0.087	<b>0.862</b>	0.250

Statements significantly loading into individual dimensions have been bolded.

Source: Own research.

Finally, a 6-item tool proposed by Li, Zhou, and Shao (2009) was employed to measure strategic fit as a mediating variable. The Cronbach's alpha coefficient for this scale was 0.7504, and removing any of the items resulted in a significant decrease in the value of this coefficient. The principal component factor analysis (coefficient under the correlation matrix = 0.179; Bartlett's sphericity test = 718.51, 15 degrees of freedom,  $p = 0.000$ ; Kaiser-Meyer-Olkin measure of sampling quality = 0.742) showed that it is a two-dimensional variable. Two dimensions explain more than 68% of the cumulative variance. The factor loadings are presented in Table 6.

**Table 6.**  
*Factor loadings of strategic fit*

Variable	Marketing fit	Cost level fit	Uniqueness
Production costs lower than competitors	<b>0.856</b>	0.040	0.266
Impact of operating system efficiency on costs	<b>0.841</b>	0.176	0.261
Position of the sector cost leader	<b>0.796</b>	0.156	0.342
Building a strong, hard-to-imitate brand	0.075	<b>0.844</b>	0.283
Benefits that products and services offer to customers	0.102	<b>0.836</b>	0.291
Unique product and service offer	0.263	<b>0.692</b>	0.453

Statements significantly loading into individual dimensions have been bolded.

Source: Own research.

## 7. Variables' characteristic

The Pearson linear correlation analysis was performed in the first step to analyze the dependencies between the variables under study. The results of this analysis and the basic descriptive characteristics are presented in Table 7. Meta-variables (averages of loadings included in individual dimensions) were calculated to compute the correlation coefficients for individual variable dimensions. The size and age of the organization were included as control variables, and the standardization of these variables was adopted for the calculation employing the decimal logarithm of the number of employees and the decimal logarithm of the number of years of the enterprise's operation.

**Table 7.**  
*Correlation coefficients between variables and descriptive statistics*

Variable	Marketing fit	Cost level fit	Uniqueness
Production costs lower than competitors	<b>0.856</b>	0.040	0.266
Impact of operating system efficiency on costs	<b>0.841</b>	0.176	0.261
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Unique product and service offer	0.263	<b>0.692</b>	0.453

Statements significantly loading into individual dimensions have been bolded.

Source: Own research.

The correlation analysis shows that the examined variables are relatively strongly related, and the correlation coefficients range from 0.1 to 0.5. Thus, the assessment of strategic effectiveness is strongly related to financial performance, measures of marketing and cost fit, and to a lesser extent to the reconfiguration of resources and the sensing and seizing of opportunities. Furthermore, the size and age of the organization are related to the assessment of strategic effectiveness. The financial performance is related to the marketing fit and, to a lesser extent, to the dimensions of dynamic capacity and cost fit. Sensing and seizing opportunities are positively correlated with marketing fit, and negatively with the size and age of the

organization. On the other hand, the reconfiguration of resources is correlated with both dimensions of strategic fit and the organization's size. Marketing fit is significantly correlated with cost fit and company size. Cost fit is moderately strongly related to the size and age of the enterprise. To examine the relationships between the examined variables more closely, the modeling of structural equations was carried out in the Mplus program. Three models were estimated – the first one included the main dependent variable (competitive advantage) and control variables. The second, in which the main independent variable was introduced – two dimensions of dynamic capabilities. And the third, in which a mediator/moderator was introduced to the model – two dimensions of strategic fit. The model estimation results are presented in Table 8.

**Table 7.**

*Model estimation results of the dependencies between loadings*

Variable/model	Model 1	Model 2	Model 3
CHI2	27.207	355.932	519.018
DF	16	143	252
RMSEA	0.041	0.059	0.050
CFI	0.992	0.941	0.943
TLI	0.986	0.930	0.933
Akaike Information Criteria (AIC)	7773.170	22755.026	32191.629
SRMR	0.030	0.081	0.070
<b>Dependent variable: Financial result</b>			
R-square	<b>0.097 (0.029; 0.001)</b>	<b>0.183 (0.036; 0.000)</b>	<b>0.287 (0.043; 0.000)</b>
Constant	<b>1.448 (0.133; 0.000)</b>	<b>1.275 (0.120; 0.000)</b>	<b>1.118 (0.108; 0.000)</b>
Organization size (logarithm)	<b>0.620 (0.100; 0.000)</b>	<b>0.526 (0.102; 0.000)</b>	<b>0.374 (0.102; 0.000)</b>
Organization age (logarithm)	<b>-0.872 (0.231; 0.000)</b>	<b>-0.701 (0.221; 0.002)</b>	<b>-0.634 (0.214; 0.003)</b>
Sensing and seizing opportunities	-	<b>0.376 (0.084; 0.000)</b>	0.027 (0.115; 0.813)
Reconfiguring resources	-	<b>0.191 (0.050; 0.000)</b>	0.077 (0.055; 0.161)
Marketing fit	-	-	<b>0.382 (0.095; 0.000)</b>
Cost level fit	-	-	<b>0.223 (0.082; 0.006)</b>
<b>Mediation effects (indirect influence)</b>			
Sensing and seizing opportunities – marketing fit – financial performance	-	-	<b>0.332 (0.088; 0.000)</b>
Reconfiguring resources – marketing fit – financial performance	-	-	<b>0.093 (0.028; 0.001)</b>
Sensing and seizing opportunities – cost level fit – financial performance	-	-	0.025 (0.017; 0.132)
Reconfiguring resources – cost level fit – financial performance	-	-	<b>0.062 (0.024; 0.010)</b>
<b>Dependent variable: Strategic Effectiveness</b>			
R-square	<b>0.205 (0.040; 0.000)</b>	<b>0.317 (0.044; 0.000)</b>	<b>0.577 (0.047; 0.000)</b>
Constant	<b>0.651 (0.098; 0.000)</b>	<b>0.527 (0.081; 0.000)</b>	<b>0.324 (0.056; 0.000)</b>
Organization size (logarithm)	<b>0.600 (0.080; 0.000)</b>	<b>0.481 (0.078; 0.000)</b>	<b>0.341 (0.069; 0.000)</b>
Organization age (logarithm)	-0.104 (0.167; 0.533)	0.050 (0.156; 0.748)	0.048 (0.140; 0.731)
Sensing and seizing opportunities	-	<b>0.255 (0.061; 0.000)</b>	-0.034 (0.076; 0.655)
Reconfiguring resources	-	<b>0.199 (0.037; 0.000)</b>	0.046 (0.037; 0.215)
Marketing fit	-	-	<b>0.285 (0.065; 0.000)</b>
Cost level fit	-	-	<b>0.425 (0.066; 0.000)</b>

Cont. table 7.

<i>Mediation effects (indirect influence)</i>			
Sensing and seizing opportunities – marketing fit – strategic effectiveness	-	-	<b>0.241 (0.062; 0.000)</b>
Reconfiguring resources – marketing fit – strategic effectiveness	-	-	<b>0.069 (0.020; 0.000)</b>
Sensing and seizing opportunities – cost level fit – strategic effectiveness	-	-	0.047 (0.027; 0.084)
Reconfiguring resources – cost level fit – strategic effectiveness	-	-	<b>0.119 (0.024; 0.000)</b>

Source: Own research.

The models were estimated at an acceptable fit level – the RMSEA, CFI, and TLI coefficients have values considered good, which justifies a closer look at the studied dependencies. The level of explaining financial performance increases consistently with the introduction of subsequent variables to the model, reaching the level of almost 29% for financial performance and almost 58% for strategic advantage. Model 1 analysis leads to the conclusion that the organization's size is positively correlated with both strategic effectiveness and financial performance. On the other hand, the age of an organization is negatively correlated with financial performance, which indicates that older business entities have statistically lower financial performance than their younger market competitors. Model 2 shows that both dimensions of dynamic capabilities – sensing and seizing of opportunities – are positively correlated with the enterprise's financial performance and strategic advantage. In this model, the size of the organization is strongly correlated with the dependent variables, while the age of the organization is negatively correlated with financial performance, as in the case of Model 1. This in itself confirms hypothesis H1, although in the case of this assumption it is worth considering the results of modeling shown in Model 3. Moving on to the results of modeling that takes into account, apart from competitive advantage and dynamic capabilities, as well as strategic fit, it is worth pointing out that in this model the dependencies between dynamic capabilities and financial performance and strategic effectiveness cease to be significant. This is the result of the introduction of strategic fit dimensions into the model. In this model, both marketing and cost fit are significantly correlated with financial performance and strategic advantage. These variables, therefore, take over the influence of dynamic capabilities on the dependent variables. This confirms hypothesis H2. Moreover, three of the four mediation pathways from the dimensions of the dynamic capability to financial performance and from the dynamic capability to strategic effectiveness are statistically significant, indicating complete mediation. It can therefore be assumed that strategic fit is an important mediator of the relationship between dynamic capabilities and the enterprise's competitive advantage. This confirms the assumption expressed in hypothesis H3. In light of the Model 3 analysis, there is no confirmation for the correlation indicated in hypothesis H1.

## 8. Conclusions

Based on the results of the conducted empirical research, it can be concluded that dynamic capabilities influence the competitive advantage of the studied family and non-family businesses. Adopting an appropriate competitive strategy affects the results achieved and strategic effectiveness. Thus, better strategic adjustment allows for better use of emerging opportunities in the market environment to increase the competitiveness of firms. This situation occurs primarily in the context of adapting to changing market expectations (Liu, Atuahene-Gima, 2018). The research results are consistent with those conducted in this area, which point to the role of formulating a competition strategy in strengthening competitiveness (Rahman, Rahman, 2020; Adiguzel, 2020) and the mediating role of strategic fit in this context (Musa, Nmadu, Dakung, 2019). This article is not free from limitations. One of them was a relatively small research sample, and another – its non-random nature. A further limitation is the fact that the study involved one respondent from each of the surveyed enterprises. The presented research results can be considered relevant for both theoreticians and practitioners because they contribute to understanding how family and non-family enterprises cope with adversities and what specifically determines their competitiveness in the conditions of the global economic crisis caused by the pandemic. The need for strategic adjustment (through formulating and implementing adequate competition strategies) in the context of strengthening the competitiveness of family and non-family businesses is a crucial factor in the functioning of these organizations in a changing environment. Moreover, the authors are aware that the article does not exhaust the research problem but is only a contribution to further research. In future studies, for example, other statistical analysis methods (e.g., structural equation modeling) could be used, and the analyses could be based on a larger research sample. A great added value would also be the possibility of replicating the study on the same research sample – after the pandemic has ended.

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