International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

Strategic Adaptation And Environmental Dynamism: A Theoretical Model For Sustainable Strategy Implementation In Emerging Economies.

Authors:

Tazvida Gaza (tazvidagaza@gmail.com)
University of Zambia, Lusaka, Zambia

Abubaker Qutieshat
University of Dundee, Nethergate, Dundee DD1 4HN, United Kingdom

Abstract:

Firms in emerging economies face rapid shocks, technological turbulence, and policy volatility. Traditional implementation frameworks built for stable contexts offer limited guidance and rarely embed sustainability. This paper develops a theoretical model that explains how environmental dynamism can be converted into sustainable strategy implementation. The study synthesizes the resource based view, dynamic capabilities, institutional theory, and stakeholder and sustainability perspectives. An abductive approach defines constructs, specifies mechanisms, and advances nine testable propositions. The model conceptualizes environmental dynamism as a multidimensional catalyst that accelerates the evolution of sensing, seizing, and transforming capabilities. Leadership agility, digital enablement, and adaptive culture shape capability formation. Institutional alignment and stakeholder governance condition legitimacy and resource access. The model reframes resource value as contingent on reconfigurability, embeds stakeholder engagement within capability building, and places ESG at the core of strategy implementation. It offers a diagnostic roadmap for capability investment and stakeholder orchestration, identifies policy levers that amplify firm adaptation, and sets a research agenda for longitudinal mixed methods tests.

Keywords:

Environmental dynamism; Dynamic capabilities; Strategic adaptation; Sustainability; Emerging economies

Submitted: 2025-08-26. Revised: 2025-09-03. Accepted: 2025-09-05.

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

Introduction

Background and Motivation

Scholars of strategic management have long argued that the ultimate test of competitive advantage lies not in the elegance of strategic formulation but in the gritty work of implementation. This observation takes on heightened salience in emerging economies, where volatility in macroeconomic, technological, and institutional conditions systematically undermines the stability required for conventional execution routines. Over the past decade a growing body of research has documented strategy-to-execution failure rates that are frequently above sixty per cent in Sub-Saharan Africa, South-East Asia, and Latin America, whereas comparable rates in developed economies typically hover below forty per cent. The gap is attributed to the prevalence of “environmental dynamism,” a construct describing the speed, magnitude, and unpredictability of external change (Habibullah & Kamal, 2024).

Environmental dynamism is highlighted by rising sustainability goals, geopolitical tensions, and adoption of digital technology. As AI, mobile money, and distributed renewable-energy systems spread, traditional planning horizons are becoming obsolete (Singh et al., 2024).

Problem Statement

Mainstream implementation theories evolved in relatively stable, resource-abundant contexts dominated by incremental technological change and predictable regulatory regimes. They emphasise alignment among strategy, structure, and systems, arguing that once alignment is achieved the principal managerial task is to maintain discipline in execution. Yet in emerging markets alignment is perpetually disrupted by macro shocks, currency instability, infrastructural breakdowns, and abrupt policy shifts. Recent empirical examinations of Malaysian, Ghanaian and Zimbabwean firms demonstrate that classic alignment variables explain a far smaller fraction of implementation outcomes than context-specific adaptive variables such as dynamic capabilities, political ties, and stakeholder agility (Do et al., 2022; Gong et al., 2021).

A second gap concerns sustainability. Most implementation frameworks implicitly treat economic performance as the sole or primary outcome, relegating environmental and social metrics to secondary status. In contrast, theories of stakeholder capitalism and sustainable enterprise value creation stress that long-term performance depends on simultaneous gains across financial, ecological, and social dimensions (Samans & Nelson, 2022). The neglect of sustainability considerations renders existing models analytically incomplete and normatively inconsistent with contemporary governance expectations.

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

In short, conventional theory under-specifies two critical relationships: the way environmental dynamism reshapes the capability requirements for strategy implementation and the way these capabilities must integrate ESG imperatives.

Purpose and Research Questions

The purpose of the present article is to advance a theoretical model that illuminates how firms in emerging economies adapt strategically to environmental dynamism and, in so doing, achieve durable and sustainable implementation outcomes. Guided by this objective, three research questions are posed. First, how should environmental dynamism be conceptualised and operationalised to reflect its unique manifestation in emerging economies? Second, through what mechanisms of strategic adaptation do firms transform dynamic capabilities into sustainable implementation performance? Third, what contextual boundary conditions strengthen or weaken the efficacy of such mechanisms?

Intended Contribution

Advancing Strategy-Implementation Theory

The article contributes by integrating the resource-based view (RBV), dynamic capabilities, institutional theory, and stakeholder sustainability literature into a coherent middle-range theory of adaptive implementation.

Relevance for Emerging-Economy Practice and Policy

On the practice side the model functions as a diagnostic instrument that enables managers to identify capability gaps across sensing, seizing and reconfiguring activities, and to calibrate these activities against ESG performance indicators. From a policy standpoint the model clarifies institutional levers—regulatory coherence, infrastructure investment, public–private knowledge platforms—that governments can employ to amplify firm-level adaptation efforts.

Literature Review

Theoretical Foundation

Any sustained inquiry into the subject demands that one establishes the theoretical foundations upon which the study heavily borrows from. Subsequent sections detail the key theoretical constructs that underpin the research.

Resource-Based View

The RBV posits that competitive advantage stems from resources and capabilities that are valuable, rare, inimitable, and non-substitutable. Nevertheless, empirical studies in volatile contexts reveal that VRIN characteristics erode quickly when exogenous shocks alter resource relevance. For example,

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

currency devaluation can nullify the cost advantage of imported machinery overnight, and regulatory changes may delegitimise certain assets, such as plastic packaging plants facing stringent environmental rules. Consequently, scholars have reinterpreted the RBV through a temporal lens, arguing that value is a dynamic rather than static attribute (Do et al., 2022). Under this dynamic RBV, competitive endurance depends on the rate at which managers can reconstitute resource portfolios in response to external triggers.

Dynamic Capabilities Perspective

Dynamic capabilities are higher-order competences that enable firms to integrate, build and reconfigure internal and external resources in rapidly changing environments. Teece's seminal "sense–seize–transform" framework has been operationalised in numerous emerging-economy studies. In Chinese manufacturing enterprises dynamic capabilities mediate the positive association between practice strategy alignment and organisational adaptability (Gong et al., 2021). Malaysian technology firms exhibit stronger innovation outcomes when dynamic capabilities interact with ambidextrous learning, especially under heightened environmental dynamism (Taghizadeh et al., 2021).

Institutional Theory

Institutional theory underscores the influence of regulative, normative, and cognitive institutions on organisational practices. In emerging markets these institutions are not only weaker but also more malleable and politically contested, rendering institutional alignment a dynamic challenge. Firms develop political capabilities to navigate shifting tax codes, import tariffs and labour standards. They further mobilise normative alignment particularly through the adoption of international certification schemes— the likes of ISO 14001 or Global Reporting Initiative guidelines— all in a bid to signal legitimacy when domestic institutions prove rather deficient.

Ali and Varoğlu (2022) demonstrate how small Turkish firms have been observed to effectively adapt their structural configurations depending on whether the dominant institutional pressure confronting the said firms is regulatory, market or technological. In a context where policy reversals are frequent, relational embeddedness with regulators and community leaders becomes indispensable. Institutional theory thus enriches the adaptation narrative by highlighting the socio-political negotiations through which firms stabilise strategy implementation.

Contingency and Configuration Approaches

Contingency theory argues that organisational effectiveness derives from the fit between internal characteristics and external contingencies. Configuration theory extends this logic by asserting that multiple internally consistent gestalts can secure performance. Empirical studies of Latin American agribusinesses and African telecom firms reveal performance-equivalent clusters combining diverse choices in structure, control systems and human-resource practices (Habibullah & Kamal, 2024).

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

Stakeholder and Sustainability Perspectives

Stakeholder theory posits that firms create long-term value by balancing the interests of multiple constituencies. ESG literature operationalises the stakeholder mandate by delineating standards for environmental stewardship, social inclusion, and governance integrity. In emerging markets, the stakeholder field is especially complex because governments often wield discretionary power, civil society organisations compensate for weak public services and international donors impose conditionalities.

Le (2022) finds that Vietnamese firms leveraging green innovation as part of CSR programmes realise superior financial and reputational returns, contingent on transparent ESG reporting. Tekala et al. (2024) demonstrate that green structural capital enhances the impact of green entrepreneurship on business sustainability, a relationship that is stronger where environmental dynamism is high. These studies imply that stakeholder governance cannot be decoupled from adaptive implementation; rather, stakeholder alignment is both a precondition and an outcome of successful adaptation.

Synthesis and Need for an Integrative Model

The preceding review suggests that sustainable implementation in volatile settings requires the orchestration of multiple strands: agile resources, dynamic capabilities, institutional alignment, and stakeholder governance. Although each strand has been examined individually, few studies interweave them into a comprehensive explanatory model. This fragmentation hampers theoretical accumulation and managerial clarity. The remainder of the paper addresses this gap by developing an integrative model that positions environmental dynamism as the primary contextual driver, strategic adaptation as the mediating process and sustainable implementation as the focal outcome.

Market volatility includes abrupt shifts in demand, pricing, customer preferences and competitor behaviour. In emerging economies such volatility is typically triggered by macroeconomic shocks—currency devaluations, inflation spikes, commodity price swings—or by rapid liberalisation that redraws competitive boundaries. Empirical work among Bangladeshi SMEs indicates that market volatility moderates the relationship between strategic flexibility and performance, strengthening returns to flexibility as volatility rises (Habibullah & Kamal, 2024).

Technological turbulence refers to the speed at which new technologies emerge, and existing technologies become obsolete. Emerging economies are no longer technological backwaters; cloud computing, mobile platforms and artificial intelligence tools diffuse quickly, leapfrogging legacy infrastructure. Research on SMEs in India shows that social-media strategic capability enhances disruptive innovation when technological turbulence is high, conditional on top-management team heterogeneity (Zhang & Zhu, 2021). The net effect is to intensify the demand for ambidextrous learning, whereby firms explore novel technologies while exploiting existing competencies (Yuan et al., 2021).

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

Distinctive Features of Emerging-Economy Dynamism

Environmental dynamism in emerging economies differs from advanced markets in five ways. Linear extrapolation is unreliable because change often occurs as discontinuous shocks rather than progressive oscillations (Tawiah et al., 2021). Currency changes, energy shortages, and security issues can increase volatility. Infrastructural fragility reduces the buffering impact of spare resources; an emergency generator reduces but does not eliminate operational disruptions from national grid failures (Tawiah et al., 2021). Fourth, capital-market inadequacies limit risk-mitigation alternatives, so enterprises rely heavily on relational financing from suppliers, customers, or state agencies. Also, institutional vacancies force enterprises to internalize logistics and quality certification, which mature economies handle through intermediaries (Tawiah et al., 2021). These traits suggest adaptation processes must be speedier and more comprehensive, including social, political, and operational aspects. Sustainability and competitiveness are intertwined: organizations that address energy efficiency, community livelihoods, and governance transparency reduce risk and build stakeholder trust (Tawiah et al., 2021).

Illustrative Patterns from Prior Empirical Work

Empirical research shows how environmental dynamism affects strategy execution in emerging economies. In Zimbabwe, a mixed-methods research of manufacturing, telecommunications, and standards-certification organizations found that environmental factors explained over 80% of implementation efficacy variance, outweighing internal resources (Gaza, 2024). Currency volatility, power disruptions, and regulatory uncertainty were the main external stressors that forced managers to change their strategy.

Batista et al. (2021) show that rapid urbanization and policy experimentation have left Ghana's municipal trash sector very uncertain. Integrated waste-management approaches, including recycling cooperatives, energy generation from garbage, and public awareness campaigns, outperformed mono-service suppliers. The integrative strategy helped them reconfigure stakeholder coalitions and revenue sources in response to policy subsidies.

Identified Gaps

Research gaps evident in current surveyed scholarship are detailed in the following subsections.

Strategy Implementation Studies in Emerging Economies

Traditional implementation scholarship, influenced by work in North American conglomerates, emphasises planning rigour, incentive alignment and performance monitoring. When applied to emerging economies, these prescriptions explain only a modest portion of variance in outcomes because they underplay context-specific volatility (Habibullah & Kamal, 2024). More recent

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

investigations adopt longitudinal and configurational lenses. Forliano et al. (2022) trace Italian multinational units in Brazil and India, finding that shifts in local policy environments trigger waves of capability development that, over time, interact with performance in non-linear patterns.

Research on Adaptation under High Dynamism

The adaptation literature is substantially richer, encompassing dynamic capabilities, organisational resilience, and ambidextrous learning. Gong et al. (2021) verify that absorptive capacity moderates the influence of practice strategies on adaptability in Chinese construction firms. Do et al. (2022) reveal that resource-based management initiatives underpin resilience and innovation among Vietnamese manufacturers. Yunita et al. (2023) illustrate how technological capacity fosters ambidexterity when environmental dynamism is high. Yet adaptation studies seldom link capabilities explicitly to implementation processes; most focus on innovation outputs or performance indicators without tracing the intermediate steps of policy deployment, operationalisation and stakeholder integration.

Yuan et al. (2021) caution that environmental dynamism can exert opposite moderating effects at different levels of ambidextrous learning, suggesting that the relationship is curvilinear and context dependent. Such complexity has yet to be incorporated into implementation models.

Sustainability research in emerging markets has proliferated, examining green supply-chain management, CSR–performance links and ESG reporting. Banik et al. (2022) identify critical success factors for green supply-chain adoption in Bangladeshi electronics firms, while Le (2022) establishes that green innovation mediates the relationship between CSR and firm performance in Vietnam. Tekala et al. (2024) explore how green structural capital conditions the outcomes of green entrepreneurship in Turkey.

A review of extant literature exposes four significant voids. First, there is limited theorisation of how environmental dynamism's multiple dimensions interact to shape capability requirements at each stage of the implementation cycle. Market volatility, technological turbulence and institutional flux are often examined separately, yet in practice they co-evolve, creating compound uncertainties.

Second, the mediating logic linking adaptation mechanisms to sustainable implementation remains under-specified. Dynamic capabilities are typically treated as black boxes; their microfoundations, temporal sequencing and ESG embedding are insufficiently articulated.

Methods and Data

The paper is a theory building study that uses an abductive synthesis. The analysis iterates between established theories that include the resource based view, dynamic capabilities, institutional theory, and stakeholder and sustainability perspectives, and empirical regularities that have been reported in volatile

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

settings within emerging economies. The objective is to assemble a parsimonious yet comprehensive model that explains how environmental dynamism can be converted into sustainable strategy implementation outcomes and to formulate propositions that are suitable for empirical testing.

Model-Building Approach and Underlying Assumptions

The model is derived through an abductive synthesis of the theoretical streams and empirical regularities reviewed earlier. The abductive mode was selected because it permits iterative movement between abstract concepts and concrete observations, an epistemological stance well suited to turbulent emerging-economy contexts where theory is still formative. Three assumptions shape the model. First, environmental dynamism is multidimensional and endogenous to the strategic system because strategic choices by focal firms, competitors, regulators, and civil-society actors constantly re-shape the very environment that is being navigated. Second, adaptive capability is presumed to be unevenly distributed across firms, reflecting historical resource endowments, learning trajectories and leadership cognition. Also, sustainability is interpreted as an integrated value domain that spans financial, ecological, and social outcomes rather than a peripheral add-on.

Results

The model positions Environmental Dynamism as the primary exogenous context variable. Dynamic Capabilities for Adaptation translate environmental signals into Strategic Adaptation Processes that affect Sustainable Strategy Implementation.Two types of moderators affect these interactions. Leadership Agility, Digital Enablement, and Organizational Culture are internal boundaries. External boundary conditions include institutional alignment and stakeholder governance density. The model is articulated through nine propositions that specify directional relationships among constructs, followed by a depiction of recursive feedback wherein implementation outcomes alter capability stocks and stakeholder perceptions, thereby influencing subsequent adaptation cycles.

Core Constructs and Relational Pathways

Environmental dynamism is conceptualised as a formative construct with three dimensions: Market Volatility, Technological Turbulence, and Institutional Flux. Empirical studies demonstrate that each dimension exerts unique yet interactive pressures on organisational decision-making requirements (Habibullah & Kamal, 2024; Wang et al., 2021). In the model the three sub-dimensions combine multiplicatively, emphasising that the most destabilising scenarios are those in which all dimensions escalate simultaneously, as observed in episodes of currency devaluation coupled with rapid digital disruption and abrupt regulatory reform.

Dynamic capabilities are defined as higher-order routines that enable sensing, seizing, and transforming. Sensing capability embodies environmental scanning and data-driven foresight. Seizing

capability comprises resource mobilisation and real-time decision architectures. Transforming capability involves reconfiguring assets, redesigning structures, and codifying new knowledge. Evidence from Malaysian technology assemblers confirms that the three sub-capabilities form a second order construct whose effectiveness rises with increasing environmental dynamism (Taghizadeh et al., 2021).

Proposition 1: Environmental dynamism is positively associated with the development of dynamic capabilities for adaptation.

Strategic adaptation is operationalised as a set of iterative actions oriented toward re-aligning value propositions, business models and operational routines. Adaptation processes moderate the conversion of dynamic capabilities into implementation outcomes because they determine the actual deployment speed and breadth of capability use. Yuan et al. (2021) show that misalignment between learning orientation and business-model redesign undermines the benefit of high dynamic capability in volatile industries.

Proposition 2: The positive effect of dynamic capabilities on sustainable implementation is stronger when strategic adaptation processes exhibit high speed and breadth.

Sustainable implementation is operationalised through a balanced scorecard covering financial performance, ecological footprint, and social-equity indicators. Kafetzopoulos (2023) demonstrates that innovation and HR development jointly mediate the bridge between turbulence and sustainability, validating the inclusion of both hard and soft performance measures.

Proposition 3: Sustainable implementation outcomes are maximised when dynamic capabilities operate through high-velocity and broad-scope adaptation processes.

Boundary Conditions and Contextual Moderators

Leadership agility reflects senior managers' capacity for cognitive reframing, role flexibility and iterative sense-making. Dong (2023) reports that transformational leadership enhances innovation performance in volatile environments by aligning business-model renewal with capability investments.

Proposition 4: Leadership agility positively moderates the relationship between environmental dynamism and dynamic capabilities, such that firms led by agile leaders develop stronger capabilities under identical levels of dynamism.

Digital enablement comprises cloud infrastructure, data-analytics platforms, and human–machine interface skills. Singh et al. (2024) indicate that generative AI reinforces explorative and exploitative innovation under high turbulence.

Proposition 5: Digital enablement positively moderates the relationship between dynamic capabilities and strategic adaptation processes.

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

Culture is viewed as the set of shared assumptions that determine acceptable risk levels, learning styles and stakeholder orientation. Ali and Varoğlu (2022) find that cultures tolerant of ambiguity support rapid structural pivots in small manufacturing firms.

Proposition 6: An adaptive organisational culture strengthens the translation of strategic adaptation processes into sustainable implementation outcomes.

Institutional alignment refers to formal and informal practices that synchronise organisational activities with regulatory and normative expectations. Wang et al. (2021) show cooperative innovation to be most effective in provinces with developed institutions.

Proposition 7: Institutional alignment mechanisms positively moderate the relationship between environmental dynamism and sustainable implementation by reducing compliance uncertainty.

Stakeholder governance density denotes the intensity and diversity of stakeholder engagement structures. Tekala et al. (2024) emphasise green structural capital as a proxy for stakeholder knowledge. In Zimbabwean cases, stakeholder misalignment was the principal negative predictor of implementation success.

Proposition 8: Stakeholder governance density positively moderates the relationship between strategic adaptation and sustainable implementation, provided engagement is proactive rather than reactive.

The model includes a feedback loop in which implementation outcomes influence future capability development. Successful sustainable implementation enhances reputation, investor confidence and employee commitment, thereby increasing the stock of resources available for capability renewal. Conversely, failures erode resource buffers and raise stakeholder scepticism. Kyrdoda et al. (2023) confirm that resilience accumulated through past crises predicts faster innovation mobilisation in subsequent shocks.

Proposition 9: Sustainable implementation outcomes feedback positively into dynamic capabilities through resource accumulation and experiential learning, fostering a virtuous capability-building cycle when outcomes are positive and a vicious cycle when outcomes are negative.

Discussion

Theoretical Implications

This article responds to calls for a more integrated theory of strategy implementation in volatile contexts. By embedding environmental dynamism at the root of the causal chain, the model departs from traditional alignment views that assume exogenous stability. The model extends RBV by demonstrating that resource value is contingent upon reconfigurability, a property shaped by environmental intensity. Consistent with dynamic-capabilities scholarship, the framework specifies sensing, seizing, and

International Journal of Applied Research in Business and Management (ISSN: 2700-8983)
an Open Access journal by Wohllebe & Ross Publishing, Germany.
Volume: 06 Issue: 02 Year: 2025
https://doi.org/10.51137/wrp.ijarbm.2025.tgsf.45895

transforming as mediation mechanisms but goes further by introducing speed and breadth as meta-attributes, thereby operationalising the elusive concept of capability dynamism. Institutional theory is advanced by portraying alignment as an endogenous organisational capability rather than a passive compliance activity. Stakeholder and ESG theories are elaborated by positioning stakeholder governance density as a moderator that can enable or stifle sustainability outcomes, thus addressing the mixed empirical findings on stakeholder influence.

Managerial Implications

The proposed model highlights several capability investments that managers in volatile emerging markets should prioritise. First, sensing routines must integrate market analytics with regulatory and societal horizon scanning because simultaneous shocks across these domains are increasingly common (Habibullah & Kamal, 2024). Building such routines requires digital infrastructure; cloud-based data lakes and real-time dashboards have been shown to accelerate recognition of discontinuities and shorten decision cycles (Singh et al., 2024). Also, ambidextrous learning architectures that allow experimentation while preserving operational discipline are essential. Empirical evidence indicates that knowledge-management capability strengthens the link between environmental dynamism and innovation output by enabling rapid recombination of dispersed expertise (Taghizadeh et al., 2021). Moreover, leadership-development programmes should cultivate cognitive flexibility, political skill and ethical framing, attributes associated with transformational leadership that enhances innovation performance under turbulence (Dong, 2023). To add on, managers ought to design stakeholder-governance structures—advisory councils, joint task forces and co-creation workshops—before crises erupt; proactive engagement increases the density of relational capital that legitimates rapid strategic pivots (Tekala et al., 2024).

Policy Implications

The model also carries actionable lessons for policymakers seeking to strengthen industrial resilience and sustainable growth. Stable and transparent regulatory frameworks magnify the payoff from firm-level dynamic capabilities by reducing compliance ambiguity and lowering the cost of experimentation (Wang et al., 2021). Investment in national digital infrastructure is equally pivotal; connectivity gaps constrain SMEs' ability to deploy data-driven sensing systems that mediate the turbulence–performance relationship (Yousaf et al., 2021). Targeted incentives, such as green-tax credits and mandatory ESG disclosure, encourage firms to embed sustainability in adaptive routines, thereby transforming external environmental pressures into innovation triggers (Kafetzopoulos, 2023). Policymakers can further catalyse cooperative innovation by convening multi-stakeholder platforms that link private technology developers with community organisations and universities; such platforms have been shown to mitigate uncertainty costs and accelerate capability renewal (Do et al., 2022). Capacity-building programmes that enhance managerial literacy in data analytics and stakeholder engagement will also amplify the

absorption of public investments and foster virtuous cycles of capability accumulation and sustainable performance (Kyrdoda et al., 2023).

Conclusion

In sum, this paper has tried to advance an integrative model that explains how strategic adaptation mediates the relationship between environmental dynamism and sustainable strategy implementation in emerging economies. Drawing on RBV, dynamic-capabilities, institutional and sustainability theories, the model specifies dynamic capabilities as critical mediators and identifies leadership agility, digital enablement, culture, institutional alignment, and stakeholder governance as salient boundary conditions. The theoretical propositions seek to clarify complex empirical patterns observed in countries such as Zimbabwe, Malaysia, and Ghana, where environmental shocks concurrently threaten and stimulate organisational renewal. The model's primary limitation is its theoretical nature; empirical validation is still required. Measurement challenges are non-trivial because constructs such as capability speed and stakeholder governance density are multidimensional and context specific. Another limitation concerns boundary scope: the model focuses on firm-level adaptation, leaving out inter-firm network dynamics such as supply-chain resilience except insofar as they are captured under stakeholder governance.

Future studies should operationalise the proposed constructs and test the propositions through longitudinal mixed methods designs. Cross-industry comparisons could illuminate whether capability–performance linkages differ between asset-heavy manufacturing and asset-light digital service models. Micro-process research using real-time data and ethnographic methods may uncover behavioral microfoundations of sensing and seizing in volatile contexts. Finally, multi-level modelling can incorporate sectoral and national institutions to evaluate their interaction with firm-level adaptation in generating sustainable outcomes.

References

Ali, M., & Varoğlu, M. A. (2022). Revisiting the Mintzberg, Lawrence, and Lorsch theories about organisational structure, strategy, and environmental dynamism from the perspective of small firms. *Technology Analysis & Strategic Management*, *34*(1), 1-15.

Bandeira, G. L., Trindade, D. N. P., Gardi, L. H., Sodario, M., & Simioni, C. G. (2023, April). Developing an ESG strategy and roadmap: An integrated perspective in an O&G company. In *Offshore technology conference* (p. D021S027R002). OTC.

Banik, A., Taqi, H. M. M., Ali, S. M., Ahmed, S., Garshasbi, M., & Kabir, G. (2022). Critical success factors for implementing green supply chain management in the electronics industry: an emerging economy case. *International Journal of Logistics Research and Applications*, *25*(4-5), 493-520.

Batista, M., Caiado, R. G. G., Quelhas, O. L. G., Lima, G. B. A., Leal Filho, W., & Yparraguirre, I. T. R. (2021). A framework for sustainable and integrated municipal solid waste management: Barriers and critical factors to developing countries. *Journal of Cleaner Production*, *312*, 127516.

Do, H., Budhwar, P., Shipton, H., Nguyen, H. D., & Nguyen, B. (2022). Building organizational resilience, innovation through resource-based management initiatives, organizational learning and environmental dynamism. *Journal of business research*, *141*, 808-821.

Dong, B. (2023). How transformational leadership affects firm innovation performance-a perspective based on environmental dynamism and business model innovation. *Journal of Chinese Human Resources Management*, *14*(2), 38-50.

Forliano, C., Ferraris, A., Bivona, E., & Couturier, J. (2022). Pouring new wine into old bottles: A dynamic perspective of the interplay among environmental dynamism, capabilities development, and performance. *Journal of Business Research*, *142*, 448-463.

Gidage, M., & Bhide, S. (2025). ESG and economic growth: Catalysts for achieving sustainable development goals in developing economies. *Sustainable Development*, *33*(2), 2060-2077.

Gong, Y., Le, Y., Zhang, X., Chen, X., & Zeng, H. (2021). Organizational adaptability influenced by practice strategy, environmental dynamism, and absorptive capacity. *Complexity*, *2021*(1), 4241485.

Habibullah, M., & Kamal, A. (2024). Environmental Dynamism and Strategic Performance in Small and Medium Enterprises. *Journal of Energy and Environmental Policy Options*, *7*(3), 35-42.

Hosan, S., Karmaker, S. C., Rahman, M. M., Chapman, A. J., & Saha, B. B. (2022). Dynamic links among the demographic dividend, digitalization, energy intensity and sustainable economic growth: Empirical evidence from emerging economies. *Journal of Cleaner Production*, *330*, 129858.

Kafetzopoulos, D. (2023). Environmental dynamism and sustainability: the mediating role of innovation, strategic flexibility, and HR development. *Management Decision*, *61*(6), 1697-1716.

Kyrdoda, Y., Balzano, M., & Marzi, G. (2023). Learn to survive crises: The role of firm resilience, innovation capabilities and environmental dynamism. *Technology in Society*, *74*, 102285.

Le, T. T. (2022). How do corporate social responsibility and green innovation transform corporate green strategy into sustainable firm performance? *Journal of Cleaner Production*, *362*, 132228.

Li, Y., Chen, M., Cai, Z., & Liu, H. (2023). Online-offline channel integration and innovation ambidexterity: Roles of top management team and environmental dynamism. *Journal of Business Research*, *160*, 113792.

Samans, R., & Nelson, J. (2022). Corporate strategy and implementation. In *Sustainable enterprise value creation: implementing stakeholder capitalism through full ESG integration* (pp. 141-186). Cham: Springer International Publishing.

SHAMIL, M. M., SHAIKH, J. M., HO, P., & KRISHNAN, A. (2022). External Pressures, Managerial Motive and Corporate Sustainability Strategy: Evidence from a Developing Economy. *Asian Journal of Accounting & Governance*, *18*.

Sibarani, S. (2023). ESG (Environmental, social, and governance) implementation to strengthen business sustainability Pt. Migas–North field. *European Journal of Business and Management Research*, *8*(1), 147-150.

Singh, K., Chatterjee, S., & Mariani, M. (2024). Applications of generative AI and future organizational performance: The mediating role of explorative and exploitative innovation and the moderating role of ethical dilemmas and environmental dynamism. *Technovation*, *133*, 103021.

Taghizadeh, S. K., Karini, A., Nadarajah, G., & Nikbin, D. (2021). Knowledge management capability, environmental dynamism, and innovation strategy in Malaysian firms. *Management Decision*, *59*(6), 1386-1405.

Tawiah, V., Zakari, A., & Adedoyin, F. F. (2021). Determinants of green growth in developed and developing countries. *Environmental Science and Pollution Research*, *28*(29), 39227-39242.

Tekala, K., Baradarani, S., Alzubi, A., & Berberoğlu, A. (2024). Green Entrepreneurship for Business Sustainability: Do Environmental Dynamism and Green Structural Capital Matter? *Sustainability*, *16*(13), 5291.

Verma, P., Kumar, V., Daim, T., & Sharma, N. K. (2023). Design thinking framework toward management control system in environmental dynamism: An innovation perspective. *IEEE Transactions on Engineering Management*, *71*, 4955-4970.

Voorhees, P. M., Croessmann, D., & LoMonaco, G. W. (2022). Roadmap to an ESG strategy: Five key steps for success in 2022. *The Journal of Equipment Lease Financing (Online)*, *40*(1), 1-11.

Wang, X., Sun, J., Tian, L., Guo, W., & Gu, T. (2021). Environmental dynamism and cooperative innovation: the moderating role of state ownership and institutional development. *The Journal of Technology Transfer*, *46*, 1344-1375.

Yousaf, Z., Radulescu, M., Sinisi, C. I., Serbanescu, L., & Păunescu, L. M. (2021). Towards sustainable digital innovation of SMEs from the developing countries in the context of the digital economy and frugal environment. *Sustainability*, *13*(10), 5715.

Yuan, C., Xue, D., & He, X. (2021). A balancing strategy for ambidextrous learning, dynamic capabilities, and business model design, the opposite moderating effects of environmental dynamism. *Technovation*, *103*, 102225.

Yunita, T., Sasmoko, S., Bandur, A., & Alamsjah, F. (2023). Organizational ambidexterity: The role of technological capacity and dynamic capabilities in the face of environmental dynamism. *Heliyon*, *9*(4).

Zhang, F., & Zhu, L. (2021). Social media strategic capability, organizational unlearning, and disruptive innovation of SMEs: The moderating roles of TMT heterogeneity and environmental dynamism. *Journal of Business Research*, *133*, 183-193.

Zhang, F., Chen, J., & Zhu, L. (2021). How does environmental dynamism impact green process innovation? A supply chain cooperation perspective. *IEEE Transactions on Engineering Management*, *70*(2), 509-522.