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Role of Learning and Knowledge Transfer for Sustainable Development of the Company

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Abstract: Sustainable development and the building of competitive advantages occupy a central place in the company's strategy. The new challenges require finding a balance between the economic, social and environmental aspects of business, through a fundamental rethinking and change in strategic policies, decisions and actions, which in practice means forming a new way of thinking and a model of behavior. The main factor and driver for achieving the sustainable goals is the process of learning and the transfer of knowledge in the company. The aim of the study is to develop a model in which learning and knowledge transfer are a link between dynamic capabilities and the firm's sustainable strategy and the building of competitive advantages. The conducted empirical research confirms the inferred relationships and dependencies in the model. The results prove the extremely important role and importance of information, learning, knowledge transfer and the creation of new knowledge in the company as factors for building the system of dynamic capabilities and developing a sustainable strategy, which allow adaptation to new development trends and realization of strategic goals.

Keywords: Sustainable development, Dynamic capabilities, Knowledge, Company strategy

Introduction

Sustainable development and building competitive advantages (in three aspects – economic, social and environmental) occupy a central place in the strategic behavior of the company. Although there is still relatively little evidence, practice proves the existence of a strong relationship between sustainable development and the long-term success of the firm (building competitive advantages), which is mediated by the firm's strategy. The development of a sustainable strategy depends on both external factors (monitoring the external environment, assessment, learning and reconfiguration) and internal factors (culture, history, reputation, resource base, distinctive competencies, organization, management).

The complex issue facing each management team is to develop relevant strategic policies and solutions aimed at creating, offering and realizing additional economic, social and environmental value and satisfying the interests of a company (realization of company goals), consumers and society as whole. Success can only result from building dynamic company capabilities oriented towards sustainable development, which are directly related to the strategic objective and support strategic change, through learning, integration of knowledge, coordination and reconfiguration of resources and competences. Their building and development is a function of managerial skills, knowledge, values and leadership, which allows adaptation to the dynamic environment to begin with change within the firm itself, making it different and creating conditions for advantages.

Dynamic capabilities (ability to monitor, evaluate, absorb information and learn, knowledge transfer) are intellectual inputs built on the basis of company resources and operational competencies. They influence, change strategic behavior, improve company competencies and operational activity (but without directly participating in production), which in turn has a positive impact on their development. Resources, operational competencies, dynamic capabilities, and strategy build a system of interrelated and dependent elements that collectively determine a firm's competitiveness.

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Competitive advantages grow when these firm-level elements are strong and aligned with each other and with the external environment (Teece, 2018). In the conditions of a dynamic environment, the relationship between dynamic capabilities and the company's strategy is not direct, but indirect, through the process of learning and knowledge transfer (a relationship that is rarely the subject of in-depth research) (Fig. 1.).

This also determines the purpose of the research - 1) development of a conceptual model in which learning and knowledge transfer are a link between dynamic capabilities and the company's sustainable strategy and the building of competitive advantages, and 2) empirical study of the model to prove the interrelationships and dependencies and the influence on the process of building competitive advantages.

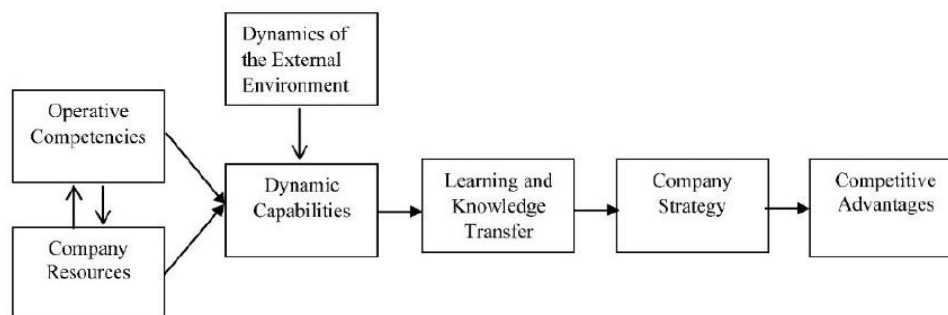


Figure 1. Learning and knowledge transfer – a link between dynamic capabilities and the company strategy and the building of competitive advantages

Therefore, this paper aims to investigate how and with what characteristics learning and knowledge transfer influence sustainable development and building competitive advantages at an empirical level. To meet this goal, the empirical analysis focuses on Bulgarian companies that develop a sustainable strategy, applying known good practices, taking into account their company and market specificities. The conclusions contribute to the understanding of the key success factors (dynamic capabilities, training, knowledge transfer, creation of an extended firm), enrich the theory and practice in this direction, providing information and stimulating the sustainable development of other firms. The article is structured as follows: Literature Review, Definition of Hypotheses and Conceptual Model (Section 1), Method (Object of the Research, Procedure and Research Tools - Section 2) and Results and Discussion Questions (Section 3).

Literature Review, Definition of Hypotheses and Conceptual Model

The research of the problems related to the sustainable development of the company is based on several theories. First of all, the firm's decision to accept the social, environmental and economic challenges is influenced by various directly and indirectly stakeholders (government regulators, non-governmental organizations, local communities, shareholders, customers - Stakeholder theory) (Elijido-Ten, 2007). On the other hand, company activity is strongly influenced by accepted standards, norms and requirements and the need to make them part of its activity, regardless of economic results (Institutional theory - Delmas, Hoffmann, & Kuss, 2011).

Next, the resource-based theory (RBV) has emerged as the most widely used approach to explain the relationship between a firm's resources and the developed strategy as a factor in realizing competitive advantages and the firm's goals (Barney, 1991, Barney, & Clark, 2007, Peteraf, 1993, Barney, & Hesterly, 2005, Newbert, 2008). In a dynamic environment, resource-based theory has limited potential to explain the sources and factors that influence the building of competitive advantages.

Under such conditions, the firm can develop and adapt, by building new capabilities and competencies and their constant configuration and reconfiguration in response to changes in the external and internal environment. Successful company development requires analysis and evaluation not only of internal resources but also of external factors/resources, which necessitates the need for a new approach that takes into account the influence of both types of resources or application of the theory of dynamic capabilities (Teece, Pisano, & Shuen, 1997, Helfat, et al., 2007, Eisenhardt, & Martin, 2000, Zollo, & Winter, 2002). A central place in the theory is the connection of external and internal resources with the organization and company management, which in their unity can ensure the building of competitive advantages. From such a point of view, it is first necessary to

clarify the relationship between resources, dynamic capabilities and strategy, and the place and role of learning and knowledge transfer in the activity of a company oriented towards sustainable development.

Resources are defined as all the assets that the firm owns, controls or has access to, and competencies (market, technological, innovative, managerial, organizational) are its ability to perform a coordinated set of tasks in order to achieve a certain end result (Helfat, & Peteraf, 2003). Company resources include tangible (property, plant, equipment, financial assets, IT systems and personnel) and intangible (information, knowledge, history, reputation, experience, leadership skills, brand, customer relationships) resources (Gruber et al., 2010). Intangible resources can also be defined as an opportunity, flexibility of the company to adopt and further develop all new technological and competitive discoveries, to create and offer higher added value for its customers, through creative development, combining, transferring, accumulating knowledge, experience, which determine increasing opportunities to build competitive advantages (Petrick et al., 1999).

A central place is occupied by knowledge, which includes information and know-how, technological, managerial and marketing competences in various spheres of the company's activity. It can be explicit (written, defined - facts, theories, principles, etc.) and therefore easy to assimilate and disseminate, and tacit knowledge (acquired, developed personal skills and experience), which is more difficult to assimilate and distribution (Easterby-Smith, & Prieto, 2008).

The source of knowledge can be external - obtaining, collecting, analyzing, absorbing new information and innovations, or internal - various mechanisms for its intra-organizational sharing, development and enrichment (Zahra, & George, 2002). Knowledge as a basic resource alone cannot create the desired additional value and provide competitive advantages. It must be combined effectively with the company's other intangible and tangible resources/assets, which can be defined as complementary and they generally create new opportunities for growth and development, through effective control and management. The development of knowledge in the company can improve and develop complementary intangible and material resources, and they, in turn, have an impact on its development at a new level, or there is a dynamic permanent relationship and influence between them.

Corporate knowledge is a system of internally accumulated/generated knowledge and assimilated, acquired external knowledge. Due to the growing dynamics of the external environment and the increasingly difficult predictability of processes, the importance of external knowledge is increasing. Under these conditions, the main task and goal of the company is learning. It is a constant dynamic process of strategic renewal, a function of the transfer and diffusion of new knowledge and its use (replacement of existing knowledge), which turns it into a key, fundamental, specific resource and therefore a source of competitive advantage (Grant, 1996).

To realize this task, it is necessary to create a system for managing the learning and knowledge transfer process, which includes: 1) technological side - the created information processing system, information-technological infrastructure, data collection system, virtual expert centers, as well as others technical and managerial procedures, and 2) a social side that concentrates on the firm's accumulated knowledge resulting from history, experience, cultural factors and social relations. The two sides of the learning and knowledge transfer management process - technological and social are independent but interacting (Easterby-Smith, & Prieto, 2008).

Each company has a unique, specific ability to identify, absorb and use information and knowledge from the external environment. The relationship between external and internal resources/knowledge in order to build competitive advantages is realized by three main factors, defined as adaptive, absorptive and innovative ability of the managers, which provide a constant opportunity to integrate, reconfigure, renew, develop and change resources in accordance with changes in the external environment (Wang, & Ahmed, 2007, 44). They are interrelated but conceptually distinct: Adaptability is related to a firm's ability to adapt to changes in the environment, through resource flexibility and alignment of internal and external factors and capabilities. Absorptive capacity develops the skills of assimilating new knowledge, combining external and internal knowledge and using it effectively. Innovative capability refers to a firm's ability to develop new products, services, markets, and the relationship between them (Wang, & Ahmed, 2007).

Furthermore, there is a difference between potential capability and realized capability, which is the basis of the creation of a strategic resource and the construction of competitive advantages (Zahra, & George, 2002). The dynamism of the external environment creates the potential for assimilation and transformation of information, both from different types of markets (moderately or rapidly dynamic) and from companies with high learning potential, through a diffusion process. Potential absorptive capacity is related to the ability to acquire

knowledge, resources, but these have value only when properly combined with the resources available to the given firm.

The transformation of the absorption potential and the achievement of a real absorption capacity is the result of the existing mechanism of integrating the individual contribution within the business unit, entering people and activities into the common organization and structure (through a shared understanding, creating a common basis and developing of a new model for perception). In this mechanism, various administrative and technical processes can influence the behavior of the company's employees and reduce or increase efficiency. Therefore, the potential capacity for absorption is the basis for acquiring and assimilating knowledge, but it does not have the ability to disseminate and use this knowledge. For this purpose, the ability to collect and interpret information and discover guidelines for its use in order to adapt to the external environment is necessary. The potential adaptive capacity provides the necessary strategic flexibility of the firm (development and implementation of a new product/process, new development strategies or a combination thereof), or its innovative capacity (Wang, & Ahmed, 2007).

The learning mechanism implicitly includes and emphasizes the importance of the accumulated experience and skills, and the transfer of knowledge points to the need to absorb information and integrate it as new knowledge in the company. The new collective knowledge created is a major factor in change, reconfiguration of resources and competences, which is crucial for a firm operating in a complex environment with a high degree of uncertainty and turbulence. Therefore, the management of learning in the company is aimed at creating new knowledge, through the identification, transfer, integration of internal and external knowledge and its use, with the aim of strategic renewal and increasing its competitiveness. They are key to its sustainable development and connection between dynamic capabilities and the realization of strategic goals, which will be analyzed in more detail.

Dynamic capabilities are defined as "a system of the firm's ability to integrate, build, develop and adapt its external and internal resources and competencies to changes in the business environment that ensure its development, growth and building competitive advantages" (Teece et al., 1997, 516) and also as "a system for learning and creating stable internal and external connections through which it generates higher operational efficiency, allowing it to realize its long-term goals" (Zollo & Winter, 2002, 344). They are "a specific company process through which resources are integrated, reconfigured, acquired and released, as well as organizational, strategic procedures through which the company creates new resources and configurations in order to realize competitive advantages and higher profit in the conditions of constant market dynamics" (Eisenhardt & Martin, 2000, 1105). Other authors define dynamic capabilities as the ability of any firm to identify the need for changes, evaluate alternatives and make appropriate decisions to adapt to external changes, which include strategic and organizational internal changes (create, develop, expand and modify its resources) (Helfat, et al., 2007).

The new challenges related to the sustainable development of the company - the simultaneous solution of economic, environmental and social challenges and the building of competitive advantages require their redefinition and expansion of the scope. The author defines the dynamic capabilities oriented towards sustainable company development as a complex, multidimensional system of interconnected and complementary specific activities that include: 1) the ability of the senior management team to identify and analyze the need for economic, environmental and social changes by monitoring the dynamics of the external environment, analyzing information, evaluating alternatives and learning (higher-level dynamic capabilities), 2) targeted solutions related to the internal operational organization and company management and aimed at knowledge transfer and their integration, coordination and reconfiguration of resources and company competencies (market, technological/innovative, organizational and managerial), which ensure the operational efficiency of the company (dynamic capabilities from a lower level). The ultimate goal is to create a strategic resource in response to changes in the external environment and the expectations of stakeholders, which allows offering higher economic, social and environmental value to the market when performing one or more core activities, or building of competitive advantages.

Building dynamic capabilities is not a one-time action to provide changes in resources and capabilities as a response to the dynamics in the environment, but an ongoing process of monitoring, evaluating, analyzing alternatives. This is the basis for developing the company strategy, defining the strategic goals, tasks and the necessary strategic changes of resources and competencies, response to the growing economic, environmental and social demands of stakeholders and society as a whole.

Strategic management recognizes both the evolutionary nature of the company (adaptation and development based on accumulated experience and knowledge), and the role of managers to transform and create new knowledge in a way that ensures the realization of competitive advantages in the conditions of market dynamics.

Strategic leadership involves making clear decisions about vision (positions today, desired position tomorrow), time (present and future), assessment of opportunities, resources and knowledge (learning and action) and integrating the idea of sustainable development into the corporate thinking of all companies levels. The dynamic environment requires the senior management team to be more knowledgeable, innovative and adaptable. The most important thing is to accept the need for change, reconfiguration of resources and competences, as a continuous process, in order for the company to maintain and expand its market positions.

The development of a strategy oriented towards sustainable development combines corporate thinking, visioning, leadership, innovation aimed at change and adaptation to new conditions. As stated, this is a function of analyzing the impact of the external environment (stakeholders) and built dynamic capabilities, as well as analyzing and evaluating internal resources and operational competencies. The goal is change in order to create a strategic resource, a factor for building competitive advantages and realizing the company's goals (in all three aspects). This requires a comprehensive view of the business environment, taking into account social, economic and environmental aspects of the activity, but also traditional company goals - satisfying the wishes of customers and expanding market positions. In this process, the principles of sustainable company development must be implicitly embedded.

The environmental and social aspects of the given company activity must be effectively integrated into strategy, policies, economic priorities and managed as a single system. The goal is to create the perfect firm with a clearly defined mission, vision, effective management and organization, in a way that allows maintaining a viable fit between strategic goals, resources and competencies, through change and adaptation (Cyfert, et al., 2021).

The company's sustainable development-oriented strategy is based on several key premises:

The first of them is that the realization of the set goals - building competitive advantages is a function of the ability to create, offer and realize higher additional economic, ecological and social value. Secondly, the inclusion of sustainability in the company's strategy should be the result of a systemic, holistic approach, covering all structures and business units. This in turn is achieved through strategic leadership across the organization, proactive business strategy development, strategic innovation, implementation and execution. Next, the ability of the management team to move beyond the traditional viewpoints of the supply and demand approach and the narrow focus on competitors, markets and customers is of particular importance. He must engage, interact and understand market dynamics and the entire social, natural and business environment.

It is necessary to collect and process a large amount of information about development prospects, opportunities for sustainable results and long-term financial success, and on this basis make decisions aimed at change, which are significantly different from traditional ones.

Important drivers of sustainable development are cultural factors, such as motivation, information absorption skills, commitment and a long-term management horizon.

One of the main challenges in developing the company strategy is the ability to integrate principles, norms of sustainable development into the overall philosophy and policy (such as mission, vision, goals) of the company, and not as a separate aspect in separate directions of development. The idea of sustainable development must be dominant, determining in decision-making, both at the strategic (relationships, relations with stakeholders) and at the operational level (concrete actions, daily company work).

Synchronizing interests and building trust between the company, customers and stakeholders is essential for developing a successful strategy oriented towards sustainable development. A key success factor is the building of dynamic capabilities, the assessment of resources (tangible and intangible) and operational capabilities/competencies and their change through learning and knowledge transfer.

The first task in developing a strategy is to identify and analyze the challenges and develop an approach to overcome them (Rumelt, 2011). A source of information to prompt and facilitate managers in making these important decisions to reconfigure operational competencies is the dynamics in the external environment. The main problem facing every company is creating an effective monitoring system, assessment of development opportunities and threats, forecast of expected changes in the external environment and active communication with stakeholders.

Monitoring is related to the collection of information, data on changes in tastes, preferences, consumer demand, competitive actions and reactions, the emergence and development of new technologies. The information thus collected identifies the possibilities for the development of innovations (product and/or process) and the prospects of the company. Stakeholder pressure (customer demands, vertical chain participants, government regulations) is a particularly important factor affecting a company's reputation and image. This necessitates the creation of a robust and permanent mechanism for communication and information exchange with them in order to promptly recognize new sustainable challenges and analyze their impact on operational activity. These capabilities in today's environment are a function of a company's ability to analyze, assimilate information, and transfer it into knowledge.

The ability to monitor and analyze the external environment focuses on gathering and evaluating new market information and development alternatives, and learning is the ability to develop and enrich the firm's internal knowledge by acquiring, assimilating, sharing, integrating, transforming and creating new knowledge on the collected information. The two capabilities are different, but there is a reciprocal two-way relationship between them – the monitoring process stimulates the learning process, and the learning improves monitoring and analysis skills. Learning and knowledge transfer are the factors that drive activity, enable innovative problem solving and the development of new change initiatives, reconfiguring resources, operational capabilities and creating new distinctive competencies.

On the other hand, the new knowledge created in the learning process is owned by individuals and must be integrated at the collective level (Teece, 1982), by developing new patterns of interaction in the different units of the firm. This process involves spreading individual contributions within the business unit, fitting people and activities into the overall organization and structure and interaction between them, which allows the realization of change through collective activity (Helfat, Peteraf, 2003). Along with this, it is necessary to build a system for distribution, storage of knowledge, management of intellectual property, promotion of innovation and experimentation. The integration of external and internal knowledge is the basis of the system of dynamic capabilities and an important factor in developing a new strategy that meets the challenges.

The activities related to the process of learning and knowledge transfer require a new distribution of tasks, resources and people, as well as coordination and synchronization of their activities. Coordination is carried out through the exchange of information between individual employees, teams, different departments, which allows the company to evaluate a given resource and find a way to use it in a new, more efficient way. The new challenges require the creation of a mechanism that integrates the stakeholder in the company's activity, in the integrated vertical supply chain, strategic alliances, which is also a factor in building their loyalty. The active inclusion and engagement of employees in decision-making, integration and coordination of business processes that support the realization of the desired change is particularly important.

The reconfiguration of resources and competences as the ultimate goal must be carried out in such a way that stakeholders not only accept the need for change, but also are confident in the environmental and social effectiveness of the decisions taken by managers - implementation of new technologies, creation, acquisition, or integration of new resources and capabilities, or disposal (release) of unnecessary and redundant resources and capabilities. Therefore, the ultimate reconfiguration and creation of new resources and operational competencies in response to the dynamics in the environment is a function of the development of a learning system, the creation of the capacity to acquire, transfer and integrate knowledge (Zahra, George, 2002) at all levels in the firm and its partners, participants in the vertical chain, and coordination focuses on the organization and implementation of the activities themselves.

Even more important is the firm's ability to integrate existing, accumulated internal knowledge with external knowledge, which very often forms the basis of creating completely new knowledge and competitive advantages. The source of external knowledge is usually the interested parties, and the various alliances, networks to which the company belongs. These are usually formal or informal arrangements between actors that enable them to pool and exchange resources or commit to common goals (Gulati, 1998). In these alliances, strategic relationships and various mechanisms are created for exchange, dissemination of information, experience, ideas for innovation, and ultimately transfer of knowledge, which brings mutual benefit.

Each firm can acquire new technological, marketing, management, production and other necessary knowledge from its partners. On this basis, it can develop and generate new internal technological, marketing, management, production knowledge. Participation in alliances, vertical chains, facilitates the mechanism of integration of external and internal knowledge, by increasing the flow of knowledge obtained from different segments, teams, individuals, different technological, market areas, joint research associations. This stimulates organizational and

managerial changes and reconfiguration of resources and capabilities, which is the end point (and goal) in the whole process of building dynamic capabilities – monitoring the dynamics of the environment, analysis, evaluation of alternatives, learning and knowledge transfer (Zheng et al., 2011).

Sustainable development requires the creation of new, specific internal processes and procedures supported by information technology that facilitate the transfer of information between all stakeholders. To develop these strategic business relationships, it is vital to create an internal company infrastructure that supports long-term relationships with key partners and enables the codification, sharing and exploitation of knowledge about markets, supply chains and customers.

Today, the strategy must include not only the company itself, but also extended firm (Rainey, 2009). It is a complex of connections, relations between internal strategic business units and their value delivery systems (supply chains, related industries, partners, customers, stakeholders and other participants in them), which are created by management teams at different levels. The goal is information exchange, coordination and knowledge transfer, which ensures maximum benefit for all participants. A valuable source of knowledge is the participating companies, which share their understanding of sustainable development, application of circular economy principles, opportunities to create new capabilities, competencies, which is a factor in building collective competitive advantages (not company ones), a function of strategic cooperation. The larger number of participants in the extended firm, with different functions and expertise, increases the knowledge capacity, facilitates the integration of external and internal knowledge and the creation of new ones. Active formal and informal connections facilitate its transfer and use, which ultimately makes innovation and company development successful. In this case, the less overlapping the field of knowledge of the related firms, the more successful this process can be.

The exchange of ideas from different fields and free communication encourages everyone to participate in the search for new, better solutions. Shared knowledge makes it possible to timely define new opportunities or threats in the market and to take appropriate actions. The combination of the company's internal learning mechanism and access to external sources of knowledge is a factor in achieving goals. Intercompany knowledge transfer covers both economic and environmental (reducing environmental pollution through the development and implementation of new technologies, use of recycled materials, etc.) and social aspects. This facilitates a firm's ability to sense and manage both internal and external social and environmental issues, which are by definition long-term and distinct from immediate, short-term financial benefits.

The creation of the extended firm increases the firm's competences because it provides access to the specific knowledge and resources that other actors possess and this is an important factor for stimulating innovation, especially "open, complementary" innovation. The interdependence of the specific assets that are complementary implies a policy of integration and cooperation between the companies, exchange of information, knowledge from suppliers, customers, competitors. The end result is the creation of new knowledge that enables the creation of a package of complementary products (goods and/or services) that increase the satisfaction of the end customer and stakeholders.

The specificity of the assets and the product created with them means that not only is it difficult for competitors to imitate the product, but it is also difficult for them to purchase this asset from the market, use it in the same efficient way and realize competitive advantages. The creation of the extended company allows interaction between partners through joint training programs and knowledge transfer, effective management, which is a strong factor in building not firm but interfirm competitive advantages (in the three aspects - economic, social and environmental). On this basis, the author derives the dependencies in the conceptual model: "Learning and knowledge transfer - a connection between dynamic capabilities and the firm's sustainable strategy and the construction of competitive advantages" and defines the following hypotheses that must be tested empirically (Fig.2):

Hypothesis 1. Learning and knowledge transfer have a positive impact on the sustainable development of the company and the construction of competitive advantages, through the system of dynamic capabilities.

Hypothesis 2. Learning and knowledge transfer have a positive impact on firm development and building competitive advantages through sustainable strategy development and implementation.

Hypothesis 3. Learning and knowledge transfer have a positive impact on sustainable company development and building competitive advantages, through the creation of an expanded company.

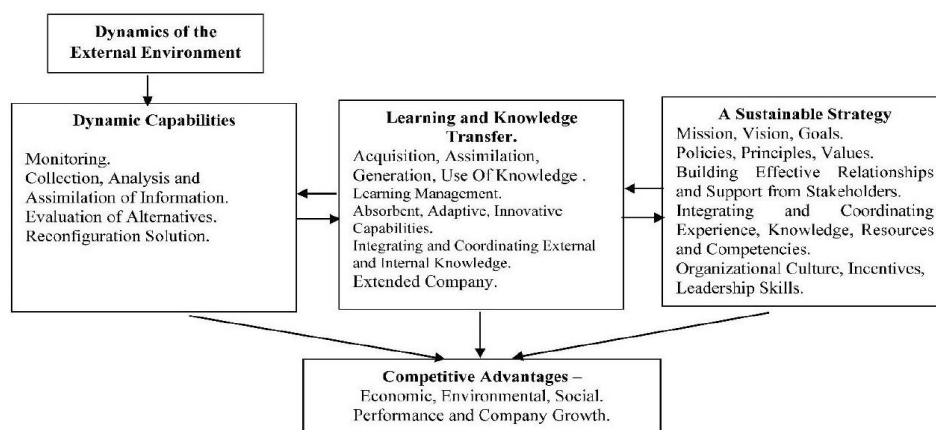


Figure 2. Conceptual model: Learning and knowledge transfer – a link between dynamic capabilities and the firm’s sustainable strategy and building competitive advantages

Method

Object of the Research. Procedure and Research Tools

The empirical research was conducted using a developed and applied methodology for evaluating the defined hypotheses and uses a method based on data collection in an open and standardized way and correlation analysis. The necessary information for the study was collected through an online survey among senior managers of the selected companies. The specificity of the researched problem necessitates the inclusion of one respondent from each company, who, however, is assumed to have complete information and knowledge about the organization he leads. Due to the expressed desire of most of them for confidentiality and anonymity (referring to company secrecy), respondents are given the opportunity to submit the survey without indicating their name or the name of their company.

Of the questionnaires sent to 90 firms, 84 were returned, of which 22 were rejected due to lack of complete responses and 7 who had been in business for less than 5 years, ultimately resulting in a sample of 55 firms and 55 managers. The research includes an equal number of small, medium and large companies operating in different markets in Bulgaria (pharmaceuticals, civil engineering, building construction, manufacturing industry, mobile services, trade, services, tourism), which have different specializations, history, territorial location, resources and competences, dynamic capabilities and a developed strategy for sustainable development, which allows generalizations and conclusions to be made with the necessary objectivity.

Since the aim is to determine the correlation and evaluate the impact of learning and knowledge transfer, through the system of dynamic capabilities, the developed strategy and the created extended firm on the sustainable company development and the building of competitive advantages in the three dimensions (economic, social and ecological) and performance, the main directions of the research and the profile of the investigated companies are summarized in Table 1 (details of the study from point 6 to point 14 are given in Appendix 1). The summarized results outline above all market and company specifics that determine different degrees of commitment to the problems of sustainable development.

The survey card included a total of 18 questions constructed as statements to which respondents referred by marking their answers from 1 to 5 on a Likert scale (where 1 means "strongly disagree" and 5 means "strongly agree"). The questions are divided into three parts that follow the formulated hypotheses (Appendix 1). In this way, the influence of the independent variables (training and knowledge transfer) on the dependent (sustainable development and building competitive advantages) can be determined.

The questions are formulated comprehensibly, the necessary explanations for certain terms have been added, but they do not exclude the influence of the subjective factor when evaluating the results achieved as a function of the specifics of the company and the market in which it operates. Cronbach's alpha coefficient was also used, whose high value (significantly higher than the accepted base of 0.7) proves internal interrelationship, consistency of the questionnaire and representativeness of the final results.

Table 1. Main directions of the study

Main directions of the study	Summary of survey results
1.Type of organization	Single entrepreneurs – 35 Stock companies - 20
2. Size of the organization (small, medium, large)	Small companies – 22 Medium companies – 19 Large companies - 14
3. Age of the company	5-10 years – 30 Over 10 years - 25
4. Sector	Pharmaceuticals (production and distribution) – 6 Mobile services – 3 Civil engineering – 5 Manufacturing industry – 11 Tourism – 6 Trade, services – 15 Building construction - 9
5. Market dynamics	The markets (pharmaceuticals, tourism, civil engineering, mobile services) are moderately dynamic, oligopolistic, with higher concentration, where a small number of large companies with significant influence in society operate. The markets (building construction, trade, services) are highly dynamic, with effective monopolistic competition, with a lower degree of concentration, where a large number of relatively small companies operate.
6. Assessment of resources (tangible, intangible)	
7. Distinctive competencies	
8. Dynamic capabilities	
9. Learning	
10. Transfer of knowledge	
11. Adaptive, absorptive and innovative capacity	
12. Sustainable strategy	
13. Extended Company	
14. Evaluation of competitive advantages. Performance	

The questions included in the survey (Appendix 1) allow to determine the impact of the defined key factors on sustainable development and the realization of competitive advantages (economic, environmental and social) and efficiency, taking into account the following aspects of the company's activity:

The assessment of the impact of training and knowledge transfer on sustainable development and the building of competitive advantages, through the system of dynamic company capabilities (Hypothesis 1) includes – established system for monitoring the dynamics of the external environment, analysis of collected information and evaluation of alternatives for company development, developed effective procedures for identification, evaluation and transfer of new information and knowledge that have the potential to stimulate innovation and reconfigure resources and distinctive competences in response of new development trends and expressed preferences of interested parties.

The role of the company's sustainable strategy, a function of the influence of learning and knowledge transfer (Hypothesis 2), includes an assessment of opportunities to develop a new vision and strategies, which takes into account the interests of the three parties - customers, company and society, solves environmental and social problems and tasks, which is a strong factor for building competitive advantages and realizing company goals, measured by non-financial and financial results.

The impact of learning and knowledge transfer on sustainable company development and building competitive advantages, through the creation of an extended company (Hypothesis 3), has been evaluated based on the established mechanism for the exchange of information and knowledge, the interaction between all participating companies, creates new perspectives for sustainable development and new ways for mutually beneficial cooperation with stakeholders.

Finally, the respondents of the surveyed companies are asked to evaluate the sustainable development and the built competitive advantages as a function of the learning and the knowledge transfer process according to the following several groups of indicators (Do, Nguyen, 2020) - assessment of market positions (a function of the dynamic capabilities built and the strategy implemented), objective assessment (degree of reduction of harmful emissions, amount of resources used, reuse, recycling, all aimed at minimizing company costs) and evaluation of the company's activity by customers and stakeholders, which are basically subjective (reputation of a sustainable company, innovativeness, environmental characteristics of the product, creation of facilities for customers).

Results and Discussion

When analyzing the results obtained from the survey, the average values of the answers from the conducted online survey were first calculated. On this basis, the Pearson coefficient (R) was calculated for the entire sample, which measures and shows the impact of training and knowledge transfer on the sustainable development of the company and the construction of competitive advantages. To add more explanatory power to the empirical results, the analysis also used the coefficient of determination (in %) - R^2 , which gives a more accurate estimate and shows what percentage of changes in the independent variable will lead to changes in the dependent (the remaining percentages up to 100 define the uncertainty coefficient) (Table 2).

Table 2. Correlation between learning and knowledge transfer (through the system of dynamic company capabilities, developing a sustainable strategy and creating an extended company) and sustainable development and building competitive advantages

Impact of Learning and Knowledge Transfer, through:		Sustainable Development of the Company and Building Competitive Advantages.
Building Dynamic Capabilities	Pearson Correlation – R	0.683
	Coefficient of Determination (%) - R^2 N=55	46.64
Developing a Sustainable Strategy	Pearson Correlation – R	0.725
	Coefficient of Determination (%) - R^2 N=55	52.56
Creating an Extended Company	Pearson Correlation – R	0.614
	Coefficient of Determination (%) - R^2 N=55	37.69

Correlation is significant at the 0.01 level (1-tailed).

The correlation between the sustainable development of the company and the building of competitive advantages (economic, environmental and social) as a function of learning and knowledge transfer is also determined (Table 3).

Table 3. Correlation between the sustainable development of the company and the building of competitive advantages (economic, environmental and social) as a function of learning and knowledge transfer

		Learning and Knowledge Transfer
Sustainable Development of the Company and the Building of Competitive Advantages (Economic, Environmental, Social)	Pearson Correlation – R	0.695
	Coefficient of Determination (%) - R^2 N=55	48.30

Correlation is significant at the 0.01 level (1-tailed).

The calculated Pearson correlation coefficient in Table 2 and Table 3 is statistically significant, indicating that there is a relationship between the studied variables. Since the correlation coefficient is significantly greater than zero, this by definition allows the rejection of the null hypothesis of independence between the variables under study.

The obtained results make it possible to determine the impact of each individual key factor included in the study (in %, using the coefficient of determination), on sustainable development, the realization of competitive advantages (economic, environmental and social) and performance (Diagram 1).

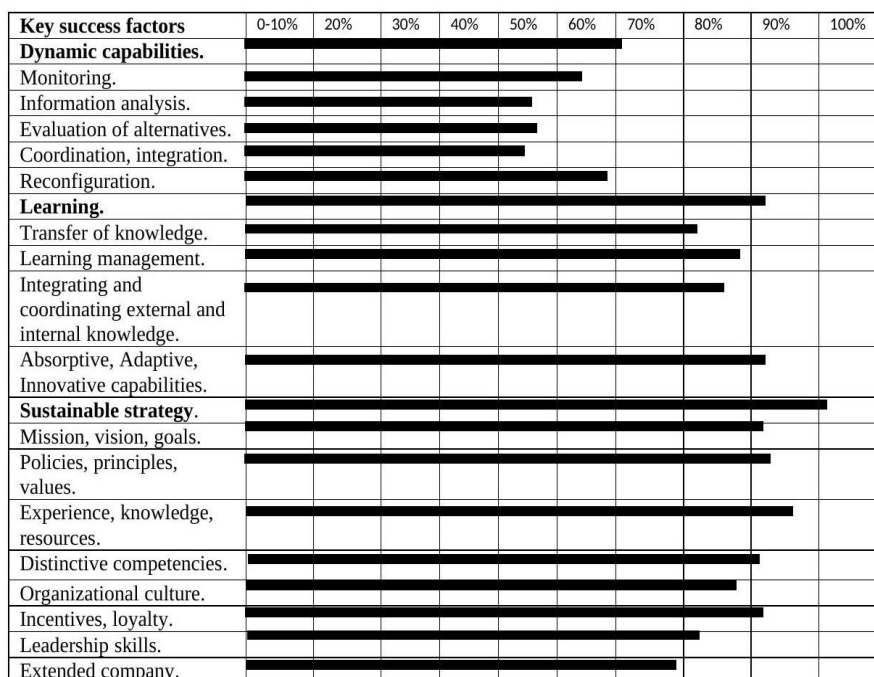


Diagram 1. Evaluation of the key factors for the success of the sustainable development of the company and building competitive advantages

Discussion

The conducted empirical study of 55 companies confirms the relationships and dependencies inferred in the model: "Learning and knowledge transfer - a link between dynamic capabilities and the sustainable strategy of the company and the building of competitive advantages" and allow the following conclusions to be drawn:

The surveyed managers understand sustainable development as a long-term goal that requires a process of constant monitoring, assessment of opportunities and threats to the company's development, analysis, assimilation of information from the external dynamic environment, learning and decision-making to change resources and to adapt to the new conditions, i.e. building dynamic capabilities ($H1=0.683$). Their building and development over time stimulates the ability not only to discover, but also to assimilate the new (adaptive capability), secondly it is a factor for creating a long-term vision of development (against the short-term one) and thirdly for the exchange of knowledge, information from partners, training (absorptive capability), which are the basis for developing own research (innovative capability) and for applying new technologies and creating a unique product (versus the imitation strategy). Therefore, dynamic capabilities based on information, learning, knowledge, impose and facilitate a change in strategic skills, thinking and decisions related to reconfiguring resources and their more efficient use, or creating a new combination.

According to the respondents, a radical change is needed in the strategic behavior, organization and management of the company's activities (integration of individual knowledge into a collective system, coordination, development of a new vision and development strategy that takes into account the interests of all three parties - customers, company and society), which enable the realization of company goals ($H2=0.725$). The management team must engage people with the idea, principles and goals of sustainable development and support the building of knowledge, capabilities and actions necessary to realize the transformation, by discovering new directions for growth, development and improvement of the activity, as well as reducing negative defects and impacts. Managers are responsible for setting the strategic direction for development, developing policies, principles and values, as well as ensuring governance, control, reporting, ethical behavior and have overall responsibility for ensuring that company policy meets the set economic, social and environmental aims.

Managing a company is becoming increasingly complex and requires new thinking, expanding the scope of analysis, evaluating vast amounts of information and making decisions that take into account many additional considerations. The challenges today require the management team to include in its analysis all the forces that affect the company - supply networks, partners, stakeholders and customers, to take into account all the effects, reactions and impacts of its activity, operations, used resources and competencies. This is essentially a process of creating an expanded firm, forming a new corporate mindset and implementing a strategy that enables the achievement of short-term and long-term goals based on the exchange of information, knowledge and strategic cooperation (H3=0.614).

In addition, the research shows that the firm's sustainable development and the building of competitive advantages based on learning and knowledge transfer (through dynamic capabilities, strategy development and the creation of an extended company) are influenced by market and firm characteristics. In other words, different markets (sectors) have different opportunities and threats, different dynamics, which determines different specifics in strategic behavior, changing decisions or developing new ones. At the same time, precisely these specifics determine a different degree of commitment to the problems of sustainable development (Diagram 2).

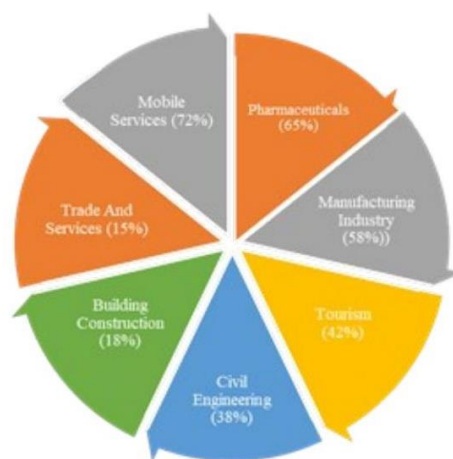


Diagram 2. Engagement of companies with building dynamic capabilities, strategy development and creation of the extended company based on learning and knowledge transfer by sector (influence of market and company characteristics)

Engagement is higher in markets with greater concentration (oligopoly), where a small number of large firms with significant influence in society operate (pharmaceuticals, mobile services, civil engineering, tourism) which are highly concerned about their reputation, image, media attention and building strong relationships with stakeholders. In large companies, sustainability orientation is a leading cultural characteristic and is not dictated by business strategy. Companies develop general principles of sustainable behavior and procedures on the basis of which they develop their relationships with stakeholders. Their strategic behavior does not exclude, but on the contrary, accepts joint work on current issues of sustainable development as mandatory, including with state institutions and their cooperation and assistance in solving problems. Typically, these firms apply a systematic, holistic approach, consistent actions based on accumulated experience and history. All this generally strengthens the trust in them and increases the public's appreciation of the way the market functions.

These markets (defined as moderately dynamic, oligopolistic) are characterized by a stable industry structure, relatively stable horizontal and vertical boundaries, a stable number of competitors, consumers, suppliers, clear and predictable behavior of the participants. Therefore, each company develops its sustainable strategy based on detailed, analytical procedures and routine actions, the result of accumulated experience, integration of knowledge and sufficient information. The decisions taken are implemented over a long period of time after a thorough evaluation, analysis of the existing alternatives and generally the results are predictable. The procedures for assessment and analysis of the current situation and development of new strategic solutions are applied frequently, with different variations that take into account the specifics of the occurring changes in the external environment.

The managers' assessment of the external and internal environment is in accordance with the accumulated experience, knowledge, competences. This allows them to plan and organize their activity as a well-structured and organized analytical process, which includes several sequential steps, starting with data collection,

development of different alternatives, evaluation and selection. In certain situations, in some companies these activities are carried out by individuals who have the relevant knowledge and specialization. These practices enable the integration of external and internal knowledge and the creation of a new one, which increases the accumulations in the company's memory, expands routine actions and facilitates subsequent procedures and their predictability.

In markets with a lower degree of concentration (monopolistic), there are usually a large number of relatively small companies that do not have a clearly developed strategy and vision for development (building construction, trade, services). They often imitate, follow the approach of large companies to the problems of sustainable development and look for ways of formal and informal cooperation with them and with other competitors.

The goal is access to information, news, learning and protection of one's own interests. There is a lack of a common, long-term approach by all actors to stakeholders and pooling of resources and competences to solve sustainable problems. It is difficult to create independent associations with common interests, and each survives alone, coping better or worse with the tasks set by customers and society as a whole.

These markets are usually fast-changing, unstable, which means lack of a clearly defined market structure and delineated boundaries, participants (competitors, consumers, suppliers, etc.) are constantly changing, with an unclear profile, unknown actions and reactions. There is no known, established and well-functioning business model, which puts every manager to a serious test. Under these conditions, it is difficult for the management team to analyze and assess the situation and make well-thought-out decisions oriented towards sustainability. Uncertainty does not allow the creation and implementation over a longer period of time of an effectively working model, albeit with relevant variations. Analysis and decisions are not the result of the use of knowledge, experience, but above all of intuition, business acumen, chance, luck and propensity to risk. The results are unpredictable, the actions are based on the principle of "trial and error" and in the end there are no conditions for stability.

A characteristic feature of highly dynamic markets with high-speed changes is the lack not so much of necessary, but of timely information, time and knowledge about the new situation. This does not allow the application of familiar, routine actions, rules, procedures and compliance with deadlines, but it is the favorable time for creating new specific knowledge, skills corresponding to the new situation.

Company behavior is usually a function of simple decisions, intuition, used to quickly assess the current, specific situation at the moment, limited only by the rules in force in the company. The speed of decisions guarantees frequent and rapid success and growth of the company, which, however, are quickly forgotten due to the next new, completely different situation, requiring qualitatively new solutions. However, as a result of these quick decisions and actions, knowledge and corporate memory are accumulated through which the company learns. The model of behavior under these conditions is "learning by doing," not "learning before doing" and creating new opportunities in the company (with small losses and fast feedback), which allows to compensate for the lack of appropriate knowledge for the given specific situation. This is an unstable state that makes it difficult for the company to sustainably develop.

In other words, in moderately dynamic markets, the threat is first and foremost external, but in rapidly changing markets, it is both external and internal, due to limited managerial capabilities and time for analysis and change. Analysis and assimilation of the necessary information, the learning, the integration of external knowledge, the application of known "good practices", taking into account the specifics of the company and external factors, can only provide the desired result.

Nevertheless, the decisions and implemented strategies, although expressed through simple, single and unambiguous actions, are the basis for the development and creation of new specific knowledge and skills, which is a factor in the following period for the company to develop and implement a sustainable strategy and build competitive advantages. On the other hand, however, there is also the undeniable fact that small companies and their managers are less burdened with responsibilities, resources, assets that are difficult to part with. Therefore, these small firms are often more flexible, innovative, adaptable and a source of new original knowledge and competences. They are brave and determined, because they have nothing to lose, and can only gain from the new decision. The absence of a complex administrative structure, bureaucracy, accumulated inertia and routine are also factors that increase their effectiveness.

Therefore, the company and market characteristics influence the sustainable development of the company and the realization of the goals. Strategic firm behavior thrives on real-time information, integration of knowledge and learning, relationships and intensive communication with all stakeholders, and especially participants in the extended firm. Information in real time, its absorption creates new knowledge, develops intuition to dynamic changes in the environment, so that managers can more quickly understand these changes and adapt to them.

The final conclusion is necessary - in oligopolistic markets with moderate dynamics, moderate stability, strategic behavior oriented towards sustainability is a complex of complex analyses, assessments and combinations. The results of the decisions made are predictable, a function of external and internal knowledge, learning, accumulated experience, competences, history, evolution, which ensures long-term stable development of the company.

In dynamic markets, with effective monopolistic competition, decision-making is not the result of deep, sequential analysis, but the result of simultaneous consideration, evaluation and analysis of different situations. These partial or complete decisions are within the framework of accepted rules and delegated rights to managers, which creates a sense of trust and stimulates their activity. The main problem for them remains uncertainty and the degree of personal assessment, own knowledge, competences and propensity to risk.

Conclusion

In the presented research, the author considers the process of learning and knowledge transfer as a link between dynamic capabilities and the realization of strategic goals aimed at sustainable development of the company and building competitive advantages, which allows the following generalizations to be made:

Building dynamic capabilities is based on learning, which in turn is based on the firm's ability to assimilate (acquire), transfer, integrate and generate knowledge, a function of its ability to observe the dynamics of the environment in which it operates, analyze, compare and evaluate different alternatives. Personal skills and knowledge, technological, structural and management systems, as well as cultural values and norms are essential components for building dynamic capabilities and developing company strategy. The same components (cultural, structural, human, technological) participate in the knowledge management system and stimulate the process of generation, assimilation, transfer and use of knowledge.

The development of a firm's sustainable strategy (definition of mission, vision, strategic goals) is a function of the dynamic capabilities built and includes the analysis of external factors (monitoring and evaluation of dynamic conditions, collaboration with stakeholders, training and reconfiguration) and internal factors (culture, history, reputation, resource base, distinctive competencies, organization, management). In their totality, they determine the success of the company's efforts for sustainable development, creating and offering higher economic, social and environmental added value to the market when performing one or more main activities, or building competitive advantages.

Particularly important is the conclusion that the development and implementation of a sustainable company strategy is influenced by the characteristics of the market in which the company operates and by its own characteristics (size, history, experience) and may have different characteristics determined by desires, competencies and company capabilities, which is a direction for future research.

Combining the dynamics (uncertainty) of the market with the complexity of the connections in the industry, creates various opportunities for the development of the company. A low degree of uncertainty combined with a low degree of relationship complexity suggests stability. A characteristic feature of all markets today is the increasing degree of market uncertainty and complexity. This requires managerial decisions and actions to be aimed at the development and accelerated implementation of new technologies, development of innovations, new, efficient business models, building an expanded company based on long-term relationships, exchange of information with the active participation of the end customer and stakeholders and ultimately, orienting towards a clear proactive sustainable strategy that will provide competitive advantages.

Digitalization (the subject of future in-depth research) has a strong influence on this process, which stimulates and facilitates the construction of dynamic capabilities, creates conditions for developing new business strategies based on the collected and analyzed information, transforms the structure of social relationships between users, between companies and between consumers and companies, through social media and social networks.

A key factor for the success of the learning and knowledge transfer process in the company is the ability to absorb innovations, assimilate, generate, transfer, integrate the external with the internal and create new knowledge, which determines the current activity and future development of the company. The effectiveness of learning and knowledge transfer in the company can be greater as a result of the following actions, which essentially mean building dynamic capabilities:

- Development of effective procedures for identification, evaluation and transfer of new information, its assimilation, assimilation and transformation into knowledge.

- Applying adequate, routine practices for assimilating new information and integrating knowledge.

- Development and use of new knowledge that has the potential to stimulate innovation aimed at creating new products and processes.

Particularly important are the following actions, aimed at creating a mechanism for integrating individual knowledge into a collective system and coordinating people and operations, which enable managers to evaluate the resource in a new way and find a way to use it in a new, more efficient way:

- A periodic valuation of each individual's contribution to the overall activity.

- Clearly defining the tasks and responsibilities of each team and unit.

- Integration of specialized skills and knowledge in the general company activity.

- Changing and reconfiguring knowledge, decisions, actions in order to adapt to the dynamics in the external environment.

- Synchronization of company activities with the activities of stakeholders.

- Effective distribution of resources (information, time, tasks, reports) in the company as a whole and in individual units, the result of the individual assessment of knowledge, skills, competencies of everyone, which increases efficiency.

The research proves that the learning mechanism implicitly includes and emphasizes the importance of the accumulated experience and skills, and the transfer of knowledge the need to absorb information and integrate it as new knowledge in the company. The new collective knowledge created is a major factor in change, reconfiguration of resources and competences, which is crucial for a firm operating in a complex environment with a high degree of uncertainty and turbulence. The process of reconfiguration involves routine procedures of applying existing skills and acquired new knowledge in order to improve, expand and transform the resource base. The knowledge that can be used is influenced by important factors, such as historical experience and identity of the firm, values and perceptions of stakeholders. Creating the necessary organization for its use is a key success factor. The exchange of information, experience, knowledge and training are the basis for improving the organization of the various internal units and the business relations between them, formed by two-way communication, the inclusion of local, national, regional stakeholders, as well as expanding the activity through mergers, acquisitions, creating strategic alliances and other forms of association.

In short, information, new knowledge and learning in the firm are development factors and a function of the system of dynamic capabilities and the development of a sustainable strategy. The success (or failure) of resource reconfiguration can be quickly assessed by market reaction. Achieving the desired results - building economic, social and environmental competitive advantages requires a skillful combination, coordination, compliance and synchrony between the construction of dynamic capabilities and the development of a sustainable strategy of the company, based on learning and knowledge transfer, which is in accordance with the dynamics of the external environment. The basis for this result is the skills and competencies of the senior management team to outline a sufficiently broad vision for long-term development, to take the risk and the commitment to actively involve all stakeholders, to direct, lead and make decisions aimed at innovation, learning and motivation of employees, with the clear awareness that there is a significant lag between the time of launching sustainable practices and achieving the set, expected results.

Scientific Ethics Declaration

The author declares that the scientific ethical and legal responsibility of this article published in EPESS journal belongs to the author.

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Appendix 1.
Components of dynamic capabilities, learning and knowledge transfer, sustainable strategy and the extended firm, evaluated by the surveyed managers
"Please rate the impact of the indicated key factors on sustainable development, the realization of competitive advantages (economic, environmental and social) and performance in your company (mark your answers from 1 to 5, where 1 means 'strongly disagree' and 5 means 'strongly agree', on a Likert scale):
I. Assessment of the impact of learning and knowledge transfer on sustainable development and building competitive advantages, through the system of dynamic company capabilities:
The company has a well-established system for monitoring the dynamics of the external environment in order to identify new opportunities.
The company has the necessary competencies to analyze the collected information and evaluate alternatives for company development.
The company has developed effective procedures for identifying, evaluating and transferring new information and knowledge.
Efficiency is achieved in the process of learning and assimilating existing information into new knowledge and competencies that have the potential to stimulate innovation.
The processes of monitoring, evaluation of alternatives, learning, knowledge transfer, integration and coordination, or the building of dynamic capabilities in the firm allow for the successful reconfiguration of resources and distinctive competences in response to new development trends and expressed preferences of stakeholders.
Managers have created their own rhythm, a habit of building and developing dynamic capabilities that ensure effective reconfiguration of resources and competencies regardless of the dynamics of the environment.
II. Assessment of the impact of learning and knowledge transfer on the development of the company and the building of competitive advantages through the development and implementation of a sustainable strategy:
The learning, transfer and integration of external and internal knowledge allows the development of a new vision and development strategy that takes into account the interests of the three parties - customers, company and society.
The company's sustainable strategy supports and facilitates the solution of environmental and social problems and tasks, and at the same time is a strong factor in building competitive advantages and realizing the company's goals, measured by non-financial and financial results.
Sustainable strategy is a framework for strategic management that combines knowledge, corporate thinking, visioning, leadership, innovation aimed at changing the firm and adapting to new conditions.
A firm's sustainable strategy is a function of the owner/manager's competencies, knowledge, culture, personal value system, and desire for a high reputation in society.
The firm's sustainable strategy creates a mechanism of coordination and building loyalty among all stakeholders, which allows the firm to reassess the resource and find a way to use it in a new, more efficient way through information exchange and absorption of new knowledge.
The company's sustainable strategy is successfully implemented based on the use of digital resources, which facilitates the process of creating, offering and realizing additional value for customers, the company and society.
III. Assessment of the Impact of learning and knowledge transfer on the sustainable development of the company and the building of competitive advantages through the creation of an extended company:
In the extended firm, based on the exchange of information and knowledge, linkages (upward and downward) are built, which facilitates the creation of additional value for the end user and stakeholders and the realization of higher efficiency.
The extended firm stimulates interaction between all participating firms, creates new perspectives for sustainable development and new ways of cooperating with stakeholders, which brings mutual benefit.
The partners involved in the extended firm are a valuable source of knowledge on sustainable development, the principles of the circular economy, which is a factor in building collective competitive advantages (rather than firm ones), a function of strategic cooperation.
Knowledge transfer in the extended firm encompasses a wide range of formal and informal economic, environmental and social relationships and activities.