

# THE ART OF DYNAMIC CAPABILITIES: INTEGRATING SUN TZU'S STRATEGIC WISDOM INTO ESTABLISHED MANAGEMENT THEORIES

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## ABSTRACT

*This study examines Sun Tzu's classic book, "The Art of War," from a management and organizational perspective. Throughout history, this book has served as a fundamental reference for military leadership, strategy, and tactics. Specifically, Sun Tzu's strategic principles are systematically associated with the sensing, seizing and reconfiguring processes of the dynamic capabilities approach. Relating Sun Tzu's strategic principles to the processes of dynamic capabilities allows the identification of several micro-foundational capacities, including intelligence-gathering capability, speed-and-surprise capability, terrain-adaptive capability, strategic deception capability, and moral cohesion capability. Furthermore, Sun Tzu's emphasis on uncertainty management, environmental reading, rapid positioning, and tactical adaptation provides a rich conceptual resource for expanding the micro-foundations of dynamic capabilities. This article contributes to the dynamic capabilities literature by proposing an extended micro-foundational typology that systematically links Sun Tzu's strategic principles to the sensing, seizing, and reconfiguring processes. As a result, this study emphasizes that "The Art of War" is an important resource in improving the perspectives of leaders and managers, increasing their effectiveness and contributing to their success.*

**Keywords:** The Art of War, Dynamic Capabilities, Organizational Capabilities.

**Research Field:** Management and Organization

**Research Type:** Theoretical Article

**JEL Codes:** M10, M19, L21, D81

Gönderim Tarihi: 18.10.2025; Kabul Tarihi: 20.01.2026

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## DİNAMİK YETENEKLERİN SANATI: SUN TZU'NUN STRATEJİK BİLGELİĞİNİ YERLEŞİK YÖNETİM TEORİLERİNE ENTEGRE ETMEK

### ÖZ

*Bu çalışma, Çinli filozof ve askeri stratejist Sun Tzu'nun klasik eseri "Savaş Sanatı"nı yönetim ve organizasyon perspektifinden değerlendirmektedir. Bu eser, tarih boyunca askeri liderlik, strateji ve taktikler için temel bir referans niteliği taşımıştır. Çalışmada, Sun Tzu'nun stratejik ilkeleri dinamik yeteneklerin algılama, yakalama ve yeniden yapılandırma süreçleriyle sistematik olarak ilişkilendirilmektedir. Sun Tzu'nun stratejik ilkelerinin dinamik yetenekler boyutlarına uyarlanması, istihbarat toplama kapasitesi, hız ve sürpriz manevra kapasitesi, araziye uyum kapasitesi, stratejik aldatma kapasitesi ve ahlaki bütünlük kapasitesi gibi bir dizi mikro-temel yeteneğin ortaya çıktığını göstermektedir. Ayrıca, Sun Tzu'nun gökyüzü ve yeryüzü koşullarının doğru değerlendirilmesine, hızlı hareket ederek uygun konumlanmaya ve değişen durumlara göre taktiklerin uyarlanmasına yaptığı vurgu, dinamik yeteneklerin mikro-temellerinin genişletilmesi için kavramsal kaynak olarak ele alınmaktadır. Sun Tzu'nun stratejik ilkeleri algılama, yakalama ve yeniden yapılandırma süreçleriyle sistematik biçimde ilişkilendirilerek, genişletilmiş bir mikro-temel yetenekler tipolojisi önerilmekte ve dinamik yetenekler literatürüne kuramsal bir katkı sunulmaktadır. Sonuç olarak, bu çalışma, "Savaş Sanatı"nın liderlerin ve yöneticilerin bakış açılarını geliştirmede, etkinliklerini artırmada ve başarılarına katkı sağlamada önemli bir kaynak olduğu vurgulanmaktadır.*

**Anahtar Kelimeler:** Savaş Sanatı, Dinamik Yetenekler, Organizasyonel Yetenekler.

**Araştırma Alanı:** Yönetim ve Organizasyon

**Araştırma Türü:** Teorik Makale

**JEL Kodları:** M10, M19, L21, D81

## 1. GİRİŞ

*"Winning a hundred victories in a hundred battles is not the epitome of excellence. The best strategy is to conquer without fighting."* (Tzu, 2018, p.7). "Art of War" consists of various war strategies developed within the framework of the idea of "winning without fighting," which is emphasized in this sentence. It is considered one of the most important strategic works in history. Written from a pragmatic perspective, this work emphasizes that the key is to achieve victory with minimal losses. The work presents various war strategies for this purpose. It is claimed that those who implement these strategies can achieve invincible power. The strategies and philosophical ideas put forward in the work continue to guide many fields today, including economics, politics, and business management.

Environmental uncertainty (Teece et al., 1997; Vecchiato & Roveda, 2011; Ahlstrom et al., 2020; Acciarini et al., 2024) and competitive dynamics (Chen & Miller, 2012, 2014) play a central role in shaping organizational strategic decision-making. From this perspective, evaluating Sun Tzu's strategic principles within the framework of established management theories may offer an analytical perspective that can be used to explain how organizations achieve sustainable competitive advantage. The "winning without fighting" notion, particularly emphasized in the book, can be associated with managerial approaches that focus on early recognition of threats, timely identification of opportunities, and continuous restructuring of organizational resources in response to changing conditions (Wee et al., 1996; Teece et al., 1997). Sun Tzu's strategic principles for warfare align with many management theories. Dynamic Capabilities approach explains how organizations achieve competitive advantage through their responses to changing environmental conditions (Teece et al., 1997; Teece, 2007). Within this framework, the processes of sensing, seizing, and reconfiguring parallel Sun Tzu's focus on adaptation, preparation, appropriate timing, and responsiveness to shifting circumstances. Both perspectives address environmental uncertainty and highlight the measures that need to be taken to cope with this uncertainty.

Considered one of the most important works on strategy, this book consists of 13 chapters. Book's chapters cover topics ranging from planning and preparation to operational issues along with situational assessment and intelligence. The chapters of the book are as follows: Laying Plans, Waging War, Attack by Stratagem, Tactical Dispositions, Energy, Weak Points and Strong, Maneuvering, Variation of Tactics, The Army on the March, Classification of Terrain, The Nine Situations, The Attack by Fire, and The Use of Spies. The first chapter emphasizes the importance of strategic planning. In this context, five key factors that should be considered before acting are detailed. The fact that strategic planning is the first step in the strategic management process, and that the book begins with an emphasis on this, shows from the outset how systematic the book's structure is. The next chapter discusses the disadvantages of being in a state of war. The necessity of developing various tactics to gain an advantage over the enemy is discussed in the third chapter. It is then discussed that creating suitable

environmental conditions is necessary to win the war, and that positioning during the war is important. The fifth chapter emphasizes that the side capable of making surprise maneuvers will win the war. The next chapter discusses how military maneuvers during wartime should be determined based on the enemy's situation and changing conditions. It also emphasizes the importance of avoiding repeating strategies that have already led to victory. Suggested maneuvers that would be appropriate to use in response to enemy movements are presented in the next chapter. The eighth chapter discusses how an intelligent commander must be able to analyze the advantages and disadvantages when planning. Then, there are suggestions on how a person should position themselves during wartime. It also emphasizes the importance of a commander's ability to maintain discipline among their soldiers during war. The tenth chapter discusses the importance of considering terrain conditions when planning for war. Afterwards, information is provided about different terrain types, and appropriate behavioral recommendations are offered depending on the terrain type. The twelfth chapter provides recommendations on how and when to use different types of fire attacks or when not to use them. Final chapter emphasizes the critical importance of having information about the enemy. In this context, recommendations regarding the use of spies are presented.

The translation of the book was done from Chinese to Turkish by Pulat Otkan and Giray Fidan. In the book, besides using an informal language structure, the intended messages are expressed clearly and comprehensibly. Although Chinese words are used in some parts of the book, Chinese concepts and terms are explained with footnotes. The book, written in a fluent style, is easily readable by the reader.

In summary, in this study, the war strategies presented by Sun Tzu in his work *"The Art of War"* will be discussed and detailed from a management and organization perspective. Consequently, the aspects of the strategies in the work that can contribute to current theoretical discussions will be examined.

## **2. CONCEPTUAL FRAMEWORK**

### **2.1. Theoretical Background: Dynamic Capabilities Perspective**

Sun Tzu's strategic principles can be interpreted through different theoretical perspectives such as resource-based view (Barney, 1991), ambidexterity (March 1991; O'Reilly & Tushman, 2013), or competitive dynamics (Chen & MacMillan, 1992; Chen & Miller, 1994). The resource-based view emphasizes the importance for organizations of possessing valuable, rare, and inimitable resources, but it is limited in explaining how these resources are continuously renewed under conditions of environmental uncertainty (Teece et al., 1997). Similarly, competitive dynamics focus on observable competitive actions and reactions (Chen & MacMillan, 1992; Chen & Miller, 1994). Ambidexterity, on the other hand, focuses on the balance between exploration and exploitation (March, 1991; O'Reilly & Tushman, 2013). These approaches offer partial insights into the integrated processes of strategic sensing, seizing, and reconfiguring. In contrast, dynamic capabilities approach addresses how

organizations perceive environmental changes, seize opportunities, and reconfigure their resource bases (Teece et al., 1997; Teece, 2007). Its micro-foundational and process-oriented nature allows for the systematic alignment of Sun Tzu's strategic principles with mechanisms of sensing, seizing, and reconfiguring. For this reason, this article adopts dynamic capabilities perspective as its fundamental theoretical framework because it offers a process-oriented and integrative viewpoint to explain how organizations build, renew, and implement strategic capabilities under conditions of uncertainty.

The dynamic capabilities approach focuses on how organizations respond to changes and maintain their competitive advantage in order to adapt to ever-changing environmental conditions. The capabilities presented within this approach are considered as integrating, creating and restructuring internal and external capabilities of organizations in order to adapt to environmental conditions (Teece et al., 1997). According to Helfat et al. (2007), dynamic capabilities refer to the capacity of organizations to create, expand or change their resources in line with their objectives. Dynamic capabilities differ from the ordinary capabilities of organizations. While ordinary capabilities enable organizations to achieve efficiency in their current operations (Teece, 2014), dynamic capabilities enable resources to be managed in response to customer demands and competitive pressures (Teece et al., 1997; Eisenhardt & Martin, 2000; Helfat et al., 2007). Dynamic capabilities also enable organizations to adapt to environmental conditions, innovate, and restructure resources. In contrast, ordinary capabilities only provide short-term operational advantages. Therefore, they have difficulty in achieving sustainable competitive advantage under uncertain environmental conditions (Zahra et al., 2006; Ambrosini & Bowman, 2009).

Dynamic capabilities consist of three main dimensions (Teece, 2007). These are sensing, seizing, and reconfiguring. The first of these, sensing capability, is considered as the ability of organizations to identify, develop and evaluate technological opportunities that can meet changing customer demands (Teece, 2007). Organizations engage in perpetual search and scanning activities within the scope of sensing capability. Activities such as investing in research activities, monitoring scientific and technological developments, and analyzing customer behavior and supplier innovations are activities that can be evaluated within the scope of sensing capability, which enables organizations to detect environmental changes in a timely manner (Teece, 2007; Helfat et al., 2007). Organizations also implement effective sensing mechanisms such as R&D activities and comprehensive search processes (Teece, 2007). Accordingly, they have the opportunity to detect environmental changes earlier.

In order to seize opportunities, resources should be organized and configured to respond effectively to perceived opportunities (Teece, 2007). In this direction, after organizations perceive opportunities, they should take action to capitalize on them by offering new products, processes, or services. Through seizing capabilities, organizations protect their technological competencies and complementary assets and choose appropriate business

models. Therefore, seizing capability also requires organizational restructuring. Organizations with seizing capabilities can move faster than their competitors and gain first-mover advantage (Chen & Miller, 2012). In competitive environments, the speed and effectiveness of seizing are crucial for organizations (Chen & Miller, 2015).

Reconfiguring capability is the ability of organizations to continuously renew themselves by recombining and restructuring assets and structures (Teece, 2007). In other words, it refers to the continuous renewal capacity that organizations achieve by developing, combining, maintaining and restructuring their resources and organizational structures to gain competitive advantage (Teece, 2007; Helfat et al., 2007). Therefore, reconfiguring emerges as a continuation of the processes of sensing and seizing within the framework of dynamic capabilities. After sensing and seizing on opportunities, organizations should align their internal structures and resources with their new strategic direction to gain and maintain competitive advantage. Reconfiguring capability involves resource restructuring and the capacity to learn and renew. Therefore, it is important for organizations to have the ability to reconfigure to institutionalize and sustain the advantages they gained during the seizing phase. Because this capability enables organizations to manage the threats they face or are likely to face. Thanks to reconfiguring capabilities, organizations can achieve sustainable performance advantages (Teece, 2014; Acciarini et al., 2024).

The interconnected and complementary sub-dimensions of dynamic capabilities—sensing, seizing, and reconfiguring—enable organizations to gain a competitive advantage. These dimensions are also linked to strategic decision-making. In other words, organizations' ability to foresee the future and make decisions under uncertainty depends on their dynamic capabilities in all their sub-dimensions (Vecchiato, 2012), and organizations can be aware of environmental changes thanks to their dynamic capabilities. They can also respond effectively to opportunities and threats. According to Ahlstrom et al. (2020) organizations need to constantly perceive environmental changes, seize emerging opportunities and reconfigure their operations accordingly to manage technological, sociopolitical and institutional changes. In light of these considerations, organizations need to improve their dynamic capabilities to operate in an uncertain and complex environment.

### **3. METHOD**

#### **3.1. Research Method**

This study follows four main steps in its methodological process. Initially, a systematic reading of *The Art of War* was conducted to identify recurring strategic themes such as uncertainty management, environmental assessment, leadership, positioning, adaptation, and information use. Secondly, these themes have been conceptually abstracted from their original military contexts and reformulated in a way that allows for comparison with management theories. Third, the principles are analytically related to three fundamental dimensions of dynamic capabilities. Finally, a series of micro-

foundational capacities are presented. These micro- foundational capacities demonstrate how strategic principles operate within dynamic capabilities processes.

Figure 1 was developed as a result of this systematic conceptual mapping process. It visually synthesizes the analytical relationships established between Sun Tzu's strategic principles, the fundamental dimensions of dynamic capabilities, and the proposed micro-foundational capacities. By making these conceptual linkages explicit, the figure serves both as a conceptual summary of the analytical procedure and as the basis for the extended typology proposed in this study.

### 3.2. Conceptual Method

It is unknown exactly who wrote *The Art of War*. However, it is widely accepted that the author of this work, which has had a significant influence on both Western and East Asian philosophical and military thought, is the general Sun Tzu (Satılmış, 2018, p.5). There is limited information available about Sun Tzu. However, it is known that he was born in the Qi Principality during the Spring and Autumn period of the Zhou Dynasty in the 6th century BCE, and his real name was Sun Whu (Otkan & Fidan, 2018, p. x). The origins of the book are believed to date back to China's Warring States\* period. During this period, due to the lack of centralized authority in China, there was an environment of conflicts between the principalities. This struggle between the principalities led to their interaction with each other. As a result, fields such as philosophy and literature developed in China, and topics such as state governance and military strategy came to the forefront (Otkan & Fidan, 2018, p. ix-x). The book provides strategic recommendations on how these warring principalities can achieve victory. The emphasis on the consequences of either achieving victory through the implementation of the proposed strategies or facing disaster in case of failure indicates that the author approached the subject descriptively†. The book was considered a state secret during the time it was written, thanks to its inclusion of war strategies (Dimovski, et. al, 2012, p.151). Many commanders and government officials attempted to implement Sun Tzu's war strategies and adopted his principles. Some of the military and political leaders who were influenced by the book include Chinese communist leader Mao Zedong, Japanese Daimyō Takeda Shingen, Vietnamese general Võ Nguyen Giáp, and American general Norman Schwarzkopf Jr. ("Strategies for influence", 2020). Napoleon, Ho Chi Minh, Norman Schwarzkopf, & Colin Powell are other well- known individuals who were influenced by the book (Satılmış, 2019, p.8). The book is considered the most important among China's seven military classics ("Wikipedia", 2020). It still retains its significance in the present day. It has been translated into many languages since its writing, but it reached the Western world in the 18th century (Satılmış, 2019, p.8)

The first chapter of *The Art of War* begins with the sentence, "*The art of war is of vital importance to the State. It is a matter of life and death, a road either to safety or to ruin. Hence it is a subject of inquiry which can on no account be neglected.*" (Tzu, 2018, p.5). This chapter serves as a summary of the

intended idea in the book. It emphasizes that war is a struggle for existence and that the secret to achieving victory lies in effective strategic planning. According to Chen and MacMillan (1992, p.539), competition can be seen as a race in which firms continuously engage in offensive and defensive actions to gain a competitive advantage. Therefore, competition resembles a battlefield where businesses fight against each other to ensure their sustainability. Similarly, strategic planning plays a critical role in helping businesses gain a competitive advantage. Sensing is the ability of organizations to recognize opportunities in a timely manner. The strategic planning emphasis put forward by Sun Tzu includes the process of perceiving environmental signals in the sensing ability, which is one of the sub-dimensions of dynamic capabilities. In this respect, the idea of evaluating the conditions and being prepared in advance, presented in the first part of the book, is compatible with the sensing sub-dimension of dynamic capabilities.

It is quite intriguing that a book offering war strategies is framed around the idea of "winning without fighting". In the book, there is an emphasis on avoiding war as much as possible. However, it is also stated that war is necessary for existence. The intended idea here is to complete the war in the shortest time and with the least loss. According to the work, there is a war for existence. But it is crucial to complete this war with minimal effort and loss. *The Art of War* is described as the "Book of Peace" by Demir (2001). When examining the content of the book, it contains advice on rewarding soldiers who inflict the most damage on the enemy and launching attacks against vulnerable enemies. In the final chapter, the focus shifts towards inflicting harm on the enemy through the use of spies. With these aspects, the book moves away from the concept of peace. The prominent idea is to protect interests and achieve the highest benefit through proper strategies. Even today, businesses strive to compete in order to achieve the highest level of performance and efficiency in line with their own interests. According to Sun Tzu, there are five important factors to consider when conducting a situational analysis. These factors are the "The Moral Law, Heaven, Earth, Commander, and Method and Discipline. Sun Tzu explains the factor of " The Moral Law " with the following words: "The way means inducing the people to have the same aim as the leadership, so that they will share death and share life, without fear of danger" (Tzu, 2018, p.1). From the perspective of business management, it is possible to say that within an organization, individuals come together for the same purpose. It is desirable for the employees within the organization to have a high level of commitment to the organization and act in alignment with its goals. In the strategic management process, during the strategic direction phase, determining the mission, objectives, and goals aligns with the concept of "The Moral Law."

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\* The period established in China, during the Eastern Zhou Dynasty, marked by constant warfare among feudal states, until the establishment of centralized authority under the Qin Dynasty, lasted from 403 BC to 221 BC.

\* It is the determination of needs based on the benefits of two possibilities when the presence of an action or situation adds value, while its absence creates a deficiency.

Sun Tzu emphasizes the importance of the "heaven" factor in selecting the right season and weather conditions for war. For businesses, the "heaven" factor can be interpreted as external environmental conditions. Sun Tzu defines the "earth" factor as the battlefield. It can be said that the "earth" factor corresponds to the markets in which businesses operate. Just as positions are taken based on terrain conditions in war, businesses also operate according to market conditions. They evaluate market conditions and determine strategies accordingly.

This framework is similar to approaches in the dynamic capabilities literature that emphasize the sensing ability of firms, which is their capacity to perceive the external environment, and the reconfiguring ability, which is their capacity to reorganize their strategic positions according to changing environmental conditions. The accurate interpretation of Heaven and Earth factors corresponds to the core competencies that organizations today use when analyzing market trends, competitive dynamics, and environmental uncertainties. Therefore, the "earth" and "heaven" factors can be seen as external environmental conditions for businesses. According to Ilıcak & Özgül (2005, p.98), these factors also represent the internal environment of the organization. Considering that the "commander" factor is related to leadership and the "discipline" factor is related to organization, it can be said that these factors are more compatible with the internal aspects of a business. Environmental analyses are conducted during the strategic analysis phase of the strategic management process. This allows organizations to identify their strengths, weaknesses, opportunities, and threats. Therefore, environmental conditions are of great importance for businesses as well.

According to Sun Tzu, the commander who leads the army plays a critical role in achieving success in war. It is crucial for the army to obey and trust the commander. There are certain qualities that a good commander should possess, including virtue, trustworthiness, compassion, courage, and seriousness. Undoubtedly, these qualities are also applicable to modern business leaders. A good leader should know their employees, be aware of their potentials and abilities. In organizations, employees' willingness to act in line with common goals depends on their trust in their leaders. According to Dimovski et al. (2012), Sun Tzu's leadership actions are more collective rather than individual and they concern the entire organization. This emphasis on leadership can be linked to the capacity of top management to direct strategically and mobilize resources in the context of dynamic capabilities. Within the dynamic capabilities approach, leadership is at the core of the seizing process. Because the evaluation of the opportunity, the reorganization of the organization and the correct allocation of resources depend largely on the decision-making skills of managers. Sun Tzu's qualities of a commander provide a framework similar to the functional role of strategic leadership in modern businesses.

According to Sun Tzu, another factor that should be considered during situation assessment is "Method and Discipline". This factor is related to organizing the army within certain rules. Sun Tzu emphasizes the importance



of delegation of authority and the reward-punishment system to achieve this. These two aspects are also highly important for modern businesses. Delegation of authority and incentive- reward systems are used in organizations to enhance organizational efficiency. Moreover, certain rules are followed, and when necessary, penalties are implemented in specific situations.

In the book, it is emphasized that plans need to be updated according to changing conditions. It is possible to say that this idea remains valid in today's business world. It is inevitable for today's businesses to demonstrate strategic agility in order to respond to ever-changing environmental conditions and technological developments due to globalization (Eisenhardt & Martin, 2000; Teece, 2007; Doz & Kosonen, 2010). Additionally, Sun Tzu emphasizes the critical importance of using available resources wisely during wartime. According to the resource-based view, an organization's resources assistance it achieves competitive advantage (Barney, 1991). Therefore, it may be inferred that resource management is vital for businesses, just as it is in the context of war. Reconfiguring refers to the capacity of businesses to reshape their processes, resource structures and strategic orientations to adapt to environmental changes (Teece et al. 1997; Teece, 2007; Helfat et al., 2007). Sun Tzu's view that the same tactic should not be repeated even if it brings victory can be considered an early expression of the need for flexibility and adaptability for sustainable competitive advantage, according to modern strategic management principles. This perspective refers to the need to be flexible and adaptable in order to respond to changing environmental dynamics.

Another view that is highlighted in the book is the idea of achieving victory with minimal losses. In the business world, when companies that compete with each other are considered, it can be said that they have similar strategic perspectives in their efforts to achieve success. Companies endeavor to gain competitive advantage with minimum effort through strategies such as mergers and strategic alliances (Hitt et al., 2001). Consistent with this perspective, Sengpoh's (2015) study illustrates that an airline firm facing financial distress was able to improve its performance by adopting defensive rather than offensive competitive strategies. According to Wu et al. (2004), there is a positive relationship between the adoption levels of Sun Tzu's principles regarding strategic evaluation, strategy implementation, strategic control, and company success factors (production, marketing, and distribution capabilities). For these reasons it is possible to say that Sun Tzu's war strategies are applicable to modern businesses.

In the final section, attention is drawn to the importance of information, and recommendations are made regarding the use of spies in this regard. Information is considered a crucial resource for businesses in many ways. In particular, it plays a critical role in companies' internationalization (Chetty & Wilson, 2003). However, the ethical implications of even modernized forms of espionage remain a subject of debate (Bellaby, 2023). Beyond these ethical considerations, the situation can be associated with the information gathering,

information processing and competitive intelligence elements. Information gathering capacity, considered as one of the sub-components of sensing, enables organizations to recognize market opportunities early and make strategic moves before their competitors. Sun Tzu's emphasis on spies and intelligence aligns directly with modern businesses' efforts to build data-based competitive advantage.

It can be argued that the concept of "Beware of the strong, attack the weak" has gained importance in the literature of competitive strategies, especially in recent times. In the past, research on competitive dynamics focused on observable attacks as determinants of competitive responses (e.g., Chen & Miller, 1994). Later, the reasons and mechanisms behind why and how businesses take action without being subjected to any attack are starting to be explored (e.g., Guo, Sengul, & Yu, 2000; Uhlenbruck, Hughes-Morgan, Hitt, Ferrier, & Brymer, 2017). It is intriguing that a thought presented 2500 years ago has started to attract attention in the twentieth century. Therefore, within the framework of the idea conveyed in the book, the competitive responses of businesses can be investigated.

### 3.3. Extending Dynamic Capabilities

When all strategic principles are evaluated together, it is seen that *the Art of War* has important conceptual parallels with the three basic dimensions of dynamic capabilities: sensing, seizing, and reconfiguring. Sun Tzu's emphasis on uncertainty management, environmental reading, rapid positioning, and tactical adaptation provides a useful interpretive lens for understanding how modern businesses strive to build and sustain competitive advantage. Accordingly, it is possible to systematically map these strategic themes into a dynamic capabilities perspective and to extend this mapping toward a more developed typology.

The framework in Figure 1 shows how the strategic principles put forward by Sun Tzu can be systematically integrated with dimensions of dynamic capabilities. At the centre the model lies the harmony between Sun Tzu's principles and the sub- dimensions of dynamic capabilities: sensing, seizing, and reconfiguring. The sensing stage aligns with Sun Tzu's emphasis on analyzing conditions in Heaven and Earth through environmental scanning, situational assessment, and gathering accurate intelligence through mechanisms such as spies. Because Sun Tzu bases strategic decision-making on environmental analysis, information gathering, and situational assessment. These elements constitute the basic components of the sensing process in the dynamic capabilities literature (Teece, 2007; Helfat & Peteraf, 2015). Accordingly, intelligence gathering capacity emerges as a micro-foundation that enhances the firm's ability to detect weak signals, anticipate competitive shifts, and recognize opportunities arising under uncertainty.

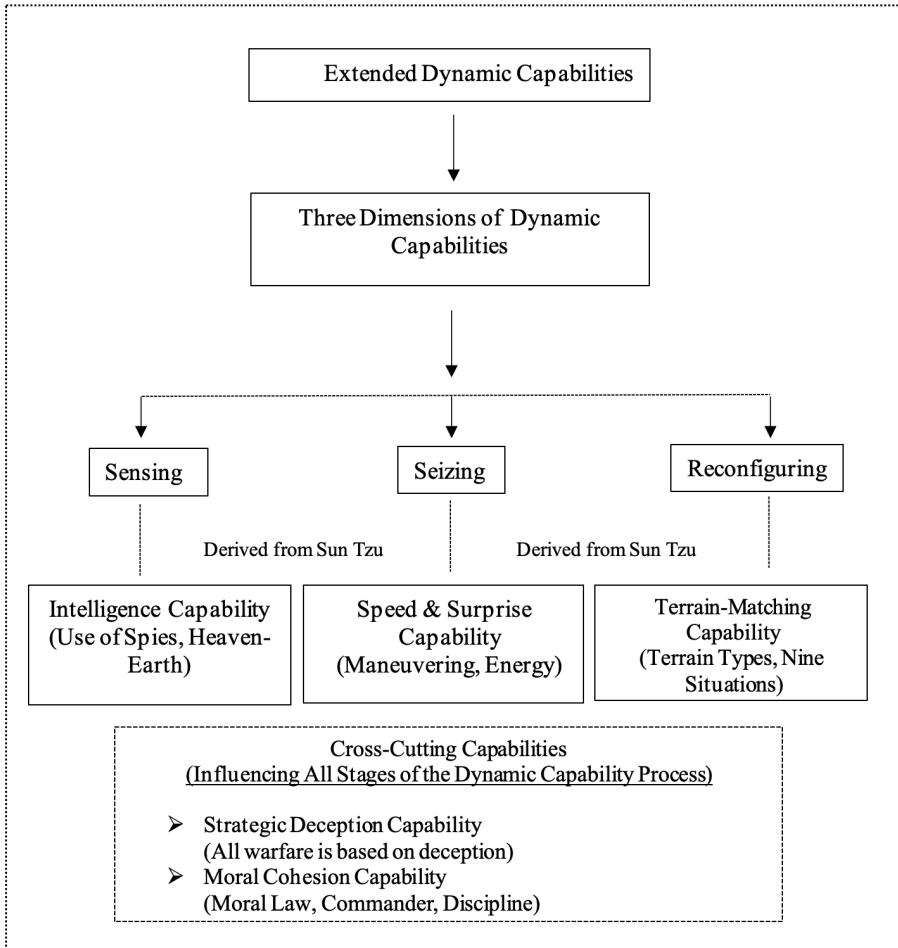
The dynamic capabilities of seizing dimensions are linked to Sun Tzu's teachings on speed and surprise maneuvers. Because emphasis is placed on moving rapidly, avoiding predictability, and exploiting the weaknesses of competitors. This aligns with the need for organizations to effectively mobilize

their resources to turn opportunities into strategic advantages before their competitors. Therefore, it may be suggested that capacity for speed and surprise maneuvers serves as a tactical micro-foundation that strengthens the firm's ability to execute bold and time-critical strategic moves.

The reconfiguring process can be linked to Sun Tzu's detailed discussions of terrain types, positional advantages, and the adaptation of strategies to changing conditions. This perspective, reflected in the chapters "Terrain" and "Nine Situations," appears to be related to organizations' capacity to adapt to the environmental conditions in which they operate. At this point, this capacity is reflected in a firm's ability to reshape its business model, reorganize its resource structures, and realign its strategic position to respond to variable and dynamic environmental conditions. Because these sections emphasize that each terrain type and each situation require a different strategic approach and that the commander should consistently adapt resource allocation, positioning, and tactical plans according to current conditions. This perspective aligns with the restructuring process in the dynamic capabilities' literature. This is because reconfiguring involves the organization reshaping its business model in response to environmental changes, reorganizing its resource structures, and realigning its strategic orientation to new circumstances. Therefore, terrain-adaptive capacity, which is called "the capacity to adapt to the terrain", represents the ability of the company to flexibly rearrange its strategic position, resource allocation and organizational structure in accordance with variable environmental conditions.

Beyond the mapping of concepts, the framework in Figure 1 includes two more cross-diffusion capabilities that penetrate all levels of dynamic capabilities.

Strategic deception and moral cohesion capacity based on Sun Tzu's insight that "all warfare is based on deception," strategic deception capacity as a deliberate tactic to manage information asymmetries and influence competitor behavior, contributing to the shaping of the opportunities. Moral cohesion capacity derives from the concepts of moral law, commander and discipline, representing unity within the organization, common purpose and leadership integrity. These capabilities enable organizations to effectively implement adaptive strategies and maintain collective cohesion during turbulent times.



**Figure 1. Extended Dynamic Capabilities**

When all these elements are considered together, it appears that Sun Tzu's strategic teachings offer a conceptual resource for expanding the micro-foundations of dynamic capabilities. The framework explains the behavioral and tactical mechanisms of sensing, seizing, and reconfiguring processes. Also, it offers a conceptual perspective on how organizations achieve competitive advantage under uncertainty and continually renew themselves.

#### 4. CONCLUSION

In this study, *"The Art of War"* has been examined and evaluated from the perspective of management and organization. It is observed that the book exhibits similarities to various aspects of management practices. Particularly, the relationship between the situation assessment factors presented in the book and the strategic management process in businesses stands out. In this regard, topics such as mission and objective setting, environmental analysis, planning, and leadership come to the forefront. The "The Moral Law" factor is

seen to be associated with mission and objective setting in businesses, while the "Heaven" and "Earth" factors are related to conducting environmental analyses. It is possible to say that the ideas presented around the "Commander" factor are related to leadership application and leadership theories in management. The recommendations regarding the guidance and positioning of soldiers do not appear to differ significantly from the practices of human resources departments in modern businesses. Furthermore, the "Method and Discipline" factor shows similarities to the activities of organizing and establishing rules and procedures in modern businesses.

This study suggests that Sun Tzu's strategic principles can also be interpreted from a dynamic capabilities perspective, providing a theoretical insight into how modern businesses perceive opportunities, mobilize resources, and adapt to changing conditions. Furthermore, by expanding on Teece's (2007) definition of microfoundations, five new micro-foundational capacities derived from Sun Tzu are proposed, thus contributing to the approach in literature that generally focuses on routines. It also explains how micro-foundations work at a more concrete and tactical level, deepening Helfat & Peteraf's (2015) view that dynamic capabilities are supported by individual actions and organizational processes. Accordingly, Sun Tzu's teachings continue to offer relevant and enduring contributions to management and organization literature.

The Art of War, despite being written 2500 years ago in the field of military management, still provides guidance to contemporary businesses. This aspect is quite exciting. Even today, businesses strive to minimize losses in their operations. They try to adopt strategies aimed at achieving this goal. However, the idea of achieving benefits in the shortest possible time presented in the book may be less applicable in contexts that require long-term value acquisition. This situation contains a theoretical paradox that warrants careful consideration.

Strategic principles discussed in this research are of military origin and may not be suitable for all organizational contexts. Therefore, metaphorical framework presented may be insufficient to reflect the complexity of organizational processes and relationships. Moreover, there is a risk of conceptual stretching, which means that the analytical precision of a concept is weakened as a result of loosening or obscuring its defining attributes to encompass more cases (Collier & Mahon, 1993). Because military concepts have emerged under specific historical, institutional, or functional conditions. On the other hand, management theories have a different ontology that examines organizations within the framework of social and institutional relationships. Relating military origin strategic principles with management theories may risk conceptual stretching. This situation requires careful contextualization. Also, future research is recommended to empirically test the suggested micro-foundational links between Sun Tzu's strategic principles and dynamic capabilities in different sectors and organizational contexts.

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