

Dynamic Capabilities and Digital Competitiveness: A Sustainability-Focused Research Agenda for ICT Service SMEs in Developing Economies

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Abstract

The rapid advancement of digital technologies has transformed competitive dynamics across industries, particularly among Information and Communication Technology (ICT) service Small and Medium Enterprises (SMEs) in developing economies. To remain competitive amid technological disruption, evolving customer expectations, and sustainability challenges, firms must continuously adapt their resources and capabilities. Drawing on Dynamic Capability Theory (DCT), this paper proposes a conceptual framework that examines the role of dynamic capabilities in enhancing digital competitiveness and organizational sustainability. The study further integrates the Triple Bottom Line (TBL) perspective by conceptualizing sustainability through economic, social, and environmental dimensions. Through a comprehensive review of contemporary literature, the paper argues that dynamic capabilities enable ICT service SMEs to respond effectively to environmental changes, strengthen digital competitiveness, and achieve sustainable competitive advantage. The proposed framework contributes to the literature by extending DCT into the domains of digital competitiveness and organizational sustainability while offering practical insights for SME managers and policymakers seeking to foster resilience, innovation, and long-term growth. The paper concludes by highlighting future research directions for advancing sustainable digital transformation among ICT service SMEs.

Keywords

Dynamic Capabilities, Organizational Sustainability, ICT Service SMEs, SDG 8: Decent Work and Economic Growth.