

## **Dynamic Capabilities, Talent Development and Firm Performance**

### **Abstract:**

All firms aim at high performance which leads to high profits and sustainable competitive advantage. However all firms face a challenge on how to create sustainable competitive advantage especially on the rapid changing environment. This conceptual study paper hence looks at the dynamic capabilities which have been identified to assist firms in creating and sustaining competitiveness in the ever changing environment. Specifically the paper looks at the nature of the sensing, seizing, transforming and managerial dynamic capabilities and how their interconnection influence firm performance. The study is anchored on the dynamic capability theory. The main objectives of the study are to understand how interconnectivity of various clusters of dynamic capabilities influences firm performance. The paper also looks at the role of dynamism in talent development. This conceptual study paper looks at the paradigm shifts in the area of sustainable competitive advantage from resource based view, knowledge based view and dynamic capability view. The paper identifies a number of knowledge and research gaps in relation to performance by reviewing previous scholarly work in the study area. A conceptual model attempting to address the identified gaps is development and highlights the relationship among various clusters of dynamic capabilities and their influence to each other and to performance. The study views dynamic capabilities as an emerging paradigm of the modern business firm that propels sustainable high performance in rapidly changing environment.