

**NEW INSIGHTS ON THE INNOVATION THEORY OF CAPABILITY-BASED
TRANSACTIONS: A LONGITUDINAL CASE STUDY**

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Introdução

While the theory of capabilities initially focused on firms' internal boundaries (Barney, 1991), the transaction costs theory analyzed companies' interactions beyond these boundaries (Williamson, 1979). Each of these lenses for analyzing firms' structure and context has its own theoretical assumptions, which scholars have long seen as antagonistic. Nonetheless, a stream of literature began to identify points of confluence between both theories, arguing that they are complementary. From this intertwining, an incipient theorizing movement emerged in the literature (Argyres & Zenger, 2012).

Problema de Pesquisa e Objetivo

However, some aspects regarding innovation were not included in this theoretical interweaving, which motivated Nascimento and Zawislak's (2023) proposition of a new theoretical approach called Capability-Based Transactions. In addition to bringing to light the issue of bounded capabilities in the theorizing movement that intertwines transaction costs and capabilities, the authors also discuss technological and non-technological innovation in this new theoretical approach. Nonetheless, the author's work is a conceptual manuscript whose assumptions must be empirically validated.

Fundamentação Teórica

Nascimento and Zawislak (2023) adopt a validated model of four firm innovation capabilities in the theoretical framework of Capability-Based Transactions: technology development capability, operations capability, management capability, and transaction capability. Based on this model, the Capability-Based Transactions approach argues that companies must develop cooperative transactions to overcome technological boundedness, while commercial transactions are the most effective way to achieve complementarity for non-technological boundedness.

Metodologia

Our paper aims to advance knowledge about the theoretical approach of Capability-Based Transactions by testing the propositions raised by Nascimento and Zawislak (2023). A single case study was conducted with a small Brazilian family winery. The research had a historical-longitudinal character, monitoring the winery's four innovation capabilities over three and a half years to understand how complementarity was achieved to overcome the boundedness of their capabilities through interfirm transactions. The research was conducted from 2020 to 2023, where data was compared year by year.

Análise dos Resultados

We identified two causes for the evolutionary process of building capabilities: i) the search for increasing the repertoire of skills, resources, and routines of innovation capabilities that are not bounded, and ii) the search for overcoming capabilities' bounded components via transactions. We also discovered that commercial transactions can complement both technological and non-technological innovation capabilities, a counterintuitive result of what Nascimento and Zawislak (2023) preach.

Conclusão

Our findings advance the Capability-Based Transactions theoretical approach by discovering new supporting concepts and cause-and-effect relationships among them. We propose the concept of a

network of boundedness of innovation capabilities, which highlights the dynamic interrelations among the boundedness of different innovation capabilities. Our findings show the existence of two types of complementarities: relative complementarity and hierarchy complementarity. We also bring to light the existence of collaborative commercialization for the complementarity process.

Referências Bibliográficas

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