

## Case Procter & Gamble: 188 years of dynamic capabilities development. A longitudinal case analysis

### Caso Procter & Gamble: 188 años de desarrollo de capacidades dinámicas. Análisis de caso longitudinal

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#### Abstract

The Procter & Gamble Company (P&G), with 188 years of successful operation in highly dynamic environments, reported fiscal year 2025 net sales of \$84.3 billion (P&G, 2025). Founded as a family business in Cincinnati, Ohio, USA., P&G is currently ranked among the world's leading consumer goods companies. This study adopts an exploratory, longitudinal qualitative study approach to examine how P&G has developed, accumulated, and renewed dynamic capabilities over time. The research combines a systematic review of the literature on the resource-based view and the dynamic capabilities framework with the analysis of archival secondary data from authoritative corporate and historical sources, complemented by practitioner-based insights derived from the lead author of this paper (Miguel Ángel López Lomelí) long-term managerial experience within P&G across Mexico, the United States, and Latin America. The objective of the case is to enable readers to analytically examine P&G's dynamic capabilities and, based on this analysis, assess the firm's strategic position and

#### Resumen

La compañía Procter & Gamble (P&G), con 188 años de exitosa trayectoria en entornos altamente dinámicos, reportó ventas netas por \$84.3 mil millones en el año fiscal 2025 (P&G, 2025). Fundada como una empresa familiar en Cincinnati, Ohio, EE. UU., P&G se posiciona actualmente entre las principales empresas globales de bienes de consumo. Este artículo adopta un enfoque cualitativo de caso de estudio, exploratorio y longitudinal, para analizar cómo P&G ha desarrollado, acumulado y renovado sus capacidades dinámicas a lo largo del tiempo. La investigación integra una revisión sistemática de la literatura sobre la visión basada en recursos y el marco de capacidades dinámicas, el análisis de datos secundarios de carácter histórico y corporativo, provenientes de fuentes autorizadas, y conocimientos prácticos derivados de la experiencia gerencial de largo plazo del autor principal de este artículo (Miguel Ángel López Lomelí), dentro de P&G en México, Estados Unidos y América Latina. El objetivo del caso es que el lector analice de manera crítica las capacidades dinámicas de

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propose future-oriented marketing strategies. Additionally, the study proposes a conceptual model for the creation of dynamic capabilities. The explanatory power of this model is analytically validated through its systematic application to the P&G case, demonstrating how managerial behaviour, organisational knowledge management, and social capital interact under conditions of environmental complexity, uncertainty, and dynamism to support sustained superior performance.

**Keywords:** Dynamic capabilities (DCs), resource-based view (RBV), qualitative case study, theory-building research, Procter & Gamble Co. (P&G).

P&G y, a partir de este análisis, evalúe su posición estratégica y proponga estrategias de *marketing* con orientación futura. Además, el estudio propone un modelo conceptual para el proceso de creación de capacidades dinámicas, cuya validez analítica se demuestra mediante su aplicación sistemática al caso de P&G, evidenciando la interacción entre el comportamiento directivo, la gestión del conocimiento organizacional y el capital social bajo condiciones de complejidad, incertidumbre y dinamismo ambiental, como base del desempeño superior sostenido.

**Palabras clave:** capacidades dinámicas (CD), visión basada en recursos (RBV), estudio de caso cualitativo, investigación teórica, Procter & Gamble Co. (P&G).

## Introduction

The concept of business success is defined in the literature as “continued trading” (Andrişan & Modreanu, 2022; Simpson & Bellamy, 2004), it is also conceptualised in key performance indicators such as: economic performance, profitability, sales/revenue and market growth, market value, including indicators such as the consumers’ fidelity to the products and services of the firm based on their rates of repurchase (Andrişan & Modreanu, 2022).

Business success is studied from the perspective of the Resource-Based View (RBV), which has been extensively used in the literature to explain organisational performance in terms of the heterogeneity of internal resources (Barney, 1991; Rohit & Mona, 2023). Many authors have focused on defining what constitutes a resource for a company. A resource is defined in its broad sense, as activities, capabilities, etc., which allow the firm to generate profits. An additional view, also considers services as the Company’s resources which are generally intangible, invisible, dynamic and infinite such as the skills and knowledge of individual employees, of customers, or organisational routines (Hunt, 2000; Kaur, 2023; Rihayana et al., 2023; Vargo & Lusch, 2004). In the same vein, Dynamic capabilities (DCs) were developed within the RBV framework to describe how businesses can dynamically build essential

and unique resources, capabilities, and superior competitive advantages (Kero & Bogale, 2023). As a result, the Dynamic Capabilities Framework (DCF) emerged as an important stream in this area’s literature, and is today the most predominant construct in the field of Strategy. DCs focus on the capacity of an organisation, facing a rapidly changing environment, to create new resources to renew or alter its resource mix (Eisenhardt & Martin, 2000; Rohit & Mona, 2023; Teece, 2023; Teece & Pisano, 1997).

This study aims to contribute to the DCs literature by offering a longitudinal, analytical examination of how dynamic capabilities are developed, accumulated, and renewed over time within a global consumer goods firm. Using P&G as a single-case study, the paper applies a DCs creation framework to analyse the firm’s historical trajectory, focusing on the interaction between managerial behaviour, organisational learning, and capability renewal mechanisms that have supported sustained competitive advantage.

The structure of the paper is as follows. First, we review the conceptual foundations of the RBV and the DCF and, based on this literature, propose an integrative DCs creation model. Second, we describe the research methodology and case study design. Third, we apply the proposed framework to the longitudinal evolution of P&G, analytically examining

key dimensions of its corporate development across 188 years of operation in changing environments. The paper concludes by synthesising the main findings derived from the case analysis and discussing their theoretical and managerial implications.

### Theoretical framework: Review of the existing literature

The Resource-Based View (RBV) posits that a company's strategic resources form the foundation of its competitive advantage (D'Oria et al., 2021; Mehta et al., 2010). The RBV explains the varying business results of different firms, assuming that resources are not uniformly distributed among competing organisations. The basis for sustainable competitive advantage is the resources that are difficult for other organisations to copy or acquire (Barney, 1991; D'Oria et al., 2021); these resources must be valuable, rare, inimitable, and non-substitutable and exploitable (VRINE) (Zvarimwa & Zimuto, 2022). The most difficult to imitate are intangible resources that the company has developed internally to get competitive advantage. They are tough to imitate by competition, because they are not available in the market as physical assets. The market knowledge developed by the organisation, the organisational culture, talent development, the commercial relationship with top customers, etc., are unique resources that are developed individually by each organisation (Aliane et al., 2023; Zvarimwa & Zimuto, 2022).

Some authors have proposed that capabilities are the real sources of competitive advantage (Grant, 1991; Serenko, 2023), as firms can gain and sustain advantages based on their ability to assemble, integrate, and deploy valuable resources and capabilities (Erkmen et al., 2020; Ray et al., 2004). That is why some scholars consider capabilities to be the source of long-term competitive advantage in dynamic environments.

The capabilities were described as strong and long-lasting over extended periods in the initial

stages of the RBV (Barney, 1991; Martiny et al., 2024). They are also viewed as routines of activities used to reinvent existing capabilities and to develop new ones (Teece, 2023; Teece & Pisano, 1997). Some common elements or key features found across dynamic capabilities in organisations are generally recognised in the industry as the “best practice” (Cavusgil & Deligonul, 2025; Eisenhardt & Martin, 2000).

The introduction of the DCs concept has been widely acknowledged in the original working paper of Teece and Pisano (1997), by stating that DCs are much more than the resources explained in the RBV, but the result of the mechanisms by which firms learn and accumulate new skills and capabilities, and the forces that limit the development of this process (Teece, 2023).

While the RBV provided the foundation for understanding firm-specific resources, its relatively static orientation limited its explanatory power in rapidly changing environments, motivating the emergence of the DCF. The RBV focuses on the value of a firm's unique resources as the basis for competitive advantage, while the DCF expands the RBV's scope by emphasising the agility and adaptability of firms in leveraging resources in rapidly changing environments. Both the RBV and the DCF complement each other in their focus on firms' resources (Cavusgil & Deligonul, 2025).

Despite broad agreement on the importance of DCs, the literature varies in how these capabilities are conceptualised and operationalised, underscoring the need for integrative analytical approaches. The most relevant /accepted definition of DCs is the one initially presented in the literature by Teece et al. (1997): DCs are “a firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece et al. 1997, p. 516). In addition to this definition, some authors suggest that DCs empower a firm to modify its strategy and allocate resources effectively, ensuring the maintenance and sustainability of a competitive advantage (Eisenhardt & Martin, 2000; Graham & Moore, 2021; Sandeep et al., 2025).

## The conceptualisation of DCs

Based on the literature review, we will discuss some ideas relevant to understanding the recent evolution in the conceptualisation of dynamic capabilities. DCs are how organisations demonstrate the speed and degree to which resources/competences can be aligned and realigned to match the opportunities and competitive conditions of the business environment; they can also modify the environment. An organisation with well-developed DCs can achieve strong business results.

The key concept is that DCs cannot be bought or acquired; they must be built by the organisations throughout their lifetime and evolution. DCs are unique assets developed uniquely by each organisation (Cavusgil & Deligonul, 2025). Therefore, they need to be developed within an organisation and designed for that specific organisation (Pitelis et al., 2024). The process of generating new DCs may take a long time and is not straightforward, given their complex nature (Cavusgil & Deligonul, 2025). Accordingly, improving existing capabilities requires firms to continuously invest in organisational systems (Irfan et al., 2022).

Organisations possess certain capabilities that enable them to continually evolve within the business environment through sensing, seizing, and transforming; in other words, analysing the market environment, capitalising on opportunities, and implementing processes for adjustment to environmental conditions (Bornay-Barrachina et al., 2025). These capabilities are critical to sustain long-term profitability (Teece, 2023).

From the perspective of behavioural orientation, a dynamic capability includes the learning aspects embedded in the processes and it has three component factors which are “adaptive capacity (the ability to identify and capitalise on emerging market opportunities), absorptive capacity (the ability to identify and integrate new external knowledge with existing internal knowledge for competitive gain), and innovative capacity (the ability to develop new products and/or markets)” (Bornay-Barrachina et al., 2025; Pitelis et al., 2024; Vu, 2020). Furthermore, DCs involve the firm’s ability to create new products

or services and to restructure its activities to achieve a better fit with the competitive environment (Bornay-Barrachina et al., 2025; Vu, 2020). In many cases, the nature of DCs is not evident or clearly visible even within the organisation, which is why DCs are not easily copied by other firms (Dunning & Lundan, 2010; Pitelis et al., 2024).

Knowledge is one of the critical pillars for the creation and development of DCs within organisations (Kaur, 2023). There are three types of knowledge-creation and organisational-transmission processes that may contribute to the development of DCs: 1. Knowledge buildup through individual and collective experiences, facilitated by learning mechanisms. 2. Knowledge transmission, consisting of mechanisms of deliberate sharing of knowledge acquired from learning or cumulative expertise of organisational routines, i.e., discussion, review, argument, and analysis; and 3. Knowledge documentation, consisting of deliberate efforts to develop knowledge transmission tools such as manuals and training materials (Kaur, 2023; Pitelis et al., 2024; Zollo & Winter, 2002).

When an organisation initiates a DCs creation process, it yields a significant result: a synergistic knowledge effect. These synergies produce a continuous positive spiral of DCs generation, allowing organisations to respond more quickly to the new challenges posed by the external environment, which is characterised by complexity, uncertainty, and dynamism. i.e., the firm’s employees’ knowledge of their customers and their industry allow the firm to develop the ability to meet customer needs better (Bornay-Barrachina et al., 2025; Kaur, 2023).

Another factor that influences the DCs’ creation processes is the firm’s social capital, which represents the network built through the firm’s participation in business groups and serves as an important source of capability acquisition. More intensive networking activity could lead to the firm’s capability building through internal coordination and recombination (Bornay-Barrachina et al., 2025; Pitelis et al., 2024). Inter-organisational learning and knowledge transfer in joint ventures, strategic alliances, and corporate acquisitions are clear

examples of the importance of networking, as initial contacts through professional networks serve as the starting point for alliance, acquisition, or joint venture processes.

Although prior research emphasises the importance of managerial decision-making in DCs creation, empirical studies rarely examine how managerial cognition and leadership practices unfold longitudinally within a single organisation. Existing literature highlights that the generation of DCs depends strongly on the commitment, skills, and judgment of managers, who are responsible for defining and deploying strategic goals, sensing and seizing opportunities, shaping organisational culture, and providing leadership to enable successful adaptation processes (Bornay-Barrachina et al., 2025; Teece, 2023). Additionally, some views on the role of managers and the creation of DCs emphasise that the managers develop individual capabilities, such as managerial human capital, social capital, and cognition, that build organisational DCs (Nguyen & Strange, 2025).

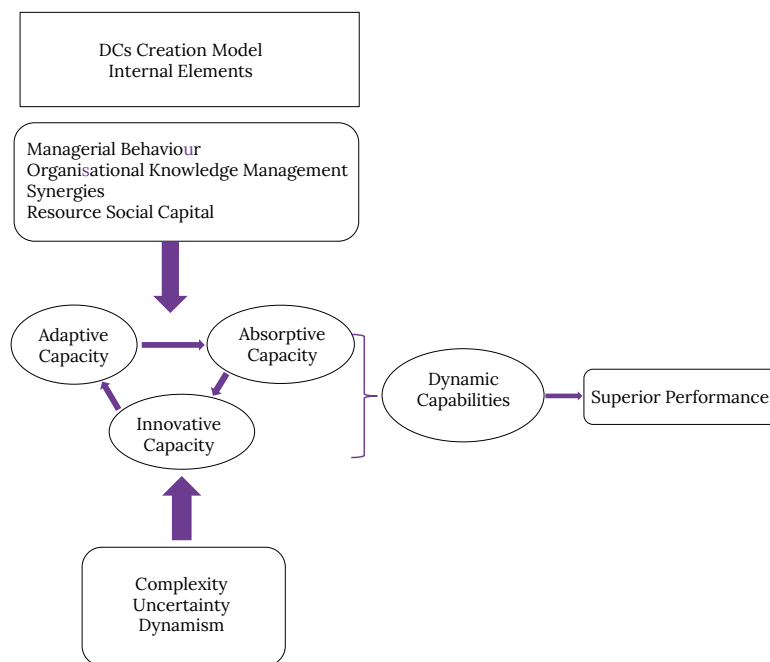
Taken together, the DC literature has provided rich insights into the nature, components, and micro-foundations of capability development. However, much of the existing research examines these elements—such as

managerial behaviour, knowledge management, and social capital—either conceptually or in isolation, often through cross-sectional or short-term empirical settings. Less attention has been devoted to understanding how these elements interact and co-evolve over extended periods within a single organisation facing multiple waves of environmental change. Moreover, while prior studies acknowledge that DCs are path-dependent and historically embedded, empirical work rarely traces their long-term development systematically and integratively. This limits our understanding of how DCs are built, renewed, and sustained over time. Addressing this gap, the present study adopts a longitudinal, single-case approach to analytically examine how managerial behaviour, organisational learning, social capital, and capability renewal jointly shape the evolution of DCs in P&G. Based on the literature review, the proposed model of DCs creation is presented in Figure 1.

### Methodology

This study follows an exploratory, longitudinal single-case study design, consistent with established qualitative case study methodologies commonly employed in strategy and management

**Figure 1.** Dynamic capabilities creation model



research. The approach is theory elaboration rather than hypothesis testing. The analysis applies the DC creation framework as an analytical lens, using pattern-matching logic to examine how DCs are developed, accumulated, and reconfigured over time within a complex organisational context.

The unit of analysis is the organisation-level development of DCs at P&G across its 188-year history. P&G was selected as a single, revelatory case due to its exceptional longevity, sustained performance in highly dynamic environments, and its pioneering role in marketing, innovation, and organisational design within the consumer goods industry. Such characteristics make P&G particularly suitable for examining the mechanism through which dynamic capabilities are created and renewed over extended periods.

Data collection relied on multiple sources to ensure triangulation and enhance the credibility of the analysis. First, an extensive review of the academic literature on the RBV and the DCF was conducted to identify core constructs, dimensions, and mechanisms relevant to DC development. Second, secondary data were collected from authoritative archival sources, including P&G annual reports, corporate publications, historical accounts, and publicly available documents detailing the company's strategic decisions, organisational changes, product innovations, and market expansions. Third, the study draws on practitioner insights from the lead author's more than two decades of professional experience at P&G, spanning managerial responsibilities in Mexico, the United States, and multiple Latin American markets. These insights are used solely as contextual and

interpretive input to support historical understanding and analytical sensemaking, rather than as primary empirical evidence.

The analytical strategy follows a pattern-matching logic, systematically comparing empirical evidence from the P&G case with the theoretical elements of the proposed DC creation model. Specifically, historical milestones and strategic actions are analysed in relation to key components of the model, including managerial behaviour, organisational knowledge management, social capital, and environmental conditions characterised by complexity, uncertainty, and dynamism. Evidence is further mapped to specific dynamic capabilities—such as sensing, seizing, and transforming, as well as adaptive, absorptive, and innovative capacities—to assess the extent to which the proposed model explains P&G's long-term strategic evolution.

Model validation in this study is analytical rather than statistical. The proposed DCs creation model is validated through its explanatory power in organising, interpreting, and making sense of P&G's historical development and strategic outcomes. By demonstrating a consistent alignment between the model's components and observed organisational practices across time, the case provides support for the relevance and internal coherence of the proposed framework.

Building on the methodological approach outlined above, the following section applies the proposed DC creation framework to the P&G case. Table 1 presents illustrative examples of dynamic capabilities drawn from prior research and is used as a conceptual reference to guide the subsequent longitudinal case analysis.

**Table 1.** Examples of dynamic capabilities

Dynamic Capability	Description	Author
Adaptive capacity	Ability to identify and capitalise on emerging market opportunities.	
Absorptive capacity	Ability to identify and integrate new external knowledge with existing internal knowledge for competitive gain.	(Wang & Ahmed, 2007)
Innovative capacity	Ability to develop new products and/or markets.	

*Continue*

Dynamic Capability	Description	Author
Organisational learning	Enables the organisation to obtain, process, interpret, and respond to information and to change organisational behaviours to generate opportunities and improve organisational outcomes.	(Easterby-Smith & Araujo, 1999)
Knowledge accessing	Capability held by two or more parties that fosters an understanding of the current knowledge resources possessed by each party.	(Grant & Baden-Fuller, 2004)
Co-evolving	The set of routines businesses use to reconnect webs of collaborations within and across companies to generate new and synergistic capabilities.	(Eisenhardt & Martin, 2000)
Flexibility	Increasing/maintaining corporate strategic flexibility. The rate of globalisation and the advent of hyper-competition require that managers develop more flexible organisational platforms to address the accelerating rate of change.	(Too et al., 2010)
Network organisation	How to effectively and efficiently compete in a large number of geographically diverse countries with significantly different economic, cultural, and legal environments.	(Garten, 1996).
Managerial learning	Building Managerial capabilities that are unique and can be used to differentiate strategic drive of the organisation.	(Dragičević et al., 2022)
Dynamic Managerial Capability	The abilities with which managers construct, integrate, and reconfigure organisational resources and competencies” comprises three key components: Managerial Human Capital (MHC), Managerial Social Capital (MSC), and Managerial Cognition (MC).	(Sandeep et al., 2025)
R&D	R&D activities are enhanced to respond to changes in market prices and examine the role of complementary resources in the effective deployment of R&D.	(Helfat, 1997)
Resource divestment	Managerial decisions that lead to the divestiture process.	(Moliterno & Wiersema, 2007)
Acquisitions Process	Acquisitions permit the renewal and reconfiguration of a firm’s resources.	(Karim & Mitchell, 2000)
Alliances	Alliances, as they facilitate the sharing of new knowledge and/or resources, enable the renewal and reconfiguration of a firm’s resources.	(Eisenhardt & Martin, 2000)
Product Innovation	Leads over time to organisational renewal.	(Danneels, 2002)
Marketing	The firm’s ability to offer value propositions to its customers.	(Hoque et al., 2021)
The sensing capacity	Consists of scanning, learning, and calibrating activities involved in the identification, development, and assessment of technological opportunities aligned with customer needs, as well as sensing environmental changes and/or internal decisions.	(Jacobs & Pretorius, 2020)
The seizing capacity	Consists of designing, selecting, and committing activities, such that the organisation mobilises resources to address the needs and opportunities identified by its sensing capacity, in order to capture value.	
The transforming capacity	Consists of leveraging, creating, accessing, and realising activities to the reconfiguration of existing resources to align them with the new strategy.	
Value creation	Creating and capturing value is the purpose of an organisation, and doing so requires capabilities that are on a high level of analysis constituted by resources and assets, people and skills, and activities and processes.	

## The P&G Company: Longitudinal case analysis and results

This section presents the results of the study through an analytical application of the proposed DCs creation model regarding the longitudinal evolution of P&G. Rather than offering a purely descriptive historical account, the analysis interprets key milestones in the firm's development as empirical evidence of how dynamic capabilities emerge, interact, and are renewed over time. The following subsections organise these results across managerial behaviour, mergers and acquisitions, marketing, and product development.

The P&G Company is a world-leading multinational consumer goods company focused on providing trusted, branded products of superior quality, performance, and value to improve the lives of consumers around the world—now and for generations to come. Their products are sold in approximately 180 countries and territories worldwide. The Company was founded in Cincinnati in 1837 by William Procter and James Gamble, and it was built upon a business established in 1837 (P&G, Annual Report, 2025). The financial highlights of P&G for the past five consecutive years are presented in Figure 2.

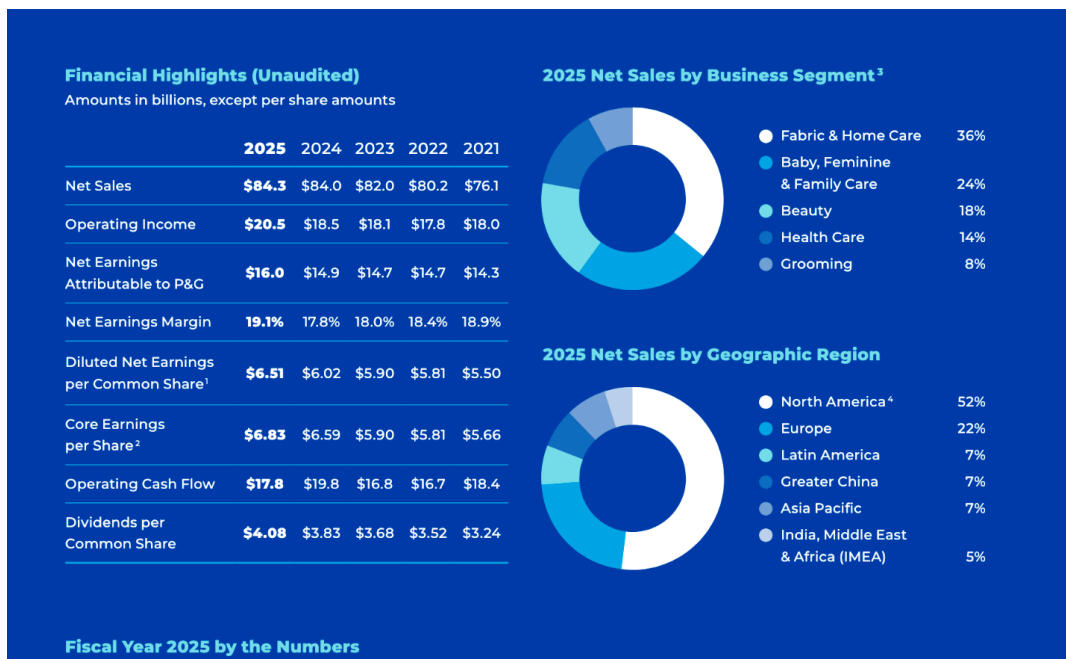
## P&G current category and brand portfolio

P&G operates in 10 categories organised in five operating sectors: Fabric care, home care, baby care, feminine care, family care, hair care, skin & personal care, oral care, personal health care, and grooming. The current P&G portfolio of brands is presented in Table 2.

## DCs and the evolution of the P&G organisation

This section applies the proposed DCs creation model to examine P&G's historical evolution. The analysis moves beyond a descriptive account by systematically linking key strategic decisions, organisational practices, and capability-building processes to the framework's core elements. Table 3 provides an analytical mapping between examples of dynamic capabilities identified in prior literature (Table 1), the components of the proposed model, and illustrative evidence from the P&G case. This structure guides the subsequent analysis, which explains how dynamic capabilities were progressively developed, deployed, and renewed in response to environmental complexity and organisational growth.

Figure 2. Financial highlights



Source: P&G Annual Report (2025).

**Table 2.** Portfolio of brands

Oral care



Personal health care



Fabric care



Home care



Skin & personal care



Continue

Hair care



Grooming



Baby care



Feminine care



Family care



Source: P&G Annual Report (2005).

**Table 3.** Analytical mapping of the Dynamic Capabilities creation model to the P&G case

Model component	Dynamic capability	Evidence from the P&G case	Analytical interpretation
Managerial behaviour	Sensing	Long-term investment in consumer research and market analytics	Enabled early identification of emerging consumer needs and market trends
Managerial behaviour	Seizing	Strategic brand portfolio restructuring	Allowed resource reallocation toward high-growth categories
Managerial behaviour	Transforming	Organisational redesign and capability renewal	Supported continuous reconfiguration in response to environmental change
Organisational knowledge management	Absorptive capacity	Codification and dissemination of consumer insights across units	Facilitated cross-market learning and internal knowledge transfer
Organisational knowledge management	Innovative capacity	Systematic product innovation processes	Enabled sustained introduction of differentiated offerings
Social capital	Adaptive capacity	Strong internal networks and cross-functional collaboration	Supported coordinated responses to environmental uncertainty
Environmental conditions	—	High market dynamism and competitive intensity	Activated and shaped the deployment of dynamic capabilities over time

This section examines the evolution of P&G by explicitly linking milestones in the firm's development to the core concepts of DCs theory. In line with Bruni and Verona (2009), dynamic marketing capabilities are understood as organisational processes aimed at developing, releasing, and integrating market knowledge. These processes emerge from the interaction among managerial cognition, human capital, and social capital, and support both the exploitation of existing markets and the shaping of new ones.

From a DCs perspective, P&G represents a particularly illustrative case of how such capabilities co-evolve with organisational growth. Throughout its history, the firm systematically invested in the institutionalisation of consumer and market knowledge, elevating it from an operational input to a strategic asset underpinning long-term competitiveness. This long-term orientation towards consumer understanding positioned market knowledge not merely as an operational input, but as a strategic asset underlying the firm's capability base. Consistent with prior research in marketing and strategy, P&G can thus be regarded as a pioneering organisation in the development of marketing capabilities that later became foundational practices within the discipline.

P&G's early history highlights the role of managerial behaviour as a foundational micro-foundation of DCs. Founded in 1837 during a period of severe economic instability in the United States, the firm emerged in an environment marked by financial crises, bank failures, and intense competition. Rather than adopting a defensive posture, the founders demonstrated a forward-looking managerial orientation, prioritising long-term positioning and organisational viability. This early pattern of managerial decision-making laid the groundwork for the firm's later ability to recognise strategic opportunities and commit resources amidst uncertainty—an orientation that would become institutionalised as the organisation grew.

Over time, this managerial orientation became institutionalised through a series of strategic decisions that shaped P&G's organisational structure, employment practices, and approach to market knowledge development. The sustained emphasis on employee engagement, organisational learning, and systematic consumer understanding reflects the interaction between managerial behaviour, organisational knowledge management, and social capital as proposed in the DCs creation model. These

internal elements enabled the firm to repeatedly reconfigure its resource base, introduce new products, enter new markets, and adapt its organisational design, ultimately supporting superior long-term performance.

The analysis demonstrates how distinct DCs—such as adaptive, absorptive, and innovative capacities—emerge, interact, and are renewed over time through managerial behaviour, organisational learning, and strategic reconfiguration. To illustrate this process, the following subsections organise key milestones in P&G’s evolution across four domains: managerial behaviour, mergers and acquisitions, marketing, and product development. These milestones are analysed using the proposed framework to show how DCs were developed and deployed over time.

**Chronological key milestones by area in P&G are presented in the following timeline**

**Managerial behaviour as a micro-foundation of DCs**

This subsection examines how managerial behaviour at P&G functions as a key micro-foundation enabling long-term capability

development. Consistent with the DCs perspective, managerial actions at P&G reflect a persistent orientation towards forward-looking decision-making, organisational investment, and proactive responses to environmental uncertainty.

Across different historical periods, successive generations of leaders shaped organisational structures, employment practices, and coordination mechanisms in ways that supported learning, adaptability, and renewal. Rather than isolated decisions, these actions reveal a coherent managerial logic oriented towards sustaining competitiveness over time (Teece, 2007; 2023).

The following managerial milestones illustrate how successive generations of P&G leaders enacted the three interrelated DC dimensions through organisational choices related to employee engagement, global expansion, structural redesign, and strategic integration. These decisions not only addressed immediate operational challenges but also contributed to the accumulation and renewal of DCs over time. For clarity, key managerial milestones are summarised in Tables 4 and 5, while detailed lists of managerial, mergers and acquisitions, marketing, and product development milestones are provided in the Appendices.

**Table 4.** Organisational and international expansion milestones (Summary)

Year	Milestone	Dynamic Capability Highlight
1887	Implementation of a profit-sharing programme for factory workers.	Transforming: Employee engagement and culture development.
1948	Creation of Overseas Division; operations begin in Mexico.	Sensing & Seizing: International market expansion.
1954	Start of operations in continental Europe (Marseilles, France).	Seizing: Market entry strategy.
1955	Formation of operating divisions to improve product line management.	Transforming: Structural redesign for capability development.
1960	Opening of Frankfurt office; first plant in Worms.	Seizing & Transforming: Operational scaling and local adaptation.
1987	150th anniversary; creation of category management and integrated supply system.	Transforming: Strategic integration across functions.
1998	Organisation 2005 global redesign.	Transforming: Accelerating innovation globally.
2002	Geneva Business Centre co-locates employees for EMEA UGBs.	Seizing & Transforming: Coordination of global capabilities.

**Table 5.** Product innovation and social programme milestones (Summary)

Year	Milestone	Dynamic Capability Highlight
1998	Rapid introduction of breakthrough products: Febreze, Dryel, Swiffer.	Seizing: Exploiting new product opportunities.
2004	Children's Safe Drinking Water Programme wins World Business Award.	Transforming: Social impact and brand capability extension.

Taken together, these milestones illustrate how managerial behaviour at P&G consistently enabled the development and deployment of DCs. Early initiatives such as the introduction of profit-sharing programmes reflect a managerial logic oriented towards building social capital and organisational commitment, which later supported adaptability and coordinated action during periods of growth and turbulence. From a DCs standpoint, such practices strengthened the firm's capacity to transform internal routines while maintaining organisational cohesion.

Subsequent managerial decisions related to international expansion and organisational restructuring demonstrate the firm's sensing and seizing capabilities. The creation of overseas divisions, regional headquarters, and global business centres reflects an ability to identify emerging growth opportunities and to reconfigure organisational structures accordingly. These actions illustrate transforming capabilities, as P&G repeatedly redesigned its organisational architecture to align with increasing geographic and product complexity.

Major organisational redesign initiatives, such as the introduction of category management, integrated product supply systems, and the Organisation 2005 global model, further exemplify how managerial behaviour facilitated capability renewal. These initiatives enabled faster knowledge flows, improved coordination across functions, as well as more effective resource allocation, reinforcing the interaction between managerial cognition, organisational knowledge management, and structural flexibility proposed in the DCs creation model.

Finally, initiatives linking business strategy with broader societal objectives—such as the Children's Safe Drinking Water

Programme—demonstrate how managerial behaviour at P&G extended beyond economic performance to integrate social considerations into strategic decision-making. From a DCs perspective, such actions illustrate the firm's ability to sense evolving societal expectations and to embed them into its strategic and organisational processes, thereby sustaining legitimacy and long-term competitive advantage.

### ■ Mergers and acquisitions, key milestones

Mergers and acquisitions (M&A) at P&G functioned as a strategic mechanism for expanding the firm's knowledge base, entering new markets, and reconfiguring its portfolio of brands and technologies. Beyond growth or diversification, these transactions enabled access to specialised capabilities and facilitated organisational renewal across geographic and product domains.

The following M&A milestones illustrate how P&G systematically used acquisitions as a strategic instrument to sense emerging opportunities, seize attractive growth options, and reconfigure its portfolio of brands, technologies, and organisational routines over time.

- 1930 P&G establishes the first overseas subsidiary with the purchase of Thomas Henley & Co. Ltd. in England. Fairy Soap is one of Hedley's main products.
- 1935 The Company expands its international presence with the acquisition of the Philippine Manufacturing Company—the Company's first operation in the Far East.
- 1963 P&G enters the coffee business with the acquisition of Folger's Coffee.
- 1973 The Company begins manufacturing and selling P&G products in Japan through the acquisition of The Nippon Sunhome

- Company. The new Company is called Procter & Gamble Sunhome Co., Ltd.
- 1982 P&G increased its prescription and over-the-counter health care business with the acquisition of Norwich Eaton Pharmaceuticals.
- 1983 The Company increases its presence in the European personal care category, with the acquisition of the Blendax line of products, including Blend-a-med and Blendax toothpastes.
- 1985 Acquisition of Richardson-Vicks.
- 1989 The Company enters the cosmetics and fragrances category with the acquisition of Noxell and its Cover Girl and Noxzema products.
- 1990 The Company expands its presence in the male personal care market with the acquisition of Shulton's Old Spice product line.
- 1991 The acquisitions of Max Factor and Betrix increase the Company's worldwide presence in the cosmetics and fragrances category. P&G opens its first operation in Eastern Europe with the acquisition of Rakona in the Czech Republic. New businesses in other Eastern European countries—Hungary, Poland, and Russia—follow throughout the year
- 1994 P&G enters the European tissue and towel market with the acquisition of the German-based Company, VP Schickedanz. P&G adds Giorgio Beverly Hills to its fine fragrance business. Other fragrances include Red and Wings.
- 1996 The Company continues to expand its global reach with the acquisition of the U.S. baby wipes brand Baby Fresh, complementing the Company's global diaper business and its strong European Pampers Baby Wipes business.
- 1997 The Company expands its feminine protection expertise into a new global market with the acquisition of Tambrands. Tampax Tampon is the market leader worldwide.
- 1999 The Company entered the global pet health and nutrition business by acquiring the Lams Company, a leader in premium pet foods. The acquisition of Recovery Engineering, Inc. enables P&G to leverage its expertise in water treatment by developing home water filtration systems under the PUR brand name.
- 2001 P&G acquired the Clairol business from Bristol-Myers Squibb Co. Clairol is a world leader in hair colour and hair care products.
- 2003 P&G acquires a controlling interest in Wella AG, a leading hair care company founded in 1886, giving P&G a significant presence in the fast-growing professional hair care segment.
- 2005 P&G and Gillette merge into one Company, adding five more billion-dollar brands to their product portfolio, including Gillette and Braun's shaving and grooming products, the Oral-B dental care line, and Duracell batteries.

Collectively, these acquisitions illustrate how P&G systematically leveraged M&A to extend and recombine its capability base over time. Early international acquisitions facilitated the development of global market knowledge, while later category-expanding transactions enabled the firm to access specialised technologies, brands, and domain-specific expertise.

Acquisitions in adjacent and new product categories—such as coffee (Folgers), health-care and pharmaceuticals (Norwich Eaton, Richardson-Vicks), beauty and personal care (Noxell, Max Factor, Wella), and pet nutrition (Iams)—strengthened P&G's absorptive and innovative capacities by integrating external knowledge into its existing organisational systems.

The successful integration of these diverse businesses highlights P&G's ability to reconfigure internal processes, coordination mechanisms, and governance structures. This capability is particularly evident in large-scale integrations, such as the 2005 merger with Gillette, which required the alignment of multiple billion-dollar

brands and technological platforms within a unified organisational architecture while preserving category-specific strengths.

Overall, P&G's M&A trajectory demonstrates that acquisitions functioned not as isolated growth initiatives but as a strategically embedded mechanism for capability renewal. Consistent with the proposed DCs creation model, these activities reflect the interaction of managerial judgment, organisational knowledge integration, and structural reconfiguration in sustaining long-term strategic renewal.

### Marketing, key milestones

Marketing milestones at P&G illustrate the firm's dynamic marketing capabilities—organisational processes through which market knowledge was generated, disseminated, and integrated into branding, communication, and go-to-market strategies (Bruni & Verona, 2009). These capabilities evolved cumulatively as P&G refined its approaches to consumer insight generation, brand management, and media innovation.

1879 James Norris Gamble, son of the founder and a trained chemist, develops an inexpensive white soap equal to high-quality, imported castile soaps. The inspiration for the soap's name, Ivory, came to Harley Procter, the founder's son.

1882 Harley Procter convinces the partners to allocate \$11,000 to advertise Ivory nationally for the first time. Ivory's purity and floating capability are first advertised nationwide in *The Independent*, a weekly newspaper.

A Company Built on Innovation. By 1890, P&G was selling more than 30 different types of soap, including Ivory. Fueled by full-colour print ads in national magazines, consumer demand for P&G soaps continued to grow.

The research labs were as busy as the factories. Innovative new products rolled out one after another—Ivory Flakes, a soap in flake form for washing clothes and dishes; Chipso, the first soap designed for washing machines; Dreft, the first

synthetic household detergent; and Crisco, the first all-vegetable shortening that changed the way consumers cooked.

Each of these new products came from P&G's in-depth understanding of consumer needs and their pioneering approach to market research.

And the products were marketed through equally innovative techniques, including radio “soap operas,” product sampling and promotional premiums.

1896 P&G's first colour print advertisement—an ad for Ivory—appears in *Cosmopolitan* magazine, picturing the “Ivory Lady.”

1920 P&G announces a plan to sell directly to retailers. This change stabilises production, reduces employee layoffs and, in the process, changes the way the grocery trade operates.

1923 Crisco sponsors cooking shows on network radio, placing P&G among the medium's advertising innovators.

1924 A market research department is created to study consumer preferences and buying habits, one of the first such organisations in the industry.

1926 In response to the growing popularity of perfumed beauty soaps, P&G introduced Camay.

1931 P&G's brand management system began to take shape in the late 1920s. Neil McElroy, the Company's promotion department manager, creates a marketing organisation based on competing brands managed by dedicated groups of people. The system provides more specialised marketing strategies for each brand, and P&G's brand management system was born.

1933 Dreft, the first synthetic detergent developed for household use, is introduced. The discovery of detergent technology laid the groundwork for a revolution in cleaning technology.

“Ma Perkins,” a radio serial programme sponsored by P&G's Oxydol soap powder, airs nationally. Its popularity

- leads P&G brands to sponsor numerous new “soap operas.” Faithful listeners become loyal buyers of P&G brands at the grocery stores.
- 1934 The Company enters the hair care business with Drene, the first detergent-based shampoo.
- 1939 Just five months after the introduction of television in the U.S., P&G airs its first TV commercial (for Ivory Soap) during the first televised major league baseball game.
- 1943 The Company establishes its first division, the Drug Products Division, to market its expanding line of toiletries.
- 1946 Tide, “the washing miracle,” is introduced. Tide incorporates a new formula that cleans better than any current product on the market. Its superior performance at a reasonable price made Tide the country’s leading laundry product by 1950.
- 1955 Crest, the first toothpaste with fluoride clinically proven to fight cavities, is introduced.
- 1957 P&G enters the consumer paper products business with the acquisition of Charmin Paper Mills, a regional manufacturer of toilet tissue, towels, and napkins.
- 1960 Crest sales skyrocket when The American Dental Association recognises tooth paste as “an effective decay-preventive dentifrice.”  
The Company introduces liquid Downy, the Company’s first fabric softener.
- 1968 Pringles, with its unique stackable shape and resealable can, is introduced into the test market.
- 1978 Didronel is introduced. A treatment for Paget’s disease, it is one of the Company’s first pharmaceutical products.  
Bounce combines softening agents with a nonwoven sheet to soften clothes in the dryer. It quickly becomes the second-largest selling fabric softener after Downy.
- 1980 Sales reached \$10 billion.
- 1983 The Company introduces a superior feminine protection product, Always/Whisper, which becomes the leading global brand in its category by 1985.  
Liquid Tide is introduced. This represents the results of global research with surfactants developed in Japan.  
P&G creates the industry’s first multi-functional customer team.
- 1986 Ultra Pampers and Luvs Super Baby Pants are introduced, featuring effective new technology that makes diapers thinner.
- 1988 Refill packs are introduced in Germany for liquid products, such as Lenox fabric softener. Germany’s retail grocers named Lenox’s refill pouch the invention of the year.
- 1992 Pantene Pro-V is introduced. Originally a small part of the 1985 Richardson-Vicks acquisition, Pantene became the fastest-growing shampoo in the world.
- 1990 Most laundry detergent brands were reformulated to incorporate P&G’s compact technology. Introduced in Japan with the Cheer and Ariel brands, the technology is expanded to 36 brands in 20 different countries during the year.
- 2001 Crest White Strips launches in the U.S.
- 2000 Reflect.com, P&G’s initial Internet brand, is launched. It is the first to offer truly customised beauty care products online.
- 2004 ThermaCare air-activated Heat Wraps are introduced.
- 2004 Actonel becomes a billion-dollar brand, and P&G’s first pharmaceutical brand to reach this significant milestone.

Taken together, these milestones demonstrate how P&G institutionalised market knowledge as a strategic resource and systematically converted consumer understanding into scalable marketing action. Pioneering initiatives in national advertising, the development of brand management systems, media innovation (e.g., radio and television sponsorships), and novel promotional techniques reflect the firm’s pronounced seizing capability, enabling rapid

brand scaling and effective value capture through superior positioning and communication.

At the same time, P&G's marketing trajectory reveals strong transforming capabilities. The firm continuously reconfigured its marketing organisation to accommodate technological change, global expansion, and evolving media environments. The evolution of brand management practices, the integration of global research insights, and the adaptation of marketing strategies across geographies illustrate an ongoing renewal of marketing systems that sustained brand relevance and effectiveness over time.

Overall, P&G's marketing evolution exemplifies dynamic marketing capabilities as a core component of the firm's broader DCs portfolio. Consistent with the proposed creation model, these capabilities emerged from the interaction between managerial cognition, organisational knowledge management, and social capital, enabling the firm to continuously align consumer value creation with changing market and environmental conditions.

### ■ Product development, key milestones

Product development milestones at P&G reflect the firm's absorptive and innovative capacities—its ability to identify, assimilate, and apply scientific and technological knowledge to generate commercially viable innovations. These capabilities evolved through sustained investment in research infrastructure, experimentation, and cross-functional integration.

The following product development milestones are analytically interpreted as evidence of how P&G developed, deployed, and renewed its innovation-related DCs over time in response to evolving technological possibilities, regulatory environments, and consumer needs. The following timeline of key milestones in P&G was developed based on the works mentioned in the source (Davis et al., 2004; Luthy, 2025).

1890 P&G establishes an analytical lab at Ivorydale to research and refine the soap-making process. It is one of the earliest product research labs in America.

- 1911 P&G introduces Crisco, the first all-vegetable shortening. Crisco provides a healthier alternative to cooking with animal fats and is more economical than butter.
- 1947-52 P&G's detergent technology leads to the development of a wide range of products, including granular and liquid detergents, shampoos, toothpastes, and household cleaning products, which provide growth opportunities in the 1950s and beyond.
- 1961 Although Pampers' first test market in Peoria, Illinois, was unsuccessful, it led to an improved Pampers product at a lower cost that eventually replaced cloth diapers as the preferred method for diapering babies. First disposable diaper.
- 1967 Ariel is introduced and later becomes one of P&G's leading global laundry brands. A new research facility, Miami Valley Laboratories, opens in Cincinnati. MVL is the Company's first facility dedicated solely to upstream research.
- 1983 The European Technical Centre opens in Brussels to serve the European community's subsidiaries.
- 1987 The Company developed a new technology that enables consumers to wash and condition their hair using only one product. Pert Plus/Rejoice shampoo quickly becomes one of the leading worldwide shampoo brands.
- 1993 The Japan Headquarters and Technical Centre opens on Rokko Island in Kobe, Japan. The complex consolidates headquarters and product development operations.
- 1995 P&G opened its Health Care Research Centre in Cincinnati to serve as the worldwide hub for the Company's health-care business. The Health Care Research Centre is designed to promote innovation and efficiency in bringing new healthcare products to market faster.
- 2000 Actonel: The U.S. FDA (Food and Drug Administration) approves Actonel

(risedronate sodium tablets) for the treatment and prevention of postmenopausal osteoporosis (PMO) and glucocorticoid-induced osteoporosis (GIO). Marketing capacity was increased by partnering with Aventis.

2003 The FDA approves switching Prilosec, a treatment for frequent heartburn, from a prescription to an over the counter (OTC) product.

Taken together, these marketing milestones illustrate P&G's strong sensing capability, as the firm systematically identified emerging consumer needs, preferences, and usage contexts through sustained investments in market research and experimentation. Early initiatives—such as the establishment of one of the first formal market research departments in the industry—demonstrate how consumer understanding became institutionalised as a core organisational resource rather than an ad hoc activity.

P&G's marketing innovations further reflect a pronounced seizing capability. The firm consistently converted consumer insights into actionable marketing strategies, including pioneering national advertising, the development of the brand management system, media innovation (e.g., radio and television sponsorships), and novel promotional techniques. These initiatives enabled P&G to rapidly scale successful brands and capture value from its market knowledge through superior brand positioning and communication.

Transforming capabilities are evident in P&G's continuous reconfiguration of its marketing systems in response to technological change, global expansion, and evolving media environments. The evolution of brand management practices, the integration of global research insights, and the adaptation of marketing strategies across geographies illustrate how P&G renewed its marketing organisation to sustain relevance and effectiveness over time. Innovations such as customised online offerings and the global rollout of research-driven product extensions further demonstrate this ongoing capability renewal in dynamic market contexts.

Dynamic marketing capabilities are specifically aimed at developing, releasing, and integrating market knowledge (Kaur, 2023). Over time, P&G systematically accumulated and embedded such knowledge into product, brand, and commercial decisions, contributing to a portfolio of trusted, high-quality, and category-leading brands. This capability extended beyond product and brand strategy to encompass channel and customer relationships, as evidenced by the firm's 1920 decision to sell directly to retailers—a move that stabilised production, reduced employee layoffs, and reshaped the structure of the U.S. grocery trade (Davis et al., 2004).

Further evidence of P&G's dynamic marketing capabilities is found in its development of customer competence, defined as the ability to effectively serve and co-evolve with key customers (Danneels, 2002; Konopik et al., 2022). Early collaboration with Sam Walton during the launch of Sam's Club, followed by P&G's role as a strategic supplier to Walmart from 1988 onwards, exemplifies how the firm deepened and leveraged market knowledge through close partnerships with powerful retail actors (Davis et al., 2004). Consistent with the dynamic capabilities' perspective, these practices reflect P&G's ability to release and integrate market knowledge in ways that supported organisational learning and long-term adaptation (Pfajfar et al., 2024). As demonstrated throughout the marketing milestones reviewed above, these dynamic marketing capabilities have been central to P&G's sustained evolution in complex and changing market environments.

### The DCs and P&G's current integrated strategy

From a DC perspective, sustained competitive advantage depends not only on current operational excellence but on the firm's capacity to continuously renew and reconfigure its resource base in anticipation of future conditions (Teece, 2023). DCs thus provide the conceptual link between an organisation's historical evolution and its forward-looking strategic orientation,

shaping how past capability development informs present strategic choices.

P&G's current integrated strategy can be understood as the cumulative outcome of the DCs developed over its 188-year trajectory. Rather than representing a static plan, this strategy reflects a long-term managerial logic oriented towards adaptability, coherence, and renewal across brands, categories, and markets. The firm's leadership explicitly frames strategy as an ongoing process of alignment with changing consumer needs, technological developments, competitive dynamics, and societal expectations.

Central to this strategy is P&G's focus on a portfolio of daily-use products in which performance drives brand choice. This emphasis highlights the role of dynamic marketing capabilities in transforming accumulated consumer and market knowledge into superior value propositions. Superiority across product performance, packaging, brand communication, retail execution, and value reflects the integration of marketing, innovation, and operational capabilities supported by robust organisational knowledge management systems.

Productivity and constructive disruption further illustrate how P&G sustains strategic renewal. Through the continuous reconfiguration of processes, organisational structures, and resource allocation mechanisms, the firm ensures that resources are available to support both current operations and future growth initiatives. This pattern of ongoing reconfiguration aligns with the proposed DCs creation model, which emphasises the interaction between managerial behaviour, organisational design, and environmental change in sustaining long-term performance.


Importantly, P&G's integrated strategy is activated by an empowered, agile, and accountable organisation. From a DCs standpoint, this organisational foundation reflects the accumulation of human and social capital that facilitates coordination, learning, and adaptive change. DCs at P&G are thus embedded in organisational routines and culture, rather than residing solely in episodic strategic decisions or top management actions.

Figure 3 summarises P&G's current integrated strategy and illustrates how its core strategic elements are underpinned by specific dynamic

**Figure 3.** Integrated Growth Strategy



Table 6. P&G’s integrated growth strategy and dynamic capabilities

	Strategy	Dynamic Capabilities
	BRAND PORTFOLIO	R&D, Product innovation, innovative capacity, marketing, value creation, resource divestment, acquisitions process.
	SUPERIORITY	Marketing, R&D, value creation, innovative capacity.
	PRODUCTIVITY	Absorptive capacity, sensing capacity, seizing capacity, transforming capacity.
	CONSTRUCTIVE DISRUPTION	Organisational learning, flexibility, network organisation, adaptive and absorptive capacities.
	ORGANISATION	Dynamic managerial capability, organisational learning, Managerial learning, sensing capacity, seizing capacity, transforming capacity, value creation, adaptive, absorptive, and innovative capacities.

capabilities. Table 6 complements this overview by mapping these strategic elements to the dynamic capabilities identified throughout the case analysis, highlighting how historical capability development continues to shape P&G’s present strategic configuration and future orientation.

### Conclusions

Building on the longitudinal application of the proposed framework, this study offers a set of theoretical and managerial insights into the development of DCs at P&G. Rather than introducing new constructs, the contribution lies in theory elaboration, providing an integrative and process-oriented understanding of how dynamic capabilities emerge, accumulate, and are renewed over extended historical periods.

By analytically applying the DCs creation model to P&G’s historical trajectory, the study synthesises how dynamic capabilities are shaped through the interaction of managerial behaviour, organisational knowledge development, and social capital. The findings show that these capabilities did not arise from isolated strategic initiatives but evolved cumulatively, forming the foundation of both the firm’s internal organisational design and its external competitive

strategies. In doing so, the case provides empirical support for the proposed model and illustrates how its core components operate over long-time horizons.

The analysis further highlights P&G’s pioneering role not only in marketing, sales, distribution, and consumer research, but also in organisational and human capital practices. Early initiatives such as profit-sharing programmes, the treatment of employees as business partners, and systematic investments in recruiting, training, and talent development contributed to the formation of an internally oriented capability base. These practices reinforced learning, commitment, and managerial cognition, thereby enabling sustained organisational adaptation across multiple technological, market, and institutional transitions.

This capability base has allowed P&G to repeatedly embrace change while preserving strategic coherence, consistent with the firm’s long-standing emphasis on “Excellence through Commitment and Innovation.” Looking ahead, P&G faces the challenge of sustaining strong business performance in what its leadership characterises as an increasingly dynamic, difficult, and volatile environment. As articulated by the company’s top management, the firm

remains committed to delivering organic sales growth, earnings growth, and cash flow productivity while continuing to execute its integrated strategy (P&G, 2025a). From a DCs perspective, this challenge underscores the ongoing need for capability renewal under conditions of heightened uncertainty.

Beyond firm-specific insights, the case contributes to a broader understanding of how large, established multinational organisations navigate the conditions associated with the Fourth Industrial Revolution and rising global complexity (Andrişan & Modreanu, 2022). P&G's integrated strategy—centred on daily-use product categories, superiority across multiple dimensions of value creation, productivity, constructive disruption, and an agile and accountable organisation—illustrates how dynamic capabilities can be operationalised at scale to support sustainable and balanced growth (P&G, 2025c).

Overall, the P&G case demonstrates that DCs are not static attributes but rather evolving organisational processes embedded in purpose-driven leadership, human capital development, and shared values. Guided by the firm's Purpose, Values, and Principles (PVPs), employees play a central role in enacting and renewing the integrated strategy, reinforcing the view that people and organisational culture constitute critical micro-foundations of long-term competitive advantage (P&G, 2025b). By tracing the co-evolution of managerial behaviour, organisational learning, and capability renewal across nearly two centuries, this study offers original empirical insight into the long-term dynamics of dynamic capabilities development.

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## Appendix

### Appendix A. Detailed managerial, M&A, marketing, and product development milestones

- |      |  |      |   |
|------|--|------|---|
| 1887 | To address the storm of local and national labour unrest, P&G institutes a pioneering profit-sharing programme for factory workers. This voluntary programme, conceived by William Cooper Procter, grandson of the founder, gives employees a stake in the Company. He wanted this programme to help workers realise their vital roles in the Company's success. | 1987 | P&G celebrates its 150th anniversary. P&G announces several significant organisational changes with the creation of category management and a product supply system that integrates purchasing, manufacturing, engineering, and distribution.   |
| 1948 | P&G establishes an Overseas Division to manage the Company's growing international business.<br><br>P&G begins operating in Mexico – its first subsidiary in Latin America.  | 1998 | P&G announces Organisation 2005, a new global organisational design aimed at driving innovative ideas to world markets faster.<br><br>P&G provides a foundation for future growth by investing in breakthrough products. Febreze, Dryel, and Swiffer are introduced and sold around the world in less than 18 months. |
| 1954 | The Company begins operations in continental Europe by leasing a small plant in Marseilles, France, from the Fournier-Ferrier Company, a detergent manufacturer.   | 2002 | The Geneva Business Centre co-locates employees responsible for regional management of global business units for Europe, the Middle East, and Africa.   |
| 1955 | P&G announces plans to form individual operating divisions to better manage its growing lines of products. This divisionalisation also creates separate line and staff organisations.  | 2004 | P&G's Children's Safe Drinking Water Programme wins the World Business Award from the United Nations Development Programme & International Chamber of Commerce in support of the UN's Millennium Development goals.   |
| 1960 | P&G GmbH opens its first office in Frankfurt, Germany, with 15 employees.  |      |   |