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The role of organizational routines in the construction of diversification strategy: Case of cevital agro-industry

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Abstract---In this study, we analyze the role of organizational routines in the construction of the diversification strategy of Cevital agro-industry. Studies on dynamic capabilities allow us to consider the latter as a response to the instability and dynamics of the environment. There is a multitude of definitions of dynamic capabilities in the literature. In this article, we have worked on the basis of the definition proposed by Teece because it goes beyond the definition of dynamic capabilities by the modification of resources and skills; it sets out the components that induce this modification. This work is based on a dual epistemological interpretativist and constructivist approach. The choice of methodology focused on the case method as a strategy for accessing reality. The information is obtained by triangulation between primary and secondary data. The primary data were subject to a thematic content analysis. We have been able to conclude that watch information; market research and the reinvestment of profits are recurrent routines that have enabled the construction of a dynamic capacity for vertical and horizontal diversification in the agri-food industry.

Keywords---diversification strategy, organizational routine, dynamic capabilities, recurrence.

Introduction

The role of business diversification in the strategic development of firms has been highlighted by several empirical studies (Haug&Pidun, 2013). According to Lee (2005), the theoretical approaches that explain diversification are based on quite different conceptions of the firm, but the objective remains the same and these approaches converge towards a common goal, which is to analyze the factors that determine firm diversification. We analyze these determinants according to the theory of dynamic capabilities.

Although the field of dynamic capabilities has undergone significant development in recent years, the theoretical approaches that make it up are heterogeneous, which makes it difficult to construct a stable and unified conceptual framework. To address this limitation, Schilk, et al (2018) advocates adopting an integrative theoretical perspective. Altintas (2012) considers that dynamic capabilities form an integrating framework for the resources, knowledge and skills approaches. We support this perspective, as the integration of these different approaches makes it possible to make dynamic capabilities more explicit and less abstract.

We mobilize the concepts of organizational routines and dynamic capabilities, and justify the choice of these concepts by the consensus on the link between dynamic capabilities and organizational routines. (Winter, 2003; Zahra *et al*, 2006). However, as Macher and Mowery (2009) point out, the opposite link, i.e. the role of organizational routines in the construction of dynamic capabilities, has never been studied. Nevertheless, the work of Altintas (2017) on a tour operator has demonstrated the role of organizational routines in the construction of a dynamic capability linked to the diversification of activities. This work is interesting because it considers the process of building dynamic capabilities according to the principle of recurrence. This idea can be found in the work of (Eisenhardt & Martin, 2000), who associate dynamic capabilities with recurrent processes. Taking up this concept, Winter (2003) shows that the dynamic capabilities are the outcome of conscious decision-making rather than improvisation. While there is a theoretical consensus on the principle of recurrence, fewer studies have aimed to analyze the deployment of dynamic capabilities from this perspective. We are therefore inspired by Altintas' (2017) innovative approach, which considers this process from the perspective of recurrence. We propose adding the notion of specificity to emphasize that organizational routines are specific to each firm.

The aim of this article is to investigate how organizational routines contribute to the development of a dynamic capacity associated with the diversification of activities within Cevital's agro-industry in the agri-food DAS. Specifically, this article will investigate **how Cevital's agro-industry's organizational routines support the development of a dynamic capacity associated with activity diversification**. This work is organized as follows. First, we define the key concepts of this research, namely the concept of diversification strategy and the

concept of dynamic capacity. Secondly, we present the methodological choices made and explain how the data was collected and analyzed. Finally, we will summarize the study's findings and discuss how they relate to the conceptual framework that was employed as well as to other empirical research.

1. Theoretical Framework

1.1 Definition of the concept of diversification

According to Ramanujam and Varadarajan, the way in which diversification is conceptualized, defined and measured varies considerably. These authors also recognize that it is *"difficult to define the concept, to propose a suitable measure, let alone to pinpoint the advantages of this strategy"*. In view of the difficulties in defining the concept of diversification, we have adopted definitions that use the business area (BA) as the unit of analysis. The field of activity is a fundamental concept in corporate strategy, since it is the basis for strategic reasoning. Ramanujam and Varadarajan (1989, p.5.25) define diversification as *"the entry of a firm into new fields of activity either by internal growth or by acquisition which leads to a change in the organizational structure"*.

Two implications are highlighted by this definition. The first one has to do with a process. For this reason, Le Loarne (2004) considers that companies that are diversified are ones that have already experienced this process. Organizational implications make up the second. According to Chandler (1962), a company's strategy is the primary factor that determines its structure. He examined the growth patterns of several large American firms in order to develop the relationship between strategy and company structure. He demonstrated how the companies altered their structures in response to every significant shift in strategy.

1.2 Definition and Characteristics of Dynamic Capabilities

The dynamic capabilities approach, viewed from a theoretical perspective, is an extension of the resource current and is meant to respond to the current context, which is characterized by a hyper-competitive and dynamic environment and the increasing importance of knowledge and cognition in firm management. The definition given by Teece et al (1997) is a benchmark in the field of dynamic capabilities. They define dynamic capabilities as *"the ability of a firm to integrate, build and reconfigure internal and external competencies in response to constantly changing environments"*. (Teece et al p.516). In a changing and complex environment, the organization adapts thanks to its skills and learning capabilities (Teece et al, 1997). Some authors have subsequently developed Teece's definition because of the difficulty of putting it into practice. For example, Eisenhardt and Martin (2000) define it as *"organizational and strategic routines through which firms achieve new resource configurations"* (p.1107). Organizational processes are then envisaged as *"a set of routines"* (Grant, 1991, p. 122), (Nelson and Winter, 1982, p. 400). However, with a view to making the concept of dynamic capabilities operational, Teece (2007) has proposed a recent definition, which goes beyond the definition of dynamic capabilities by the modification of resources and skills. It sets out the components, which induce

this modification. According to Teece (2007), a dynamic capability is the ability to identify an opportunity or threat, seize the opportunity and improve competitiveness by transforming the company's intangible and tangible assets. We use this definition to reconstruct and identify the organizational routines at the origin of the dynamic capacity linked to the diversification of the Cevital group's activities.

According to Altintas (2015a; 2015b), four conditions can be identified in the literature that make it possible to characterize a dynamic capability and make its operationalization less abstract. Thus, a dynamic capability is characterized by: (1) recurrence (Winter, 2000; Altintas, 2015a; 2015b), (2) stability of the process characterizing the CD (Zollo and Winter, 2002), (3) modification of the resource base (Teece, 2007) and (4) performance resulting from the implementation of the process (Eisenhardt & Martin, 2000).

1.3 The construction of dynamic capabilities

An organization's operating procedures and resources serve as the foundation for its dynamic capabilities. Routines form the basis of their development, which is influenced by both historical and contemporary trends (Winter and Nelson, 1982; Schilk, et al, 2018). According to Teece (2007), the process of building dynamic capability takes place in three stages: (1) identifying opportunities and threats (2) seizing the opportunity and (3) maintaining competitiveness by improving, combining, protecting and, if necessary, reconfiguring the firm's intangible and tangible assets. "(1) to sense and shape opportunities and threats, (2) to seize opportunities and, (2) to maintain competitiveness through enhancing, combining, protecting, and when necessary reconfiguring the business enterprise's intangible and tangible assets (3)" (Teece, 2007, pp.1319).

This process emphasizes the key role of strategic management in the adaptation, integration and reconfiguration of internal and external capabilities, resources and functional competencies (Teece & Pisano, 1994). The construction of dynamic capability is accompanied by a systematic change in the resource base and is permissive through the recurrence of the process, i.e. it is repeated at least twice (Altintas, 2015a, 2015b). The recurrence of dynamic capability highlights the evolving nature of skills (Helfat & Peteraf, 2003).

Skills can be replicated in another geographic market or redeployed in a different market or product. This is the principle of dual reality. Dynamic capabilities exist in the firm's skills, but they also exist in the objectification of the value creation process. We can also observe the recombination of skill with another skill, of a resource with another resource. In this case, the resources and the skills, form an evolving combination that enables the firm to products or services and gives the firm an idiosyncratic character.

1.4 Relationship between organizational routines and dynamic capabilities

As noted in the introduction, a lot of research has been done on the relationship between organizational routines and dynamic capabilities; however, the relationship between the two is not as widely recognized.

In the evolutionary theory of Nelson and Winter (1982), organizational routines are essentially defined in cognitive terms. According to (Teece et al. 1992), organizational routines are "a configuration of interactions that represents a solution to particular problems". For our part, it is possible to understand the link between organizational routines and dynamic capability through the replication of the dynamic capabilities construction process. As noted in by definition, a dynamic capability is a process that is completed over time rather than an effect that occurs at a specific time, which makes this processual work crucial. Dynamic capabilities have an evolutionary logic determined by the objective potential they contain. These potentialities are objectified by highly qualified organizational routines. These routines have nothing to do with management habits or ad hoc problem solving; they are the result of a structured pattern and then function as a structuring structure, enabling new dynamic capabilities to be built up. Furthermore, organizational routines are based on dynamic learning, which is a "search" process by which dynamic capabilities are structured, ultimately to become new routines within the new managerial and organizational framework that emerges.

2. Methodology

Our research focuses on Cevital agro-industry, a subsidiary of the Cevital group. Entrepreneur Issad Rebrab set it up in 1998. The subsidiary's development strategy is based on building an integrated agri-food business, including oil and sugar refining.

2.1 The choice of a dual epistemic approach

The diversification strategy is a management practice (the praxis element), we have examined the phenomenon from two perspectives: the researcher's and the actors'. Thus, this work belongs to a dual approach that combines constructivism and interpretivism. Based on the managers' discourse, we attempted to reconstruct the reality of dynamic capabilities. We also applied our theoretical and conceptual filters to the phenomenon in order to interpret it. This dual epistemic construction is, in our opinion, a component of the attempt to justify knowledge.

2.2 Choosing the case method as a strategy for accessing the real

The questions that the research raises determine the method to use, not the objectives. According to Yin (1994), a case study should be used when a "how" or "why" question about a current set of events that the researcher has little or no control over comes up. In the case of our work, we are seeking to understand how organizational routines promote the construction of a dynamic capability linked to the diversification of activities. The construction of dynamic capabilities is processual in nature (Teece 2007), which corresponds to Wacheux's (1996) explanation that the 'how' refers to the process and the sequence of events over time. The case study method is also used to study phenomena in real-life situations, whether they are new and/or complex, or to deepen knowledge of phenomena that have already been studied. In our case, we are studying a

phenomenon in a real situation (Cevital), where the process of reconstituting organizational routines and dynamic capabilities is complex.

2.3 The choice of single case

We examine a single case in this article, which we characterize as critical, illuminating, and longitudinal in the sense of (Yin, 2009). We wanted to test the theory of dynamic capabilities to explain the phenomenon of diversification, which makes our case crucial. It is instructive because the Cevital group serves as a national and even global model for diversification. This presents a chance to examine a topic that has not received much attention in the Algerian context. Finally, because Cevital's diversification strategy covers multiple years (from 1998 to the present), our case is longitudinal since we have examined the dynamic capacities of diversification using a process logic.

2.4 Data collection

As part of our work, we opted for a semi-structured individual interview to collect primary data. More specifically, we asked the interviewees to explain how the changes had been brought about, implemented and managed.

Table 1: Interview guide and specification of dynamics capabilities

Theme	Questions
Dynamic capabilities	Can you retrace for us the passage from the packaging stage to the refining stage and then to the crushing stage?
Identifying the opportunity	How does the company identify opportunities in its environment?
Seizing the opportunity	Is the company succeeding in seizing the opportunities identified? how are resources structured to achieve this?
Modification of resources	Does investment in new activities lead to changes in the resource system?
Knowledge and skills management	How is knowledge managed and shared each time an activity is added?
Improving performance	Do the new activities have an impact on performance (turnover, changes in demand, etc.)?

Source: Made by authors

A total of 32 semi-structured interviews lasting 1.5 hours were conducted with people from different functions and positions within the organization. Depending on the context, the interviews were transcribed in text and audio form. The identification of the organisational routines at the origin of the dynamic capacity for diversification required a longitudinal analysis, so we thought it would be useful to interview people who had left the company but who had participated in the construction of the company's diversification strategy. To do this, we conducted 08 open interviews with employees who were part of the Cevital organisation and involved in the company's strategic choices.

The size of our sample was influenced by the principle of data saturation. We decided to stop interviewing when we noticed that the incremental learning linked to our research object had become minimal, in other words, the collection of new data from the interviews had stopped generating new ideas on our subject.

To analyze the raw data, we constructed a thematic interview grid (Miles & Hubermans 2003) using concepts borrowed from the various theoretical approaches used. Thematic content analysis is a method used to process the collected data that divides the raw data into themes and ranks the themes according to importance (Evrard et al, 1997). This method allows us to focus more on the meaning of the data and the interpretations of the managers. The categorization/coding work was carried out using the approach of Paillé and Mucchielli (2016).

Table 2: Illustration of data analysis for training and deployment of dynamic capability

Speech	Annotation	Section	Code	Category	Code
<i>« In 1995, Algeria opened up its foreign trade, particularly in sugar. »</i>	The company has identified an opportunity linked to the opening up of foreign trade.	Identification of the opportunity	Ident/opp	Dynamic capacity training	Dyn/cap/train
<i>« Mr Rebrab set up a trading company. This involved buying sugar on the international market and selling it on the Algerian market. »</i>	Mr Rebrab has set up a commercial agri-grain company	Seizing the opportunity	Seiz_opp	Dynamic capacity training	Dyn/cap/train
<i>« The import and resale business was easy, but very quickly other competitors arrived on the scene with unfair competitive practices. Mr Rebrab decided to invest in the production of fats and oils. The aim was to build barriers that would be difficult to break throughfranchissables. »</i> <i>« Mr Rebrab has identified three locations for the Cevital factory. The port of Algiers, the port of Djendjen and the port of Bejaia. In the end, he opted for Bejaia for reasons of availability and cooperation. »</i>	Cevital was created in 1998 to move from the packaging stage to a production stage in order to build a competitive advantage. The factory was set up at the port of Bejaia.	Identifying a threat and an opportunity structuring resources	Ident/thre/opp Struc/res	Deployment of dynamic capacity	Dep/Dyn/Cap
<i>« Work on the plant began in May 1998. The first oil refinery unit, with a capacity of 600 tonnes/day, went into production in January 1999. Demand was so strong that the company was obliged to add a refinery with a capacity of 1,800 tonnes/day. »</i>	Commercial success was immediate, and Cevital was forced to increase its production capacity to cope with the pressure of demand.	Seizing the opportunity Modification of resources	Sais_opp Modif_res	Deployment of dynamic capacity	Dep/Dyn/Cap

Speech	Annotation	Section	Code	Category	Code
<i>« Cevital is always aiming for critical mass in terms of production and investment to remain competitive, but the human factor is the essential link. The company has to be dynamic, constantly challenging itself and capable of innovation. »</i>	For Cevital, competitiveness is built on major investment in production and, above all, in human resources. Human resources are a lever for innovation.	Knowledge and skills management	Know-skill-mgt	Deployment of dynamic capacity	Dep/Dyn/Cap
<i>« Since the creation of the oil packaging unit, Cevital's turnover has grown steadily. In 1999, turnover was 125 million dollars, today the group's turnover exceeds 4 billion dollars, more than 70% of which comes from the agri-food division »</i>	Diversification moves (conditioning, refining, crushing) along the agri-food DAS chain have enabled Cevital to achieve a solid financial performance..	Improving performance	Imp/Perf	Deployment of dynamic capacity	Dep/Dyn/Cap

Source: Made by authors

3. Result

In order to highlight the weight of organizational routines in the construction of a dynamic capacity linked to the diversification of activities in the agri-food SBU, we retrace the creation of the vegetable oil packaging unit, the oil-refining unit and the crushing unit. We analyze the process of building dynamic capabilities in relation to the article by Teece (2007). Next, we explain the content of dynamic capability formation.

3.1 Formation and deployment of dynamic capabilities

Dynamic capabilities were formed and deployed in the context of business diversification (vertical and horizontal) in the agri-food SBU. Referring to Teece's theoretical model (2007), dynamic capability formation involves four phases: identifying an opportunity, seizing the opportunity, structuring and modifying resources and improving performance.

3.1.1 Identifying and seizing the opportunity

The identification of the opportunity is based on an information watch. For example, a signal was detected concerning the opening up of the market for basic and essential products (table oils, margarine, sugar, etc.), which were largely under state monopoly. "In 1995, Algeria's foreign trade was opened up, particularly in sugar. Mr Rebrab set up a trading company. The business consisted of buying sugar on the international market and selling it on the Algerian market". (Executive, agro-industry division). The choice of investment then fell on the vegetable oil refining business. "The import and resale business was easy, but very quickly other competitors arrived on the scene with unfair competitive practices. Mr Rebrab decided to invest in the production of fats and oils. The aim was to build barriers that would be difficult to break through". (Executive, agro-industry division)

Identifying the opportunity to create a vegetable oil refining unit led the directors to carry out a twofold study: a profitability study to measure the feasibility of the project and a study to identify the location of the future plant. "Mr Rebrab identified three locations for the Cevital plant. The port of Algiers, the port of Djendjen and the port of Bejaia. In the end, he opted for Bejaia for reasons of availability and cooperation. (Agro-industry executive). Cevital was created in 1998 to play a pioneering role as a producer in the agri-food sector.

3.1.2 Structuring and modifying resources

The structuring of resources¹ corresponds to the phase of construction of the Cevital factory in May 1998, at the port of Bejaia, and resulted in the creation of an oil-conditioning unit (600 t/d), a sugar-refining unit (2000 t/d) and a margarine factory (600t/d). In addition to the production units, Cevital has built several storage silos and a port terminal with a capacity of 2,000 tonnes/hour.

The change in resources corresponds to the various extensions of activities that have enabled Cevital to become vertically integrated (oil refining unit 1800t/d, sugar refining unit 2000t/d). With a view to completing the process of vertical diversification upstream in the sector, Cevital has built an oilseed crushing plant that will come on stream in April 2023. This project will increase Cevital's production capacity to around 3.3 million tons a year.

3.1.3 Knowledge Management

Knowledge management at Cevital is based on a strategic approach to human resources. "Cevital is always aiming for critical mass in terms of production and investment to remain competitive, but the human factor is the essential link. The company must be dynamic, constantly questioning itself and capable of innovation. To achieve this, major investments are made in human resources, their training and the transfer of skills". (HR executive, agribusiness division). This approach has led to the introduction of human resources management mechanisms. These mechanisms are designed, implemented and coordinated by the HR function

It makes fairness and recognition fundamental drivers of employee motivation. Twenty-four directors from the Group's various entities were given access to an MBA program in partnership with HEC Montréal to further their knowledge and expertise in the field of management. The goal of this program is to develop the skills of our employees and equip managers with the necessary leadership abilities.²

3.1.4 Creating and implementing skills

As part of the management of the Agri-food SBU (Strategic Business Unit), specific skills (RD, Marketing, logistic) are created and implemented. These skills are applied to manage the integration of upstream and downstream activities with

¹ The structuring and changes in resources have been reconstructed from the activity reports for 2012, 2015 and 2018.

² This training program is not the only one. Other training programs have been delivered to hundreds of managers. They are conducted within the framework of "training project portfolios" and are included in the training reference framework ("managers" category).

a view to creating and increasing benefit for the company. Alongside diversification through vertical integration, Cevital has diversified horizontally by developing a wide range of products in each integrated activity. Oils (Elio 2, fleurial plus, fridor); margarine (fleurial, rania, matina, smen medina, beurre gourmand etc.); sugar (lumps, Skor, big bac, liquid); drinks (mineral water, carbonated water, tachina orange juice). "The expansion of the range is the result of market research, which enables us to identify and satisfy the various needs of our customers. (Marketing Manager).

Improving performance

Performance is a polysemous concept that covers a range of different realities. As part of the development of new activities, several indicators (financial, marketing, production) have shown positive changes. "Since the creation of the oil packaging unit, Cevital's turnover has continued to rise. In 1999, turnover was 125 million dollars; today, the group's turnover exceeds 4 billion dollars, over 70% of which comes from the agri-food division". Turnover has risen from 125 million dollars in 1999 to 1333 million dollars in 2007, 3500 million dollars in 2012 and 4000 million dollars today. In terms of production, for example, oil production has risen from 800T/d to 1800T/d. For sugar refining, Cevital has gone from a refining capacity of 600,000 tonnes/year, to a capacity of 1.8 million tonnes/year, then 2.2 million tonnes/year, making Cevital the largest producer in the Mediterranean and Algeria's only exporter of white sugar.

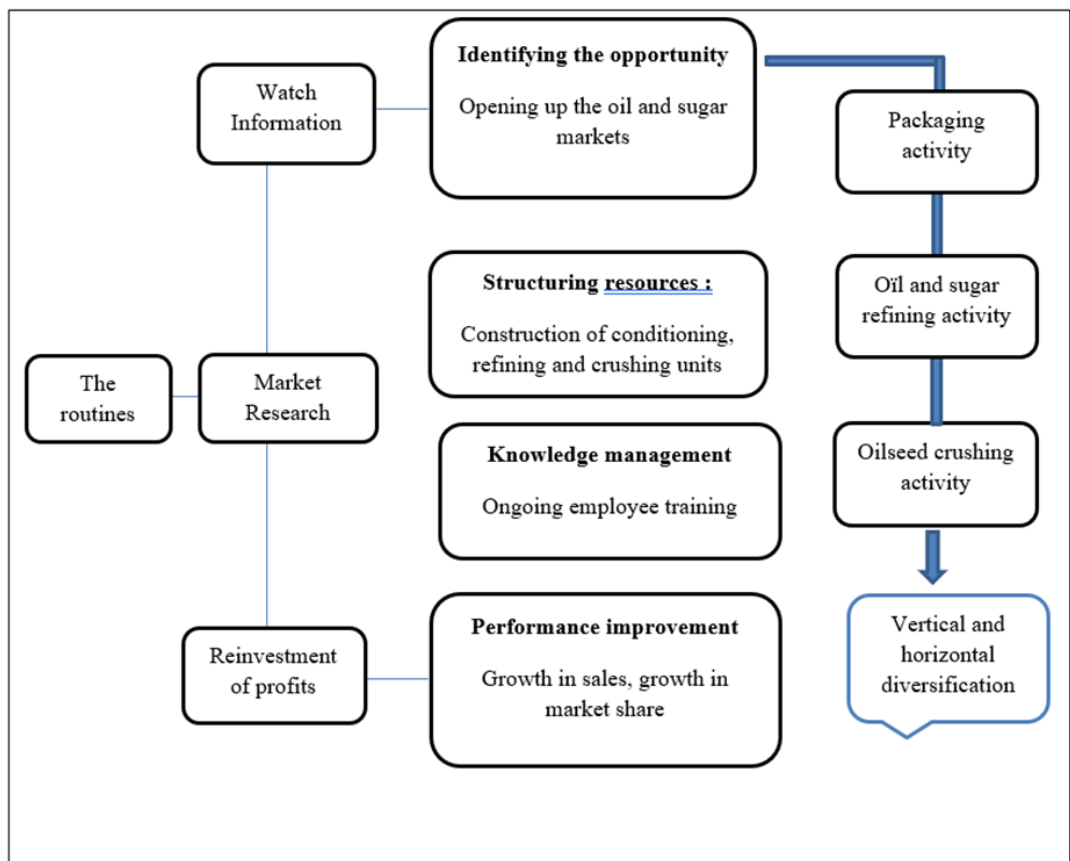


Figure 1: illustrating the dynamic capacity for diversification in the agri-food sector
Source: Made by author

4. Discussion

In order to highlight the weight of organizational routines in the construction of the diversification strategy, we will discuss the results related to the process and content of the formation and deployment of the dynamic capability of business diversification in the agri-food DAS. The process explains the different stages in the formation, deployment and evolution of dynamic capability. The content expresses the resources, knowledge and skills relating to the different activities. The aim of the study was to understand how Cevital agro-industry managed to diversify, particularly vertically, in the agri-food SBA, thanks to the existence of specific organizational routines.

Our study's findings are consistent with those of Altintas (2017), whose research showed how organizational routines contributed to a French tour operator's diversification of activities as well as to the characterization and deployment of dynamic capabilities through recurrence processes and routinization (Altintas, 2015a; 2015 b).

Our research is also in line with the study done by Doving and Gooderham (2008) on the specificity of the organizational routines at the origin of the dynamic capacity to diversify the scope of activity. At a processual level, our results highlight the role of three specific organizational routines to Cevital's agro-industry in the construction of the diversification strategy. These include information and strategic intelligence, market research and systematic reinvestment of profits in more profitable growth sectors. The first two routines enable us to detect signals from the environment. These signals relate to the opening up of the market for basic and essential products (table oils, margarine, sugar, etc.), which were largely under state monopoly. The recurrent detection of these signals bears witness to Cevital's absorption capacity, which consists of identifying and integrating information from the environment in order to use it for commercial purposes (Wang and Ahmed, 2007). This stage corresponds to the first phase of Teece's (2007) process of building dynamic capabilities. This translates into the concrete identification of an opportunity, which corresponds to the first stage in the implementation of the dynamic capability (Teece, 2007). The desire to seize this opportunity led firstly to the creation of the company "Agrograin", which specialized in the import and the distribution of agri-food products, and secondly to the creation of a packaging unit at the agri-food complex. This is the second phase in Teece's dynamic capacity-building process (2007).

The process of identifying and seizing the opportunity was repeated. The repetitive nature (Winter 2003, 2000; Altintas, 2015a; 2015 b) of the information intelligence activity, the market research and the systematic reinvestment of profits enabled Cevital to identify a new opportunity (quantitative changes in demand) and to seize it by deploying dynamic capacities (construction of new oil and sugar refineries). This dynamic capacity has evolved through the same phases of formation and deployment of dynamic capacity. This development led to the creation of Ceviagro, which specializes in agriculture (growing and crushing oilseeds).

From a strategic point of view, the formation, deployment and evolution of dynamic capacity correspond to the process of diversification linked by vertical and horizontal integration of Cevital. This diversification process leads to a reconfiguration of the value chain (Porter, 1986) and implies a change in the firm's management. This diversification process has resulted in a positive evolution in performance (financial, productive and commercial). The structuring of resources begins with the formation of dynamic capacity. Resources were modified during the deployment and development of dynamic capacity (refining and crushing activities). This process of structuring and modifying resources is made possible by the introduction of knowledge management and the creation of new skills. This phase highlights Cevital's threefold capacity: integration capacity through effective management of the R&D and decision-making process; acquisition capacity through resource acquisition management and reconfiguration capacity through dynamic resource management (Eisenhardt and Martin 2000). Our results clearly highlight the importance of organizational routines in the construction of a dynamic capability linked to the diversification strategy. Nevertheless, we note that the process of building the dynamic capacity to diversify activities in the agri-food SBU (strategic business unit) is complex.

Our results also show that Cevital's diversification in the agro-industry is a linked diversification. This diversification has taken place vertically, through the integration of related activities upstream and downstream of the value chain and horizontally, through the expansion of the product range in each integrated activity. Cirjevski (2019) considers this form of diversification. The existence of complementary assets in terms of location and synergies in production, logistics and marketing highlights the close proximity between packaging, refining and crushing activities. This proximity makes it possible to identify coherence in the development and management of this area of activity (Hamdad and Gheddache, 2022).

Finally yet importantly, as we have already discussed, the idea of dynamic capabilities as a framework for integrating knowledge, skills, and resources makes them less abstract and more explicit. In actuality, dynamic capabilities are defined as the ability to cause the firm to evolve along different paths and are reflected in the routinization of resources, knowledge, and skills applied to the production and marketing of goods and services. These various methods allow us to identify the results that we have obtained. We go over the components of each strategy using the Cevital agro-industry case study as a basis.

Resources

The construction of an integrated complex for the production of body and fat products at the port of Bejaia highlights a connection between several resources. This interconnection enables Cevital to effectively coordinate several resources (production, logistics and commercial). This interconnection is facilitated by the existence of a specific location asset and a cross-functional management structure. The advantage of location is a key success factor because it represents a major competitive advantage in terms of logistics (proximity to port facilities reducing the cost of imported materials and exported finished products). The vision of the interconnection of resources is developed by (Dierickx and Cool, 1989). These authors advise developing a related or complementary asset in order to develop strategic assets. They also suggest establishing a related or complementary asset in order to develop strategic assets. The transition from the oil conditioning stage to the refining stage and then to the crushing stage is explained by the recombination of existing resources, skills and knowledge.

Kogut and Zander (1992) explain this vision of building new productive capacities. Faced with the turbulence of the environment, Cevital agro-industry has not limited itself to linking its strategic assets; training plans are constantly being put in place to prevent the erosion of these resources. Arndt et al, (2017) explain that resources must be maintained to avoid their erosion and depreciation over time. Thus, if a company does not allocate flows to maintain its strategic resources, the latter will depreciate and lose their potential to build dynamic capabilities.

Knowledge

In the case of Cevital, the process of knowledge creation and integration is identifiable through the creation of Cevital's Corporate University. This university provides staff members with a unique setting for exchanging and transferring

knowledge, skills, and the Group's DNA, which includes its values, history, mission, vision, and the behaviors that are in line with them. Cohendet and Llerena (1999) emphasize the importance of these cognitive mechanisms on the members of the organization. The dynamic capabilities approach highlights the importance of knowledge integration. The work of Zollo and Winter (2002) highlights the importance of knowledge in the formation of dynamic capabilities.

Skills

In the case of Cevital, we have identified an ability to build skills and, if necessary, reconfigure them to adapt to changes and the demands of the environment. These include production skills, marketing skills, R&D skills and logistics skills. According to the study by Guernoub and Kerkoub (2019), these skills are understood through their operational dimensions and what gives them the character of dynamic capabilities. Daneels (2008), who defines them as «skills for building new skills», share this vision of dynamic capabilities. In the case of Cevital, production skills have enabled savings to be made in terms of varieties (Dosi et al, 1990). Marketing skills (Bruni and Verona, 2009) have enabled new products to be developed through creation, communication and the integration of knowledge from the market. R&D skills (Helfat 1999) have enabled the company to manufacture vitamin-enriched oils and margarines and have led to the highest levels of certification in this field (iso 22000 standard issued by VERTITAS certification). The company's logistics skills have enabled it to deploy an extensive distribution network, which Altintas (2017) sees as a dynamic capability.

Conclusion

The aim of our research was to understand how organizational routines help to build a dynamic capacity to diversify activities. This work has enabled us to identify three organizational routines: information watch, market research and reinvestment of profits.

The perspective of organizational routines cannot be envisaged in the search for their origin, but it is also a question of highlighting the changes that they induced over time. Our study shows that organizational routines, their modes of appearance and routinization, their specific structuring logic, and their recurrence, have an important weight in the construction of a dynamic capacity for diversification of activities by Cevital agro-industry in the agri-food SBU. Our research also shows that the nature of the change induced by organizational routines is idiosyncratic. Organizational routines in large diversified firms are disseminated in complex arrangements of resources and skills, which gives them a tacit character. Each firm's unique evolutionary logic for dynamic capabilities is based on the objective potential that each possesses. These potentialities are objectified by highly qualified organizational routines.

In conclusion, organizational routines promote the construction of dynamic diversification capabilities. They enable firms to adapt to changes in the environment by developing new products in new activities. Our work has two essential limitations that need to be taken into consideration. To point them out is to explore as many avenues for improvement and future research on this

subject. The first limitation is methodological. Although the generalization of the results was not our main objective, it would be interesting to carry out other studies on companies in different sectors. The second limitation is empirical. While our research clarifies the changes caused by organizational routines, it does not address their origins. The introduction of mechanisms for codifying organizational routines would make it possible to identify them more explicitly.

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