

**Conceptualizing a nexus between agility, unobserved differences of dynamic capability,
and sustainable performance of microfirms.**

By
Bwabo,M.
and
L I M

Abstract

Recent studies have highlighted commonalities in the relationship between dynamic capabilities and firms' sustainable performance. However, the impact of unobserved differences within the dimensions of dynamic capabilities on firm-level sustainable performance remains unclear. Specifically, in this study, we investigate how unobserved variations in dynamic capabilities influence the sustainable performance of dairy microforms. Additionally, the study examines the unobserved mediating effects of agility in the relationships between knowledge-sharing sensing capability, managerial cognitive capability, and sustainable performance. Grounded in the Knowledge-Based View (KBV) theory, our study rigorously tests these hypotheses using a unique quantile composite-based path modelling approach. The findings reveal both significant strong and weak unobserved differences in the relationships between knowledge sharing, sensing capability, managerial cognitive capabilities, agility, and the sustainable performance of microforms.

Keyword: Dynamic capability, Microfilms, **sustainable** performance, Knowledge based view.