



Objective = competitive advantage

Resource-based view
 Boxall, P & Purcell, J (2003c) Strategic HRM and the resource-based view of the firm

"A firms resources at a given time could be defined as those (tangible and intangible) assets which are tied semipermanently to the firm"

1. Develop valuable resources
 Competitive advantage

- current "copyable"
- sustained "not copyable"
- make resources "inimitable" and "non-substitutable" and "appropriability"**

2. Erect Barriers of imitation

- Time & place**
 - historical learning is an advantage over new entrants
- Social complexity**
 - cluster of "human and social capital"
 - networks
 - Corporate value through
 - skill formation
 - forms of cooperation
- Causal ambiguity**
 - Cause / effect
 - Due diligence before purchase of company
 - High performers
 - Consensus in management
 - common sense
 - agreement more valuable than confusion

Core competencies
 Leonard (1998) & Hamel and Prahalad (1994)

- look at knowledge and not product
- Leonards knowledge sets **"core capability"**
- strengths = weaknesses

1 Employee knowledge and skill: This dimension is the most obvious one.
2 Physical technical systems: But technological competence accumulates not only in the heads of people; it also accumulates in the physical systems that they build over time – databases, machinery, and software programs.
3 Managerial systems: The accumulation of employee knowledge is guided and monitored by the company's systems of education, rewards, and incentives. These managerial systems – particularly incentive structures – create the channels through which knowledge is accessed and flows; they also set up barriers to undesired knowledge-creation activities.
4 Values and norms: These determine what kinds of knowledge are sought and nurtured, what kinds of knowledge-building activities are tolerated and encouraged. These are systems of caste and status, rituals of behaviour, and passionate beliefs associated with various kinds of technological knowledge that are as rigid and complex as those associated with religion. Therefore, values serve as knowledge-screening and -control mechanisms.
 Source: Leonard (1998: 19)

Figure 4.4 The four dimensions of a 'core capability'

strategy -> knowledge based and not product based

SYSTEMIC VIEW
 Human resource advantage cannot simply reside in a single individual but must be more broadly based in the management structure and process (Boxall 1996)

What is valuable about HRM and how to protect?

companies strengths & weakness -> calibre of people & working relationship

KBV - knowledged based view

- tacit knowledge
 - nonverbalized, intuitive
- explicit knowledge
 - verbally or eg. programs, patents etc.

Participation and imitation of tacit knowledge
 improve interaction between tacit & explicit knowledge

What?

How?

- recruit & retain Human capital advantage
- historically evolved, socially complex Organisational process advantage
- team-based learning
- cross functional cooperation

Barriers of imitation

may become base-line over time