



Objective = competitive advantage

recruit & retain Human capital advantage

team-based learning
cross functional cooperation
historically evolved, socially complex Organisational process advantage

What?

How?

Barriers of Imitation

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



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

SYSTEMIC VIEW

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



1 Time & place

historical learning is an advantage over new entrants



2 Social complexity

cluster of "human and social capital"
networks
Corporate value through
skill formation
forms of cooperation



3 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"
stengths = weaknesses



strategy --> knowledge based and not product based

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'

may become base-line over time