Competitive Advantage Core Competency and Organizational Performance

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Abstract
The objective of this paper is to review current literatures concerning competitive advantage, core competencies and organizational performance as well as their impact on organizational performance. A comprehensive review from previous studies was conducted. The review was focused on competitive advantage, indicators of competitive advantage, core competencies, performance indicators, and the relationship between competitive advantage, core competency and organizational performance. The study concludes that there is significant positive relationship exist between core competency and competitive advantage as well as organizational performance. This positive relationship has been stressed and experienced by scholars and managers of organization. Moreover, this unique relationship also leads to superior performance attained by firms.

Keywords: Competitive Advantage, Core Competency, Organizational Performance

1. Background to the Study

Today’s global competitive and economic environment is changing rapidly due to globalization, changing customer needs, investor demands and ever-increasing product-market competition. The recent global economic melt-down effects also continues to linger over organizations globally. As a result of these, for businesses to successfully compete in this environment, they are working tirelessly to improve their financial performance and also securing their market positions through the reduction of cost, products innovation, and improvement on productivity as well as the delivery timeline to markets.

Core competence delivering tangibles towards the organizations performance are crucial in such competitive economic environment. Hafeez et al (2002) study highlighted the impact of core competency on competitive advantage, whiles Wright et al (1995) also highlighted the impact competitive advantage has on a firm’s performance. As an important source of profitability, core competence to a firm’s management must occupy primary stage in its strategy formulation.

2. Review of Related Literature

Competitive Advantage

A firm establishes competitive advantage by effectively utilizing its resources and capabilities considered to be superior to its competitors (Agha et al, 2012). Competitive advantage is considered as a key theory in a strategic management field (Baaïj et al., 2004), as it helps explains the reasons for varying performances by firms (Ceccagnoli, 2009). A firm is said to enjoy superior performance over its rivals due to competitive advantage (Durand and Vaara, 2009; Barney, 1997). For competitive advantage to deliver superior performance, the time period is of importance as it determines how long the firm sustains its advantage. A firm enjoys sustainable competitive advantage if its competitors are unable to duplicate the firm’s value creating strategies (Barney, 1991). Agha et al (2012) also indicated that for a firm to enjoy sustainable competitive advantage, it depends on durability; transferability and replicability.

The theory of competitive advantage has been historically defined and classified by numerous scholars over the years in strategic literatures. The first to have defined competitive advantage was Ansoff (1965); to which he defined competitive advantage in terms of isolated determinants or its sources (Powell, 2002;
Wiggins and Ruefli, 2002) that gives a firm strong urge over its rivals. Porter (1985) also defined competitive advantage in terms of cost leadership and differentiation as well as performance (Thomas, 1986; Schoemaker, 1990; Ghemawat, 1991; Winter, 1995; Grant, 1998; Besanko et al., 2002; Foss and Knudsen, 2003; Grahovac and Miller, 2009). The criticism of comparative advantage is what competitive advantage addresses.

A firm’s competitive advantage is significant if it is in relation to an aspect of valued by the customers or market. The firm’s products or services should be perceived by customers as having important value attributes which its competitor’s lack. The product or service quality, price and after sale service are few examples of value attributes to distinguish firms. Javidan (1998) points out that such attributes vary with industries and markets segments. A firm’s resources alone is mostly not sufficient to achieve competitive advantage (Gupta et al. (2009). Thus, Agha et al (2012) points out that competitive advantage is achieved through the utilization of a firm’s resources and capabilities. Clulow et al. (2003) also pointed out a firm’s competitive advantage is strengthened when it is executing a value creating strategy which is not being implemented by competitors. Passemard and Calantone (2000) also indicated that a firm’s successful enacted strategies will deliver superior performance by making it possible for it to enjoy competitive advantage to surpass its competitors. For a firm to gain competitive advantage, Rijamampianina (2003) indicated that the firm’s strategy manipulates the resources it has control and the resources that are poised to deliver competitive advantage. Superiority in production resources and performance indicates competitive advantage (Lau, 2002).

Researchers over the period have focused on flexibility and responsiveness (Macmillan and Tampo, 2000; Slack et al., 1998; Krajewski & Ritzman, 1996; Certo and Peter, 1995) as the two dimensions of competitive advantage.

For the purpose of this study, the researcher focuses on the two aspect of competitive advantage being flexibility and responsiveness. Carlos et al (2010) indicated that responsiveness is how quickly a client’s demands are met; whilst flexibility is considered as the intention and capabilities of a firm generating firm specifics and in arranging and re-arrangement in delivering superior client value (Johnson et al., 2003).

Organizational Performance

Performance has been reoccurring in the branches of marketing, management of which strategic management is inclusive over the years. The subject of performance interests both scholars and practicing managers. Therefore, it is wildly agreed that organizational performance is considered as one of the most important theme in management research and also in companies.

Armstrong (2006) defined performance as an ongoing and workable process involving managers and their subordinates who act as partners working together within a structure in order to achieve required results. Wheelen and Hunger (2010) also pointed out that strategic management practice is justified if the organizations performance is improved. Thus, performance is said to be the end result of a task which includes the actual outcome of the process of strategic management.

Organizational performance is mostly measured by comparing the expected output against the actual goal or objective or output. Organizational performance is viewed from three areas of the firm’s out turn as: 1) the firm’s financial performance; 2) performance of the market product; 3) shareholders of the firm returns (Richard et al., 2009)

Researchers have focused on many dimensions of organizational performance. According to Thang et al (2008), organizational performance outcome is accessed through financial variables and non-financial outcome variables. Organizational performance is measured in the context of sales growth, profitability and market share (Nkokah, 2008; O’Sullivan et al., 2007). Many scholars have encompassed the outcome or dimensions of organizational performance (Acquah, 2007; Morgan and Strong, 2003; Allen and Helms, 2002)

In measuring organizational performance, this study will focus on growth as the key dimension. Relationships between core competence, competitive advantage and organizational performance

Enginoglu and Arikan (2016) looked at the major core competence approaches in various literature. Following their outline, it was indicated that core competencies was at the heart of an organizational competitiveness. Part of the findings also pointed to the fact that organizations and leaders or managers will benefit the most in highly competitive corporate surroundings by having a well-constructed understanding of their core
competence (being what the organization does best).

According to Ljungquist (2013) on “Adding dynamics to core competence concept applications”. Ljungquist (2013) examined the practical application as the original core competence concept was refined to better fit dynamic environments. As part of the findings, today’s dynamic business surroundings makes it difficult for the original core competence concept to be useful to managers. Ljungquist (2013) therefore concluded that core competence might be more effective in the following three ways: “balancing itself with the external environment and including external activities and processes; reducing path-dependency influences; and carefully “orchestrating” resources, by guidance rather than control, to release the inherent potential of project teams”.

Xie et al (2014) considered core competence of the top 225 leading international engineering contractors for a long period of time in relation to their operating performance. The findings did indicate two methods in determining core competences of the leading engineering contractors. The first being that core competence could be identified through examining the market performance of the organizations core business, products and services. Secondly, according to the firms’ resources and abilities in determining general and core competences.

In the context of private banks in Iraqi, Jabbouri et al (2014) discussed core competencies role on organizational performance. The study focused on 10 private banks with 200 managers. The findings of the research by Jabbouri et al (2014) based on administered questionnaires and statistical analyses indicated a significant correlation existed with core competences and organizational performances in private banks in Iraqi. As a result Jabbouri et al (2014) recommended the need for management of banks to consistently develop the core competences of employees as a means of enhancing organizational performance in Iraqi private banks.

Teeratansirikool et al (2013) studied the role that performance measurement plays on competitive strategies and organizational performance of listed companies in Thai. The findings indicated that a companies’ competitive strategies positively and significantly augmented performance. Using financial measures also pointed to the fact that organizations’ differentiation strategy not only had a direct and significant impact on firms’ performance but also an indirect and significant impact. Meanwhile cost leadership strategies by the firms had no direct effect on performance but significantly inversely had an impact on financial performance measures.

The impact of competitive intelligence practices on firm performance, a case study of India in relation to the emerging market was considered by Adidam et al (2012). The findings of their work showed that better financial performance of organizations are achieved through higher competitive intelligence undertakings. The results also recommended the need for sophisticated competitive intelligences techniques to be used as the current level of competitive intelligence was at its moderate level. Andreeva and Kianto (2012) indicated that there is a gap between knowledge management activities and company’s outturns. Thus, in bridging the gap, Andreeva and Kianto (2012) investigated the bond that exists between knowledge management application, competitiveness of a firm and the performance. Using a sample size of 234 organizations and based on the structural equation model, the authors concluded that the use of technology and human resource practices are strongly related; and this has a noteworthy impact on a firm’s competitiveness and financial performance. This also points to the fact that aside human resource practices, the right and improved technology also significantly impacts on a company’s financial performances. This aligns with Kor et al (2007) and Kor (2003) assertion that work experience, managerial experience and team sharing experience (industry-specific) add-on to building the competence of managers as they are able to perceive and grab opportunities in growing the company.

Solvell (2015) examined the competitive advantage of nation’s project undertaken by Porter (1990) and how this has opened up new views on nation’s competitiveness and organizations. Porter’s Competitive Advantage of Nations in 1990 opened –up to a new model called the Diamond model relating to microeconomic drivers of long-term competitiveness of firms. This became possible after questioning the existing, traditional and macroeconomic views nations or firms competitiveness. The Diamond model pointed out the benefits of having a healthy competition and active in organization’s environment being pivotal to
one’s understanding building and sustaining global competitive advantage. The findings of Solvell (2015) proposed a conceptualization of a firm’s competitiveness and innovations as well as the attractiveness of a nation or region.

Meanwhile, Sigalas (2015) sought to investigate through empirical means, managers’ of organizations perception of competitive advantage concept. A cross-sectional, self-administration and email study means was used to ascertain the awareness of managers’ in relation to competitive advantage concepts. Through the use of quantitative and qualitative analysis of data, Sigalas (2015) concluded that managers involved in their company’s strategy process, were seen to confuse competitive advantage model with sources of competitive advantage sources, more especially with resource-based concept.

Zaim et al (2013) also examined the impact of individual competences on organizational performance in the services sector in Turkey. The study considered thirty companies in the service sector; the study also adopted the Explanatory Factor Analysis (EFA) in assessing the impact of indical competences on performance. Sengupta et al (2013) paper titled “Developing performance-linked competency model: a tool for competitive advantage” sought to analysis existing competency concepts. The authors further presented a performance linked competency model in respect of sustaining competitive advantage. The findings based on the usage of cross-efficiency DEA and ROC indicated that individual performances of the organizations human resources aligns with competences related to efficiency. Sengupta et al (2013) emphasized that the competent human resource is one factor that drives the organization in obtaining competitive advantage. Wang and Changa (2005) also pointed out that the intellectual asset of the organization determines its present and future competitiveness among its competitors. Hitt et al (2001) also supported the assertion that the creative assets of the organization ensures competitive advantage which leads to superior performance.

Using regression and ANOVA for 165 purchasing executives, Brewer et al (2013) looked at the correlation between strategy-linked outsourcing goals and measures of outsourcing performance of organizations. The findings revealed that there is a positive relationship which exists between goal intensity for a single strategy and achievement of goals related to that strategy. The authors also concluded that organizations which concentrate high growth and cost strategies achieve higher cost-related performance than comparative to organizations with lower commitment. Finally, firms pursuing a single or dominant strategy achieve lower levels of cost saving performance compared than those with a “balanced” approach that emphasizes many different strategies in roughly equal measure.

Tajuddin and Ahmad (2013) also analyzed the effect of environmental scanning on firms’ performance relating to public sector organizations in Malaysia. The study indicated that environmental scanning is a requirement in ensuring a success in aligning an organizations competitive strategies. The findings did point to a positive relationship between environmental scanning and organizational performance. Furthermore, Prahalad and Hamel (1990) also opined that core competencies of social and learned considered as intangible asset can lead to sustained competitive advantage.

In their paper titled “Leveraging marketing capabilities into competitive advantage and export performance”, Tan and Sousa (2015) indicated that competitive advantage plays a significant role between marketing capabilities and export performance of organizations based on the meta-analysis employed. The findings identified the two types of competitive as low-cost advantage and differentiation. These types positively facilitate marketing capabilities effects on export performance.

Considering the impact of competency enhances an organizational performance, Hsiao (2012) based the analysis on the Kaohsiung Government as a public sector. Public servants and supervisors was the study sample used through questionnaire administered. The study was undertaken because the public sector was to ensure that the public’s demand for value, productivity, fairness and distinction was met through the sectors competences. In Bani-Hani and AL-Hawary (2009) research on “The Impact of Core Competences on Competitive Advantage: Strategic Challenge”, based on eighteen insurance company in Jordan. It was concluded that core competencies and competitive advantage had positive significant relationship. Also, the study indicated that core competences had a significant effect on competitive advantage. Also in Johnson et al (2008) study entitled “Exploring corporate strategy; Text and Cases”. It was indicated that the skills and abilities of employees which represents their core competencies are utilized in the organizational activities to
achieve competitive advantage over rivals.

Hipkin (2009) in the examination of process industries through its production competence and competitive advantage, indicated that demands of customers and changes in technology affected their operational activities. The study emphasized that the changes presented by technology and the human resources is likely to be resolved through the integration of different production related activities. The results of the study revealed that competitive advantage in the organizations’ requires incorporation with technology, operations and management asset through conforming production requirements. Hipkin (2009) further concluded that an organization’s production competence is improved through learning.

Subramanian, et al., (2009) opined how organizational competences contributes to market orientation which results in high performance. The study’s empirical analysis was based on surveyed data from 159 care hospitals. The study’s findings revealed that the market orientation significantly contributes towards organizational competences developed, which results in superior performance in relation to customer retention (that’s patients), growth in income and the facility.

Considering “Sustainable competence: a study of a bank”, Hagstrom et al (2009) concentrated on a competitive bank in Sweden for the study. The study sought to ascertain the perception of staff of the bank on the company’s culture and its relation characteristics of background such as age, gender as well as the company’s involvement in everyday activities. According to Hagstrom et al (2009), the multiple regression analysis used revealed a “strong integration in the company’s culture related to active engagements in regular and regulating activities”. The results also indicated that the cultural integration is highly influenced by those activities by individual background variables.

Jamhour (2012) examined the relationship which exists between core competence, organizational performance and competitive advantage, using the paint industry in United Arab Emirates (UAE) as case study. The findings of the study indicated that competitive advantage had strong positive effect on competitive advantage and firm’s performance. The results also revealed that competitive advantage significantly impacted organizational performance. This tends to indicate the importance of core competences on organizational performance and competitive advantage. Jamhour (2012) examined the dimensions of core competence such as share vision, cooperation and empowerment whiles for competitive advantage, the dimensions of responsiveness and flexibility were considered. By carefully managing the dimensions mentioned, Jamhour (2012) concluded that firms will remain and achieve competitive advantage resulting in increase in organizational performance. In related matter, Calantone et al. (2002) indicated that organizational innovation is positively affected by its shared vision which also affects the performance of the firm. Shared vision impact on the organization’s performance is impacted in sales growth, income and its net value.

Sadia (2011) paper titled “The Impact of Competitive Advantage on Organizational Performance” aimed to examining the relationship existing between the firm’s competencies and performance. The findings concluded that in almost all organizations, there exist a significantly positive relationship between competitive advantage and performance. The resultant effects of this relationship is superior performance in terms of sales and profit. Leonard-Barton (1992) in examining new products development through core capabilities and core rigidities indicated that a company’s core competence is what sets it apart which leads to its competitive advantage and high performance.

Nwokah (2008) focused on the food and beverages companies in Nigeria in the context of examining how strategically the market orientation affects the performance of the companies in the sector. The study’s finding supports existing literatures on the positive relation between market orientation and performance of businesses. Meanwhile in the context of the Nigeria food and beverages, the study failed to find strong relationship existing between market orientation and performance. The researcher attributed government policies, diversification, innovativeness and the devaluation of the naira (Nigeria currency) as the reasons that have accounted for the failure in establishing strong relationship between market orientation and business performance.

In ensuring competitive advantage, companies need to enhance the knowledge about processes aside paying much attention on customer delivery and quality (Ferdows and De Meyer, 1990). Dennis and Meredith (2000) indicated that industries focused on processes are confronted with challenges faced by high velocity...
organizations in relation to regulation, technological change, rapid changes and strong competition. There is the need for process industries to take advantage of unexpected opportunities and to quickly learn due to persistent presence of competition (Govindarajan and Trimble, 2004). D’Aveni (1994) opined that for an organization to adopt a strategy without a unique traits which is easily imitated opens the company up for competition and with obsolete skills leading to limited options for improvement. Organizations found in process industries and other industries as a whole failing to respond to short term changes and happenings will hardly be forerunners in the industry and with time become and remain reactive (Hutt et al 2006).

Chase Petroleum Limited as well as other bulk oil distributing companies (BDC) keep introducing relevant practices and upgraded technologies as required in current environment where knowledge assimilation and dissemination create incessant learning culture. To which Leonard-Barton (1995) indicated that an organization’s competitive advantage is also embedded in its physical and technological assets but not only the integral production activities. In Campbell (1999) view, technology is considered relevant as it is relied on to increase production, efficiency and to meet the needs of customers as quality products are delivered.

Hafeez and Essmail (2007) paper on “Evaluating organization core competences and associated personal competences using analytical hierarchy process” on a construction company. The authors analyzed organization’s core competences by conducting an internal and external exercises with benchmarks of “collectiveness” and “uniqueness” respectively. An analytic hierarchy process (AHP) was used to analyze the personal competence of staff benchmarking it with the Chartered Institute of Personnel and Development list of competencies. The findings indicates that the company’s capabilities are dominantly the contributions of its intangible assets’. The AHP results also pointed out the highly personnel competences include innovativeness, client concentration, orientation of the team and the organizational core competencies.

In analysis of core competence on behalf of traditional manufactures and high tech Taiwan firms, Chen and Wu (2007) sought to examine the core competence of the firms in terms of significant differentials. High tech organizations and traditional manufacturers differ based on varying business environment. The author also ascertained the major difference of core competence in terms of explanatory power of magnitudes within high tech companies and traditional manufacturers. The author used the position of managerial staff of three traditional manufacturers and that of two high tech of Taiwan firms. Chen and Wu (2007) findings indicated core competence for high tech companies differ from that of traditional manufacturers based on path analysis. Both high tech firms and traditional manufactures considered research and development as the critical basis for core competence. In building core competence in high tech firms, the author indicated that strategic planning is considered as an important dimension. The findings also concluded that in traditional manufactures core competence is affected by the capabilities of supply chain and logistics managements, as the focal point is on services.

In Ismail et al (2010) paper titled “The relationship between organizational competitive advantage and performance moderated by the age and size of firms”. Ismail et al (2010) study conducted among 127 manufacturing companies listed the Malaysian Manufacturers Directory of 2008. The researchers sought to examine the effect of the firms’ age and size on the competitive advantage and performance. The study’s findings concluded that a firms’ age in existence significant impacts on its competitive advantage and performance. On the firms’ size, the two-way ANOVA used indicated that the size of the firms are not significantly related to organizational competitive advantage and performance. This concludes that experience of companies is dependent on the length of time in existence and firms that have been established for a longer period stands a better chance of attaining competitive advantage and overall superior performance. In another light, unique edge and firm’s success are considered to be continuously related (Raduan et al 2009). They attested that competitive edge is able to enormously predict the variance in the performance of the organization.

Murray and Donegan (2003) also emphasized that the culture of learning can cause an organizational competitive advantage to increase due to its established competences.

In Ma (2000) study on “Competitive Advantage and Firm Performance”, he made three critical observations in relation to competitive advantage and its relationship with the organization’s performance. The first being competitive advantage doesn’t equal to an organization having high performance. Tentatively
concluding on this notion based on the consideration of the resource-based view and the structural approach of competitive advantage. Ma (2000) indicated that superior performance is not assured as a result of competitive advantage. The findings also pointed out that for the purpose of theoretical usage, competitive advantage has to be defined properly and operationalized. The author also indicated that competitive advantage and performance are constructed differently.

The second observation, competitive advantage is considered a relational term. Ma (2000) examined this observation by considering the reference point, the magnitude of competitive advantage as well as its composition. Competitive advantage considered in terms of relational is dependent on its reference point. The author suggested that for a firm to enjoy superior performance, it is based on the organization having multiple competitive advantages. Thus, competitive advantage is not regarded as the sole determinant of a firm’s performance. Ma (2000) added that “it is an organization’s relational score on a particular competitive dimension vis-à-vis that of rivals that may contribute to superior performance”. The magnitude of competitive advantage hinged on heterogeneous and homogenous as examined by the author. The findings on this suggested that firms compete on some common dimensions if they imitate the products and resources of rivals. Lastly, the author indicated competitive advantage is context specific.

In another development, Phongpetra and Johri (2011) research on “Impact of business strategies of automobile manufacturers in Thailand”. Their focus was the effects of strategies by Thailand automobile companies had on performance. The researcher’s findings revealed three important business strategies employed by automobile dealers in Thailand. The business strategies of cost focus considered to initial priority, followed by cost leadership and coherent cost differentials being the least of priorities. These strategies had a positive impact on the firm’s financial and marketing performance in the automobile sector.

In Ljungquist (2008) paper of “Specification of core competence and associated components: A proposed model and a case illustration”. The research sought to link core competence with its associated theories of competencies, capabilities as well as resources and to propose clarification to the attributes of the models. The research based on individual interviews concluded that core competence are linked to theories of competencies, resources and capabilities. Competencies and capabilities progressively in motivating manner clarifies competence models, with resources on intermittent basis does so.

Cater and Cater (2009) study on “(In) tangible resources as antecedents of a company’s competitive advantage and performance”. The paper tested a conceptual model based on the foregoing of a firm’s competitive advantage and performance. The sample size for the model’s usage was on 182 Slovenian companies. The findings revealed that a company’s financial muscle and customer resources positively impacts its cost advantage. Also the firm’s financial resources and human resources has positive impact on the differentiation advantage. The authors also indicated that the firm’s cost and differentiation advantage likewise affects the performance of the organization.

Also, “Antecedents of Export Venture Performance: A Theoretical Model and Empirical Assessment” a paper by Morgan et al (2004). The authors linked associated factors of a firm’s marketing research with that of performance of exports. The case study was conducted on 287 export venture firms. The findings indicated that a firm’s resources and capabilities affects its competitive strategy, which affects its performance on venture export outcomes. This supports the assertion that that firms with elasticity of products, advance support in technology and quick means of delivery tend to achieve competitive advantage resulting in higher performance over its rivals. Morgan et al (2004) indicated that difference in capabilities and resources affected export of commercial ventures. The researchers revealed that export venture performance was realized as a result of the difference in choices and positional improvement achieved. The competitive strategy choices of venture exports linked the key resources and capabilities in achieving high performance. The quality of product and the organizational performance are directly linked in resulting in healthier performance for firms as against their rivals. Wang and Lo (2006) further boast of the linkage of unique advantage and the sales performance of organizations when they produced that sale growth performance by the level of sale revenue, profitability, with return on investments, yielding product added value and share in the market.

In Murray & Donegan (2003) paper titled “Empirical Linkages between firm competences and Organizational Learning”. The authors sought to link the competencies of organizations to its learning
cultures. The findings indicated the competitiveness of a firm can be improved due to its competences out of its learned cultures. Also, King and Zeithaml (2001) upon conducting research based on 224 executives within 17 organizations discoursed the relationships existing between a firm’s performance and casual ambivalence. The authors revealed the need for management to uphold conversations concerning the competences of the organization. Managers of organizations should ascertain to the opinions of line managers on firm’s competences through administered surveys. The use of technology and internet sources to uphold conversations in the organization is encouraged; as this enables the organization to determine its needed competencies for future success. The research findings concluded with King and Zeithaml (2001) given consideration to the different ways in which management, both top and middle in organizations experience casual ambivalence and how the differences are managed.

Newbert (2008) proposed that “the attainment of competitive advantage by a firm is a leading predictor of the achievement of strong organization performance”. This tends to connect with Barney (2001) assertion that a firm enjoys competitive advantage over its rivals in the industry as a result of its attainment of economic value created. Also, Javidan (1998) indicated that a firm that has robust competitive strategy based on the organizational competences and competitive advantage built. As a result Leonard-Barton (1992) stated that organizations are distinguished based on the core competences which provide competitive advantage over rivals.

Hence competitive advantage and core competence are regarded as significantly relevant for organization’s strategic management in extremely competitive sectors. Since scholars and managers of firms consider core competencies as the knowledge set distinguishing factor in attaining competitive advantage. Varying studies on core competencies theory explain its roles in augmenting the firm’s competitiveness. Srivastava (2005) is considered the heart of an organizational competitive advantage when viewed as problem definition and solving. Morgan (2004) also maintained that an organization loses its competitiveness when the industry’s profit as above that of the firm. As the shrink in profit margins and invested capital makes it for the firm attract and generate resources. The significant positive relationship existing between core competences and competitive advantage has been stressed and experienced by scholars and managers of organizations. This unique relationship also leads to superior performance attained by firms.

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