

**A MANAGERIAL PERSPECTIVE OF HOW RESOURCE-  
BASED VIEW THEORY LEADS TO COMPETITIVE  
ADVANTAGE**

Rita Isabel Alves Geraldes

Dissertation submitted as partial requirement for the conferral of  
Master in Business Administration

Supervisor:

Professor Doctor Renato Lopes da Costa, Professor, ISCTE Business School,  
Department of Marketing, Operation and Management

Date

June 2019

A MANAGERIAL PERSPECTIVE OF HOW RESOURCE-BASED VIEW  
THEORY LEADS TO COMPETITIVE ADVANTAGE  
**Rita Isabel Alves Geraldes**

## ABSTRACT

A clear business strategy is often emphasized by managers as vital to achieve a sustainable performance. However, when asked concerning its strategy in place, many of them cannot provide an answer. (Collis and Rukstad, 2008)

Many researchers defend that considering the turbulence of today's business environment, the resource-based view is the most suitable theoretical starting point in a strategic analysis (Guo, 2007). The aim of this project is to understand how the theoretical frameworks analyzed can be combined in order to understand from a resource-based view standpoint to what the degree the theory can be improved and to assess the proper understanding between the organizational structure and strategy, performance and resources/capabilities.

This research is intended to contribute to a better understanding of the theory so as to help firms to achieve a competitive edge since these results aim to be essential, particularly to researchers and scholars, as a source of reference material for further research. To do so, it was adopted a qualitative research that comprised the collection of data through interviews a key individual (professors and experts on the topic) in order to reach a better understanding of the topic. Using also secondary data, the researcher intends to develop a conceptual/extended framework of the VRIO-Framework current in place.

In accordance with above research purpose following conclusions have been obtained: (1) the comparison between relevant strategic management theories and tools that are attributed as key factors to surmise a sustainable competitive advantage; (2) the actual *status* of resource-based view theory as a starting point in strategic analysis, its main criticisms and its relation with dynamic capabilities; (3) the impact of managerial organizational characteristics, individual dynamics and organizational values as factors that influence the mode of strategy.

**Keywords:** Resource-Based of the Firm; Sustainable competitive advantage; Strategic Formulation; Strategic Management; Strategy; Strategy-as-Practice; VRIO Framework

**JEL Codes:** L20 - Firm objectives, organization and behavior: General, M10 - Business Administration: General

## RESUMO

Uma estratégia bem definida é frequentemente enfatizada por gestores como sendo vital para o desenvolvimento e alcance de uma performance sustentável. No entanto, quando questionados acerca da estratégia em prática, muitos deles não alcançam uma resposta (Collis and Rukstad, 2008).

Diversos investigadores defendem que tendo em consideração a turbulência atual no setor empresarial e de gestão, a visão baseada nos recursos é o ponto de partida teórico mais adequado na análise estratégica (Guo, 2007). Desta forma, tendo em consideração este pressuposto, procedeu-se a uma análise de diferentes referenciais teóricos por forma a clarificar os prós e contras de cada um deles.

Esta investigação pretende contribuir para uma melhor compreensão da teoria, de modo a ajudar as empresas a alcançarem uma vantagem competitiva, uma vez que os resultados advindos visam ser essenciais, particularmente para investigadores e académicos, como fonte de material de referência para futuras investigações. Para o efeito, adotou-se uma pesquisa qualitativa que consistiu na colheita de dados, através da realização de entrevistas, a indivíduos-chave (professores e especialistas no tema), a fim de se obter uma melhor compreensão do tópico. Com recurso a dados secundários, o investigador pretende suportar o desenvolvimento de uma estrutura conceptual face ao modelo atual.

Em concordância com os objetivos de pesquisa acima referidos, as seguintes conclusões foram obtidas: (1) comparação entre as teorias e ferramentas de gestão estratégica relevantes enquanto fatores-chave na aquisição de uma vantagem competitiva sustentável; (2) o *status* atual da teoria da visão baseada nos recursos como ponto de partida na análise estratégica, bem como, das suas principais críticas e relação com as capacidades dinâmicas; (3) o impacto das características organizacionais de gestão, as dinâmicas individuais e os valores organizacionais como fatores que influenciam o modo de estratégia.

**Palavras-chave:** Formulação estratégica; Estratégia; Estratégia-como-Prática; Gestão Estratégica; Modelo VRIO; Visão baseada nos recursos; Vantagem competitiva sustentável

**Códigos JEL:** L20 – Objetivos da empresa, organização e seu comportamento; M10 – Gestão de Empresas

## ACKNOWLEDGEMENTS

The development and realization of a research project involves a complex and somewhat strenuous path which requires a deep intellectual and emotional focus. In fact, this project is the result of not only my effort and dedication but as well of the several individuals who provided outputs and for whom I would like to express my sincere gratitude.

Firstly, I would like to pay special thanks and show the utmost gratefulness to my parents and to my sister who have always showed me love, dedication, patience and support throughout all stages of both my personal and professional life. In fact, there are no words that can express my esteem and affection for all of you in being the foundation and the main responsables for who I am and what I have attained in my life thus far.

It is requisite to express my immense gratitude to my boyfriend who acted as crucial dissertation reviewer, for all the patience, availability, dedication and guidance throughout these stages. Without your support, affection and kindness, it wouldn't have been possible to reach the final goal!

To my grandparents and to my friends, I wish to present my special thank you for being the pillars that helped sustain me during this process. Without their cooperation, sympathetic, gentleness and understanding, which they have showed me at every point, this dissertation would not exist.

In respect to my supervisor, Professor Dr. Renato Lopes da Costa, for all the guidance, support, insightful suggestions and discussions we had, I would like to express my deepest thank you. It is whole-heartedly recognized and appreciated your advices and suggestions proved to be a landmark effort towards the success of this research. Furthermore, I am grateful that he has challenged me during the last months, for this has ensured both my personal and professional development.

Last but certainly not least, I am indebted to all participants, who spent their time to in this research, for their collaboration proved invaluable in order to reach this goal.

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	<b>XII</b>
<b>CHAPTER I   INTRODUCTION</b> .....	<b>1</b>
1.1. Relevance of the topic .....	2
1.2. Objectives.....	4
1.3. Consideration on the dissertation structure .....	6
<b>CHAPTER II   STRATEGY AND STRATEGY-AS-PRACTICE</b> .....	<b>7</b>
2.1 Literature Review Considerations .....	7
2.2 Strategic Management Basics .....	8
2.3 Prospect of Strategy-as-Practice.....	12
<b>CHAPTER III   MANAGEMENT TOOLS</b> .....	<b>17</b>
3.1. Strategic Tools.....	17
3.1.1. Porter’s Five-Forces Model.....	18
3.1.2. Porter’s Generic Strategies.....	20
3.1.3. Activity-Based View .....	22
3.1.4. Boston Consulting Group Matrix.....	25
<b>CHAPTER IV   RESOURCE-BASED VIEW THEORY</b> .....	<b>27</b>
4.1. The precursors of the Resource-Based View Theory.....	29
4.2. Historical Evolution .....	30
4.3. Key Concepts of RBV.....	34
4.3.1. Firm’s Resources and Capabilities.....	34
4.3.2. Competitive Advantage and Sustained Competitive Advantage .....	36
<b>CHAPTER V   RESOURCE-BASED VIEW THEORY AND VRIO-FRAMEWORK</b> .....	<b>37</b>
5.1. Criticisms.....	41
5.1.1. The RBV has no managerial implications.....	42
5.1.2. The RBV implies an infinitum search.....	43
5.1.3. The RBV has methodological issues.....	43
5.1.4. The RBV has been tautological.....	44
5.1.5. The RBV lacks future orientation .....	45
5.2. Some conclusions .....	46
<b>CHAPTER VI   RESEARCH DESIGN</b> .....	<b>49</b>
<b>CHAPTER VII   EMPIRICAL RESEARCH</b> .....	<b>52</b>
7.1. Research phases outline.....	53
7.2. Model of Analysis of the Interview Corpus .....	57
7.3. Criteria to ensure the research quality .....	59
7.3.1. Credibility or Truth Value.....	60
7.3.2. Transferability .....	61

7.3.3. Dependability .....	62
7.3.4. Confirmability .....	63
<b>CHAPTER VIII   RESULTS.....</b>	<b>64</b>
8.1. Profile of the Interviewees .....	64
8.2. Results Presentation and Examination .....	66
8.2.1. Taking into consideration strategic theories and business practices how can traditional hypothesis support a SCA? .....	66
8.2.2. Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA? .....	69
8.2.3. What could be the most fitting starting point in strategic analysis?.....	73
8.2.4. Could RBV be seen as an appropriate starting point in strategic analysis? .	79
8.2.5. Could the RBV be extended or somewhat improved by addressing its constraints?.....	84
8.2.6. How can practices, activities and social interactions contribute towards organizational capabilities and routines? .....	88
<b>CHAPTER IX   CONCLUSIONS.....</b>	<b>94</b>
9.1. Research Limitations .....	100
9.2. Future Research.....	101
<b>BIBLIOGRAPHY .....</b>	<b>102</b>
<b>APPENDIXES .....</b>	<b>118</b>
APPENDIX I – Interview’s Script (Translated from Portuguese).....	119
APPENDIX II – Categorization and coding the corpus of the interview .....	124
APPENDIX III – Dictionary of categories .....	128
APPENDIX IV – Characterization of the Interviewees.....	134
APPENDIX V – Research Findings .....	139

## LIST OF FIGURES

<b>Figure 1:</b> Relationship between internal and external analysis .....	11
<b>Figure 2:</b> Inter-connection of strategizing and its conceptualization .....	15
<b>Figure 3:</b> SAP - Conceptual framework.....	15
<b>Figure 4:</b> Porter's Five Forces Model .....	18
<b>Figure 5:</b> Generic Strategies .....	20
<b>Figure 6:</b> Porter's Generic Value-Chain .....	23
<b>Figure 7:</b> Growth-Share Matrix .....	25
<b>Figure 8:</b> Basic features of qualitative and quantitative methods .....	53
<b>Figure 9:</b> Investigation Model Scheme .....	54
<b>Figure 10:</b> Percentage of respondents by gender.....	136
<b>Figure 11:</b> Strategic Tools in use .....	140



## LIST OF TABLES

<b>Table 1:</b> Conceptual Framework Scheme   Research Objectives and Research Questions .....	5
<b>Table 2:</b> Differences between the economical and sociological lines of thought .....	10
<b>Table 3:</b> Concept of Praxis, Practice and Practitioners .....	14
<b>Table 4:</b> Delimitation of each value-chain' activity .....	24
<b>Table 5:</b> BCG Matrix Categories .....	26
<b>Table 6:</b> VRIO-Framework Criteria .....	39
<b>Table 7:</b> Data collection and analysis – method.....	58
<b>Table 8:</b> Procedures to ensure the credibility of the research.....	61
<b>Table 9:</b> Interview Content Analysis – C 1.1. ....	67
<b>Table 10:</b> Interview Content Analysis – C 2.2. ....	72
<b>Table 11:</b> Interview Content Analysis – C 3.1. ....	74
<b>Table 12:</b> Interview Content Analysis – C 3.2. ....	78
<b>Table 13:</b> Interview Content Analysis – C 4.1. ....	80
<b>Table 14:</b> Interview Content Analysis – C 4.2. ....	83
<b>Table 15:</b> Interview Content Analysis – C 5.1. ....	85
<b>Table 16:</b> Interview Content Analysis – C 6.1. ....	89
<b>Table 17:</b> Interview Content Analysis – C 6.2. ....	92
<b>Table 18:</b> Characterization of the Interviewees.....	135
<b>Table 19:</b> Table of frequencies regarding the age group of the interviewees .....	136
<b>Table 20:</b> Table of frequencies related to the academic degree of the interviewees....	137
<b>Table 21:</b> Table of frequencies related to the hierarchical position of the interviewees .....	137
<b>Table 22:</b> Table of frequencies related to the years of experience of the interviewees	138
<b>Table 23:</b> Table of frequencies for the industries/sectors that the interviewees represent .....	138
<b>Table 24:</b> Indicators and sub-categories for the first question .....	140
<b>Table 25:</b> Indicators and sub-categories for the second question.....	141
<b>Table 26:</b> Indicators and sub-categories for the third question .....	141
<b>Table 27:</b> Indicators and sub-categories for the fourth research question.....	142
<b>Table 28:</b> Indicators and sub-categories for the fifth question.....	142
<b>Table 29:</b> Indicators and sub-categories for the sixth question .....	143
<b>Table 30:</b> Indicators and sub-categories for the seventh question.....	143
<b>Table 31:</b> Indicators and sub-categories for the eight question.....	144
<b>Table 32:</b> Indicators and sub-categories for the ninth question.....	145
<b>Table 33:</b> Indicators and sub-categories for the tenth question.....	145

## **LIST OF ABBREVIATIONS**

**AF** – Absolute Frequency

**BCG** - Boston Consulting Group’s Growth-Share Matrix

**CA** – Competitive Advantage

**CEO** – Chief Executive Officer

**CTO** - Chief Technology Officer

**IO** – Industrial-organization

**IX** – Interviewee X

**LR** – Literature Review

**OF** - Organizational-factors

**MBV** – Market-based View

**RCF** – Relative Cumulative Frequency

**RF** – Relative Frequency

**RBT** - Resource-based theory

**RBV** – Resource-based view

**SAP** – Strategy-as-Practice

**SC** – Sub-Category

**SCA** – Sustainable competitive advantage

**SCP** - Structure-conduct-performance

**SFM** – Strategic factor market

**SM** - Strategic Management

“The fundamental question in the field of strategic management is how firms achieve and sustain competitive advantage.” (Teece *et al.*, 1997, 509)

## EXECUTIVE SUMMARY

Nowadays, the internationalization, deregulation, growing intensity of competition and the even faster pace of technology development, resulted in greater attention when analyzing the competitive behavior and competitive strategies under different environmental conditions. In the 21<sup>st</sup> century, sustainable improvement of business faces numerous challenges for the global economic competition. Nevertheless, these challenges can be overcome through the development and implementation of effective business strategies.

The external environment dynamism makes strategic planning increasingly difficult for firms that adopted a market-based approach in which the industry structure provides strategic choices (Sirmon *et al.*, 2007). Moreover, the lack of focus on the internal assets of the firm led to a new approach of strategic analysis based on the work of Edith Penrose (1959), establishing a new paradigm within management research called Resource-Based View (RBV) (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993). The major difference between these two approaches lies in how a firm's competitive strategy should be formulated: the former is based on the firm's positioning with regards to industry forces (Porter, 2008) and the latter is focused on the resources the firm possess as the source of competitive advantage (CA) (Barney, 2001).

The RBV offers essential insights into why firms with valuable, rare, inimitable, and well-organized resources and capabilities may enjoy superior performance (Barney, 1995). However, the theory per se lacks power explanation in what regards firm-level value-creation through resources and consequently lacks managerial implications since resources alone are not sources of CA, becoming valuable only through the action of managers engaged in business processes.

Taking in consideration that many researchers defend that considering the turbulence of today's business environment, RBV is the most suitable theoretical starting point in strategic analysis (Guo, 2007), the main focus of this research is to investigate the potential to improve and assess a proper understanding between the organizational structure and strategy, performance and resources/capabilities in order to decrease the lack of managerial intervention within the process of achieving a sustainable competitive advantage (SCA).

## CHAPTER I | Introduction

Managers often emphasize how crucial it is to have a clear business strategy in order to achieve a sustainable performance. However, when questioned regarding the strategy in place, many of them cannot provide an answer (Collis and Rukstad, 2008).

Up until the latter part of the 20<sup>th</sup> century, a business corporation was successful by focusing its business within its national boundaries and without being environmentally sensitive (Wheelen and Hunger, 2012). By then, companies supplied mass markets with products and services which eased the implementation of long-term plans due to the supply side power balance (Denning, 2015).

Nowadays, the internationalization, deregulation, growing intensity of competition and the even faster pace of technology development, resulted in greater attention when analyzing the competitive behavior and competitive strategies under different environmental conditions. In the 21<sup>st</sup> century, sustainable improvement of business faces numerous challenges for the global economic competition. Nevertheless, these challenges can be overcome through the development and implementation of effective business strategies.

The external environment dynamism makes strategic planning increasingly difficult for firms that adopted a market-based approach in which the industry structure provides strategic choices (Sirmon *et al.*, 2007). This increased complexity lead to bias in strategic decisions which implied that companies search for strategic practices that enable them to handle the environments volatility. Under this reasoning, strategic tools, which are techniques, methods, models, frameworks that support decision-making, have progressively gained relevance in organizational life (Clark, 1997).

Moreover, the lack of focus on the internal assets of the firm led to a new approach of strategic analysis based on the work of Edith Penrose (1959), thus establishing a new paradigm within management research called Resource-Based View (RBV) (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993).

The major difference between the two approaches described above lies in how a firm's competitive strategy should be formulated: the former (market-based approach) is based

on the firm's positioning with regards to industry forces (Porter, 2008) and the latter (RBV) is focused on the resources the firm possess as the source of competitive advantage (CA) (Barney, 2001).

The RBV offers essential insights into why firms with valuable, rare, inimitable, and well-organized resources and capabilities may enjoy superior performance (Barney, 1995). However, the theory *per se* lacks power explanation in what regards firm-level value-creation through resources and consequently lacks managerial implications since resources alone are not sources of CA, becoming valuable only through the action of managers engaged in business processes.

Bearing in mind that many researchers defend that considering the turbulence of today's business environment, RBV is the most suitable theoretical starting point in strategic analysis (Guo, 2007), the main focus of this research is to investigate the potential to improve and assess a proper understanding between the organizational structure and strategy, performance and resources/capabilities in order to decrease the lack of managerial intervention within the process of achieving a sustainable competitive advantage (SCA).

“Companies should be prepared to adapt to an unpredictable environment, but at the same time should have the self-awareness that they can also manipulate certain aspects of that environment, while developing strategies.” (Mendes, 2017, 36).

### **1.1. Relevance of the topic**

Over the years with the changes in the economic environment, namely in terms of uncertainty and volatility, many of the economic paradigms in use in business areas began to be questioned in what regards their explanation power concerning the competition phenomena and CA in an ever-changing environment. Under this line of thought, a new theoretical approach – RBV – began to gain weight with a focus shifted from an exclusively outside-in perspective to an inside-out perspective with a particular interest in the company's core competencies (Prahalad and Hamel, 1990).

In fact, the theory encompasses several major research problems (Mahoney and Pandian, 1992) and satisfies all components of strategy since it enable companies to identify and develop its valuable resources (Collis, 1991), requires an understanding of the external environment to be applied and leveraged and satisfies key characteristics of strategy since it is a long-term view. Besides, RBV has been gaining its own space regarding strategic formulation not only because the returns provided by the resources allow the possibility to be superior to the opportunity costs themselves, but also due to the inexistence of flows that may detract from an assertive decision-making due to inconsistency in reflecting the demand-side (Wills-Johnson, 2008).

The strategy emphasis on the supply side, allows a focus on a stable basis for strategic formulation based on the analysis of the company's resources and capabilities rather than being conditioned by the macroenvironmental factors. This is the essence of the school based on resources (Penrose, 1959; Prahalad and Hamel, 1990; Teece *et al.*, 1997; António, 2015, Teece, 2007; Barney and Hesterly, 2012). This line of thought anchored in a classical dimension which has enabled itself to assert as dominant in the strategic area in the last 30 years.

In parallel, the relationship between firms' resources and performance has been a major area of investigation and interest in the SM field over the last years, and only more recently researchers have recognized that RBV may also be classified as a strategic orientation that managers may apply to their firms in order to achieve superior performance (Chmielewski and Paladino, 2007).

Therefore, considering the assumptions presented above, the research and development of this topic is relevant to understand how the chosen theoretical frameworks can be combined so as to understand from a RBV standpoint, to what degree the theory can be improved and to assess the proper understanding of the relationship between the organizational structure and strategy, performance and resources/capabilities which is crucial for the achievement of a SCA.

## 1.2. Objectives

The main goal of this dissertation is firstly to provide a better understanding of how or if strategic theories can be integrated to create a SCA and secondly to contribute to the reinforcement of a strong basis for extending resource-based theory (RBT) in meaningful new directions.

In fact, we intend to demonstrate that not only the application of the VRIO-framework developed by Barney (1991) allows good results, but that the model can be improved with the integration of either some concepts from other strategic theories, or from the introduction of some of the criticisms that were made over the years.

Upon this reasoning, the main purpose for this research is not to find the truth but to address and add relevant, reliable, consistent information and lastly a sustainable extended model for the RBT to be applied to widespread organizations when searching for a SCA.

In order to address this topic, other well-known models/frameworks have been discussed to point out the pros and cons of the RBV and the reasons behind the need to extent the model for its further development in the future. Furthermore, the conceptual nature of this research intends then to illustrate the conclusions and inclusion of new analysis parameters in the VRIO-framework, thus contributing to the robustness of the model.

This being said, the general objective of this dissertation is to explore, analyse and describe the known overlaps and diversities of strategy perceptions so as to crystallize a conceptual framework, based on the research findings, which is directed towards a managerial perception on strategy.

In table 1 are presented the three intermediary goals, or specific objectives, as well as the respective research questions linked to the literature review (LR).



**Table 1:** Conceptual Framework Scheme | Research Objectives and Research Questions

Specific Objectives	Research Question:	LR:
1) To explore the impact of historical evolution for SM theories, as well as, their impact in the decision-making process within companies	1) Taking into consideration strategic theories and business practices how can traditional hypothesis surmise a SCA?	Teece <i>et al.</i> (1997), Makhija (2003), Barney and Clark (2007), Wheelen and Hunger (2012)
	2) Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?	Porter (1985), Barney (1991, 1995), Whittington (2006)
2) To investigate and evaluate if the RBV is consistent as a starting point in strategic analysis taking into consideration the existing differences amongst firms' strategies	3) What could be the most fitting starting point in strategic analysis?	Bourgeois (1985), Conner (1991), Mahoney and Pandian (1992), Priem and Butler (2001), Peteraf and Barney (2003), Collis and Rukstad (2008), Kraaijenbrink <i>et al.</i> (2010), Mendes (2017)
	4) Could RBV be seen as an appropriate starting point in strategic analysis?	Penrose (1959), Collis (1991), Mahoney and Pandian (1992), Barney and Clark (2007), Chmielewski and Paladino (2007), Andersén (2011)
3) To describe factors and individual dynamics that could be articulated alongside the VRIO-Framework and thus influence the mode of strategy	5) Could the RBV be extended or somewhat improved by addressing its constraints?	Acedo <i>et al.</i> (2006), Hinterhuber (2013)
	6) How can practices, activities and social interactions contribute towards organizational capabilities and routines?	Johnson <i>et al.</i> (2003), Jarzabkowski (2005), Whittington (2006)

**Source:** Formulated by the author

### 1.3. Consideration on the dissertation structure

This dissertation is subdivided into nine chapters, the first part is referent to the introduction (the present chapter) where some theoretical background is exposed in order to present the reasons and the relevance behind the development of this topic.

The second, third, fourth and fifth chapter demonstrates the intended LR, which is, hereby, split into various sections. The first section (second chapter) briefly discusses strategy field's fundamentals, such as its concept and the evolution of strategical research so that we can have a better frame and position for this research. Then, is presented the perspective of strategy-as-practice (SAP) as a theory that came out as a distinctive approach for studying strategic management (SM), strategic decision-making and strategizing (Jarzabkowski *et al.*, 2007). In the second section (third chapter) we focus on developing an improved comprehension about strategic tools in order to enable a greater understanding of strategy-making process. For that, strategy's tools literature is examined, namely a briefly discussion regarding each one of the chosen tools, its weaknesses and its strengths. Within the fourth chapter our focus is the perspective which guides this project. Firstly, we present some general ideas about the RBV theory – its precursors, historical evolution and some key concepts. In the fifth chapter are presented and discussed the main criticisms suffered by RBV over the years.

In the sixth chapter, we summarize the conclusion made in the LR, and explain how these led to the development of the research questions formulated. As for the seven chapter, its focus is on the methodology which is used for this dissertation. Firstly, we begin by exposing the chosen methodology and we synthetize the research phases through a detailed description of the instruments and procedures applied, as well as the categorization and coding of the interview *corpus*.

The eight chapter display the outcomes of the investigation and is thus distributed into two separate sections. In the first section, we put forth the profile of the collected sample/ interviewees. The second segment encompasses the discussion of the results by combining the data obtained in our research. With these findings, we initiate a discussion on the responses which they brought to our research questions. The final chapter consists of the conclusions, the limitations and the suggestions for future research.

## CHAPTER II | Strategy and Strategy-as-Practice

### 2.1 Literature Review Considerations

This chapter highlights and covers a set of background information about our research topic, consisting in an overview of the existing literature on the study field starting with the definition of SM, and then presenting chronological information regarding historical evolution of the traditional theories. This is followed by the emphasis on the RBV of the firm through a comprehensive research on its evolution, influences, definition of key concepts and major limitations.

The primary purpose of the LR is to explore the theoretical underpinnings and collect empirical research considering a specific subject – in this case approaching the SM theories, namely the RBV and its impact on the development and implementation of business strategies. In other words, the LR consists in a comprehensive overview of prior research under a specific topic and it both demonstrates either what is already known about the topic or what is not yet known, thereby setting up the rationale need for further developments (Denney and Tewksbury, 2012). The main goal of the LR is not to provide a summary of everything written under the research topic, but to review the most relevant and significant research on the topic (Saunders *et al.*, 2009).

This step is often the starting point for a scientific research being crucial to provide relevance to the research problem when deciding what type of LR to conduct. The scientific research consists on the following steps:

1. development of an empirically answerable question,
2. creation of hypothesis derived from a theory that intends to answer to the research question,
3. collection and analysis of empirical data to test the hypothesis
4. the final conclusions regarding the results of the analyses back to the theory from which the question was drawn (Lynch, 2013).

The LR for this thesis was aimed at enriching the author understanding of the SM theories, namely the RBV and its impact in the area of business strategy. In order to select and use relevant sources during the LR, the process was guided by the articles and authors

recognized in the Scimago index. For that, traditional forms of library sources were used as well as electronic resources where searches were conducted using keywords such as CA, strategy, SM, SAP, RBV and management.

In order to investigate the researches of the field under analysis, the author used computerized databases also called as 'search tools' such as ABI Inform, PROQuest, Google Scholar, Thesis Archives of many universities, EBSCO Business, EMERALD Full text and Sage Publications (tertiary literature sources). Secondly, the electronic search was complemented by secondary literature sources such as books and leading academic journals. Lastly, primary sources such as conference proceedings and reports were also used (Saunders *et al.*, 2009).

Before starting the research, the researcher established keywords and used the Boolean logic in order to combine those key words to widen the variety of information obtained.

In the below section, the fundamentals of SM are approached since it is relevant to hold a macro view of the field so that the research can have a well-established frame.

## **2.2 Strategic Management Basics**

The knowledge development regarding the strategy field was lately introduced in the scientific area when compared to other areas such as economics and sociology. In fact, only in the second half of the twentieth century the theory was brought into business (Snow and Hambrick, 1980; Ghemawat, 2002; António, 2015).

According to Albino *et al.* (2010), this can be explained both by the strong influence of economic theories, namely the neoclassical, which considers the market as a self-regulating system but also by the low professionalism in medium and large enterprises management since until the second half of the 20<sup>th</sup> century only family businesses were in place.

Considering Wheelen and Hunger (2012:5) "Strategic management is a set of managerial decisions and actions that determines the long-run performance of a corporation", emphasizing the monitoring and evaluation of the external opportunities

and threats in light of a corporation's strengths and weaknesses, including environmental monitoring, strategy formulation and implementation, evaluation and control. Moreover, in order to be successful in the long-term, companies must not only be able to satisfy an existing market, through the performance of their current activities, but must also be able to adapt those activities in such a way that they are able to satisfy new and changing markets (Wheelen and Hunger, 2012).

For Teece *et al.* (1997:509) "The fundamental question in the field of strategic management is how firms achieve and sustain competitive advantage", which contributed to the development of a major area of research in SM during the 1990s – the understanding of sustainable CA sources to firms (Barney, 1991).

In the pursuit to obtain an answer to the research question: "Why some firms persistently outperform others with an associated higher value?" (Barney and Clark, 2007), SM was mainly influenced by two lines of thought: from economics - the industrial-organization (IO) tradition or market-based view (MBV) – and from sociology and behavioral disciplines - organizational-factors (OF) (Makhija, 2003). The differences between these two paradigms are described in table 2.

**Table 2:** Differences between the economical and sociological lines of thought

	IO or MBV	OF
Main Proponent	Porter (1980)	Penrose (1959)
Focus	External conditions	Intra-organizational factors
Model/ Theory	Five-Forces Model	Resource-Based Theory (RBT)
Characteristics	This paradigm seeks to explain a company's profitability by analyzing the external environment, more specifically the industry as the basic unit of analysis (Porter, 1979).	Company as the basic unit of analysis, establishing a link between a firms' internal characteristics and its performance by excluding resource heterogeneity and immobility as possible sources of CA. Company's profitability is determined by owned resources and capabilities (Priem and Butler, 2001).
Main Assumptions	(1) Corporations within an industry or strategic group are similar either in terms of the strategically relevant resources that they dominate, either in the strategies pursued for them;  (2) The heterogeneity of the resources within an industry or a group have a short timeframe since used resources are highly mobile.	(1) Corporations within an industry or group may be assorted in regard to the strategic resources that they dominate;  (2) Heterogeneity can be long lasting as resources may not be perfectly mobile within firms.

**Source:** Formulated by the author based on the work developed by Penrose (1959), Porter (1979, 1980), Barney (1986, 1991), Priem and Butler (2001) and Makhija (2003)

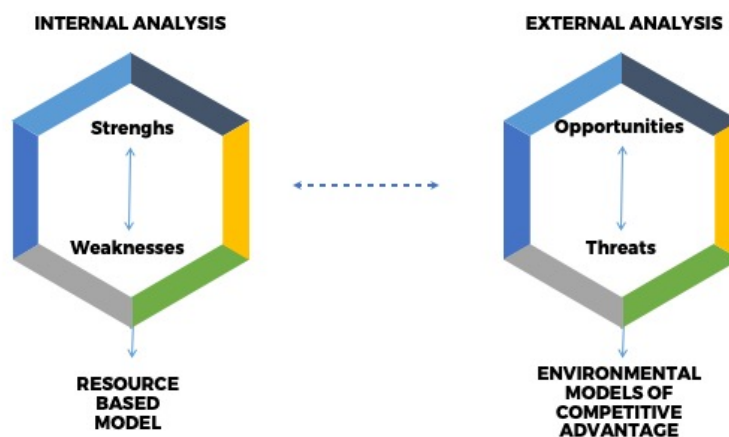
Besides the clear differences between the two paradigms described above, there are some authors, such as Bourgeois (1985), Conner (1991), Priem and Butler (2001), Collis and Rukstad (2008) and Mendes (2017), who see them as complementary in arguing that the RBV incorporates features of the MBV. In this line of thought, Bourgeois (1985:548) emphasized that the central tenet in SM consists in a match between the environmental

conditions, organizational capabilities and resources as critical to performance, and stated moreover, that a strategist’s job is to find or create this match. Also, Mahoney and Pandian (1992), Peteraf and Barney (2003) and Kraaijenbrink *et al.* (2010) emphasize that the RBV does not replace the IO view, but rather complements it instead.

During the 1960’s a single organizing framework was used in order to structure much of the research performed in the field, whose reasoning was emphasized by Barney (1991:99) suggesting that “(...) firms obtain sustained competitive advantages by implementing strategies that exploit their internal strengths, through responding to environmental opportunities, while neutralizing external threats and avoiding internal weaknesses.” (Barney, 1991, 99).

The figure 1 summarizes the framework used during this period stating the difference between the internal and external analysis, in which the former is mainly related to business operations and decisions with a focus in how a company should compete, and the latter regards on an economic perspective of industry structure, emphasizing where a firm should compete and what’s relevant under this competition.

**Figure 1:** Relationship between internal and external analysis



**Source:** Formulated by the author based on the Barney (1991:100)

As per the figure 1, the internal analysis of strengths (core competencies) and weaknesses (limitations) focuses on internal factors while the external analysis is focused in the opportunities and threats existent in the organization’s environment.

Despite the fact that organizational resources had been identified as being important from some earlier works as Penrose (1959), the decade of 80 was dominated by frameworks focused on external analysis which led to a strong influence of the microeconomics tradition within strategy research (Jarzabkowski *et al.*, 2007) (Barney *et al.*, 2011). The Five-Forces Model (Porter, 1979) and the Value-Chain (Porter, 1985) concepts comprises the main used frameworks in what regards the external environment (Olavson, 2000).

In fact, many studies in SM field attempted to explain macro-level firm behaviors and the influence of such behaviors on a firm's performance, which led to the proliferation of new theories over the past few decades (Bromiley and Rau, 2014). In the next section it is highlighted the practice turn in contemporary approach through the discussion of SAP as an emerging view that purposes a different approach to study of strategy

### **2.3 Prospect of Strategy-as-Practice**

For many years, strategy has been analyzed based on actions and internal dynamics within organizations, trying to relate this vision in terms of organizational performance and focusing only on certain top groups (top managers) as sense of meaning that those are the only ones that can act strategically (Johnson *et al.*, 2007; Lopes da Costa and António, 2012).

The perspective of the SAP has emerged from a widespread dissatisfaction regarding the strategic research carried out by several authors who have been studying this field of research suggesting a shift of attention from a "(...) focus on the effects of strategies on performance alone to a more comprehensive, in-depth analysis of what actually takes place in strategy formulation, planning, implementation, and other activities that deal with the thinking and doing of strategy." (Golsorkhi *et al.*, 2010, 1) (Lopes da Costa *et al.*, 2018).

In this sense, the theory came out as an alternative approach for studying SM, strategic decision-making, and strategizing (Jarzabkowski *et al.*, 2007) by bringing to the research field the action and interactions, the social complexity and casual ambiguity as the basic view of resource analysis (Jarzabkowski, 2005), while explaining the practice that



constitutes the strategic process (Johnson *et al.*, 2003). Besides, SAP research has also “(..) extended the concept of performance, has broadened the range of organizations studied, and it has applied and developed qualitative methods to explore details of strategy with hitherto unappreciated significance.” (Vaara and Whittington, 2012, 310) and is conceptualized by Jarzabkowski (2007:988) as “(...) an interpretive approach in which the world cannot be understood independently of the social actors and processes that produce it.”

Whittington (2002) advocated that it is necessary to take seriously the strategy work, strategy’s workers and strategy’s tools since there is a gap of knowledge surrounding these topics. The same author reinforces the need for a closer connection between theory and practice so that academic and practitioners can have a better understanding of the context (Whittington, 2004).

Moreover, according to Jarzabkowski *et al.* (2007) and Johnson *et al.* (2003), strategy research should be more focused in the micro level activities and processes rather than concerned with the macro level, so that the field’s real problems/ situations can be properly addressed.

Summarizing, the widespread dissatisfaction from some academics for more concrete and useful research the wider practice turns in contemporary social theory, and the increasing complexity, turbulence and ever-changing environment led to the development of an appropriate context for the emergence of this new perspective in SM.

One of the main challenges for SAP is the identification of the phenomena under investigation (Jarzabkowski *et al.*, 2007) for which Whittington (2006) emphasized the relevance of properly understanding the strategizing activities in their wider social context, including actors and its *modus operandi* within the plural social institutions to which they belong. For that, Whittington (2006) proposed an overarching framework of praxis, practices and, practitioners to better understand the study of SAP, which is presented on table 3.

**Table 3:** Concept of Praxis, Practice and Practitioners

Definition	
Praxis	Refers to the actual activity, what people do in practice and comprises the interconnection between the actions of different individuals/ groups and the embedded institutions in which they act and to which they contribute. This definition reinforces that praxis may be accomplished at distinct levels from the institutional to the micro, and also dynamic interactions between levels (Jarzabkowski <i>et al.</i> , 2007).
Practice	According to Whittington (2016: 619) practice state to “(...) shared routines of behavior, including traditions, norms and procedures for thinking, acting, and using things, this last in the broadest sense.”. The use of such practices is directly connected to ‘doing’ since they provide the behavioral, cognitive and physical resources through which different actors are able to relate in order to socially achieve group activities (Jarzabkowski <i>et al.</i> , 2007).
Practitioners	Regards strategy’s actors who both perform activities and carry its practices, being directly interrelated with practices and praxis which considering a strategy perspective can be seen as the unit of analysis for studying the actors in the construction of activity that is consequential for the organization and its survival (Jarzabkowski <i>et al.</i> , 2007).

**Source:** Formulated by the author based on Jarzabkowski *et al.* (2007)

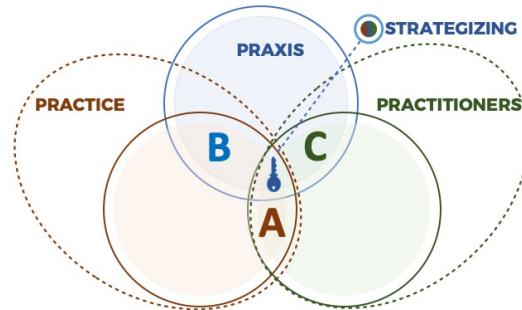
Also, Whittington (2006:620) emphasized that

(...) practitioners are seen as the critical connection between intra-organizational praxis and tactics the organizational and extra-organizational practices that they rely on this praxis. (...) By reflecting on experience, practitioners are able to adapt existing practices; by exploiting plurality, they are sometimes able to synthesize new practices; by taking advantage of openness, they may be able to introduce new practitioners and new practices altogether.

Although practice-oriented studies do not need to combine at the same time all three elements presented above, together they constitute what Jarzabkowski *et al.* (2007) defines as strategizing, in a sense that matters who does it, what they do, how they do it, what they use and what are the implications of these elements in the strategy conceptualization (Jarzabkowski and Spee, 2008), whose importance is crucial in what

concerns to the direction and possible organizational performance. These inter-connections are enclosed on the figure below.

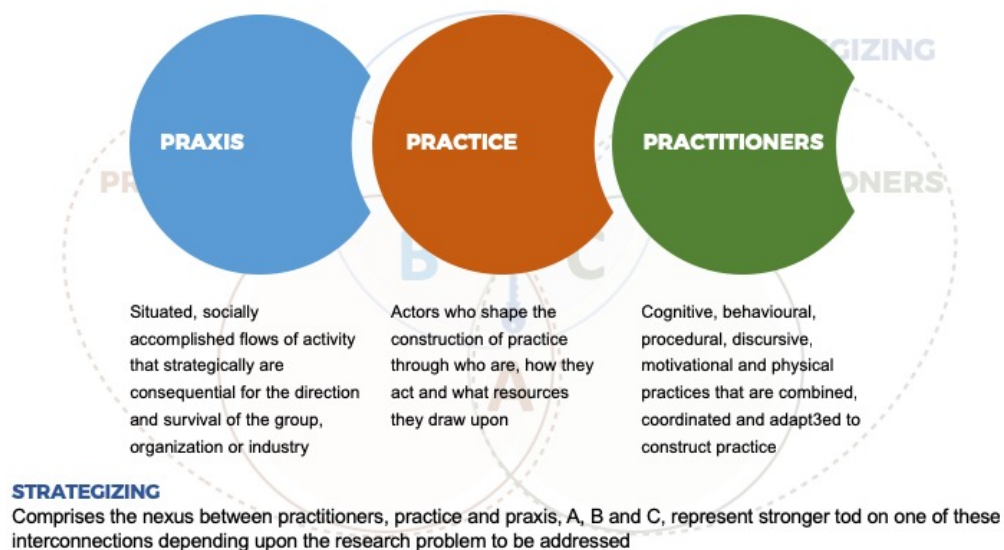
**Figure 2:** Inter-connection of strategizing and its conceptualization



**Source:** Formulated by the author based on Jarzabkowski *et al.* (2007:8)

Three elements comprise SAP framework: *praxis*, practitioners and practices whose interaction makes strategizing (the doing of strategy) (Jarzabkowski, 2005; Jarzabkowski *et al.*, 2007)

**Figure 3:** SAP - Conceptual framework



**Source:** Formulated by the author based on Jarzabkowski *et al.* (2007:8)

The essential insight of the practice perspective is that strategy is more than an organization's property; it is something that people do, with what comes from outside as well as within organizations, and which effects on societies (Whittington, 2006). It is also important to consider that the use of SAP research implies special challenges for scholars, such as difficulties related to the closeness need to the practitioners and at the same time the application of complex social theories (Vaara and Whittington, 2012).

According to Johnson *et al.* (2003) and Whittington (2006), researchers may become over-enthusiastic with the micro activities/ processes and detach them from the macro situations that they ultimately intend to explain. Jarzabkowski *et al.* (2007) and Whittington (2006) reinforce that an overview should be ensured through the multiple inter-relations between levels of analysis so that this dichotomy can be addressed.

After some reflection concerning this theory, in the next chapter, we explore strategic tools' as relevant factors within strategy decision-making. We decided to address this topic as *per* its relevance for business firm's success and performance is highly dependent on high-quality strategic decisions that must be made despite time and information constraints (Bresser and Powalla, 2012). Furthermore, we consider relevant to address the relationship between management tools and techniques and organizational performance.

## CHAPTER III | Management Tools

This chapter starts with a briefly discussion on strategic tools concept and afterwards, some of the most used tools are presented and examined.

### 3.1. Strategic Tools

Strategic tools are defined as techniques, methods, models, frameworks, approaches and, methodologies that support decision-making within SM (Clark, 1997). Regarding its functionality, they usually provide a structure for gathering and interpreting information under uncertainty (Bresser and Powalla, 2012) and fulfill the function of communication and coordination by allowing a simplified and focused presentation of complex assumptions.

For Jarzabkowski and Wilson (2006), strategy tools are knowledge artefacts produced with the purpose of turning strategy theories actionable.

Grant (2003) suggests that long-term planning requires qualitative and a scenario-based information whereas medium-term planning requires quantitative information and financial analysis techniques.

Generally speaking, managers prefer fewer complex tools, which can be explained by the prominence of intuition in strategic decision-making since less complex tools, are easier to remember and therefore, facilitate intuitive decisions-making. It is relevant to consider that important contextual factors and external and internal environmental factors may affect the strategy tool adoption. On this reasoning, large firms and firms pursuing growth strategies usually use tools more frequently than small and medium-sized firms (Bresser and Powalla, 2012).

In business schools, students are quite often introduced to numerous strategy tools, such as the Five-Forces Model (Porter, 1979), Generic Strategies (Porter, 1980) Activity-Based View (Porter, 1985), Boston Consulting Group (BCG) Growth-Share Matrix (Henderson, 1979) or VRIO-Framework (Barney, 1991). Although, many other tools are defined and exist in the literature, we will give special attention to the tools that are more easily accessible and used by management's students and managers. Therefore, all these

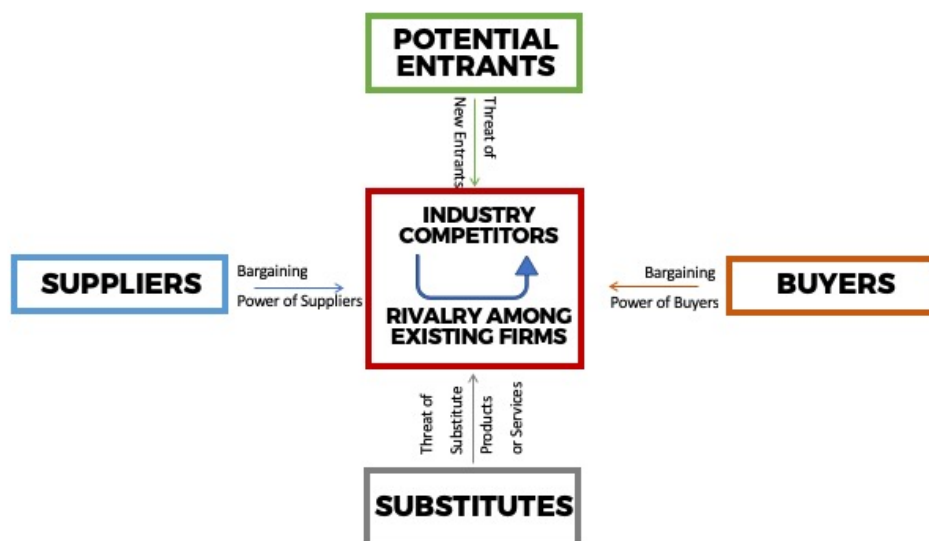
tools and models will be described below since they are used by managers to support their analysis and evaluation of strategic choices (Grant, 2003).

### 3.1.1. Porter's Five-Forces Model

Porter's five-forces model is a framework that attempts to explore and analyze the competition level within an industry by determining the fundamental attractiveness of an industry and their main causes. Moreover, the way how these forces change over time and can be influenced through strategy is also taken in consideration (Porter, 1985).

The model is based upon IO economics theory, which assumes that the attractiveness of an industry, in which a company operates, is determined by the market structure (Dälken, 2014). Under this model, Porter extended the existing IO paradigm in order to explain differences in industry profitability (Sheehan and Foss, 2009) in the long-term, which allowed the model to become a central piece of texts on business strategy and SM (Grundy, 2006). In fact, the starting point for developing strategy consists in understanding the forces that shape industry competition: the entry of new competitors, the threat of substitutes, the bargaining power of buyers, the bargaining power of suppliers, and the rivalry among the existing competitors (Porter, 2008) (figure 4).

**Figure 4:** Porter's Five Forces Model



**Source:** Formulated by the author based on Porter (1985:5)

For Porter (1985:4) “The collective strength of these five competitive forces determines the ability of firms in an industry to earn, on average, rates of return on investment in excess of the cost of capital.”

The force ‘Rivalry among existing competitors’ represents the intensity of the competition within the same industry and a higher level of rivalry between existing competitors can influence the profitability of an industry. In what regards to the ‘threat of new entrants’, since profitable markets yield higher returns, new firms will be attracted to the industry which will result in new competitors that may decrease the profitability for all firms within the industry. The ‘risk of substitute products or services’ consists in products or services that can fulfil the same function as the product/service under evaluation for the same industry. The ‘bargaining power of buyers’ represents the customer’s ability to create pressure to the firm which will affect the customer’s sensitivity to price changes; this may occur when buyers have a high market power which gives them the ability of pushing prices downward. Lastly, the ‘bargaining power of suppliers’ defines the risk that suppliers threaten to companies with increasing prices for goods or services (Dälken, 2014).

According to Grundy (2006) there are several limitations under Porter’s framework, such as its tendency to over-stress macro analysis and to oversimplify industry value-chains and the lack of linkage between the framework and the possible management action. Also, Dobbs (2014) states that the lack of depth of the framework leads to an incomplete inaccurate, and unhelpful analysis that may contribute to poor decision-making and disastrous organizational outcomes. Besides the author argues the lack of strategic insight since the framework is primarily a tool to assess the industries’ attractiveness rather than gain strategic insight as to how a firm can effectively compete within its industry. Moreover, the lack of structured analysis due to the lack of quantitative measures used in typical application of the frameworks leads to arbitrary assessments of the industry conditions (Dobbs, 2014).

### 3.1.2. Porter's Generic Strategies

Porter (1980) has described three generic competitive strategies that allow companies to take full advantage of industry forces and to attain sustainable superior performance, which allowed the theory to become increasingly relevant for companies during the process of achieving valuable insights from customer needs and ultimately CA (Ouma and Oloko, 2015).

Although a firm can have countless strengths and weaknesses when compared with its competitors, a firm can only owe two types of CA: low cost or differentiation. The impact of any strength or weakness a firm possesses is ultimately a result of its impact on relative cost or differentiation (Porter, 1985, 11).

These two basic types of CA combined with the scope of each firm's activity led to the three generic strategies (see figure 5): cost leadership, differentiation, and focus (Porter, 1985). It is relevant to highlight that Porter argued that the successful implementation of a generic strategy depends on the industry structure and the underlying notion within this theory is that firms must make a choice about the type of CA they seek to attain and the scope within which it will attain it. Although Porter (1985) asserts that a company performs better by choosing just one of the three strategies, there are some authors that support a combination of these strategies as an opportunity to easily achieve a CA (Murray, 1988; Johnson and Scholes, 1993; Treacy and Wieserma, 1993).

**Figure 5: Generic Strategies**



**Source:** Formulated by the author based on Porter (1980, 39)



The cost leadership strategy is focused on gaining CA by having the lowest cost in the market (Porter, 1979) in comparison to the competitors in all aspects of their business, which implicitly requires a high market share. “A cost leader must achieve parity or proximity in the bases of differentiation relative to its competitors to be an above-average performer (...)” (Porter, 1985, 13), which allows players to earn higher returns and protects firms against all the five-forces by providing high entry barriers through economies of scale and cost advantages. In other words, a cost leadership strategy means meeting the needs of the largest possible group of customers at the lowest cost available (Porter, 1979).

When using differentiation, firms intend to characterize their offerings to be perceived as something unique within the industry, which allows firms to demand a premium price above the average market price over its products/ services. Moreover, also provides opportunities for superior performance by leveraging the five industry forces and provides high customer loyalty (Porter, 1985). On contrary to the cost leadership strategy, this does not require a high market share and it might require a rather low market share as the perception of exclusivity is a requirement for obtaining the differentiation (Porter, 1979).

In the focus strategy, a firm targets a specific segment of the market such as a single buyer group, segment or geographic market (Allen and Helms, 2006) which according to Porter (1985:15) allows the firm “(...) to achieve a competitive advantage in its target segments even though it does not possess a competitive advantage overall.”. Within this strategy, there are two variants: cost focus (with the purpose to attain a cost advantage in its target segment) and differentiation focus (with the purpose of achieving differentiation in its target segment) (Porter, 1979).

Whenever, a firm fails to achieve and apply one of these strategies, it will be “stuck in the middle”, which accordingly to Porter (1980) is an undesirable strategic position as it is related with below-average performance since the organization will compete at a disadvantage due to the fact that the cost leader, differentiators, or focusers will be better positioned. This strategy is often a manifestation of a firms’ unwillingness to make decisions about how to compete (Porter, 1979), therefore Porter (1985) defends that firms must make choices among each one of the theories. Nevertheless, the author recognizes specific and temporary circumstances for which firms can pursue both cost leadership

and differentiation strategies, such as: when all rivals are stuck in the middle, when the cost is heavily affected by interrelationships, or when a firm is able to develop a leading innovation (Hill, 1988).

Although there is the existence of empirical studies that corroborate Porter's frameworks (1980, 1985), his work has been criticized as being overly simplistic (Hill, 1988) without treating companies as a whole, but instead focusing its analysis on managing each business separately (Mendes, 2017).

In fact, Porter (1985) emphasized that positioning strategies are determinant for firms to build a sustained CA through its ability to successfully pursue and implement a generic strategy. By doing so, Porter reinforced the external environment and ignored the internal environment which led to the development of several studies – such as the ones conducted by Schmalensee (1985) and Wernerfelt and Montgomery (1988) - in order to determine the extent of the industry's influence on company's performance. The study conducted by Schmalensee (1985) found that industry contributes 19,62 percent to company performance and the other study found a correlation of 19,48 percent between the firm performance and the industry.

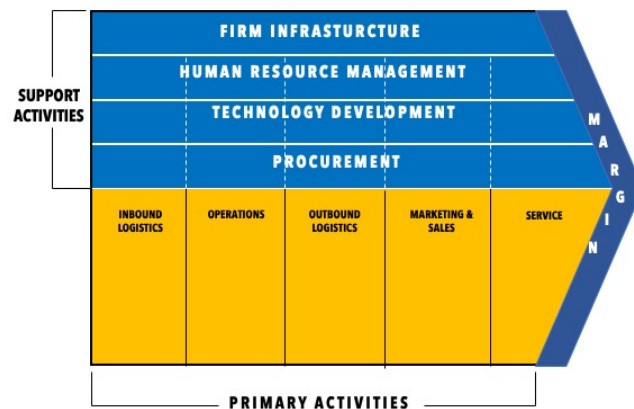
Under the same reasoning, Barney (1995) defends that the external analysis cannot stand alone on this regard and, must therefore be accompanied by an internal analysis. In fact, Barney (1995) claims that the VRIO-Framework can do something similar to the application of Porter's positioning strategies, which will be presented in the chapter IV.

### **3.1.3. Activity-Based View**

The activity-based view of the firm consists in a strategic framework that analyzes firm-level CA as the unit of analysis (Sheehan and Foss, 2009) and it has its foundations in business strategy and industrial economics (Porter, 1985). In the same line of reasoning, Porter (1985) concluded that firms' CA cannot be understood by looking to a firm as a whole, instead, there should be an individual analysis of each activity such as receiving, manufacturing, storing, transporting, hiring, training, purchasing, and marketing. In this way and in order to help managers to achieve the needed potential for a firm to create and appropriate more value than the competition, Porter (1985) suggests the value-chain (see

figure 6) as a framework that “(...) enables the user to understand the company’s business actions in strategically relevant activities and thereby understand the behavior of cost and the existing and potential sources of differentiation.” (Grønne and Skar-Gislinge, 2015, 54).

**Figure 6:** Porter’s Generic Value-Chain  
VALUE CHAIN



**Source:** Formulated by the author based on Porter (1985, 37)

This framework emerged from the idea of continuous improvement through the cost optimization and the search for new drivers of activities, having as key characteristics the following: 1) Activity is the unit of analysis since “the firm is broken up into activities that incur large costs, have differing costs behaviors, and/or are performed differently by competitors” (Sheehan and Foss, 2009, 242); 2) it is highlighted a system-view and systemic-thinking in order to improve the optimization at the business system level rather than at the level of the individual functions, departments or business units; 3) there is an emphasis on the distinction between primary and support activities, as the former contributes directly to the output (value-creation) and the latter provides support throughout the value-chain; and 4) it includes cost and value-drivers as the underlying structural factors that explain why the cost/value generated by a firms’ activity differs from its competitors (Sheehan and Foss, 2009).

In the table 4 are sub-divided the primary and support activities described and outlined in the framework under analysis, with the respective description of each one of the activities.

**Table 4:** Delimitation of each value-chain' activity

	Activities	Characteristics
Primary Activities	<b>Inbound Logistics</b>	All necessary handling such as receiving, storing, warehousing, etc.
	<b>Operations</b>	Transforming process of the product into the final product.
	<b>Outbound Logistics</b>	Activities regarding collecting, storing and physical distribution.
	<b>Marketing and Sales</b>	Related with providing means by which buyers can acquire or be introduced to the product/service, either through advertising, promotion, channels selection, etc.
	<b>Services</b>	Enhancement or maintenance of the product-value: installation, reparations, product adjustment, etc.
Support Activities	<b>Firm Infrastructure</b>	Covers all from general management, planning, finance, accounting, quality management, etc.
	<b>Human Resources Management</b>	Activities related to the recruitment process, hiring, training, development, and compensation of all types of personnel.
	<b>Technology Development</b>	One of the most important functions nowadays.
	<b>Procurement</b>	The function of purchasing inputs used already in the firms' value-chain – e.g. raw materials, supplies, buildings, etc.

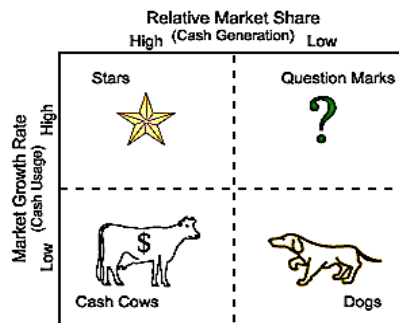
**Source:** Formulated by the author based on Porter (1985)

Sheehan and Foss (2009) were the first authors to critically examine the theory and to state that they found Porter's and others scholars' explanations lacking, in what regards the firms' value-creation, its applicability, the non-consideration of the company's market position or the resources available and also concerning its focus on a mass-market approach instead of efficiency and low-costs. In this sense, the same authors emphasized the fact that activities are a key link between resource holdings and strategic positions, meaning that only when the activity-based and RBV are integrated, can they provide a comprehensive explanation of firm value-creation, providing to the user the possibility to analyze and fully understand a firms' value and CA.

### 3.1.4. Boston Consulting Group Matrix

The Boston Consulting Group's Growth-Share (BCG) Matrix was created in 1963 by Bruce Henderson with the objective of helping "(...) the business organizations to develop their efficiency for the successful operation of their business activities." (Mohajan, 2017, 2). It represents a strategic planning tool that helps diversified corporations to allocate resources through its 2x2 matrix where the two dimensions are business growth and position – as presented in figure 7.

**Figure 7: Growth-Share Matrix**



Source: Mohajan (2017:4)

Morrison and Wesley (1991) argue that the early development of the BCG Matrix was largely based on empirical experiences from consulting work and its main purpose was to identify which strategic business units should be invested in, sell off or shut down. In fact, according to Morrison and Wesley (1991:109) "Each of the four matrix categories has characteristic cash flow potential and a corresponding strategy prescription in the achievement of the overall goal of a balanced product portfolio".

Henderson (1979) argued that a company in order to be successful needed to have a product's portfolio that fits into one of the four strategies proposed - combining the external environment and internal capabilities.

The four categories are shortly described in the table 5.

**Table 5: BCG Matrix Categories**

Category	Short-Description
‘Stars’	Products with a large market share in a fast-growing market. These products are seen as the best opportunities for the company’s growth since they allow the creation of large sums of cash to support their strong market share, but also spend large amounts of cash due to their high growth rate.
‘Question Marks’	Business units that have a small market share in a high-growth market, implying lower returns and a higher need for investment due to the higher demand and the low market share. The organization must decide “(...) whether to build up them by practicing a rigorous strategy (market access, market development, or product development) or to sell them, i.e., it is not known if they will become a star or drop into a dog.” (Mohajan, 2017, 5).
‘Cash Cows’	Products in a large market share in a mature period of a slow-growing industry, which requires less investment. When achieving CA, cash cows have high-profit margins and generate a lot of cash flow, however, due to the lower industry’s growth, promotions and place investments are also low, which requires capital reinvestment in order to maintain the present market share.
‘Dogs’	Both growth and market share are in the lowest position. They can neither generate nor consume a large amount of cash due to their weak business strategy.

**Source:** Formulated by the author based on Mohajan (2017)

Nevertheless, the matrix suffered many criticisms for its oversimplification of strategy and implementation (Seeger, 1984) and the fact that it just advises managers to deal with each type of business considering its classification, without considering relevant issues, such as the relationships between the various businesses (Collis and Montgomery, 1997). Moreover, McKinsey and Company (2008) have presented a similar framework – GE-McKinsey matrix – considering the business’s units strengths and the attractiveness of the market as determinants to invest (McKinsey and Company, 2008) but this matrix was also criticized for oversimplifying strategy and for not considering synergies between different products/ business units.

## CHAPTER IV | Resource-Based View Theory

Before the 1990s, much of the research on CA assumed that strategically relevant resources were homogeneous and that they were easily transferrable across the firms within a given industry due to the IO economist's influence (Barney, 1991) (Caldas, 2010). Therefore, it was assumed that strategic resources were available to be used by any actors, within the same competitive environment, with the purpose of the firm's strategy to seize a favorable position when compared to the firm's rivals (Porter, 1981) (Caldas, 2010).

RBV challenged the IO economists' by arguing that an industry-based view did not explain properly the asymmetries in strategies and performance level found across different firms (Caldas, 2010). Moreover, the theory suggested that the strategic resources within the industries/sectors might actually be heterogeneous and that this heterogeneity across firms was increased by the difficulty to transfer certain resources from one firm to the other (Caldas, 2010). According to this proposition, a firm should differentiate itself from its competitors by strategically developing specific resources which might include any type of assets, capabilities, processes, information, or knowledge that may be susceptible to being controlled and exploited in order to enhance a firm's efficiency or efficacy (Caldas, 2010).

In fact, the RBV of the firm is one of the most accepted theoretical perspectives in the SM (Priem and Butler, 2001; Andersén, 2011), encompassing several major research problems such as the organizational economic paradigm, general strategy research and IO thought (Mahoney and Pandian, 1992). The theory satisfies all components of strategy since it enables companies to identify and develop its valuable resources (Collis, 1991), requires an understanding of the external environment to be applied and leveraged and satisfies key characteristics of strategy since it is a long-term view.

Moreover, the relationship between firms' resources and performance has been a major area of investigation and interest in the SM field over the last 20 years, and only recently researchers have recognized that RBV may also be classified as a strategic orientation that managers may apply to their firms in order to achieve superior performance (Chmielewski and Paladino, 2007).

How to properly access the profile of a firms' valuable resources and capabilities is one of the most compelling challenges faced by scholars and strategic managers interested in the RBV theory (Lin *et al.*, 2012). Under this reasoning, an increasing number of studies in resource management suggests that the identification of a firms' valuable resources and capabilities is the first step in enabling those resources and capabilities to be successfully managed (Sirmon *et al.*, 2008; Andersén, 2011). It is also relevant to highlight that two central aspects of resource management came within the concept of resource-orientation: resource creation and resource deployment (Chmielewski and Paladino, 2007), where the first consists in the possession of strategic resources and the latter results from the use of the resources through organizational processes.

In recent years many studies regarding the status, evolution, and/or trends of the RBT have been published such as Hoskisson *et al.* (1999), Barney (2001), Priem and Butler (2001) and Makadok (2001). The following commonalities were found among these works: 1) it is widely disseminated within the academic literature and in management practices (Priem and Butler, 2001); 2) the heterogeneity of its character on contrast with other different theories (Barney, 2001) and 3) its reputation as a main SM approach (Williamson, 1999).

Moreover, the RBV acknowledges that a company's resources and capabilities are the main foundation for a sustained CA, regardless of the surrounding environment (Barney, 1991). In essence, the RBV is a theory rather about the nature of the firm, in contrast to theories such as transaction-cost economics that seek to explain the origin of firms (Lockett and Wild, 2014).

Besides, there has been a recent interest in the use of SM tools in the literature and in management practice and in this sense, the VRIO-framework is often referred as one relevant management tool. Regardless, there is still some debate on the scientific status of the theory (Priem and Butler, 2001).



#### **4.1. The precursors of the Resource-Based View Theory**

The RBV theory was developed around the 1980s and according to Robinson (2008:19) it prompted “(...) by the growing dissatisfaction with the prominent industrial organization model of strategy that suggested a firms’ profitability was determined solely by its external environment.”. In fact, the emergence of the RBV theory represents a disagreement with the five-forces analysis model defended by Porter (Dyer and Singh, 1998), since Porter’s theory defends the homogeneity of firms, suggesting that the firms’ CA evolve from the existing industry within a company (Porter, 1979). On the other hand, the RBV argues that the development of CA depends on the unique internal resources that a firm possesses. Therefore, considering these two approaches, generating CA depends on the market’s position and products for the former and on the internal resources possessed by the firm for the latter. Whereas the RBV focuses on the internal resources and capabilities of a firm, Porter’s generic strategies add the dimension of a company’s position in the market.

The RBV can be positioned in regards to three main lines of thought (Barney, 2001): structure-conduct-performance (SCP) based theories of CA (Barney, 1991; Conner, 1991; and Peteraf, 1993); neo-classical microeconomics (Ricardo, 1817; Barney, 1986; Dierickx and Cool, 1989 and Peteraf, 1993) and lastly evolutionary economics (Nelson and Winter, 1982).

The SCP paradigm was one of the most widespread conceptual models for the analysis of CA, suggesting that the industry and its competition structure set a variety of activities that a firm can be involved in (Bain, 1956). According to this model, firm’s economic performance is directly related with their competitive behavior in terms of price and cost setting and this behavior depends on the industry’s structure in which firms are inserted (Vasconcelos and Cyrino, 2000). Demsetz (1973) was among the first to question these paradigms by suggesting that the industry and its structure was not the only reason for a company’s performance. Empirical research conducted by Hansen and Wernerfelt (1989), McGahan and Porter (1997) and several others, has appraised the relative impact of industry and firm attributes on firm performance, the result was that besides some variance across industries, firm effects seem to be larger than industry effects.

The neo-classical microeconomics centers on how market forces control the quantity, quality, and price of sold goods and services within a market. Regarding this line of thought, Barney (1986) defined the concept of strategic factor markets (SFM) which is a market where firms develop and acquire the needed resources for implementing a strategy (Barney, 1986). In fact, authors that explored the positioning of the RBV in relation to this paradigm have focused their efforts on “(...) describing and measuring the attributes of resources and capabilities that lead them to be inelastic in supply.” (Barney, 2001, 647). According to empirical work by authors such as Robins and Wiserma (1995), Henderson and Cockburn (1994), and Makadok (1999), firms that develop their strategies on path dependent, causally ambiguous, socially complex, and intangible assets outperform firms that build their strategies focused only on tangible assets.

The last line of thought seeks to identify and measure the attributes of a company's resources and capabilities and how they are related to its performance (Barney, 2001). The evolutionary theories of the firm provide an explanation to the firm based on routines. Under this reasoning, firm is described as an entity processing, storing and producing knowledge (Hölzl, 2005). This paradigm has been developed mainly by scholars interested in how firms' capabilities change over time and its direct competitive implications (Teece *et al.*, 1997).

Despite the differences amongst these approaches, Barney (2001) defends the shared assumptions, namely the fact that superior company performance is determined by the heterogeneity of resources and capabilities across competing firms and that these differences (heterogeneity) are long-lasting.

## **4.2. Historical Evolution**

Edith Penrose (1959) was one of the first scholars to recognize the relevance of resources to a firm's competitive position, arguing that a firm's growth is due to the manner in which its resources are employed. Penrose viewed the firm as a set of unique internal interchangeable resources through which firms become differentiated from another, emphasizing the importance of individuals' behavior and learning processes as crucial factors within the firms' growth process (Penrose, 1959).

Before Penrose's influence, firms' growth was mainly based upon microeconomic assumptions (Penrose, 1959) such as firms' production level, and profit maximization was based on supply and demand conditions in the market. It is also relevant to note that Penrose (1959) was among the first to recognize that the resources controlled by a firm vary significantly, stating that firms within the same industry are heterogeneous and therefore, they do not possess the same base for creating CA (Barney and Clark, 2007). To sum up, under Penrose's view, firms no longer focus their profit maximization and growth at the market, instead, firms must rely on their ability to use their productive resources. Furthermore, Penrose (1959) claimed that firms achieve profit not only through the possession of unique internal interchangeable resources, but through the presence of some distinctive competencies that allow the company to make a better use of such resources (Mahoney and Pandian, 1992).

Aside from Penrose (1959), Rubin (1973) recognized that resources were not significantly relevant by themselves, meaning that resources should not merely be owned by firms, but be used as well.

Lippman and Rumelt (1982) explained the concept of inimitability and causal ambiguity, which have become core elements of the theory. Two years later, Wernerfelt (1984) supported the view of Penrose that the firm consists in a bundle of unique resources and emphasized the firms' unique resources as a driver for creating CA which was acknowledged in the later literature within the RBV (Barney, 1986) (Barney, 1991) (Teece *et al.*, 1997) (Barney and Clark, 2007). His analysis was based in Porter's five-forces framework but applying an RBV instead of a product-view. Moreover, Wernerfelt (1984) proposed that firms may earn above-normal returns by properly identifying and acquiring critical resources to the development of demanded products, which in other words states the focus on firms' resources rather than on their products.

In the same year, Rumelt (1984) argued about the importance of resource heterogeneity for economic performance and also introduced the term isolating mechanisms (also described as a resources barrier to imitation) as the main reason for a firm to keep a resource and thereby maintain their CA (Rumelt, 1984). According to Grønne and Skar-Gislunge (2015) this contribution of Rumelt (1984) allowed the establishment of connections between RBV and economic performance, recognizing that the main

difference in firms economic performance is based on the heterogeneity of their resources (Barney, 1991) (Barney and Clark, 2007).

Both, Wernerfelt (1984) and Rumelt (1984) are considered the first researchers that reinforce the importance of the resources and capabilities owned by a firm as potential sources of SCA.

Notwithstanding Penrose's (1959) extensive influence on the work of theorists amid the 1950's and 1980's, the acknowledgment of this theoretical viewpoint was not immediately attained due to its abstract nature. In fact, although some previous works had identified organizational resources as relevant, the theory did not begin to take shape until the 1980s (Barney, 2011).

Barney (1986) introduced the concept of SFM as markets in which trades are established between firms' resources. The logic under this concept is that when buyers and sellers of resources have the same expectations about the value of those resources, the price of acquiring or developing these resources will rise to equal their value when choosing and implementing strategies. The same author argues that when markets are perfectly competitive, by acquiring the needed resources to create imperfectly competitive products, markets will absorb all the profits created by this imperfect competition. Moreover, Barney (1986) stated that through the recognition that SFM are imperfect, "lucky" firms may earn above-normal returns. On another hand, Dierickx and Cool (1989) argued that what allows the creation of CA is the lack of capacity rather than the state of the competition in the SFM, emphasizing the relevance of resources especially when no effective substitutes are available.

In 1990, Prahalad and Hamel argued that the critical tasks of management were related to the creation of radically new products, which enabled companies to exploit the nature of its core competencies. Although this line of reasoning was related with the argumentation of Penrose (1959) and Rubin (1973) – suggesting a focus not only on static resources – it was largely ignored at the time by empirical scholars due to the lack of testable propositions.

In 1991, Barney presented and developed the core tenets of RBV when writing an article that is widely recognized as the first formalization of the resource-based literature into a

comprehensive theoretical framework. Through the arguments of Penrose (1959), Wernerfelt (1984), and others, Barney (1991) based its argumentation of the RBV on two fundamental assumptions: 1) that resources and capabilities are heterogeneously distributed among firms and 2) they are imperfectly mobile.

Taken together, these assumptions provide content to the initial research question “Why some firms persistently outperform others with an associated higher value?” (Barney and Clark, 2007). In fact, within the same sector of activity with the same set of opportunities and threats to organizations, what will set them apart is the bundle of resources and capabilities owned by each one of the firms.

Peteraf (1993) described and outlined the conditions under which CA exists, reinforcing that firms must meet the four conditions underlined: superior resources (heterogeneity within an industry), *ex post* boundaries/limits to competition, imperfect resource mobility and *ex ante* impediments/blockades to competition.

In 1995, Hart developed a conceptual spin-off from the RBV called the natural-RBV of the firm as a theory of CA based upon the firm’s relationship to the natural environment. The theory is composed by three interconnected strategies: pollution prevention (focused on new capability building in production and operations), product stewardship (considering the external perspectives into the development process), and sustainable development.

Miller and Shamsie (1996) tested the resources-performance link while measuring resources directly. On the year after, Teece *et al.* (1997) developed the concept of dynamic capabilities as the ability to achieve new forms of CA.

Sirmon *et al.* (2010) contributed to the RBT literature by developing the concept of resource orchestration as something critical to developing and implementing a range of firm strategies, which addresses the role of managers in effectively structuring, bundling, and leveraging firm resources.

During the last years, some articles have been written stating the contributions of the RBV to entrepreneurship research (Alvarez and Busenitz, 2001) and to human resource management research (Wright, Dunford, and Snell, 2001).

To sum up the information concerning the precursors and initial history of RBV, Acedo *et al.* (2006:32) argued that “It can be stated that the RBV originally started from an economic base, rather than a sociological base (...) However, there is a growing production in the field such as psychology or information systems, as a result of the development of research lines such as knowledge management.”

In the next sub-division are presented some key concepts within the theory.

### **4.3. Key Concepts of RBV**

The RBV is a model that takes an ‘inside-out’ view or firm-specific perspective, seeking to explain superior organizational performances on the basis of the internal resources and capabilities of the organization. In fact, the theory focused on the internal workings of the firm by mobilizing the concept of resources, which implied, an analysis of the firm’s resources rather than industry characteristics (Lecocq *et al.*, 2013).

#### **4.3.1. Firm’s Resources and Capabilities**

As stated by Barney (1991), firms’ resources constitute all assets, capabilities, organizational processes, firm characteristics, information and knowledge which are organized by a firm, thus enabling the firm to progress and implement strategies which are able to improve its efficiency and effectiveness. Simply put, firms’ resources are strengths that they use to conceive and put into practice their strategies (Porter, 1981).

Over time, many authors contributed to the definition of different categories of firms’ resources and considering Williamson (1975), Becker (1964) and Tomer (1987), these resources can be classified into three categories: physical capital resources (material, technological, plant, and equipment), human capital resources (training, background and acumen insights), and organizational capital resources (formal format) respectively.

physical capital resources include the physical technology used in a firm, a firm’s plant and equipment, its geographic location, and its access to raw materials. Human capital resources include the training, experience, judgment, intelligence, relationships, and insight of individual managers and workers in a firm. Organizational capital resources include a firm’s formal reporting structure, its formal and

informal planning, controlling, and coordinating systems, as well as informal relations among groups within a firm and between a firm and those in its environment. (Barney, 1991, 101)

Apart from these three categories, resources can also be defined as tangible or intangible, where the former are characterized by having physical properties and the latter are generally based on knowledge or information. Under the RBV theory, intangible resources are more likely to be considered strategic assets than tangible resources since they follow the valuable, rareness, and imperfectly imitable criteria (Barney, 1991).

Numerous quantitative studies have found the impact of intangible resources in the firm's performance. Among those are tacit knowledge (Berman, Down and Hill, 2002) cooperative capabilities (Tyler, 2001), human capital (Hit *et al.*, 2001), information technology (Powell and Dent-Micallef, 1997), organizational culture (Michalisin *et al.*, 2000) and customer relationships (Gouthier and Schmidt, 2003).

Besides, according to Barney (2001:625) "(...) resources and capabilities can be viewed as bundles of tangible and intangible assets, including a firms' management skills, its organizational processes and routines, and the information and knowledge it controls."

The concept of dynamic capabilities was developed firstly by Teece *et al.* (1997) as the utilization of resources by a firm's processes— namely the processes to integrate, reconfigure, benefit and release resources – to match and create market change. Dynamic capabilities are thus delineated as the organizational and strategic habits through which firms achieve new resources configurations (Eisenhardt and Martin, 2000, p. 1107).

In other words, while an organizational capability aims to use resources, dynamic capabilities are used to integrate and reconfigure a firm's existing resources to properly deal with a changing environment, and, therefore the competition-oriented by the future is dependent on a firm's dynamic capabilities (Teece *et al.*, 1997).

By developing dynamic capabilities, firms can increase their chance to ensure SCA since dynamic capabilities are able to help the firm not only in the adaptation to the environment but also in shaping the environment through the innovation and collaboration with remaining enterprises (Teece, 2007). To sum up, dynamic capabilities are viewed as a source of SCA (Lin and Tsai, 2016).

### **4.3.2. Competitive Advantage and Sustained Competitive Advantage**

According to Vasconcelos and Cyrino (2000), business strategy theories that address the CA's topic can be divided into two main axis: the first one is related to the CA and the second one to the competition. Therefore, according to the authors CA can be explained by external factors such as markets and industry's structure and internal factors (specific to the firm) (Vasconcelos and Cyrino, 2000).

Barney (1991) characterizes CA as the implementation of a value-creating strategy, by a firm, which is not being implemented by any current or possible competitor simultaneously. On another hand, a firm achieves a sustained CA when it is implementing a value-creating strategy not implemented at the same time by any current or possible competitor and when these other firms (competitors) cannot duplicate the beneficial effects of this strategy.

CA (whether temporary or sustained) requires that a firm's resource must not only create economic value but there must exist reasons for other firms not be able to generate this value or similar value through activities and substitute resources (Barney and Machey, 2016). CA is also defined as a situation when a firm creates more economic value - the difference between the perceived benefits gained by the buyers and the economic cost to the company (Peteraf and Barney, 2003) - in its product market than its competitors.

The main difference between these two concepts is related to the possibility of competitive duplication, when its not possible for a firm to have a sustained CA. Moreover, it is crucial to understand that besides a sustained CA being long-lasting it does not mean implicitly that it will last forever, suggesting instead that it will not compete away through the duplication efforts of other firms.

In the next chapter we explored the RBV and VRIO-Framework in order to understand how resources and capabilities can be classified as sources of SCA through the well-established criteria.



## CHAPTER V | Resource-Based View Theory and VRIO-Framework

The basic idea of this theory is to identify a firm's resources and capabilities that bundled together allows firms to achieve a SCA and based on these properly decide where and how to compete (Teece *et al.*, 1997; Bloodgood, 2014). Through the understanding of the relationship between resources, capabilities and the achievement of CA, it became clear that within strategy formulation, resources and capabilities should be considered key factors as their heterogeneous distribution among firms - with a proper organization to fully exploit them - convey profits (Amit and Schoemaker, 1993).

However, it is not possible to determine a set of resources that will provide universal SCA for every firm since resources are context-specific (Barney, 2001; Wernerfelt, 2014). Therefore, the central premise of RBV addresses the fundamental question of why firms are different and how they achieve and sustain CA (Lin *et al.*, 2012).

In order to be classified as sources of SCA, resources and capabilities need to meet four well-established criteria, for which Barney (1991) proposed an analytical framework often referred to as the VRIN (valuable, rare, inimitable, and non-substitutable) (Barney, 1991) through the analysis of firm internal factors. This framework was clearly influenced by Dierickx and Cool (1989) due to the assertion that the firm's assets stock is strategic to the extent that they are non-tradable, imperfectly imitable and non-substitutable. Barney (1991) defined the criteria as follows:

- It must be valuable, allowing the exploitation of opportunities and/or the neutralization of the threats in a firms' environment;
- "It must be rare among a firms' current and potential competition;
- It must be imperfectly imitable and
- There cannot be strategically equivalent substitutes for this resource that are valuable but neither rare or imperfectly imitable." (Barney, 1991, 105).

These attributes can be seen as empirical indicators, evaluating how heterogeneous and immobile a firms' resources are and consequently, how useful these resources are for generating sustained CA. Barney (1991) defended that only valuable resources that are simultaneously rare and inimitable could provide differences in the performance of

competing firms. Nevertheless, resource advantage may not be enough in order to achieve SCA and the firm also needs to possess distinctive capabilities (Penrose, 1959).

Moreover, firms can obtain a short-term or sustained CA by making use of resources that besides of meeting the previous criteria also engage in activities that improve their efficiency and effectiveness in ways that competing organizations are not (Barney, 1991).

One of the main critiques presented to the RBV was regarding the dynamics of resource creation being considered as overlooked (Black and Boal, 1994). In view of this reasoning, Newbert (2007) argued that this initial criteria established by Barney (1991) was not enough to explain the differences in firm performance, and this initial accusation has sparked a reaction within RBV that led Barney to adjust his VRIN framework slightly to become VRIO (Kozlenkova *et al.*, 2014), where the “O” stands for the firm’s organizational processes and it is a mandatory condition in order to exploit the value of identified resources and capabilities to achieve the desired SCA.

In fact, the VRIO-framework represents a set of questions designed to assess a particular organization in terms of the RBV (Barney, 2007); aiming to identify the organization’s internal strengths and weaknesses so that the company’s competitive position can be improved accordingly. This systematic approach of assessing firm resources and capabilities is presented in the table 6.

**Table 6:** VRIO-Framework Criteria

Criteria: Value	
Question	“Do a firm’s resources and capabilities add value by enabling it to exploit opportunities and/or neutralize threats?” (Barney, 1995, 50).
Characteristics	Valuable resources enable a firm to progress or implement strategies that which are able to improve its efficiency and effectiveness.
Criteria: Rarity	
Question	“How many competing firms already possess these valuable resources and capabilities?” (Barney, 1995, 52).
Characteristics	A firm has CA only when is implementing a value-creating strategy that is not simultaneously implemented by a large number of firms.
Criteria: Inimitability	
Question	“Do firms without a resource face a cost disadvantage in obtaining or developing it?” (Bresser and Powalla, 2012, 340)
Characteristics	Resources can be imperfectly imitable for the following reasons: 1) Unique historical conditions: firms are not only intrinsically historical and social entities, but their competency to acquire and exploit some resources also depends on their place in time and space; 2) Causally ambiguous: when the connection between a firm’s resources and its sustained CA is poorly comprehended, it is challenging for firms who are attempting to duplicate; 3) Social complexity: when firms’ resources may be of a very complex social nature (e.g. interpersonal relations, organizational culture, firms’ prestige, etc).
Criteria: Organization	
Question	“Are a firm’s other policies and procedures organized to support the exploitation of its valuable, rare, and costly-to-imitate resources?” (Bresser and Powalla, 2012, 340)
Characteristics	This last requirement refers to formal reporting structure, explicit management control systems and compensation policies which are complementary resources that cannot generate CA by themselves (Barney, 1995).

**Source:** Formulated by the author based on Barney (1991, 1995) and on Bresser and Powalla (2012)

Based on the answers of the first three questions (i.e. the first three VRIO criteria), the utility functions can be categorized into four types of competitive implications – disadvantage, parity advantage, temporary advantage, and sustained advantage to reflect the different effects of resource type on a firm’s competitiveness (Lin *et al.*, 2012).

According to the VRIO criteria, if a resource is determined to be rare then the resource is defined as a source of temporary CA. On the other hand, if the resource is not rare then it provides a source of competitive parity (Barney and Machey, 2016), which allow firms to increase their probability of economic survival. Under the same reasoning, Barney and Machey (2016:372) stated that “Resources deemed ‘rare’ have the higher standard of the question of ‘inimitability’ to determine the duration of the competitive advantage. Resources associated with high costs of imitation (or substitution) will enjoy longer competitive advantages (‘sustained’)”. Therefore, if a resource or capability is considered to be valuable and rare, the theory classifies it as a CA (Barney and Delwyn, 2007), where the sustainability of the CA is determined by the imperfect imitability.

It is important to note that few firm resources will generate temporary CA and even fewer still will ever generate SCA (Barney and Machey, 2016). It is also relevant to note that in the process of applying this strategic tool, not only it is analyzed the internal environment but also the external environment.

Even though these criteria were established in the early days of the theory, they are still responsible for the way of how researchers identify SCA when analyzing the differences in performance of competing firms (Newbert, 2007; Acosta *et al.*, 2011).

Currently, the VRIO-framework is viewed as a tool that summarizes the main thoughts of the RBV Theory, being useful “(...) for discovering the potential of firms, detecting changes in capabilities, designing appropriate capability, building interventions, and comparing rivals on the basis of relative competitiveness.” (Lin *et al.*, 2012, 1408). Besides, the framework operationalizes the emphasis on the question of value defended by Barney (1986) by firstly suggesting that resources and capabilities linked to each element in a firm’s value-chain should be subject of the question of value (Barney, 1986) and secondly, by suggesting the impacts that a resource or capability must have in order to create value, such as their use in choosing and implementing strategies. Moreover, it is relevant to state that SFM and VRIO logic are closely linked within the RBV, which

means that it is not possible to apply one without the other (Barney and Machey, 2016). In fact, “(...) firms create competitive imperfections in strategic factor markets by exploiting their VRIO capabilities in these markets.” (Barney and Machey, 2016, 373).

Summarizing, the VRIO-framework is quite accepted within the SM research due to the following: 1) it is derived from RBT which is a leading paradigm to explain CA in contemporary SM research; 2) it is widely taught in business schools; 3) it is increasingly used in the consulting industry to address firm’s CA and 4) there is no systematic assessment of the framework’s solidity (Barney, 2011). Furthermore, Barney (2001:49) argues that the

resource-based logic can help managers more completely understand the kinds of resources that can generate sustained strategic advantages, help them (to) use this understanding to evaluate the full range of resources their firm may possess, and then exploit those resources that have the potential to generate sustained strategic advantage. It can help identify what the most critical resources controlled by a firm are and thereby increase the likelihood that they will be used to gain sustained strategic advantages.

Thus, RBV’s usefulness appears to be more relevant generating understanding and providing a structure for strategizing through its flexibility which makes it quite adaptable to specific firms (Tywoniak, 2007). Nevertheless, the framework does not explain how to identify and define the resources and capabilities of a firm (Barney, 1991) (Barney, 1995).

The next sub-section is meant to analyse and explore the main criticisms presented to the theory over the last years as a basis for the inapplicability of the view.

## 5.1. Criticisms

Ever since Penrose (1959), unique bundle of resources has been shown to confer a performance advantage to firms experiencing market conditions that are constantly changing. In accordance with Cockburn *et al.* (2000), firms’ resources and capabilities enable a firm to protect itself against environmental changes and provide the necessary conditions to shape their external environment.

As presented before, the RBV has been acknowledged as a guiding theory in strategic research with a widespread dissemination in academic literature (Acedo *et al.*, 2006). Yet, the theory has been subjected to a number of criticisms for its many weaknesses, nevertheless, the critiques are relevant for advancing the theory through the exploration of its limitations.

Below are presented the five main criticisms that the theory received over the last years.

### **5.1.1. The RBV has no managerial implications**

Priem and Butler (2001) discussed the usefulness of RBV as a theory of strategy and organization arguing that although RBV began as a dynamic approach, its subsequent literature has been rather static in concept. Besides, the same authors also argue that it is not clear in RBT how resources contribute to firm-level value-creation and therefore its operationalization is difficult. In fact, the authors stated that the theory lacks operational validity in the sense that it generates prescriptions for strategy practitioners – explaining to managers how to develop and obtain VRIN resources and develop an appropriate organization - but it does not operationalize how it should be done. For the authors the lack of managerial implications is emphasized by the fact that “Effective prescription must also include, at a minimum, criteria on which each alternative resource can be judged on each resource characteristic.” (Priem and Butler, 2001, 31).

Also, Lynch (2000) argues that the theory requires further developmental work in areas such as managerial process. In fact, resources alone are not a source of CA, becoming valuable only through the actions of managers engaged in business processes (Porter, 1991). The same author also suggests that a consideration of the process through which resources become valuable is important since it will provide the needed understanding regarding the management’s role in the process of conversion of resources into advantage’s positions (Lynch, 2000).

Kaufman (2015) argues that since the value of the resources is exogenous to RBV theory, the theory is not able to provide direction to managers about how to determine which resources are valuable and which are not. Barney and Mackey (2016) stated the veracity of this critique, affirming that the theory cannot offer a general theory of value-

creation, not being able to specify which resources will create value and which will not, regardless of contexts. Nevertheless, Barney and Mackey (2016) argue that this does not mean that the theory cannot give practical and critical guidance to scholars and managers to better understand a given resource, within a context.

To sum up, the essentially static nature of RBV do not allows an explanation about how, when and, where resources might be useful; this ambiguity in the operationalization of the theory leads to a inefficient way for firms to properly identify opportunities *a priori* and effectively manipulate relevant variables in order to achieve successful results (Caldas, 2010).

### **5.1.2. The RBV implies an infinitum search**

The point of this critique is that firms intend to enter in an endless search for ever higher-order resources and capabilities (Kraaijenbrink *et al.*, 2010).

On the other hand, although RBT's focus on CA has been useful in helping to understand how profit can arise as a consequence of CA, it is also limiting because CA is only one of several possible ways to create sustained profit (Makadok, 2011). Makadok (2011) suggests three mechanisms that have been extensively studied as sources of profit: rivalry existent, information asymmetry, and commitment timing.

Lado *et al.* (2006) reinforces that this critique – infinite regress – is only a problem for those who consider management or economic science a positivistic quest for certainty. As per the reasoning of Kraaijenbrink *et al.* (2010:7) “Once we appreciate strategic management as a practical engagement with indeterminacy an open-endedness, the infinite regress critique becomes less useful.”

### **5.1.3. The RBV has methodological issues**

A basic premise of the RBV is that resources are heterogeneously distributed among firms which implies that different organizations will differ in their abilities to make use of potential strategic resources. Nevertheless, this feature was neglected in most empirical

RBT contributions (Newbert, 2007; Andersén, 2011) since most of the studies have analyzed the relationship between the possession of a single strategic resource and firm's performance (Deepphouse, 2000). However, several studies have illustrated that between possessing a strategic resource and having the desired impact on firm's performance implies a very complex process in between (Sheehan and Foss, 2007). Under this reasoning, Foss and Knudsen (2003) claimed that RBV lacks analytical precision.

Another key criticism is about the lack of research regarding the interaction between a firm's resources and its competitive environment (Barney, 2001).

The key to the RBV is that SCA can be achieved by applying resources and capabilities when these follow the four criteria defined by the VRIN/O Framework – valuable, rare, inimitable, non-substitutable (VRIN) plus when there is an appropriate organization in place (O) (Barney, 1991) (Barney, 1995). However, this has been subject to criticisms since the VRIN/O criteria are neither sufficient nor necessary to explain a SCA. Foss and Knudsen (2003) added that uncertainty and immobility are the basic conditions for a SCA to arise.

Under this criticism many authors have pointed out struggles to measure resources due to its intangibility characteristics (Godfrey and Hill, 1995) which have caused concern regarding the RBV's testability (Priem and Butler, 2001). In this sense, Kraaijenbrink *et al.* (2010) encourages future research incorporating multiple approaches, such as a qualitative study for intangible resources with an elicited set of tangible indicators.

Also, the time period of analysis is an issue since the notion of SCA is strongly related to a need for longitudinal analysis, which involves both quantitative and qualitative approaches, and therefore implies time and financial costs (Kraaijenbrink *et al.*, 2010).

#### **5.1.4. The RBV has been tautological**

Many authors argue that the RBV theory is associated with some terminological misunderstanding justified by the little consensus existent with respect to which terms should be used to describe the theory itself (Acedo *et al.*, 2006). Besides, the theory has been criticized for being tautological (Priem and Butler, 2001) and for having an



extremely broad definition of resources as they are defined as the source of firm's performance. Moreover, one way of overcoming the tautological flaws of RBT is by studying the relationship between the resources and the performance of firms in more detail (Andersén, 2011).

Other authors argued a missing connection between resource possession and resource exploitation, suggesting that in order to confer a CA to a given firm, its valuable resources must be properly leveraged or managed (Mahoney and Pandian, 1992; Peteraf, 1993; Henderson and Cockburn, 1994). Considering this last criticism, a considerable amount of theoretical work was developed in order to exploit the latent value of the resources – such as core capabilities (Leonard-Barton, 1992), competences (Fiol, 1991), combinative capabilities (Kogut and Zander, 1992), transformation-based competencies (Lado *et al.*, 1992), organizational capabilities (Russo and Fouts, 1997) and capabilities (Amit and Schoemaker, 1993).

Despite the organization's concept having been added to the traditional VRIN attributes, this concept does not cover all dimensions of the relationship between the strategic resources and superior performance (Andersén, 2011).

#### **5.1.5. The RBV lacks future orientation**

Hinterhuber (2013) treated the main problem of RBV as its shortage of future orientation and thus its ineptitude to distinguish between valuable and less valuable resources and capabilities. Hinterhuber (2013) developed an extension of the RBV model that “(...) incorporates the demand-based variables of customer needs and size of the addressable market segment in the definition of resources and capabilities that enable competitive advantage and superior profitability.” (Hinterhuber, 2013, 795). The author proposed a framework where resources and capabilities have the following properties:

- “They are valuable. they enable the firm to exploit an external opportunity or to neutralize an external threat.
- They are rare: perfect competition for them has not yet set in.

- They are imperfectly imitable and non-substitutable: competitors face a cost disadvantage in imitating or substituting them.
- The company is organized to exploit them: the firm's structure and control mechanisms are aligned so as to give people the ability and incentive to exploit them.
- They are sufficiently large: they address market segments that are sufficiently large to cover organizational fixed costs.
- They enable the company to address customers' unmet needs: a need is unmet if customers perceive it as simultaneously high in importance and low in satisfaction." (Hinterhuber, 2013, 803).

Thus, considering the VRIOLU framework proposed by Hinterhuber (2013), a company has CA if its resources and capabilities are valuable, rare, non-imitable, organized and if these resources and capabilities address customer needs in market segments large enough to cover organizational fixed costs.

## **5.2. Some conclusions**

"Twenty years later, RBT is widely acknowledged as one of the most prominent and powerful theories for describing, explaining, and predicting organizational relationships." (Barney, 2011, 1300)

The main goal of the LR presented in the previous chapters was to provide a clear understanding of the knowledge development within SM field by exploring relevant concepts, theories and models.

According to the reasoning regarding the RBV, resources are the basis for value-creation. Nevertheless, identifying resources and capabilities is not enough to develop a business strategy. Grant (1991) argue that in order to improve the strategy development a continuous' evaluation of the existing resources is needed followed by investments to maintain existing and create new resources.

Unlike some of its antecedents in economics, where the managerial function was largely restricted to optimization, the RBV emphasizes a central role to management in

identifying, exploiting and developing profitable opportunities (Lockett, 2005). In this sense, managers are expected to develop strategies in order to defend and extend any current CA into the future. Besides, the RBV focuses on specific resources and highlights that CA is based on valuable, rare, inimitable resources and organization (Barney, 1997).

As discussed before, the RBV does not explain how CA is achieved (Priem and Butler, 2001). On the other hand, dynamic capabilities view explores how the firms' resources and capabilities evolve over time and provide a better understanding of how CA is achieved and maintained (Ambrosini *et al.*, 2009). Summarizing, from the RBV point of view, firms need to have VRIO resources in order to have a CA. On the other side, from the dynamic capabilities side, the capabilities in the origin of the CA need to be VRI (being "O" the capability itself) (Cardeal, and António, 2012). The same authors argue that the dynamic capabilities can be seen as the "O" in VRIO.

Throughout the years several criticisms to strategy tools have arisen. Nonetheless, it appears that their usage by managers' is related to a continuous search for more objectivity, rationality and efficiency within strategy decision-making process (Jarzabkowski and Kaplan, 2015). In fact:

- √ the SAP provides insights about strategy being something more than an organization's property: being something that people do, with what comes from outside as well as within organization, and which carries effects on societies (Whittington, 2006);
- √ Porter's Five-Forces model analyzes the competition level within an industry by defining the fundamental attractiveness of an industry and their essential causes as well as how these forces change over time and can be influenced through strategy (Porter, 1985);
- √ Porter's Generic Strategies allow companies to take full advantage of industry's forces and to attain a sustainable superior performance;
- √ The Value-Chain analysis shows what activities are needed and how they must be implemented through the organization to build CA;
- √ BCG Matrix provides inputs to the companies in order to develop efficiency for the successful operation of their business activities through the identification of which strategic business units should be invested in, sell off or shut down;

√ The VRIO analysis provides insights on the resources needed for supporting a CA.

Having approached and discussed all the vital concepts, frameworks and models which are relevant for the topic under investigation, in the next chapter are presented the foundations to the development of our research design, by establishing a link between the LR' conclusions and the research questions raised.

## CHAPTER VI | Research Design

This section reinforces the foundations to the development of our research design by highlighting the reasons that led to the statement of the research questions of this dissertation.

The opportunities of research detected under the analysis of some of the criticisms raised to the RBV and the careful analysis of the LR regarding the SM historical evolution, demonstrated that there is space for even more research within these topics. Our motivation is sustained by the fact that RBV has been gaining its own space regarding strategic formulation over the years and through a specific analysis of the criticisms, a new conceptual model could be developed by including some new factors that would increase the robustness of the model.

Starting from a point of view towards strategy, the main goal of SM consists in the understanding of how firms achieve and sustain CA (Teece *et al.*, 1997). Moreover, Wheelen and Hunger (2012) emphasized how crucial it is for companies to satisfy not only an existing market through their current activities, but also through an adaptation process in order to satisfy new and changing markets. Under this reasoning, the understanding of why some firms consistently outperform others led to the development of two lines of thought from economics: the IO and the MBV (Barney and Clark, 2007; Makhija, 2003). As per this reasoning, the first research questions was raised: “Taking into consideration strategic theories and business practices how can traditional hypothesis surmise an SCA?”.

Bearing in mind that each company is an exclusive situation due to the multiplicity of internal and external factors, the approaches used to achieve a CA should be aligned through a business strategy. Under this instance, different strategic theories and tools were developed. The essential insight of the practice perspective is that strategy is more than an organization’s property, being something, that people do, with what comes from outside as well as within organizations, and which carries effects on societies (Whittington, 2006). Henderson (1979) argued that companies should have a product’s portfolio that combines both external environment and internal capabilities in order to be successful. On another hand, Porter (1979) defends that firm’s CA evolve from the existing industry within a company and that the use of competitive strategies (Porter,

1980) allow companies to take full advantage of industry forces and to attain a sustainable superior performance. Also, Porter (1985) stated that firm's CA cannot be understood by looking for a firm as a whole, instead, it should be analyzed each activity individually. On the same line of reasoning, Barney (1995) defends that the external analysis cannot stand alone on this regard and, therefore must be accompanied by an internal analysis. Under this instance, Barney (1991) emphasized that resources and capabilities are heterogeneously distributed among firms and that they are imperfectly mobile. Following this perception, the second question arises in order to provide further understanding "Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?".

Although there was an agreement on the extent of the MBV it does not replace IO view, as both theories complement each other (Bourgeois, 1985; Conner, 1991; Mahoney and Pandian, 1992; Priem and Butler, 2001; Peteraf and Barney, 2003; Collis and Rukstad, 2008; Kraaijenbrink *et al.*, 2010; Mendes, 2017), even though there is a clear difference between the two paradigms. In this line of thought, Bourgeois (1985:548) emphasized that the central tenet in SM consists in a match between the environmental conditions, organizational capabilities and resources as critical to performance, and stated moreover, that a strategist's job is to find or create this match. So, the third question emerges as an attempt to understand "What could be the most fitting starting point in strategic analysis?".

Besides, the RBV being one of the most accepted theoretical perspectives in the SM (Andersén, 2011), encompassing several major research problems such as the organizational economic paradigm, general strategy research and IO thought (Mahoney and Pandian, 1992). Penrose (1959) and Barney and Clark (2007) recognized the relevance of resources to a firm's competitive position and emphasized that firms within the same industry are heterogenous and therefore, do not possess the same base for creating CA. Under this instance the question "Could RBV be seen as an appropriate starting point in strategic analysis?" emerged.

Although, the RBV has been acknowledged as a guiding theory in strategic research with a widespread dissemination in academic literature (Acedo *et al.*, 2006), the theory has been subjected to criticisms. Hinterhuber (2013) pointed out as the main problem its shortage of future orientation and thus its ineptitude to distinguish between valuable and

less valuable resources and capabilities. Under this line of thinking, the authors developed an extension of the RBV model which approaches these limitations. Therefore, we would like to address the following question: “Could the RBV be extended or somewhat improved by addressing its constraints?”

Following the decision of addressing the RBV’s limitations, SAP came out as a distinctive approach by bringing to the research field the actions and interactions, the social complexity and casual ambiguity as the basic view of resource analysis (Jarzabkowski, 2005), while explaining the practice that constitutes the strategic process (Johnson *et al.*, 2003). One of the main challenges for SAP is the identification of the phenomena under investigation (Jarzabkowski *et al.*, 2007) for which Whittington (2006) emphasized the relevance of properly understanding the strategizing activities in their wider social context, including actors and its modus operandi within the plural social institutions to which they belong. Therefore, the last questions arises in order to understand “How can practices, activities and social interactions contribute towards organizational capabilities and routines?”.

In the table 1 (chapter I) are presented the three intermediary goals, or specific objectives, as well as the respective research questions linked to the LR.

Standing out from the knowledge acquired throughout the LR and from the research questions developed by the authors, in the next chapter are addressed the methodological choices within this investigation.

## CHAPTER VII | Empirical Research

This chapter has the purpose of describing the methodology chosen in this investigation with the aim of explaining and approaching major theories of SM with particular references to theoretical and practical issues involved in literature regarding the past, evolution and future of the RBV.

Research methodology is a concept often used as a reference during the phases and procedures followed in a particular research and to describe concrete work models which are applied to a specific subject or specialty (Sampieri *et al.*, 2013). On another hand, a method and/or scientific process is also defined as a set of practices used and ratified by the scientific community as a corroborator for the exposition and confirmation of a certain theory (Vilelas, 2017).

The methodology of investigation comes from the logic and its object consists in the study of the scientific method, being a process of gathering information with the purpose of reaching relevant decisions/ conclusions. This process may include interviews, questionnaires, and other research methods.

There are two ways of analyzing phenomenon when deciding the methodology to pursue: qualitative and quantitative methods (Park and Park, 2016). Moreover, some researchers have suggested a mixture of the two methods, which is called triangulation (Park and Park, 2016). Whereas that the qualitative method approaches the fieldwork without being constrained by predetermined categories of analysis (Patton, 2002) and is used when more ‘in depth’ understanding is required (Barnham, 2015); quantitative research, in contrast requires the use of standardized measures and a limited number of predetermined categories (Patton, 2002). In the figure 8 are represented the main characteristics of each one of the methods.



**Figure 8:** Basic features of qualitative and quantitative methods

Quantitative/ Deductive	Qualitative/ Inductive
<ul style="list-style-type: none"> <li>• Scientific principles</li> <li>• Researcher is independent of research</li> <li>• Value free and unbiased</li> <li>• Application of controls to ensure validity of data</li> <li>• Accurate and trustworthy through reliability and validity testing</li> <li>• Necessary to select samples of sufficient size to generalize conclusions</li> <li>• Test a theory</li> </ul>	<ul style="list-style-type: none"> <li>• Close understanding of the research context</li> <li>• Researcher interacts with research</li> <li>• Value laden and biased</li> <li>• Flexible structure that allows changes of research emphasis as the research progresses</li> <li>• Accurate and reliable through verification</li> <li>• Development of a theory</li> </ul>

**Source:** Formulated by the author based on Park and Park (2016: 3) and Saunders *et al.* (2009)

In what regards the data collection, the two methodologies have different approaches: while quantitative methods emphasize numerical data and measurable variables, qualitative methods, on other hand, emphasize observation and interpretation (Park and Park, 2016).

### 7.1. Research phases outline

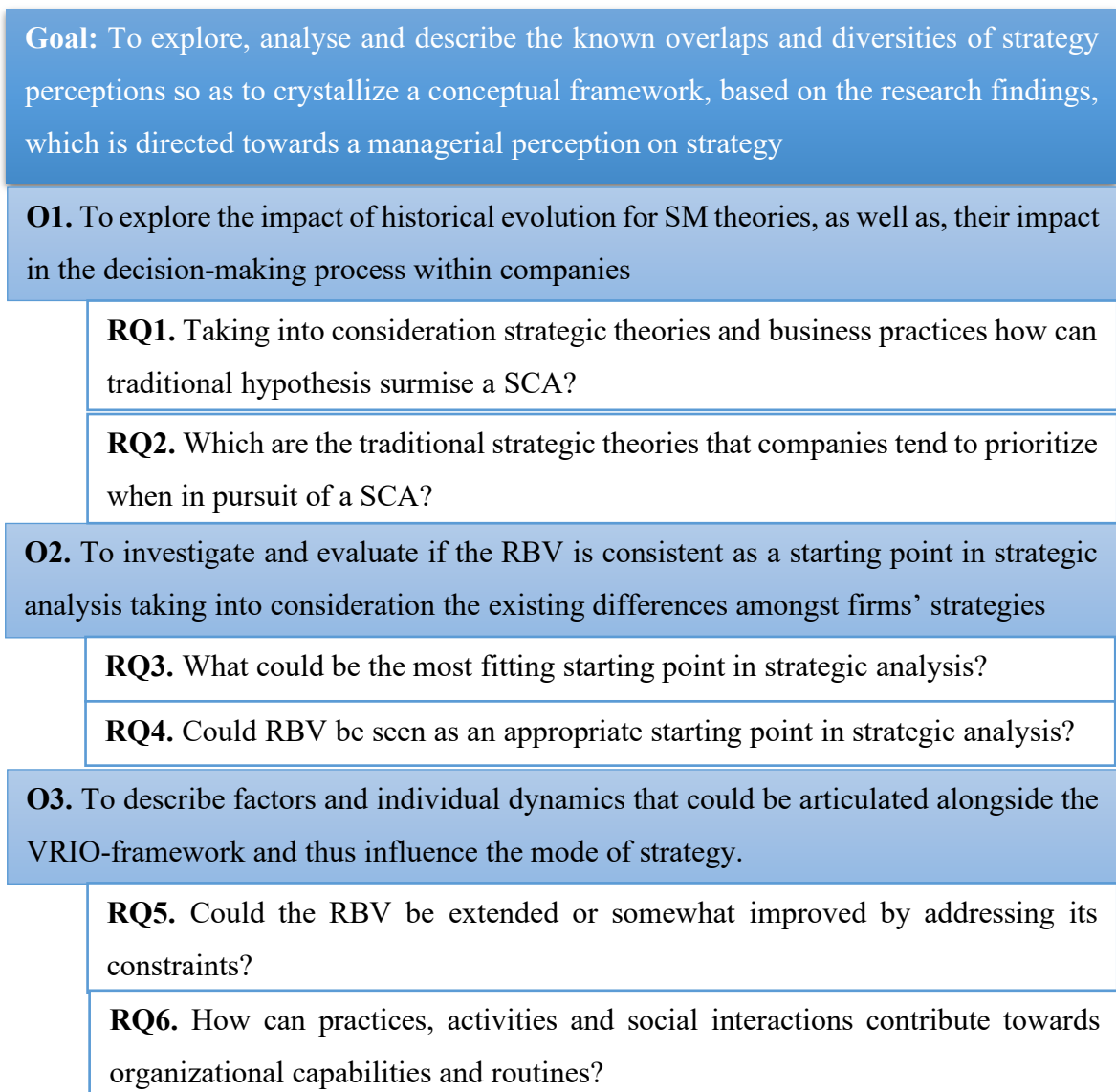
As presented in the chapter I, the main goal of this dissertation was to explore, analyse and describe the known overlaps and diversities of strategy perceptions so as to crystallize a conceptual framework, based on the research findings, which is directed towards a managerial perception on strategy.

With the aim of achieving the primary goal of this research, we defined three specific objectives:

1. To explore the impact of historical evolution for SM theories, as well as, their impact in the decision-making process within companies;
2. To investigate and evaluate if the RBV is consistent as a starting point in strategic analysis taking into consideration the existing differences amongst firms' strategies;
3. To describe factors and individual dynamics that could be articulated alongside the VRIO-framework and thus influence the mode of strategy.

So as to achieve the research objectives, the investigation model scheme represented in the figure 9 will be followed.

**Figure 9:** Investigation Model Scheme



**Source:** Formulated by the author

Due to the nature of the aforementioned objectives and research questions, an investigation was settled, encompassing an inductive approach through the development of ideas from the exploration of the collected data and subsequently connection to the literature. Moreover, deductive approaches are based on the discussion of the theory by assuming a clear theoretical position prior to the collection of data (Saunders *et al.*, 2009).

This research proposal will follow a qualitative methodology, which is a useful solution when the researcher wishes to clarify the understanding of the problem or is unsure about the nature of the problem (Saunders *et al.*, 2009). In fact, a qualitative approach was considered more appropriate as the researcher was interested in in-depth understanding rather than numerical associations.

Considering Park and Park (2016:4) “The qualitative method is focused on applied and theoretical findings and discoveries, based on research questions through field study in natural conditions”. By engaging in an inductive approach, the researcher has greater proximity to the circumstances under analysis by listening to those involved, becoming more flexible to adjust research structure (scheme) and developing an overall panorama based on the collected ideas (Creswell, 2007).

Therefore, there are three principal ways of conducting an exploratory research: 1) a literature review, 2) interviewing *experts* in the subject and 3) conducting focus group interviews (Saunders *et al.*, 2009).

The project starts with a research over the literature in an attempt to find out answers to the designed research questions through a detailed investigation. In what regards the data collection, qualitative methods emphasize observation and interpretation (Park and Park, 2016).

For the purpose of this dissertation, an interview’s script was created in order to achieve the main conclusions over the topic under analysis (Appendix I). In accordance with this goal, the interview aims to collect real insights about strategic management theories, directly from the Portuguese business environment. Under this reasoning, the researcher is aware of the relevance of establishing interrelationships between the collected information in order to develop new ideas/ concepts so that the empirical evidence generates feedback to the theory.

Given the nature of this investigation, the interviews follow a semi-structure organization with a list of open questions and closed questions to be covered and that did not vary from interview to interview. Besides this, the script was developed considering the concepts described in the theoretical framework and it will be structured as follows: (1) Purpose of the investigation in order to address the interviewee's frame about the study purpose and its academic scope; (2) Interviewee profile – questions regarding the socio-professional profile of every participant in order to have a holistic perception; (3) Specific questions regarding the topic under analysis.

The researcher followed a purposive sampling approach to select interviewees according to a predefined criterion in terms of professionals performing roles with strategic responsibility. Under this reasoning and taking into account the study subject, it was required respondents that have both professional experience and strategic influence and expertise.

Due to the restricted amount of time and resources, a sample size has been limited to a maximum of 30 participant. Therefore, 50 key respondents were contacted via email, where they were invited to participate in a study in which the objective was to understand their opinions, based on their daily experiences, on the adoption of certain strategic theories. The local and date of the interviews was chosen by the interviewees. From the 50 emails sent, 24 respondents demonstrate their availability and interest in participating in this investigation. After, the collected data was transcribed accordingly and, subsequently analyzed and interpreted.

Summarizing, the first phase of the investigation was linked to the LR with the analysis and critical assessment. The second phase inferred the transfer of the theoretical content into the real business context during the development of the interview's script. The third phase was defined by the data collection. Lastly, the fourth step included a qualitative analysis, paired with a contemplation between different sources of information so as to establish a comprehension of the topic under analysis.

Allied to the possibility of generalizing the obtained results to further contexts or sample and in order to ensure the quality and veracity of the research design, some validity and reliability tests will be applied. The former is concerning whether the findings are really

about what they appear to be, and the latter is focused on the extent to which the data collection and analysis will yield consistent findings (Saunders *et al.*, 2009).

## 7.2. Model of Analysis of the Interview *Corpus*

A content analysis was performed on the collected information with the purpose to overcome the level of common sense and subjectivism in the data interpretation and to provide a critical analysis in comparison to the written content (Vilelas, 2017), in this case the interviews.

According to the same author, the analysis of the collected information in an inductive way can only be achieved through the collection and analysis of scientific facts. Therefore, the reproduced data from the interviews was translated into a content analysis, trying to relate the semantic structures (meaningful) with the sociological structures (meanings) of the utterances.

The researcher developed a method of data collection and analysis so that the detailed descriptive data could generate meaningful material (table 7). This type of analysis presents significance to the data gathered in a way that different inferences can be identified.

In a first phase, the interviews were transcribed into written text, constituting the *corpus* for later content analysis. After the constitution of the *corpus*, it follows the categories definitions which according to Vala (2005) can be developed *a priori*, *a posteriori* or combining these two processes. The last option was the chosen one for this investigation since some of the categories were defined *a priori* based on the LR and the remaining ones were defined *a posteriori* as the basis of the data collected during the interviews. In this case, 10 categories comprised the system.

The table below represents the connection between the research questions developed in the chapter I and the investigation model scheme which consequently led to categorization and coding of the *corpus* (Appendix II).

**Table 7:** Data collection and analysis – method

Research Question	Category
RQ1. Taking into consideration strategic theories and business practices how can traditional hypothesis surmise a SCA?	Competitive Advantage
RQ2. Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?	Strategic theories prioritization
	Strategic tools and company's performance
RQ3. What could be the most fitting starting point in strategic analysis?	Starting point in strategic analysis
	Strategic tools as key factors towards strategic planning
RQ4. Could RBV be seen as an appropriate starting point in strategic analysis?	Resource's Identification
	Impact of strategic theories in a changing environment
RQ5. Could the RBV be extended or somewhat improved by addressing its constraints?	Resource-Based Analysis: Strengths and Weaknesses
RQ6. How can practices, activities and social interactions contribute towards organizational capabilities and routines	Impact of organizational values
	Relevance of the micro actions that comprise the strategic activity

**Source:** Formulated by the author

To encode all the data gathered the researcher used the MAXQDA® software which is a software package for analyzing qualitative data that can be used for content analysis. The software has some advantages when compared to manual coding methods, such as: providing insights into qualitative data sets without suggesting interpretations; provides a broader choice of tools to facilitate the data analysis; allows easy sorting, structuring and analyzing of large amount of text and facilitate the management of resulting interpretations and evaluations (MAXQDA, 2019).

The analysis of the interviews went through a process of *coding* the corpus, which was later organized into categories and subcategories. For a more reliable categorization process and in order to minimize coding errors, a dictionary of categories was used to qualify each segment of the interviews in accordance to their relevance to the objectives of this study (Appendix III).

To sum up, according to Saunders *et al.* (2009), there are three types of qualitative analysis processes: summarizing, categorization and structuring of meanings. The first process involves condensing the meaning of large amounts of text into fewer words. The second process involves developing categories and, subsequently, provide these categories meaningful chunks of data. “The crucial phase of coding leads directly to developing theoretical categories, some of which you may define in your initial codes.” (Charmaz, 1996, 37). The last process consists of ordering the data collected (Saunders *et al.*, 2009).

### **7.3. Criteria to ensure the research quality**

In this sub-section we outline the criteria ensured in order to assess the quality of the qualitative research.

Quantitative research uses experimental methods and quantitative measures to test the developed hypotheses and generalizations which are then the outcome of this test. On another hand, qualitative research comprises the study and collection of diverse empirical materials (Bashir *et al.*, 2008).

Lincoln and Guba (1985) pointed out the need to develop new concepts so as to establish a parallelism between qualitative and quantitative criteria. Therefore, for these authors the four terms credibility, transferability, dependability and confirmability are the equivalent for the conventional terms - used in quantitative approaches – internal validity, external validity, reliability and objectivity. A brief explanation is presented below.

### **7.3.1. Credibility or Truth Value**

The credibility establishes the parallelism with the internal validity which is related with the reliability of the collected data. Internal validity is defined as “(...) the extent to which variations in an outcome (dependent) variable can be attributed to controlled variation in an independent variable.” (Lincoln and Guba, 1985, 290).

According to Lincoln and Guba (1985) this can be ensured by carrying out an inquiry “(...) in such a way that the probability that the findings will be found to be credible is enhance (...)” (Lincoln and Guba, 1985, 296) and by demonstrating the credibility of the findings by having them approved by the constructors of the topic under analysis.

Lincoln and Guba (1985) suggest some procedures to be followed in order to ensure the credibility of the findings produced: prolonged engagement, persistent observation and triangulation. In the table 8 are presented the main actions developed by the researcher within the used procedures.



**Table 8:** Procedures to ensure the credibility of the research

Procedure	Definition
<b>Prolonged Engagement</b>	Investment of sufficient time to achieve engagement with all the encompassing context
	<b>Actions developed</b>
	Intensive involvement of the researcher within the topic under analysis (to learn the background and minimize distortions)
	Engagement established with the respondents which allowed a deep cooperation and the detection and/or at least the consideration of distortions that might otherwise creep into the data
<b>Persistent Observation</b>	“(…) Adds the dimension of salience that might appear to be little more than a mindless immersion.” (Lincoln and Guba, 1985, 304)
	<b>Actions developed</b>
	Development of a database (MAXQDA®) which included all the evident pieces of the interviews
	Information’ record precise, almost literal
<b>Triangulation</b>	Consists in the use of multiple and different sources, methods, investigators, and theories.
	<b>Actions developed</b>
	Sources: Involvement of different participants in the study which allowed for different sources of the same information
	Analyst: Analysis of the obtained information with the supervisor of this dissertation
	Theory/ Perspective: Use of multiple perspectives and theories to interpret the obtained data

**Source:** Formulated by the author based on Lincoln and Guba (1985) and Patton (2002)

### 7.3.2. Transferability

“In the classic paradigm all that is necessary to ensure transferability is to know something with high internal validity about Sample A, and to know that A is

representative of the population which the generalization is to apply.” (Lincoln and Guba, 1985, 297). Under this line of thought the generalization will then be applied to all contexts within the same population. Although this is considered analogous to generalization in quantitative research, it is rather different since it focuses on the informants and their story without generalizing (Connelly, 2016). In fact,

the main focus in qualitative research is on insuring appropriate representation of the study’s events and on understanding the key issues under investigation. However, because of the nature of individuals and organizations, it is not unreasonable to expect that some findings may be transferable to other organizations. (Carcary, 2009, 15)

In order to ensure the transferability criteria, the researcher needs to provide detailed descriptions of context and phenomena so as to enable others to assess the findings’ transferability (Carcary, 2009).

This concept establishes the connection with the external validity applied in quantitative researches which has the purpose of establishing causal relationships across different types of measures (Lincoln and Guba, 1985). “It should be noted that the criteria of internal and external validity are places in a trade-off situation by their definition.” (Lincoln and Guba, 1985, 291).

### **7.3.3. Dependability**

The dependability concept in qualitative research establishes the parallelism with the reliability which stands for the evaluation and testing of the quantitative research; which is usually tested by replication (Lincoln and Guba, 1985). As the idea of testing in qualitative paradigm is seen as a way of information elicitation, quality is the most important test in any qualitative research (Bashir *et al.*, 2008). According to Lincoln and Guba (1985) there is a connection and congruence between reliability and validity in qualitative research in the sense that “Since there can be no validity without reliability (and thus no credibility without dependability), a demonstration of the former is sufficient to establish the latter.” (Lincoln and Guba, 1985, 316)

Lincoln and Guba (1985) suggest some procedures to be followed in order to ensure the dependability of the findings produced such as overlap methods which represent a

triangulation, stepwise replication and inquiry audit. Under this reasoning, the researchers developed a database (by using MAXQDA®) which included the collected evidence in an organized and transparent way – including the researcher’s notes, inclusion of definition and concepts and connections to the existing literature, interview’s transcriptions and the content appraisal. To sum up, the authors provided a detailed and rigorous description of all research steps so that an examination could be performed ensuring accuracy, authenticity and congruence (Lincoln and Guba, 1985).

#### **7.3.4. Confirmability**

Lastly, the concept of confirmability is directly related to the objectivity, which is characterized by the intersubjective agreement, in the sense that if multiple observers agree on a phenomenon their collective judgment can be said as objective (Lincoln and Guba, 1985).

According to Lincoln and Guba (1985), the major technique to ensure confirmability is a confirmability audit – as a similar technique to ensure dependability. Two other techniques can be used as triangulation (as used to ensure credibility) and a reflexive journal.

It was concluded that its not only relevant to properly select the interviewees as it is also important to ensure a diligent analysis of the interviews itself. For that, labeling the various sections of the interview data, searching for a pattern in order to create a consistent narrative for the research questions and properly organizing all the data is crucial since it will allow the researcher to develop his findings and conclusions reinforced with the collected data.

In the next chapter are presented the results of the empirical research in order to provide a basis for discussion.

## CHAPTER VIII | Results

In order to drive this investigative study, primary-sourced data was collected by interviewing a group of people whose professional roles infer any strategic influence at the corporate level. The results gathered through the interviews generated valuable information to address the research questions of this study.

In this section, an extensive description of the findings will be presented in order to provide a basis for discussion that is able to add value to the literature under this topic. All below findings were analyzed, decomposed and simplified through a content analysis so as to identify common themes and explore possible patterns.

### 8.1. Profile of the Interviewees

According to our criteria we interviewed 24 individuals with close contact to their company's strategy. The identification of the interviewees will remain anonymous and they will be identified as 'Interviewee 1 (I1)', 'Interviewee 2 (I2)', (...) (please see Appendix IV).

As per the interviewees' profile, we consider that the ideal situation would be to enquire only academic people as the experts in the topic in theoretical terms. Yet, we must be realistic and this was not feasible to assure. Therefore, we can state that the interviewees have different job positions in different sectors in order to achieve a broader idea under the topic.

Considering that the target group of this study required interviewees to have both professional experience and strategic influence, it is relevant to state a general profile of the interviewees. Besides, from a research perspective, variables such as respondents' age, professional position, current company/industry and years of experience were considered with the aim to find a potential linkage between the respondent's characteristics and the subject under analysis.

In the Appendix IV are characterized the interviewees' profile (table 18 to 13) where the data is presented in terms of absolute frequency (AF), relative frequency (RF) and relative cumulative frequency (RCF).

From the 24 interviewees, 19 individuals were men (79,2%) and the remaining 5 were women as per the figure 10 (Appendix IV).

In what regard the group of interviewees, the average age was 45 years old which is in accordance to the expected professional experience. In table 19 (Appendix IV) are presented the characterization of the sample by age. As per the results, the most relevant range, in absolute terms, is the set between 41 and 50, representing 66,67% of the sample.

As far as academic qualifications are concerned, it is possible to notice a dominance of interviewees with a bachelor's degree (38,00%) followed by 29,00% with a master's degree and 21,00% with a doctoral degree (Table 20, Appendix IV).

Regarding the professional roles, it was verified that 63,00% of the interviewees have a top executive position in the companies which is strongly related to corporate-level strategic decisions (Table 21, Appendix IV).

As the roles under consideration imply a proved professional experience, they are generally associated to advanced stages of career which can be stated in the table 22 (Appendix IV) as concerning the universe of respondents, the average time in role is 21 years.

The interviewees under consideration represent a multiplicity of professional activities, across several sectors/ industries as represented in the table 23 (Appendix IV).

With a total of 11 representatives (46,00%), the business consulting industry is the most significant group, followed by the IT sector with 33,00%.

In the sub-chapter below are presented and discussed the results of this dissertation. As stated in the previous chapters, the general objective of this dissertations is to explore, analyse and describe the known overlaps and diversities of strategy perceptions so as to crystallize a conceptual framework, based on the research findings, which is directed towards a managerial perception on strategy.

## **8.2. Results Presentation and Examination**

### **8.2.1. Taking into consideration strategic theories and business practices how can traditional hypothesis support a SCA?**

The first research question intends to explore what perception do the interviewees have regarding the relevance of adopting a strategic theory to search for a CA. In order to address this question, firstly it was necessary to understand the knowledge of the interviewees regarding SCA. Under this reasoning the participants were asked to define the CA of a company.

According to the 24 answers, the data was organized as presented in the table 14 (Appendix V).

**Table 9:** Interview Content Analysis – C 1.1.

C 1.1. – Competitive Advantage		
Interviewee	Text	Sub-Category (SC)
I 6	<i>“In general terms a competitive advantage may simply be related to better returns, which means, having a better cost-benefit ratio than the competitors.”</i>	1.1.1.
I 12	<i>“Every company looks for competitive advantage and this can only be attained by differentiating the way on how the company’s services and products are delivered to the final customer. The company has to deliver a differentiating product/ service (...)”</i>	1.1.2.
I 21	<i>“The value that adds to the offered solutions so that it satisfies the market’s needs where it develops its activity.”</i>	1.1.3.
I 2	<i>“People are the driving force behind a CA. They are the only resource that cannot be replicated or duplicated by the competition.”</i>	1.1.4.
I 2	<i>“(…) Besides this I will point out the innovation and the capacity to adapt/ resist to changes. In my perspective the focus on the customer is also crucial.”</i>	1.1.5.
I 13	<i>“All businesses begin with value-creation. Every company knows since the beginning that its main purpose includes the action of producing value to its customers.”</i>	1.1.6.

**Source:** Formulated by the author

In general, the interviewees have demonstrated a clear pattern that CA is as a concept mainly related to a differentiation factor (22,86%) that *“(…) enables a company to outperform its competitors.”* (I14). Under this vein, I10 emphasizes that *“Companies will*

*achieve a CA if apply and develop a unique business model/ strategy both in its conception as implementation.”*

Besides, the interviewees highlighted the value-creation process as a sustainable source to achieve CA, as well as, the company's ability to innovate and develop new products and/or services in order to meet the market's requirements so that value-creation can be ensured to the customers. As I6 states “*(...) what is important is the action of performing activities – all set of activities – more efficiently than the competition. It is important not only to be efficient but also to provide more value than the competitors. Only by enhancing the value and increasing the value's perceptions for the buyer/ customers we will have competitive advantage.*”

Moreover, some interviewees underlined human resources as a source of company's CA namely “*(...) the relationship with the customers/ stakeholders (...)*” (I16) and “*(...) the actions and behaviors of the employees consistent and aligned with the organizational values are the main source of competitive advantage nowadays.*” (I23).

The following statement from I15 illuminates the competition-related factors “*In my perspective, a sustainable competitive advantage can only be achieved by having a greater ability to attract clients/ stakeholders and increase the company's profitability.*”

In fact, as stated by Wheelen and Hunger (2012), SM is a set of managerial decisions and actions that influence the long-run performance of a firm including environmental analysis (both external and internal), strategy formulation, strategy implementation, and evaluation and control. Nonetheless, exploring the reason why some firms outperform others is essential to understand why some firms perform in a superior manner.

Different theories in SM have extensively identified the characteristics that provide firms with CA as CA may derive from market positions (Porter, 1985; Makhija, 2003), idiosyncratic firm-specific resources and capabilities (Barney, 1986; Barney and Clark, 2007) or dynamic capabilities (Teece *et al.*, 1997).

For Teece *et al.* (1997), CA is seen as “*(...) resting on distinctive processes (ways of coordinating and combining), shaped by the firm's (specific) asset positions (such as the firm's portfolio of difficult-to-trade knowledge assets and complementary assets), and the evolution path(s) it has adopted or inherited.*” According to the same authors, a firm's CA



is eroded upon on the stability of market demand, and the ease of replicability and imitability. Moreover, Wheelen and Hunger (2012) emphasized how crucial it is for companies to satisfy not only an existing market through their current activities, but also through an adaptation process in order to satisfy new and changing markets.

Makhija (2003) suggests that there are two differing theories in the literature able to explain CA: IO or MBV and RBV. The first one is based on external market orientation and under this line of thought CA is due to barriers to competition arising from the structure of the market. The second one is focused on the firm's resources and capabilities that are sources of CA by being distinctive and unable to reproduce by the competitors.

As per the findings, most of the participants highlighted the relation between CA and a value-creation process through the application of a differentiation strategy over its competitors and the ability to innovate. Furthermore, intangible resources (as human assets) were also underlined as a key factor for the enhancement of the company's strategy. These reasonings indicate that the definition suggested by Barney (1991) is still valid and updated in our days as a value-creating strategy that is not being implemented by any current and/or potential player simultaneously. Moreover, this reasoning is aligned with the fact that in pursuit of CA, companies "(...) throughout history have sought a key element for their outstanding performance with relationships to their competitors, with the human resource being the prevailing factor in the management of companies from the past, present and future." (Vargas-Hernández, 2018, 224)

To sum up, despite its critical importance, CA has numerous definitions in the SM literature which may lead to a lack of semantic content (Sigalas and Economou, 2013).

### **8.2.2. Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?**

One of the main focus of this dissertation, explored in this research question, consists on identifying the most used strategic tools when searching for a SCA.

As per the figure 13 (Appendix V), there was a general consensus on the preference for using the Resources and Capabilities Analysis (VRIO), as well as, the analysis of the

micro actions (SAP) with 18,18% of the interviewees claiming to use both these tools. The market analysis through Porter's Competitive Strategies is the third most used tool with a total of 16,67% answers. It can be stated that in addition to the proposed tools, the use of dynamic capabilities and PESTEL was also mentioned by the respondents (3,03%).

Besides, 3,03% of the respondents claimed not to use any strategic tool in their daily business while searching for a SCA or either during a relevant decision-making process.

Bearing in mind that firm's success depends on high-quality strategic decisions, managers often rely on strategy tools as decision making heuristics (Bresser and Powalla, 2012). Therefore, the selection of a suitable management tools is an essential managerial decision that should support and implement organizational strategy (Täks ans Vadi, 2019).

In fact, each company deals with a multiplicity of internal and external factors, the approaches to use in order to achieve a CA should therefore be properly aligned. Nonetheless, nowadays different strategic theories and tools can be found as techniques, methods, models, frameworks, approaches, and methodologies through which companies can pursue a CA by supporting the decision-making process. In fact, there is no doubt that strategic management tools and techniques are essential within the SM process (Qehaja *et al.*, 2017).

As per our research findings, the foremost fact to highlight is that VRIO-framework and SAP are the most used strategy models by the interviewees. The first tool usage is related with the fact that provides inputs and the understanding between opportunities and internal organization resources in such a way that impacts a firm's performance. (Degrauel, 2012) Moreover, this tool highlights the relevance of managers as the ones able to understand and describe the economic performance potential of a firm (Barney, 1991).

(...) the VRIO framework offers decision makers a structured, theoretically grounded list of criteria to identify the strategic value (...) of a firm's resources and capabilities and links these assessments to the sustainability of resource-based competitive advantages and performance implications. In the process of applying this strategy tool, not only is the internal environment analyzed but external environments are also considered. (Bresser and Powalla, 2012, 341)

In what regards SAP, a focus on the micro-activities provides a structure for gathering relevant information concerning “what people do”. Moreover, SAP allows a linkage between individual action and macro outcomes as practices are construed as social skills that have been culturally acquired, hence unconsciously embodied. (La Ville, 2015) In fact, the culture has come to be viewed as an important element of a successful firm since it helps to shape an organization through the definition of its set of norms and attitudes (Porter, 1985).

The value-chain analysis and the portfolio analysis appear with a lower usage when compared with the remaining strategy tools analyzed. Moreover, other strategy tools – apart from the pre-defined list – were identified but did not reveal a severe impact in this research as per the frequency of responses obtained. Likewise, it becomes relevant to understand the reason behind a weak usage of these tools.

So as to understand the motivations and the reasons for using strategic tools, it was asked to the interviewees if there was a relation, in regard to contribution, between the mentioned strategic tools and the company’s performance. In this sense, we focus on the interaction between practitioners (managers/ intervenient) and practices (strategic tools).

**Table 10:** Interview Content Analysis – C 2.2.

C 2.2. – Strategic tools and company’s performance		
Interviewee	Text	SC
I 8	<i>“Strategic tools allow the identification of the internal capabilities that are most valuable and appreciated by the customers as a business card to win new customers and, above all, retain current customers.”</i>	2.2.1.1.
I 18	<i>“(…) tools act as a complement and support to the strategy to be implemented.”</i>	2.2.1.2.
I 19	<i>“Strategic Tools improve a company’s performance by allowing managers to identify the company’s weaknesses and to define opportunities for improvement – which is achievable by analyzing the reality properly.”</i>	2.2.1.3.
I 10	<i>“They may have a relevant impact in the company's performance whenever they are properly applied to the reality of the organization. What is important is that the tools are able to improve and stimulate reasoning and critical thinking that allows people to consider the various implications for the business.”</i>	2.2.2.
I 3	<i>“(…) strategic tools do not have any impact in the company's performance. In fact, we do not use their guidance 'to the letter' since we adopt a more intuitive and realistic use.”</i>	2.2.3.

**Source:** Formulated by the author

According to the Table 26 (Appendix V), most of the interviewees (80%) established a clear connection between the implementation and use of the strategic tools and its benefit in strategical decisions (60%), opportunities maximization (12%) and in the retention of human capital (8%). 12% of the interviewees highlighted that strategic tools *“(…) affect for sure the performance of the company, but it is important to highlight that it is closely related to its implementation.”* The remaining 8% of the interviewees stated that there is not any connection between the two variables under analysis *“I do not believe there is a correlation between the two variables.”* (I12)

As per the findings, strategy tools have strategic decisions benefits by typically providing structure for gathering and interpreting information regarding uncertain contexts and – in doing so – influence decision makers’ perceptions, thoughts, and actions. (Bresser and Powalla, 2012) According to Knott (2009), usually managers use tools or parts of tools as a guide or a starting point for an activity. Likewise, “Managers no longer have the luxury of dealing with a few key issues at a time. They must deal with a multitude of issues from different directions simultaneously.” (Qehaja *et al.*, 2017, 69).

To conclude, the praxis of strategy (Whittington, 2006; Jarzabkowski *et al.*, 2007) is a result of the interactions between the strategy practitioners, the tool and the context.

### **8.2.3. What could be the most fitting starting point in strategic analysis?**

Over the years, with the technology’ advancement, with the ever-changing industries and with an ever continually-increasing reduction in the time-frame of competitive advantage, RBV has been gaining its own space regarding strategic formulation; not only because the returns provided by the resources give the possibility to be above the opportunity costs themselves, but also due to the inexistence of flows that may detract from an assertive decision-making due to the inconsistency in reflecting the demand-side (Wills-Johnson, 2008).

This research question arises in order to evaluate if the RBV might be consistent as a starting point in strategic analysis which is a process that involves a continuous and dynamic research about an organization’s business environment in which it operates.

In order to address this subject, the interviewees were asked in regard to the main aspects that they take in consideration as a starting point for strategic analysis (Table 27, Appendix V).

**Table 11:** Interview Content Analysis – C 3.1.

C 3.1. – Starting point in strategic analysis		
Interviewee	Text	SC
I 14	<i>“(…) Strategic analysis as the name suggests should include the analysis of the external environment, stakeholder’s influence and strategic capability. In this analysis the company, as the core, is involved by the competitors, the industry and the macro-environment.”</i>	3.1.1.
I 14	<i>“(…) the main factor to consider is an internal analysis translated into specific objectives to the business unit. Firstly, an internal look should happen in order to identify the positive and negative aspects of the company so that a set of resources can be established to improve the company’s performance in the market.”</i>	3.1.2.
I 3	<i>“The external analysis vs. internal analysis may be the more relevant factor to consider since in order to be the best and to be successful, companies need to analyse both internal and external factors.”</i>	3.1.3.
I 8	<i>“In the first place, the financial analysis (aiming at assessing the fair and adequate value to be charged to the client for the delivered service).”</i>	3.1.4.
I 5	<i>“The planning phase, due to the complexity and inclusion of several competencies, tends to take longer than desired. Thus, in the ‘do’ phase, some variables have already undergone changes (…) as long as the indicators that can measure success in the ‘check’ phase are clear.”</i>	3.1.5.

**Source:** Formulated by the author

In this regard, the interviewees clearly stated that different aspects of strategic analysis must be considered during the strategic planning. Under this reasoning, most of the participants highlighted an internal analysis (29,41%) as one of the main factors to consider during the strategic analysis as per the following statement *“A proper internal analysis which includes the analysis of the company’s strengths oriented to the market*

*needs and focused on the client's requirements. This should also include a strong analysis and consideration upon the resources and capabilities of the firm.” (I9). In the same vein, I11 outlined that “During the analysis should happen an alignment within the firm that allows the institution to properly predict risk which is only valid when an appropriate exploration and investigation of the company's competency, cost position and competitive viability in the market is considered. Therefore, an internal overview is crucial when starting a strategic analysis. It is not possible to ‘attack’ the market without having a proper overview of ourselves.”*

On another hand, 20,59% of the participants strengthened the relevance of the external analysis as E33 reinforcing “(...) *the analysis of the external environment (current marketplace, evolution prospects and main trends), current and potential market share. Currently all companies – despite of their typology – are embedded by the continuously changing environment (...) All these factors and constraints from the outside should be considered when developing a strategy.”*

20,59% of the interviewees considered that both factors describe above should be considered, stating a dichotomy between the internal and external analysis. This reasoning was highlighted by I13 in the following sentence “*Some of the factors that I would consider, would be a situational analysis including the analysis of previous experiences, positioning and segmentation. Moreover, I would include a SWOT Analysis to address my company's weaknesses and threats which allows me to look to the inside. If I want to be efficient, I would include also the identification, characterization and classification of the target population and define the needed actions to implement.”* Also, I15 provides inputs under this topic suggesting that “*(...) an analysis implies breaking a complex inter-related reality into different ‘sets’ so that the analysis is feasible. Therefore, I would start with an internal analysis taken in consideration all the internal sets as values, mission, human resources and financial position. After, I would proceed with an external analysis by focusing on the macro and micro environment, including the competitors and the marketplace itself. Lastly, this analysis has to consider the financial impact – otherwise the analysis will be in vein.”*

Lastly, 8,82% of the interviewees considered, in general terms, that due to the fact that the strategic analysis is a complex process that implies several competencies, it tends to be time-consuming (I5). Therefore the main goal and factors to be included should be the

definition of the strategy and tactics as a rational that should directly imply an action plan with monitoring activities through the PDCA (Plan-Do-Check-Act) set-up. (I21)

The research carried out revealed a majority of the participants defending the use strategic tools as a mean to positively affect the company's performance.

According to Bourgeois (1985) a strategist's job consists on finding or creating a match between the environmental conditions, organizational capabilities/ resources as a critical factor to a company's performance. In this regard, the interviewees clearly stated that different aspects of strategic analysis must be considered during the strategic planning. In fact, most of the participants highlighted internal analysis as one of the main factors to consider during the strategic analysis which implies an analysis of the firms' resources as foundation for developing and implementing strategies. By doing so, the analysis will be focused fundamentally at a firm-level and will be efficient-oriented (Peteraf and Barney, 2003). Moreover, the strategy emphasis of the supply-side, allow us to focus on strategic formulation on a more stable basis based on the analysis of the company's internal resources and capabilities, not being conditioned by the failure of macroeconomic policies, preferring instead to guide companies in order to improve their industrial production, to acquire equipment and to qualify and train their human resources, providing a unique character that is difficult to imitate. (Penrose, 1959; Prahalad and Hamel, 1990; Teece *et al.*, 1997; António, 2006, Teece, 2007; Barney and Hesterly, 2012) In this field, the objective of a company is mainly to obtain or organize resources that are superior to those of its competitors (Lopes da Costa and António, 2017).

For some of the interviewees, before an organization can begin strategy formulation, the external environment must be considered which implies the understanding of the market changes and the ability to acquire and process information in order to respond efficient and effectively to the market (Wheelen and Hunger, 2012; Indris and Primiana, 2015).

Furthermore, a strong relation was established between internal analysis and external environment – considering both factors in parallel while planning a company's tactics (short-term) and strategies (long-term). This dichotomy is supported by Bourgeois (1985), Conner (1991), Priem and Butler (2001), Collis and Rukstad (2008) and Mendes (2017) who see them as complementary. In this line of thought, Bourgeois (1985:548) emphasized that the central tenet in SM consists in a match between the environmental



conditions, organizational capabilities and resources as critical to performance, and stated moreover, that a strategist's job is to find or create this match. Also, Mahoney and Pandian (1992), Peteraf and Barney (2003) and Kraaijenbrink *et al.* (2010) emphasize that an internal analysis does not replace a market-view, but rather complements it instead.

Under this reasoning, during the LR, it was outlined that RBV encompasses and satisfies all strategy's components since it enables to identify and develop its valuable resources (Collis, 1991), requires an understanding of the external environment to be applied and leveraged and satisfies key characteristics of strategy since it is a long-term view. Besides, the theory supports that the organizations should find the sources of CA in the inside rather than outside the organization. Therefore, companies should be able to identify its resources and capabilities in order to address its sources of CA.

As per the findings above and considering that strategic planning sustains the process of formulation and strategy implementation, the interviewees were asked on how the mentioned strategy tools or theories can be seen as a key factor within this process. The main purpose under this question was to understand which factors and tools the interviewees valued most – as key factors – during the strategy planning process. The categories and indicators are presented in the table 28 (Appendix V).

**Table 12:** Interview Content Analysis – C 3.2.

C 3.2. – Strategic tool as key factors towards strategic planning		
Interviewee	Text	SC
I 1	<i>“(…) strategic tools (…) help to structure, schematize and guide the thinking process. Besides, they also support the resource’s identification and their distribution over time in accordance to the firm’s long-term strategy. Through the resources’ identification, the organization increases its operational efficiency as the resources can be better allocated (…).”</i>	3.2.1.
I 24	<i>“(…) provide knowledge about the surroundings and the external environment. Moreover, they are also the starting point for the organization as an important method of diagnosis for the definition of the strategy itself. How? Strategy tools and management theories highlight the connection between the mission and vision of the firm, the accurate stakeholders’ identification, the SMAR goals definition and the alignment and definition of steps to be implemented in accordance.”</i>	3.2.2.
I 7	<i>“(…) tools may be a key factor for the strategic planning if they improve opportunities’ anticipation or threats allowing the company to increase its time-to-market. As per my experience the tools and techniques can help managers in the decision-making process by identifying and satisfying the customer’s requirements and demands which will help managers to provide better solutions to the company’s issues.”</i>	3.2.3.
I 21	<i>“(…) check and act are the tools that we permanently use as a key factor for the success of all strategic planning. Not strategic tools.”</i>	3.2.4.

**Source:** Formulated by the author

In this regard, we found out that most of the interviewees consider that the strategic tools and theories are relevant within strategic planning and analysis since they improve the company’s core strategy (51,72%). This reasoning is highlighted by I13 *“The planning is mandatory for strategy’s development. And therefore, the strategic planning is a process or is meant to define, evaluate and optimize the company’s performance*

*based on the expectations of its stakeholders and shareholders and on the reactions of the competitors. Moreover, it has a relevant role in the evaluation of market's trends. For this, strategy tools and theories have a pertinent role by providing a framework and guidance for decision-making which will improve the company's robustness and strategy."*

Furthermore, some participants reinforced that strategic theories and methods are a key factor for the analysis and identification of internal resources and capabilities (20,69%) and for an appropriate understanding of the external environment (14,00%). Lastly, some interviewees refuted the strategy tools' relevance within this process as outlined by I3 *"Their knowledge is important, however the market is not static and, in my opinion, becomes more relevant to perform a permanent analysis of what is going around the world/ market and to anticipate the market needs rather than to align theoretical models with our daily reality."* (I3)

Additionally, most of the interviewees established a clear connection between the implementation and use of management strategic tools and its benefit in strategical decisions, opportunities maximization and in the retention of human capital. In a nutshell, some of the interviewees revealed concerns in what regards the theoretical assumptions that strategy tools generally carry, and they strongly reinforced that more important that the tool itself is the work/time invested. As underlined by Qehaja *et al.* (2017) there are gaps between the theory of strategy tools should be used and their real usage.

In fact, strategy tools used in SM provide different benefits, such as "(...) support managers in decision-making, evaluate and analyze environment, reduce costs of the product and minimize the expenditures." (Kalkan and Bozkurt, 2013, 1017).

#### **8.2.4. Could RBV be seen as an appropriate starting point in strategic analysis?**

As strategy is concerned with the optimal application of the resources that a firm possesses when compared to competitors (Collis, 1991), the interviewees were asked to identify the most valuable resources and capabilities for their company, business unit and/ or department (Table 29, Appendix V). The organization of the indicators and sub-categories are presented in the table below.

**Table 13:** Interview Content Analysis – C 4.1.

C 4.1. – Resource’s Identification		
Interviewee	Text	SC
I 21	<i>“People are the greatest assets. Our activity and purpose consist in helping people to achieve success because if they achieve it then organizations to which they belong will certainly be successful as well.”</i>	4.1.1.
I 1; I 11	<i>“(…) know-how and skills.” (I1); “(…) research and development (…) brand prestige” (I11)</i>	4.1.2.
I 9	<i>“Areas of technological innovation are the most important (…)”</i>	4.1.3.
I 3	<i>“(…) financial resources as they allow the company to attract the best professionals.”</i>	4.1.4.
I 5	<i>“All resources are important, as long as they are placed in the value-chain, with their defined responsibilities and with a comfortable autonomy that does not collide with other areas (…).”</i>	4.1.5.

**Source:** Formulated by the author

As per the table 29 we found out that most of the interviewees identified human resources (42,86%) as the most valuable resources within their organization. In fact, I13 outlines that *“Teams, values and organizational culture are the hardest resources to copy and imitate. If we think, technology can only be optimized through the transfer of knowledge within teams (…)* strategies can only be strengthen if the teams have the needed know-how regarding the business and the market in which they operate. Even Big Data, it only develops knowledge through an appropriate analysis and interpretation from the right people.” Under this vein, further information is added by I8 *“Firstly, the most valuable resource in my company consists in the possibility of having multifunctional HR (with the capacity of providing services in several areas). Secondly, their ability to provide the client consultancy and advisory services which covers all the communication needs, the use of multiple tools and techniques. All of this can also be attainable by the human capital that the company owns.”*

Besides, some of the interviewees emphasized the value of their organization's intangible resources (34,29%). In this sense the participants described and identified the following attributes: know-how, skills, research and development and brand reputation. Also, financial and technological resources (11,43%) were outlined by the participants – although with less expression.

It is quite usual to find in the literature some terminological confusion regarding the resources concept, nuclear competence, capability or asset, even though during the needed systematic analysis, we are essentially portraying the same, being that the capabilities are materialized in what the organization produces and results from the joint work of several groups of resources (António, 2006; Lopes da Costa and António, 2017).

According to Barney (1991), firms' resources constitute all assets, capabilities, organizational and firm characteristics which are coordinated by a firm, enabling thus the firm to progress and implement strategies which are able to improve its efficiency and effectiveness (Porter, 1981). Additionally, resources can be classified as tangible (e.g. financial inputs, infrastructures) or intangible assets (e.g. skills, human capital, capabilities, information and organizational assets, relational and reputational assets).

As per the research findings, most of the interviewees identified intangible resources as the most valuable ones within their organization. Human capital, know-how, skills, research and development and brand reputation are the foremost facts underlined by the participants. In fact, under the RBV theory, intangible resources are more likely to be considered strategic assets than tangible resources since they follow the valuable, rareness, and imperfectly imitable criteria (Barney, 1991).

Penrose (1959) and Barney and Clark (2007) recognized the relevance of resources to a firm's competitive position and emphasized that firms within the same industry are heterogenous. In fact, "the firm's unique capabilities in terms of technical know-how and managerial ability are important sources of heterogeneity that may result in sustained competitive advantage." (Mahoney and Pandian, 1992, 365).

Besides, according to Barney (2001:625) "(...) resources and capabilities can be viewed as bundles of tangible and intangible assets, including a firms' management skills, its organizational processes and routines, and the information and knowledge it controls." It

is these resource bundles that are responsible for creating a superior value for the firm and, therefore, continuous superior performance for business (Chmielewski and Paladino, 2007).

After addressing the resource's identification and in order to properly explore the research question, the participants were asked to provide their opinion concerning the relevance (or not) of strategical theories within the adaptive process of companies to a highly changing environment. The organization of the indicators and sub-categories are presented on the table 30 (Appendix V).

**Table 14:** Interview Content Analysis – C 4.2.

C 4.2. – Impact of strategic theories in a changing environment		
Interviewee	Text	SC
I 22	<i>“Strategic theories are mainly used as a means of supporting decision-making as they give us the notion of the constant changes in the external environment and the required adaptability over time.”</i>	4.2.1.
I 1	<i>“(…) prepare managers for the 'next steps' by qualifying them to establish an appropriate analysis of different scenarios (e.g. competitors) (…).”</i>	
I 23	<i>“In the reality in which I am inserted, they are a factor to take into account varying its relevance and depth of application according to the weight and maturity of the concerned area and the resources vs. required flexibility.”</i>	4.2.2.
I 9	<i>“(…) strategic theories are very important as long as they are not static. Moreover, it is hard to establish a direct relation between the two variables, but it is expected to have a direct relation, which means a positive impact.”</i>	
I 2	<i>“(…) Most important is the practice and experience of the managers rather than the usage or knowledge of the theories. With a constant changing world, it is not relevant to bet money, time and capacity in outdated theories.”</i>	4.2.3.

**Source:** Formulated by the author

Generally speaking, 95% of the participants defended the use of strategic tools as a mean to positively affect the company’s performance. In fact, it is clear that most of the participants considered strategy tools as a relevant factor within the adaptive process to the changing environment which was outlined by I8 as per the following: *“They are fundamental in the sense that they help us to understand how to create value for the customer (…) on the other hand, help us to think for the best approach to differentiate ourselves from the competition. Moreover, they are an excellent instrument for measuring and correcting strategic planning.”* Also, I9 reinforces that *“(…) strategic theories are*

*very important as long as they are not static so that they can allow us to maintain a positive growth rate when facing negative environments in the sector.”*

On another hand, I3 points out that “(...) *their knowledge is important, but the market nowadays is constantly different, and I think that theories have not always followed their tendencies. So, I value more the experience of managers rather than their academic knowledge about theories since theories do not always adapt to a reality that changes every month.*” I5 reinforces that “*They are relevant but will have to be increasingly flexible, non-hierarchical and should be implemented in an entrepreneurial culture that encourages experimentation - without the fear of failing (...).*”

To sum up and as per the literature, in order to achieve high performance, a company must own resources that fit with the existing resource configuration. Moreover, the company has to possess the necessary management capability and marketing capabilities to fully explore the resources and the profits/rent generated by the resources cannot be used by other stakeholders (Andersén, 2011).

#### **8.2.5. Could the RBV be extended or somewhat improved by addressing its constraints?**

Although, the RBV has been acknowledged as a guiding theory in strategic research with a widespread dissemination in academic literature (Acedo *et al.*, 2006), the theory has been subjected to several criticisms. So that to address the theory criticisms, the interviewees were asked to provide their opinion regarding the strengths and weaknesses of a company’s resources analysis.

The organization of the indicators and sub-categories are presented on the table 31 (Appendix V).



**Table 15:** Interview Content Analysis – C 5.1.

C 5.1. – Resource-based analysis: strengths and weaknesses		
Interviewee	Text	SC
I 10	<i>“This analysis implies a strong pragmatism and awareness of basic tools that support the decision-making. Besides, through the analysis we are able to see the company’s reality almost ‘online’, or to see it almost at a 360°. We basically analyse everything up to date which enable us to make judgements about the company’s skills so that we can react and take the needed actions (...)”</i>	5.1.1.1.
I 23	<i>“(...) their analysis is crucial so that resources and capabilities can be maximized when they translate into a competitive advantage and minimize the impact when they are not.”</i>	5.1.1.2.
I 17	<i>“(...) allow us to justify and sustain the decisions. Besides, this analysis enables us to be prepared and to be proactive as we are then able to identify what is happening in real time and predict future needs/ requirements.”</i>	5.1.1.3.
I 24	<i>“Knowledge about the resources and capabilities allow us to formulate more realistic strategies with a greater possibility of success.”</i>	5.1.1.4.
I 9	<i>“The strategic tools limit the potential growth and development of the company to other business areas since the focus is to strict on theoretical terms. (...) managers will then be able to focus in the analysis provided by the theory instead of focused in the reality.”</i>	5.1.2.1.
I 14	<i>“Strategy tools are not 100% adapted to our company’s reality and terminology which may lead to some vices (namely regarding to the vision/ perspective) since it is an introspective process with minimum focus.”</i>	5.1.2.2.
I 21	<i>“(...) the more dynamic the sector the more difficulties the managers will find to invest the needed time and costs to use those tools and respective analysis. (...)”</i>	5.1.2.3.
I 10	<i>“An excessive analysis of the company's resources and capabilities may result in a conservative position.”</i>	5.1.2.4.

**Source:** Formulated by the author

They stated that this analysis allows the company to understand what the firm can achieve and do which is demonstrated by I13 *“It is vital for a manager to know his organization very well and to know how to read the market trends so that he can build a strategy that allows the company to conquer the market with higher success. For this, the analysis of the resources creates awareness regarding the company’s possessions and what can then be achieved with it.”* On another hand, I12 reinforces that the analysis of the resources and capabilities of the company *“(…) increases the confidence in the implementation of projects since this analysis allows managers to control the strategy’s implementation through the resources deployment and acquisitions. Which turns out to be crucial when we are trying to be the leaders and either to achieve or keep competitive advantage.”*

Concerning the preparation for the future in regards to strength, this reasoning can be easily foreseen in the words of the I16 *“This analysis allow us to take advantage of the fact of having a greater knowledge about the main characteristics of our internal resources, motivations and capabilities which allow us to predict the future and prepare our strategy accordingly.”*

Summarizing, the interviewees highlighted the following aspects as the main strengths of RBV: better understanding of the unique resources that create value; better understanding on the way resources become valuable; an appropriate identification of the company’s resources/ capabilities that could be extended to create more value; better understanding about what the firm can do and an appropriate support and guidance to predict future decision through the provided information. Moreover, RBV was also underlined as a starting point for the overall analysis. In fact, these features are in the literature as VRIO represents a set of questions designed to assess a particular organization in terms of the RBV (Barney, 2007); aiming to identify the organization’s internal strengths and weaknesses so that the company’s competitive position can be improved in accordance.

Understanding the value of resources and capabilities of companies is the first important consideration to realize in order to figure out the inherent strengths and weaknesses. To gauge the value of a particular resource or capability we need to answer the following question: *“Does the resource or capability allow a company to explore an opportunity or counteract an external threat?”* Whenever the answer is yes, we are facing a valuable

resource (or capability), and this factor can be considered as a company's strength that will allow the improvement of its competitive position. Besides, the answer to this question may also be linked to the concept of dynamic capabilities namely the sensing category defined by Teece (2007) which is strongly related to the notion of market-focused learning and implies the identification, development and assessment of technical prospects in relationship to the customer needs (Shu-Mei and Pei-Shan, 2012.) Nevertheless, we must bear in mind that in some cases the full answer to this question requires detailed operational information that may not be readily available. In these cases, there is a relatively easy way to identify the impact of a company's resources and capabilities on its opportunities and threats by examining the impact of its usage in terms of revenues and costs – which will be manifested, in the limit, in an increase of revenues or a decrease of costs. This reasoning leads us to the seizing category (Teece, 2007) which captures how companies mobilize resources in order to address the needs and opportunities and capture its value.

Apart from the model's strengths, also its weaknesses must be considered and addressed since they may affect the way in which the theory is then deployed. In this regard, interviewees outlined the challenges that companies face while applying the theory – transition from theory to practice and the consequently invested time during this process. Another major weakness was the fact that the framework usage required a strictly rational approach which implies availability of resources but also, do not consider the intuition or practice as crucial elements during its usage. Lastly, manager's motivation was also mentioned by a significant number of participants as a weakness manifested by the manager's resistance to engage associates through the application of strategic management tools, namely the VRIO.

The majority of the participants reinforced the transition from theory to practice as the main weakness. This is clearly stated in the following reasoning *“The problem is the gap between management and operational frameworks. Associates are not included in the decision-making process, and management is often decided only on the basis of KPIs. There is not a commitment between management/ corporative associates and the application of the theories because one thing is the reality and the other is the theory. Maybe a mix of both is needed.”* (I4) Concerning the lack of focus, one of the most relevant quotes is introduced by I16 stating that *“The result of the analysis may be skewed*

*for being an analysis of the company about the company itself. This is even worse if we consider that may be related with lack of education and preparation from the human resources which are focused on a short-term vision.”*

For I21 *“Their main weakness, in my opinion, is that managers are not motivated to use them. (...) the fact that the tools increase manager's awareness regarding the organization's potential may decrease their confidence when taking decisions since managers will then want more information to ensure that are not taking uninformed decisions.”*

For Hinterhuber (2013), the most fruitful areas for extending the RBV are demand-based perspectives by including the company perspective (resources and capabilities), the competition (competitive actions/ reactions), and the customer (customer needs).

According to Przychynski and Bitencourt (2011) and taking into consideration more than 50 papers reviewed on RBV, about half illustrate the advances in the theory over the last 30 years, highlighting the emergence throughout this time of theoretical extensions to RBV guided by the inclusion of parameters such as performance, superior profit, advantages, value, capacity, reputation, competition, decision, heterogeneity, purchasing power, organizational identity, administrative cognition, sense-making, synergy and knowledge.

#### **8.2.6. How can practices, activities and social interactions contribute towards organizational capabilities and routines?**

In short, the theoretical and empirical development of RBV has been analyzed in numerous studies that revise it, and approach it as a theory capable of explaining organizational performance differences based on a movement mechanism characteristic of the XXI century (António, 2006; Lopes da Costa and António, 2017). We believe that some of the criticisms that the RBV theory has been receiving should be considered as motivating factors for the operational model adjustments developed by Barney, promoting the necessary mechanisms for the construction of a more solid model in order to determine the sustainability of the competitive advantage of any organization.

Following the decision of addressing the RBV's limitations, SAP came out as a distinctive approach by bringing to the research field the actions and interactions, the social complexity and casual ambiguity as the basic view of resource analysis (Jarzabkowski, 2005), while explaining the practice that constitutes the strategic process (Johnson *et al.*, 2003).

The organization of the indicators and sub-categories are presented on the table 32 (Appendix V).

**Table 16:** Interview Content Analysis – C 6.1.

C 6.1. – Impact of organizational values		
Interviewee	Text	SC
I 18	<i>“Values are factors of improvement and reinforcement of the organization's identity, serving as a reference point for the outside and the external environment. They are the entry door for our customers, but they are also the reinforcement of the company's strengths to the outside world - they express the beliefs and principles of the firm.”</i>	6.1.1.1.
I 1	<i>“(…) what differs a company from its competitors is marked by the transparency, social and environmental responsibility, team spirit and remaining values that governs the company.”</i>	6.1.1.2.
I 7	<i>“(…) values have a great impact on the attitudes and behaviors of the associates (…)”</i>	6.1.1.3.
I 2	<i>“(…) They have impact in the company's competitive advantage but not as a unique factor. There are more factors to contribute to strategic success. It is not enough to have the values on a board in our company or either on our website. That is just not enough. The company and the associates should act in alignment with the defended and ‘marketized’ values. Your employees must share those values and the business should be developed under that premise.”</i>	6.1.2.

**Source:** Formulated by the author

As per the results, all the interviewees considered that the organizational values are relevant influencers of a company's CA as organizational reinforcement (e.g. through the culture), as differentiators from the competitions, as attitudes and behaviors influencers within the associates and when combined with other factors.

As per the quote - I12 - defends that organizational values are crucial as a company's ideology reinforcement *"If the associates are aligned and committed to the organizational values, the likelihood of success and improvement is higher. Besides, the organizational values linked to the organizational culture may be the only source of competitive advantage aimed or able to be achieved for a company. (...) Values cannot be duplicated or replicated - we can aim to apply the same values in different companies and due to a different understanding of the value itself, the result be totally different. (...) They are the company's kind of heart – what the company is should be reflected on the values."*

I9 strongly highlighted his point of view concerning the importance of the organizational values as differentiators *"Values are crucial as differentiators to set us apart from the competitors - and in my perspective the values are directly related to the organizational culture through the development of a brand, the attraction of new clients and associates up to the relations and commitments with our customers, suppliers and remaining stakeholders (...)"* (I9)

Considering that the sources of SCA are directly related to each process of the organization itself, which means that, must be sought both in the organization and in the interaction of the environment (Zegarra, 2016). For that, companies must implement in their business context the approach to the organizational values inclusion/model, allowing the company to be controlled in an intelligent way.

In the literature, values are constituted as the gestation phase where a set of intangible resources are generated that will tend to be developed over time to create the desirable and dynamic assumptions of the RBV mechanism to create competitive advantage. Under this line of thought, the interviewees provided their opinion regarding the relevance of organization values towards the achievement of a SCA. Under this vein, all the participants considered that the organizational values are relevant influencers of a company's CA either as organizational reinforcers (e.g. through the culture), as

differentiators from the competition, as attitudes and behaviors influencers within the associates and when combined with other factors.

Tamayo and Borges (2001) point out that organizations face three fundamental requirements: the need to reconcile individual and collective interests, the establishment of a structure that guarantees the achievement of the organization's goals and objectives and the relationship between the organization and the physical and social environment. According to these authors, organizational values are an exact guide to the satisfaction of these needs, as they are the adequate response to concrete problems from successful solutions in the past.

These ideas had already been defended by Connor and Becker (1975) many years before, because, according to these authors, when conceptualizing values as principles or beliefs, hierarchically organized, related to desirable organizational behaviors or goals, that guide the life of the organization and/or serve individual and collective interests, we can in fact explain many of the business phenomena and provide adequate responses to concrete problems.

Another question was raised in order to understand in which way the process of elaborating and developing a strategic activity can be seen as positive towards the construction of a CA. The answers were categorized as per the table 33 (Appendix V).

**Table 17:** Interview Content Analysis – C 6.2.

C 6.2. – Relevance of the micro actions that comprise the strategic activity		
Interviewee	Text	SC
I 1	<i>“(...) by supporting the value-creation process (...)”</i>	6.2.1.
I 3	<i>“The process of elaborating a strategic activity, like any process, leads to the systematization of ideas and procedures and this discipline is indispensable in the construction of a competitive advantage. (...) These mix between the micro and macro environment establish links and connections essential for the development of the strategy (as a plan) but also as guide to achieve the desired competitive advantage.”</i>	6.2.2.
I 22	<i>“The strategic activity provides innovation, continuous improvement, adequate processes, market positioning and people involved – all situations triggering competitive advantage. Besides as I already said the advantage does not depend only on the environment nor on the resources and capabilities of the company. Also, the micro-environment has to be considered and this implies the relation, communication, connection – all set of actions, as a value-chain.”</i>	6.2.3.
I 10	<i>“(...) Generally speaking, the second (competitive advantage) depends on the first one.”</i>	6.2.4.

**Source:** Formulated by the author

Under this question I21 outlines the following reasoning *“People do not necessarily want doctors, hospitals, and medicine - they want health and well-being, just as companies are not interested in coal mines or oil and gas extraction systems - they want energy and fuel to tasks of your day to day. Any strategic activity becomes a competitive advantage when you consider what people and companies want.”*

In what regards the systemization of the process highlighted by some of the interviewees, I13 states that *“The process of developing a strategy is a process that involves the strategic resources of the company and allows the company to assess where it is and what it should do (the strategy), to the intended destination (objectives). The*



*process should be optimized systematically, from the point of view of its efficiency and effectiveness, so that the improvement continues, ensuring a performance of excellence to its organization, compared to the others. This is only achieved if we analyse each set of actions/ attitudes that leads to the final result.”*

For most of the interviewees the process of elaborating a strategic activity is directly linked to the value-creation process within CA. Some interviewees outlined an interdependency relation between the two variables: construction of a CA vs. development of a strategic activity as highlighted *per I8*: “*Companies that have their strategies well defined and in which all employees feel involved in the strategy defined by the management team (or in which the employees even have the chance to contribute positively to the definition of the strategy) will naturally have more chances to survive and to be successful. They are both related. (...) I do not see how competitive advantage can be created without the implementation of strategic activities.*”. Also, *I15* adds the following “*It seems obvious to me that an activity that is considered strategic is positive in building a competitive advantage. It just will not be if the strategic activity was poorly conceived, but one is directly connected to the other.*”

In the past, strategy was treated as a property of organizations: an organization has a strategy of some kind or other (Whittington, 2006). Nonetheless, during the last years, strategy is being seen as a practice which implies that organization engage with people’s strategy activity. By doing so, Whittington (2006) suggests that intra-organizational praxis is marked by extra-organizational practices, successful practices are carried by influential practitioners, and praxis forms practitioners. In fact,

attention to actual praxis can inform the critique of influential and contested practices; understanding the relative roles of praxis and theoretical inspiration in creating new practices may promote strategy innovation; identifying influential practitioners and their networks can assist the marketing and transfer of appropriate practices; preparing practitioners better for entry into strategy praxis should help middle managers and others contribute more effectively to their organizations’ strategizing. (Whittington, 2006, 627)

## CHAPTER IX | Conclusions

“The fundamental question in the field of strategic management is how firms achieve and sustain competitive advantage” (Teece *et al.*, 1997, 509) which represents a logical approach for answering to the 21<sup>st</sup> century competitive challenges. In fact, SM process supports firms to successfully identify and use sources of CA over time. Moreover, “One of the critical tasks in strategic analysis is for managers to understand the relationship between resources they control and the performance of the firm.” (Knott, 2009, 163) For that, strategic analysis explores and underlines two key sources of information-based inputs to the SM process – from the external environment and internally. This information is then essential so that the firm is prepared to develop its strategic direction and the specific strategies in the pursuit for a SCA.

As any work in progress, there is no universal model of business management, nor should one think in terms of a single, efficient management structure that everyone shares. Management is and will always be regarded as something systemic and constantly evolving. Companies should therefore be encouraged to learn from each other and to exchange experiences, points of view and ideas, regardless of the country or continent where they are located, because, as in any management structure, the secret will always be to adopt the best policies and practices.

In fact, this dissertation planned to provide a better understanding of how or if strategic theories can be integrated to create a SCA and secondly to contribute to the reinforcement of a strong basis for extending RBT in meaningful new directions. For that purpose, we sought to reveal the information concerning the perception of a company’s CA and the most used and implemented management strategies/ tools. More specifically, we intended to demonstrate that not only the application of the VRIO-framework developed by Barney (1991) allows good results, but that the model can be improved with the integration of either some concepts from other strategic theories, or from the introduction of some of the criticisms that were made over the years.

The idea is that best practices can be built from the development of academic models that can be later implemented by companies. We are facing a world that has to be thought of in a complex way and by dealing with innovation, entrepreneurship, motivation, work' synergies among employees, customer's involvement, suppliers and communities. These

are aspects that cannot be neglected; however, they also imply a great ability to integrate the best existing knowledge and apply it to the practice of this idea.

Due to the fact that we adopted a descriptive approach and since our topic under analysis is somehow underexplored, we highlight that the conclusions of this research should be interpreted as a starting point for future investigation and research. Under this reasoning, the results and findings achieved should be tested in order to support and enrich future researches.

One of the objectives defined for this project intended to explore the impact of historical evolution for SM theories, as well as, their impact in the decision-making process within companies. Concerning this objective some conclusions were found in what regards the usage of traditional hypotheses to achieve a SCA, as well as, the most used strategic tools by companies. To begin with, the foremost fact to highlight is that for most of the participants a company's CA is directly related to the value-creation process through the application of a differentiation strategy over its competitors. The key stage in this process of value-creation is when customers develop perceptions of the value offered by the firm, as they explicitly or intuitively compare its offering with the competitors (Kaleka and Morgan, 2017). In a nutshell, improving competitiveness requires a strategic attitude of the organization in the constant search for new sources of advantage or to consolidate the existing one (Vargas-Hernández, 2018).

Moreover, this research also confirmed that most of the interviewees relies on strategic tools as decision-making heuristics since they have strategical decisions benefits by typically providing structure for gathering and interpreting information regarding uncertain contexts and – in doing so – influence decision makers' perceptions, thoughts, and actions (Bresser and Powalla, 2012). Under this reasoning, the VRIO-framework, SAP, Porter's Competitive Strategies and 5 Forces Model were found as the most popular tools. In contrast, we verified that the value-chain analysis and the portfolio analysis appear with a lower usage when compared with the remaining strategy tools analyzed. Furthermore, other strategy tools – apart from the pre-defined list – were identified but did not reveal a severe impact in this research as per the frequency of responses obtained.

Additionally, a significant amount of the sample established a clear connection between the implementation and use of management strategic tools and its benefit in strategical decisions, opportunities maximization and in the retention of human capital.

The second defined goal consisted in the investigation and evaluation if the RBV was consistent as a starting point in strategic analysis taking into consideration the existing differences amongst firms' strategies. We found that according to the sample, different aspects of strategic analysis must be considered during the planning phase. Nonetheless, we discovered that a company's internal analysis was the factor most highlighted per the participants. We also stated that an external analysis was also pointed out as a factor to be considered in order to have an appropriate understanding of the market changes. The focus on the internal analysis is consistent with the RBV ideology in the sense that the keys for the achievement of a CA are inside the organization as inputs into the firm's production process and that allows the differentiation of its offerings. Under this reasoning, RBV enables the identification and development of a company's valuable resources (Collies, 1991), requires an understanding of the external environment and satisfies key characteristics of strategy since it is a long-term view.

Considering that strategic planning sustains the process of strategy formulation and implementation, the interviewees provided relevant feedback concerning the impact of the mentioned strategic tools within this phase.

The research carried out revealed a majority of the participants defending the use strategic tools as a mean to positively affect the company's performance. In this regard, a general consensus was found concerning the main contributions retrieved from the usage of strategic tools: 1) Increase of the awareness about the business environment through the clarification of the company's strategy and resources. This benefit is highlighted by Qehaja (2017) as an input that helps to reduce the risk involved in making certain decisions through an appropriate analysis of the business environment, strategic issues, opportunities and threats; 2) Improvement of the company's core strategy; 3) Better understanding of the external environment; 4) Improvement of the decision-making process through decisions more rational, objective and transparent; 5) Reinforcement of a sense of direction; 6) Providing guidance for organizational activities and the optimization of the resources usage. In a nutshell, strategic tools were considered relevant within strategic planning as analytical methods that support and ensure

consistency and an appropriate level of rigor during the analysis. The factors abovementioned are consisted with the outputs provided by the usage of the VRIO-Framework as a tool that summarizes the main thoughts of the RBV. Barney (2001:49) reinforces that the

resource-based logic can help managers more completely understand the kinds of resources that can generate sustained strategic advantages, help them (to) use this understanding to evaluate the full range of resources their firm may possess, and then exploit those resources that have the potential to generate sustained strategic advantage. It can help identify what the most critical resources controlled by a firm are and thereby increase the likelihood that they will be used to gain sustained strategic advantages.

As the lack of sources of SCA for companies has become an important area of research in the field of SM (Vargas-Hernández, 2018), the interviewees were asked to identify the most valuable resources and capabilities in their organizations, business units and/or departments. Upon this, we found that human resources and intangible resources were identified as the most valuable ones within their organization. Human capital, know-how, skills, research and development and brand reputation are the foremost facts underlined by the participants. In fact, under the RBV theory, intangible resources are more likely to be considered strategic assets than tangible resources since they follow the valuable, rareness, and imperfectly imitable criteria (Barney, 1991).

Although, the RBV has been acknowledged as a guiding theory in strategic research with a widespread dissemination in academic literature (Acedo *et al.*, 2006), the theory does not consider the fact that most resources are mobile and owned by several firms namely in the current business landscape (Vargas-Hernández, 2018). Consequently, we asked the interviewees regarding strategic tools' relevance within a company's adaptive process to the market due to the fact that dynamic environments require that firms change more frequently. For most of the interviewees, management tools are essential during the adaptive process of a company. In this regard the concept of dynamic capabilities appears as the resource's usage by firm's processes so to match and create market change (Teece *et al.*, 1997). Teece (2007) developed a framework for dynamic capabilities, including three underlying components: sensing, seizing, and reconfiguring. Sensing category is strongly related to the notion of market-focused learning and implies the identification,

development, and assessment of technical opportunities in association to the customer needs (Shu-Mei and Pei-Shan, 2012). Seizing is related to how companies mobilize resources in order to address the needs and opportunities and capture its value. Reconfiguration is related to the recombination of a firm's resource and ordinary capabilities to optimize internal complementarities and also with the environment (Fainshmidt *et al.*, 2008).

Furthermore, according to most of the contemporary approaches, surviving and thriving in conditions of change includes developing dynamic capabilities to create, extend and modify the ways of the internal structure of the organization's life. However, it is important to emphasize that the search for change and innovation and the search for opportunities to create a change (which can assume different typologies: organizational, technological or strategic) creates tensions, since both situations are directly linked to the organizational routines and the consequent constraints they validate (Teece *et al.*, 1997; Døving and Gooderham, 2008).

Dynamic capabilities have enough power to alter both the operational capabilities and the company's own routines in a ceaseless search for change and opportunities that the market can offer at any given time. We can thus affirm that dynamic capabilities have as function, on the one hand, to identify needs and/or opportunities to change, formulate a response to these needs or opportunities and implement the strategy, and on the other hand, lead the company on the new products or corporate strategies' development that can determine competitive advantages (Kay, 2010).

The third objective of this research consisted in the description of factors and individual dynamics that could be articulated alongside the VRIO-framework and thus influence the mode of strategy. Considering that some literature advocates that the analysis of resources and capabilities of the company is vital to a relevant decision-making process for managers, interviewees were asked about their opinion in this instance. In a nutshell, the foremost strengths to highlight are the following: better understanding of the unique resources that create value and about how these resources become valuable; an appropriate identification of the company's resources/ capabilities that could be extended to create more value and a detailed and appropriate guidance to predict future decisions throughout the information collected from this analysis. In fact, this information is consistent to the literature representing VRIO a set of questions designed to assess a

particular organization in terms of the RBV (Barney, 2007); aiming to identify the organization's internal strengths and weaknesses so that the company's competitive position can be improved in accordance. Apart from the model's strengths, also its weaknesses must be considered and addressed since they may affect the way in which the theory is then deployed. In this regard, interviewees outlined the challenges that companies face while applying the theory – transition from theory to practice and consequently the invested time during this process. Another major weakness was the fact that the framework usage requires a strictly rational approach which implies availability of resources but also, do not consider the intuition or practice as crucial elements during its usage. Lastly, manager's motivation was also mentioned by a significant number of participants as a weakness manifested by the manager's resistance to engage associates through the application of strategic management tools, namely the VRIO.

Following the decision of addressing the RBV's limitations, SAP came out as a distinctive approach by bringing to the research field the actions and interactions, the social complexity and casual ambiguity as the basic view of resource analysis (Jarzabkowski, 2005), while explaining the practice that constitutes the strategic process (Johnson *et al.*, 2003). In fact, the management of human resources appears as a set of activities that defines a business philosophy of customer orientation that integrates the entire organization (Vargas-Hernández, 2018). In this sense, interviewees were asked about the impact of organizational values within a company's CA. We concluded that all the participants considered organization values are relevant influencer of a company's CA as organizational reinforcers (e.g. through the culture), as differentiators from the competition, as attitudes and behaviors influencers within the associates and when combined with other factors. In fact, culture is a key factor for companies to improve their performance and it is a source of differentiation for high performance organizations (Vargas-Hernández, 2018). Furthermore, according to Connor and Becker (1975) when conceptualizing values as principles or beliefs, hierarchically organized, related to desirable organizational behaviors or goals, that guide the life of the organization and/or serve individual and collective interests, we can in fact explain many of the business phenomena and provide adequate responses to concrete problems.

Lastly, interviewees were asked in which way the process of elaborating a strategic activity can be positive towards the construction of a CA. For most of the interviewees

the process of elaborating a strategic activity is directly linked to the value-creation process within CA. Additionally, we concluded that an interdependency relation was established between the variables under analysis: construction of a CA and development of a strategic activity as according to the information collected CA cannot be created without the implementation of appropriate strategic activities.

Looking a theoretical viewpoint, this project has assisted in contributing to the enhancement of the literature under this topic as it:

- 1) Clarified the differences between SM theories and the concept of CA;
- 2) Verified which strategic tools tend to be prioritized;
- 3) Assessed the relevance of strategic tools within manager's decision-making process;
- 4) Provided an insight regarding the most valuable factors as starting point within strategic analysis;
- 5) Assessed which resources and capabilities are more valuable and recognized by managers;
- 6) Acknowledged the relational link between a company's CA, the management of its resources and capabilities and the relevance of the organization culture.

## **9.1. Research Limitations**

During the development of this dissertation and, although the objectives have been met, some limitations must be noted. The awareness of these limitations was present at each stage of the investigation in order to avoid taken inappropriate conclusions.

Firstly, one of the limitations resulted from the construction of the script of the interview itself due to its complexity. Facing the lack of availability and willingness of the sample to participate in the investigation, the script should have been as concise and simple as possible with the aim of achieving a greater answer rate. The managerial perceptions were investigated and concluded based on samples from the same geographical and cultural context which may restrict the generalizability of the findings. Nonetheless, country and local-specific research in this regard was the only possible option for the researchers due to limitations in terms of access and availability.



In addition to research needed to overcome limitations in our research, our framework logic was restricted, in the sense, that we focused mostly on two particular theories – RBV and SAP – as the ones defined by the authors as more interesting and with managerial relevance. Another limitation is related to the subjective process inherent in the coding of the interview *corpus*, the researcher's interpretation and results' analysis that may be biased through its own judgement and due to the fact that the data was transcribed and then translated from Portuguese to English.

To conclude, there are also limitations related to some aspects of the sample as 24 participants are neither probabilistic nor large enough to extrapolate the collected results. In this way, the results of this research, although corroborated some of the existing theory, cannot be extrapolated. It should be noted that this was not the objective for this dissertation as we intended to capture perceptions and a better understanding concerning the topic analyzed in order to indicate future areas for research.

## **9.2.Future Research**

Our recommendations for future research include conducting further research using a quantitative research in order to measure and examine the relationship between the variables analyzed and the results obtained. Future research should also focus on a sample with more expertise in the topic so that the information collected can enrich the investigation as much as possible.

It would also be interesting to experiment and test whether VRIO-Framework could be adopted by adding factors highlighted during this research such as: organizational culture, values, dynamic capabilities and superior governance. A balance between the benefits and the barriers should then be performed in order to conclude about the effectiveness of implementing this adapted framework.

To conclude, this study can be used to develop a survey/ questionnaire based on the presented results.

## BIBLIOGRAPHY

Acedo, F.; Barroso, C. and Galan, J. (2006). The Resource-Based Theory: dissemination and main trends. *Strategic Management Journal*. 27. 621-636. DOI: 10.1002/smj.532

Acosta, P.; Colomo-Palacios, R. and Loukis, E. (2011). A review of the RBV of the firm within the e-business literature: What's next?. *Interdisciplinary Journal of Research in Business*. 1(1). 45-52

Albino, J.; Gonçalves, C.; Carrieri, A. and Muniz, R. (2010). Estratégia como prática: uma proposta de síntese. *Revista Portuguesa e Brasileira de Gestão*. 2-14

Allen, R. and Helms, M. (2006). Linking strategic practices and organizational performance to Porter's Generic Strategies. *Business Process Management*. 12(4). 433-454. DOI:10.1108/14637150610678069

Alvarez, S. and Busenitz, L. (2001). The entrepreneurship of resource-based theory. *Journal of Management*. 27(6). 755-775

Ambrosini, V.; Bowman, C. and Collier, N. (2009). Dynamic capabilities: an exploration of how firms renew their resource base. *British Journal of Management*. 20. 9-24

Amit, R. and Schoemaker, P. (1993). Strategic assets and organizational rent. *Strategic Management Journal*. 14(1). 33-46

Andersén, J. (2011). Strategic resources and firm performance. *Management Decision*. 49(1). 87-98

António, N. (2015). *Estratégia Organizacional - Do Posicionamento ao Movimento*. (3<sup>rd</sup> Edition). Lisbon: Edições Sílabo

Armstrong, C. and Shimizu, K. (2007). A review of approaches to empirical research on the Resource-Based View of the firm. *Journal of Management*. 33(6). 959-986. DOI: 10.1177/0149206307307645

Bain, J. (1956). *Barriers to new competition*. Cambridge: Harvard University Press.

Barney, J. (1986). Strategic Factor Markets: expectations, luck, and business strategy. *Management Science*. 32(10). 1231-1241

Barney (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*. 17(1). 99-120

Barney, J. (1995). Looking inside for competitive advantage. *The Academy of Management Executive*. 4. 49-61

Barney, J. (1997). Gaining and sustaining competitive advantage. MA: Addison-Wesley

Barney, J. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*. 27. 643-650

Barney, J. (2001). Is the Resource-Based “View” a useful perspective for strategic management research? Yes. *Academy of Management Review*. 26(1). 41-56. DOI: 10.5465/amr.2001.4011938

Barney, J. and Arikan, M. (2001). The resource-based view: origins and implications. In M.A. Hitt; R.E. Freeman; and J.S. Harrison (Eds). *The Blackwell handbook of Strategic Management* (124-188). Malden, MA: Blackwell Publishers Inc.

Barney, J.; Wright, M. and Ketchen, D. (2001). The resource-based view of the firm: ten years after 1991. *Journal of Management*. 27(6). 625-641. DOI: 10.1177/014920630102700601

Barney, J. and Clark, D. (2007). *Resource-Based Theory*. Oxford: Oxford University Press

Barney, J. and Delwyn, C. (2007). *Resource Based Theory: Creating and Sustaining Competitive Advantage*. Oxford: Oxford University Press

Barney, J.; Ketchen, D. and Wright, M. (2011). The future of Resource-Based Theory: Revitalization or Decline?. *Journal of Management*. 37(5). 1299-1315. DOI: 10.1177/0149206310391805

Barney, J. and Hesterly, W. (2012). *Strategic Management and Competitive Advantage: Concepts and Cases*. (4<sup>th</sup> Edition). Upper Saddle River, NJ: Pearson Prentice-Hall

Barney, J. and Machev, A. (2016). Text and metatext in the resource-based view. *Human Resource Management Journal*. 26 (4). 369-378. DOI: 10.1111/1748-8583.12123

Barnham, C. (2015). Quantitative and qualitative research: perceptual foundations. *International Journal of Market Research*. 57(6). 837-854. DOI: 10.2501/IJMR-2015.070

Bashir, M.; Afzal, M. and Azeem, M. (2008). Reliability and Validity of qualitative and operational research paradigm. *Pakistan Journal of Statistics and Operation Research*. 4(1). 35-45

Becker, G. (1964). *Human Capital: A Theoretical and Empirical Analysis*. 3<sup>rd</sup> Edition. New York: Columbia

Berman, S.; Down, J. and Hill, C. (2002). Tacit knowledge as a source of competitive advantage in the National Basketball Association. *Academy of Management Journal*. 45(1). 13-31

Black, J. and Boal, K. (1994). Strategic resources: traits, configurations and paths to sustainable competitive advantage. *Strategic Management Journal*. 15. 131-149

Bloodgood, J. (2014). Enhancing the resource-based view of the firm: increasing the role of awareness. *Strategic Management Review*. 8(1). 61-75

Bourgeois, L. (1985). Strategic Goals, perceived uncertainty, and economic performance in volatile environments. *Academy of Management Journal*. 28(3). 548-573

Bresser, K. and Powalla, C. (2012). Practical implications of the resource-based view: assessing the predictive power of the VRIO-framework. *Zeitschrift für Betriebswirtschaft*. 82, 335-359. DOI: 10.1007/s11573-012-0553-4

Bromiley, P. and Rau, D. (2014). Research Perspectives – Towards a practice-based view of strategy. *Strategic Management Journal*. 35(8). DOI: 10.1002/smj.2238

Caldas, S. (2010). The pendulum swings again: critical notes on the resource-based view. *Cuadernos de Administración*. Universidade del Valle. 44. Available at: <http://www.scielo.org.co/pdf/cuadm/n44/v26n44a01.pdf>

Carcary, M. (2009). The research audit trial – enhancing trustworthiness in qualitative inquiry. *The Electronic Journal of Business Research Methods*. 7(1). 11-24

Cardeal, N. and António, N. (2012). Valuable, rare, inimitable resources and organization (VRIO) resources or valuable, rare, inimitable resources (VRI) capabilities: what leads to competitive advantage?. *South African Journal of Business Management*. 6(37). 10159-10170. DOI: 10.5897/AJBM12.295

Charmaz, K. (2006). *Constructing Grounded Theory: a practical guide through qualitative analysis*. London: Sage Publications

Chmielewski, D. and Paladino, A. (2007). Driving a resource orientation: reviewing the role of resource and capability characteristics. *Management Decision*. 45(3). 462-483

Clark, D. (1997). Strategic management tool usage: a comparative study. *Strategic Change*. 6(7). 417-427

Cockburn, I.; Henderson, R. and Stern, S. (2000). Understanding the origins of competitive advantage. *Strategic Management Journal*. 21(10-11). 1123-1145

Collis, D. (1991). A resource-based analysis of global competition: the case of the bearings industry. *Strategic Management Journal*. 12. 49-68

Collis, D. and Montgomery, C. (1997). *Corporate Strategy: Resources and the Scope of the Firm*. IL: Irwin

Collis, D. and Rukstad, M. (2008). Can you say what your Strategy is?. *Harvard Business Review*.

Connelly, L. (2016). Trustworthiness in qualitative research. *Understanding Research*. 25(6). 435-436

Conner, K. (1991). A Historical comparison of Resource-Based Theory and five schools of thought within Industrial Organization Economics: Do we have a new theory of the firm?. *Journal of Management*. 17(1). 121-154

Connor, P. and Becker, B. (1975). Values and the Organization: Suggestions for Research. *The Academy of Management Journal*. 18(3). 550-561

Creswell, J. (2007). *Qualitative Inquiry Research Design: Choosing among five approaches*. (2<sup>nd</sup> Edition). California: Sage Publications

Dälken, F. (2014). Are Porter's Five Competitive Forces still applicable? A critical examination concerning the relevance for today's business. 3<sup>rd</sup> IBA Bachelor Thesis Conference. University of Twente, Netherlands

Degravel, D. (2012). Strategy-as-Practice to reconcile small businesses' strategies and RBV?. *Journal of Management Policy and Practice*. 13(1). 46-66

Denney, A. and Tewksbury, R. (2012). How to write a literature review. *Journal of Criminal Justice Education*. 1-17

Denning, S. (2015). How to make a whole organization agile. *Strategy and Leadership*. 43(6). 10-17

- Deephouse, D. (2000): Media reputation as a strategic resource: an integration of mass communication and resource-based theories. *Journal of Management*. 26(6). 1091-1112
- Demsetz, H. (1973). Industry Structure, Market Rivalry and Public Policy. *The Journal of Law and Economics*. 16(1). 1-9
- Dierickx, I. and Cool, K. (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science*. 35(12). 1504-1511
- Dobbs, M. (2014). Guidelines for applying Porter's five forces framework: a set of industry analysis templates. *Competitiveness Review*. 24(1). 32-45. DOI: 10.1108/CR-06-2013-0059
- Døving, E. and Gooderham, P. (2008). Dynamic capabilities as antecedents of the scope of related diversification: the case of small firm accountancy practices. *Strategic Management Journal*. 29(8). 841-857
- Dyer, J. and Singh, H. (1998). The relational view: cooperative strategy and sources of inter-organizational competitive advantage. *Academy Management Review*. 23(4). 660-679
- Eisenhardt, K. and Martin, J. (2000) Dynamic capabilities: what are they?. *Strategic Management Journal*. 21 (10-11). 1105-1121
- Fainshmidt, S.; Wenger, L.; Pezeshkan, A. and Mallon, M. (2018). When do dynamic capabilities lead to competitive advantage? The important of strategic fit. *Journal Management Studies*. 56(4). 758-787
- Fiol, C. (1991). Managing culture as a competitive resource: an identity-based view of sustainable competitive advantage. *Journal of Management*. 17(1). 191-211
- Foss, N. and Knudsen, T. (2003). The resource-based tangle: towards a sustainable explanation of competitive advantage. *Managerial and Decision Economics*. 24(4). 291-307
- Ghemawat, P. (2002). Competition and business strategy in historical perspective. *Business History Review*. 76(1). 37-74
- Ghiglione, R. and Matalon, B. (2001). *O Inquérito: Teoria e Prática*. 4<sup>th</sup> Edition. Oeiras: Celta Editora
- Godfrey, P. and Hill, C. (1995). The problem of unobservables in strategic management research. *Strategic Management Journal*. 16(7). 519-533. DOI:10.1002/smj.4250160703

Golsorkhi, D.; Rouleau, L.; Seidl, D. and Vaara, E. (2010). Introduction: What is strategy as practice?. In D. Golsorkhi, L. Rouleau, D. Seidl, and E. Vaara (Eds.). *Cambridge Handbook of Strategy as Practice* (1-30). Cambridge: Cambridge University Press. 1-20. DOI: 10.1017/CBO9781139681032.001

Gouthier, M. and Schmid, S. (2003). Customers and customer relationships in service firms: The perspective of the resource-based view. *Marketing Theory*. 3(1). 119-143

Grant, R. (1991). The resource-based theory of competitive advantage: implications for strategy formulation. *California Management Review*. 33(3). 114-135

Grant, R. (2003). Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*. 24(6). 491-517

Grønne, T. and Skar-Gislinge, M. (2015). *Strategic Theory: SAS' Takeoff for a Sustained Competitive Advantage*. Master's Dissertation. Copenhagen Business School, Copenhagen

Grundy, T. (2006). Rethinking and reinventing Michael Porter's five forces model. *Strategic Change*. 15. 213-229. DOI: 10.1002/jsc.764

Guo, C. (2007). Is sustainable competitive advantage an achievable holly grail: the relevance between Academia and Business. *Journal of Business and Management*. 13(2). 115-126

Gustavsson, A. and Johansson, J. (2016). *Practicing the Resource Based View: Learning to play the song of "Theory in Practice"*. Master's Dissertation. University of Gothenburg – School of Business, Economics and Law; Gothenburg

Hansen, G. and Wernerfelt, B. (1989). Determinants of firm performance: the relative importance of economic and organizational factors. *Strategic Management Journal*. 10. 399-411

Hart, S. (1995). A Natural-Resource-Based View of the Firm. *Academy of Management Review*. 20(4). 996-1014

Henderson, B. (1979). *Henderson on corporate strategy*. Cambridge. Mass: Abt Books

Henderson, R. and Cockburn, I. (1994). Measuring Competence? Exploring firm effects in pharmaceutical research. *Strategic Management Journal*. 15. 63-84

Hill, C. (1988). Differentiation versus low cost or differentiation and low cost: a contingency framework. *Academy of Management Review*. 13(3). 401-412

Hinterhuber, A. (2013). Can competitive advantage be predicted?. *Management Decision*. 51(4). 795-812. DOI: 10.1108/00251741311326572

Hitt, M.; Bierman, L.; Shimizu, K. and Kochhar, R. (2001). Direct and moderating effects of human capital on strategy and performance in professional service firms: A resource-based perspective. *Academy of Management Journal*. 44(1). 13-28

Hölzl, W. (2005). The Evolutionary Theory of the Firm: routines, complexity and change. *Growth and Employment in Europe, Sustainability and Competitiveness*. Working paper no. 46. Available at: <http://www.wu-wien.ac.at/inst/vw1/gee/workp.html>

Hoskisson, R.; Hitt, M. and Yiu, D. (1999). Theory and Research in Strategic Management: Swings of a Pendulum. *Journal of Management*. 25 (3). 417-456. DOI: 10.1177/014920639902500307

Indris, S. and Primiana, I. (2015). Internal and external environment analysis on the performance of small and medium industries (Smes) in Indonesia. *International Journal of Scientific & Technology Research*. 4(4). 188-196

Jarzabkowski, P. (2003). Strategic Practices: An Activity Theory perspective on continuity and change. *Journal of Management Studies*.40(1). 23-55

Jarzabkowski, P. (2005). *Strategy-as-Practice: An Activity Based Approach*. Sage: London

Jarzabkowski, P. and Wilson, D. (2006). Actionable strategy knowledge: a practice perspective. *Journal of Management*.24(5). 348-367

Jarzabkowski, P. (2007). Strategy As Practice: An Activity-Based Approach. *Academy of Management Review*. 32(3). 986-998

Jarzabkowski, P.; Balogun, J. and Seidl, D. (2007). Strategizing: The challenges of a practice perspective. *Human Relations*. 60(1). 5-27

Jarzabkowski, P. and Spee, P. (2009). Strategy-as-practice: a review and future directions for the field. *International Journal of Management Reviews*. 11(1). 69-95

Jarzabkowski, P. and Kaplan, S. (2015). Strategy Tools-in-Use: A framework for understanding “Technologies of Rationality” in practice. *Strategic Management Journal*. 36(4). 537-558

Johnson, G. and Scholes, K. (1993). *Exploring Corporate Strategy*. New York: Prentice Hall.



Johnson, G.; Melin, L. and Whittington, R. (2003). Micro strategy and strategizing: towards an activity-based view. *Journal of Management Studies*. 40(1). 3-22

Johnson, G.; Langley, A.; Melin, L. and Whittington, R. (2007). *Strategy as Practice: Research Directions and Resources*. Cambridge University Press: Cambridge

Kalkan, A. and Bozkurt, Ö. (2013). The choice and use of strategic planning tools and techniques in Turkish SMEs according to attitudes of executives. *Procedia – Social and Behavioral Sciences*. 99. 1016-1025

Kaleka, A. and Morgan, N. (2017). Which competitive advantage(s)? Competitive advantage-market performance relationships in international markets. *Journal of International Marketing*. 25(4). 25-49

Kaufman, B. (2015). The RBV theory foundation of strategic HRM: critical flaws, problems for research and practice, and an alternative economics paradigm. *Human Resource Management Journal*. 25(4). 516-540. DOI: 10.1111/1748-8583.12085

Kay, N. (2010). Dynamic capabilities as context: the role of decision, system and structure. *Industrial and Corporate Change*. 19(4). 1205-1223

Knott, P. (2009). Integrating resource-based theory in a practice-relevant form. *Journal of Strategy and Management*. 2(2). 163-174

Kogut, B. and Zander, U. (1992). Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization Science*. 3(3). 383-397

Kozlenkova, I.; Samaha, S. and Palmatier, R. (2014). Resource-based theory in marketing. *Journal of the Academic Marketing Science*. 42(1). 1-21

Kraaijenbrink, J.; Spender J. and Groen A. (2010). The Resource-Based View: A review and assessment of its critiques. *Journal of Management*. 36(1). 349-372. DOI: 10.1177/0149206309350775

Lado, A.; Body, N. and Wright, P. (1992). A competency-based model of sustainable competitive advantage: toward a conceptual integration. *Journal of Management*. 18(1). 77-91

Lado, A.; Boyd, N. Wright, P. and Kroll, M. (2006). Paradox and Theorizing within the Resource-Based View. *Academy of Management Review*. 31. 115-131

La Ville, I. (2015). *A narrative approach to strategy as practice*. St. Louis: Federal Reserve Bank of St. Louis

- Lecocq, X.; Weppe, X. and Warnier, V. (2013). Extending Resource-Based Theory: considering strategic, ordinary and junk resources. *Management Decision*. 51(7). 1359-1379
- Leonard-Barton, D. (1992). Core capabilities and core rigidities: a paradox in managing new product development. *Strategic Management Journal*.13. 111-125
- Lin, C.; Tsai, H.; Wu, Y. and Kiang, M. (2012). A fuzzy quantitative VRIO-based framework for evaluating organizational activities. *Management Decision*. 50(8). 1396-1411. DOI: 10.1108/00251741211261999
- Lin, C. and Tsai, H. (2016). Achieving a firm's competitive advantage through dynamic capability. *Baltic Journal of Management*. 11. 260-285. DOI: 10.1108/BJM-11-2015-0224
- Lincoln, Y. and Guba, E. (1985). *Naturalistic Inquiry*. Newburn Park, CA: Sage
- Lippman, S. and Rumelt, R. (1982). Uncertain imitability: An analysis of interfirm differences in efficiency under competition. *Bell Journal of Economics*. 13(2). 418-438
- Lockett, A. (2005). Edith Penrose's Legacy to the Resource-Based View. *Managerial and decision economics*. 26. 83-98. DOI: 10.1002/mde.1214
- Lockett, A. and Wild, A. (2014). Bringing history (back) into the resource-based view. *Business History*. 56 (3). 372-390. DOI: 10.1080/00076791.2013.790371
- Lopes da Costa, R. and António, N. (2012). A “estratégia-como-prática”: a tipologia dos nove domínios. *Revista Portuguesa e Brasileira de Gestão*. 11(1). 13-25
- Lopes da Costa, R. (2014). A Estratégia-como-Prática e o Consultor como Prático da Estratégia. *Gestão & Planejamento*. 15(2). 190-212
- Lopes da Costa, R. and António, N. (2014). The importance of knowledge produced in the management consulting sector – a perspective analysis related to the research field of Strategy-as-Practice. *The East Asian Journal of Business Economics*. 2(3). 1-17
- Lopes da Costa, R.; António, N. and Brás-dos-Santos, J. (2018). Management consulting practices and praxis. *International Journal of Learning and Change*. 10(1). 1-18
- Lynch, R. (2000) Resource-based view: Paradigm or checklist?. *International Journal of Manufacturing Technology and Management*. 2(1). 1041-1054

Lynch, S. (2013). *Using Statistics in Social Research: A concise approach*. New Jersey: Springer. DOI: 10.1007/978-1-4614-8573-5

Madsen, D. (2017). Not dead yet: The rise, fall and persistence of the BCG Matrix. *Problems and Perspectives in Management*. 15(1). 19-34

Mahoney, J. and Pandian, J. (1992). The resource-based view within the conversation of strategic management. *Strategic Management Journal*. 13(5). 363-380

Makadok, R. (1999). Interfirm differences in scale economies and the evolution of market shares. *Strategic Management Journal*. 20. 935-952

Makadok, R. (2001). Towards a synthesis of the resource-based and dynamic-capability views of rent creation. *Strategic Management Journal*. 22. 387-401. DOI: 10.1002/smj.158

Makadok, R. (2011). The four theories of profit and their joint effects. *Journal of Management*. 37(5). 1316-1334. DOI: 10.1177/0149206310385697

Makhija, M. (2003). Comparing the Resource-Based and Market-Based Views of the Firm: empirical evidence from Czech Privatization. *Strategic Management Journal*. 24. 433-451

MAXQDA (2019). *The Art of Data Analysis*. Available at <https://www.maxqda.com/qualitative-data-analysis-software>.

Mendes, M. (2017). The winding road of Corporate Strategy. *Pensamento Contemporâneo em Administração*. 12(1). 33-46

McGahan, A: and Porter, M. (1997). How much does industry matter, really?. *Strategic Management Journal*. 18. 15-30

McKinsey and Company (2008). Enduring Ideas: the GE-McKinsey nine-box matrix. *McKinsey Quarterly*. Available at: <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/enduring-ideas-the-ge-and-mckinsey-nine-box-matrix>

Michalisin, M.; Kline, D. and Smith, R. (2000). The resource-based view of the firm: Does it go far enough in shedding the assumptions of the S-C-P paradigm?. *Journal of Management Inquiry*. 4(4). 309-407

Miller, D. and Shamsie, J. (1996). The Resource-Based View of the firm in two environments: the Hollywood film studios from 1936 to 1965. *The Academy of Management Journal*. 39(3). 519-543

Mohajan, H. (2017). An Analysis on BCG Growth Sharing Matrix. *Noble International Journal of Business and Management Research*. 2(1). 1-6

Morrison, A. and Wensley, R. (1991). Boxing up or Boxed in?: A short history of the Boston Consulting Group Share/ Growth Matrix. *Journal of Marketing Management*. 7. 105-129. DOI: 10.1080/0267257x.1991.9964145

Murray, A. (1988). A Contingency View of Porter's Generic Strategies. *Academy of Management Review*. 13. 390-400

Nelson, R. and Winter, S. (1982). *An evolutionary theory of economic behavior and capabilities*. (93<sup>th</sup>) Cambridge: MA Belknap

Newbert, S. (2007). Empirical research on the Resource-Based View of the firm: an assessment and suggestions for future research. *Strategic Management Journal*. 28(2). 121-146

Olavson, T. (2000). Generic Strategy: Types of Competitive Advantage. *EES&OR483 Strategy and Marketing Primer (version 3.0)*. Department of Engineering-Economic Systems & Operations Research. Stanford: Stanford University

Oliveira, B. (2008). *Strategy Tools' user in the largest companies in Portugal*. Master's Dissertation. ISCTE Business School; Lisbon

Ouma, G. and Oloko, M. (2015). The relationship between Porter's Generic Strategies and Competitive Advantage – a case study of bus companies plying the Kisumu-Nairobi Route, Kenya. *International Journal of Economics, Commerce and Management*. 3(6). 1058-1092

Park, J. and Park, M. (2016). Qualitative versus Quantitative Research Methods: Discover or Justification?. *Journal of Marketing Thought*. 3(1). 1-7. DOI: 10.15577/jmt.2016.03.01.1

Patton, M. (2002). *Qualitative Research & Evaluation Methods*. (3<sup>rd</sup> Edition). California: Sage Publications

Penrose, E. (1959). *The theory of the growth of the firm*. Oxford: Blackwell

Peteraf, M. (1993). The Cornerstones of Competitive Advantage: A Resource Based View. *Strategic Management Journal*.14(3). 179-191

Peteraf, M. and Barney, J. (2003). Unraveling the Resource-Based Tangle. *Managerial and Decision Economics*. 24. 309-323. DOI: 10.1002/mde.1126

Porter, M. (1979). The Structure within Industries and Companies' Performance. *The Review of Economics and Statistics*. 61(2). 214-227

Porter, M. (1980). Competitive strategy: Techniques for analyzing industries and competitors. New York: Free Press

Porter, M. (1981). The contributions of industrial organization to strategic management. *Academy of Management Review*. 6. 609-620

Porter, M. (1985). Competitive Advantage – Creating and sustaining superior performance. The Free Press: New York

Porter, M. (1996). What is Strategy?. *Harvard Business Review*. 74(6).

Porter, M. (2008). The five competitive forces that shape strategy. *Harvard Business Review*. 86(1). 78-93

Powell, T. and Dent-Micallef, A. (1997). Information technology as competitive advantage: the role of human, business, and technology sources. *Strategic Management Journal*. 18. 375-405

Prahalad, C. and Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*. 68(3). 79-91

Priem, R. and Butler, J. (2001). Is the Resource-Based View a useful perspective for Strategic Management Research?. *The Academy of Management Review*. 26(1). 22-40

Przychynski, R. and Bitencourt C. (2011). Resource-Based View: perspectiva empírica, tendências e abrangências em duas décadas. In ENANPAD XXXV – Anais do Encontro Anual da Associação dos Programas de Pós-Graduação em Administração, Rio de Janeiro

Qehaja, A.; Enver, K. and Shiroka, P. (2017). Strategic management tools and techniques: a comparative analysis of empirical studies. *Croatian Economic Survey*. 19(1). 67-99

- Ramos, S. (2017). *The role of portuguese companies in the development of corporate strategies: case study*. Master's Dissertation. ISCTE Business School, Lisbon
- Ricardo, D. (1817). *Principles of political economy and taxation*. London: J. Murray
- Robins, J. and Wiersema, M. (1995). A resource-based approach to the multibusiness firm: empirical analysis of portfolio interrelationships and corporate financial performance. *Strategic Management Journal*. 16. 277-299
- Robinson, S. (2008). *Understanding the Resource-Based View: Implications of Methodological Choice and New Creative Context*. Master's Dissertation. Queensland University of Technology, Australia
- Rubin, P. (1973). The expansion of firms. *Journal of Political Economy*. 84. 936-949
- Rumelt, R. (1984). Towards a Strategic Theory of the Firm. In R. Lamb. *Competitive Strategic Management*. (556-570). Englewood: NJ: Prentice Hall
- Russo, M. and Fouts, P. (1997). A resource-based perspective on corporate environmental performance and profitability. *Academy of Management Journal*. 40(3). 534-559
- Salvado, B. (2014). *Attaining sustainable competitive advantages while delivering an undifferentiated service. The resource-based view of the firm applied to a Portuguese audit company*. Master's Dissertation. ISCTE Business School, Lisbon
- Sampieri, R.; Collado, C. and Lucio, M. (2013). *Metodologia de Pesquisa*. 5<sup>th</sup> Edition. São Paulo: McGraw-Hill
- Saunders, M.; Lewis, P. and Thornhil, A. (2009). *Research Methods for Business Students* (5<sup>th</sup> Edition). Harlow: Pearson Education
- Schmalensee, R. (1985). Do markets differ much?. *The American Economic Review*. 75(3). 341-351
- Seeger, J. (1984). Reversing the images of BCG's Growth/Share Matrix. *Strategic Management Journal*. 5(1). 93-97
- Sheehan, N. and Foss, N. (2009). Exploring the roots of Porter's activity-based view. *Journal of Strategy and Management*. 2(3). 240-260
- Shu-Mei, T. and Pei-Shan, L. (2012). The effect of knowledge management capability and dynamic capability on organizational performance. *Journal of Enterprise Information Management*. 27(2). 158-179

Sigalas, C. and Economou, V. (2013). Revisiting the concept of competitive advantage: problems and fallacies arising from its conceptualization. *Journal of Strategy and Management*. 6(1). 61-80

Sirmon, D.; Hitt, M. and Ireland, D. (2007). Managing firm resources in dynamic environments to create value: looking inside the black box. *The Academy of Management Review*. 31(1). 273-292

Sirmon, D.; Gove, S. and Hitt, M. (2008). Resource management in dyadic competitive rivalry: the effects of resource bundling and deployment. *Academy of Management Journal*. 51(5). 919-935

Sirmon, D.; Hitt, M.; Ireland, R. and Gilbert, B. (2010). Resource orchestration to create competitive advantage: breath, depth, and life cycle effects. *Journal of Management*. 37(5). 1390-1412. DOI:10.1177/0149206310385695

Snow, C. and Hambrick, D. (1980). Measuring organizational strategies: some theoretical and methodological problems. *Academy of Management Review*. 5(4). 527-538

Täks, V. and Vadi, M. (2019). Who and how do participate strategic planning?. St. Louis: Federal Reserve Bank of St. Louis. Retrieved from <https://search.proquest.com/docview/2215728083?accountid=38384>

Tamayo, A. and Borges, L. (2001). Valores del trabajo y valores de las organizaciones. In María Ros and Valdiney Gouveia (Eds.). *Psicología social de los valores humanos: desarrollos teóricos, metodológicos y aplicados*. Madrid: Editorial Biblioteca Nueva

Teece, D.; Pisano, G. and Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*. 18(7). 509-553

Teece, D. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*. 28(13). 1319-1350

Tomer, J. (1987). *Organizational Capital: The path to higher productivity and well-being*. New York: Praeger

Tyler, B. (2001). The complementarity of cooperative and technological competencies: A resource-based perspective. *Journal of Engineering and Technology Management*. 18(1). 1-27

Tywoniak, S. (2007). Making sense of the resource-based view?. Proceedings Academy of Management. In *Academy of Management Conference*. Philadelphia

Vaara, E. and Whittington, R. (2012). Strategy-as-Practice: Taking Social Practices Seriously. *Academy of Management Annals*. 6(1). 285-336. DOI: 10.1080/19416520.2012.672039

Vala, J. (2005). A Análise de Conteúdo, In Silva, A. & Pinto, K (Orgs.), *Metodologia das Ciências Sociais* (13<sup>th</sup> Edition): 101-128. Porto: Edições Afrontamento

Vargas-Hernández, J. (2018). The link between a firm's internal characteristics and performance: GPTW & VRIO dimension analysis. *Revista de Administração IMED*-8(2). 222-235

Vilelas, J. (2017). Investigação: O processo de construção do conhecimento (2<sup>nd</sup> Edition). Lisboa: Edições Sílabo

Walter, S. and Augusto, P. (2011). O caleidoscópio da estratégia – O papel das consultorias externas no “strategizing” de uma organização. *Revista Portuguesa e Brasileira de Gestão*. 102-111

Vasconcelos, F. and Cyrino, A. (2000). Vantagem Competitiva: os modelos teóricos atuais e a convergência entre estratégia e teoria organizacional. *ERA – Revista de Administração de Empresas*. 40(4). 20-37

Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*. 5(2). 171-180

Wernerfelt, B. and Montgomery, C. (1988). Tobin's q and the importance of focus in firm performance. *The American Economic Review*. 78(1). 246-250

Wernerfelt, B: (2014). On the role of the RBV in marketing. *Journal of the Academy of Marketing Science*. 41(1). 22-23

Wheelen, T. and Hunger, J. (2012). *Strategic Management and Business Policy – Toward Global Sustainability*. 13<sup>th</sup> Edition. Upper Saddle River N.J: Pearson Prentice Hall

Whittington, R. (1996). Strategy as practice. *Long Range Planning*. 29(5). 731-735

Whittington, R. (2002). Practice perspectives on strategy: unifying and developing a field. *Best Paper Proceedings, Academy of Management*. Denver: United States



Whittington, R. (2004). Strategy after modernism: recovering practice. *European Management Journal*. 1. 62-68

Whittington, R. (2006). Completing the Practice Turn in Strategy Research. *Organization Studies*. 27(5). 613-634

Williamson, O. (1975). *Markets and Hierarchies: Analysis and Antitrust Implications – a Study in the Economics of Internal Organization*. New York: The Free Press.

Williamson, O. (1999). Strategy Research: Governance and Competence Perspectives. *Strategic Management Journal*. 20. 1087-1108

Wills-Johnson, N. (2008). The networked firm: a framework for RBV. *Journal of Management Development*. 28(2). 214-224

Wright, P; Dunford, B. and Snell, S. (2001). Human resources and the resource-based view of the firm. *Journal of Management*. 27. 701-721

Zegarra, A. (2016). Análisis del desempeño empresarial, empleando la teoría de la visión de la empresa basada em recursos (RBV). *Revista Investigación & Desarrollo*. 1(6)

## **APPENDIXES**

**Appendix I** – Interview’s Script (Translated from Portuguese)

**Appendix II** – Categorization and coding the *corpus* of the interview

**Appendix III** – Dictionary of categories

**Appendix IV** - Characterization of the Interviewees

**Appendix V** – Research Findings

**APPENDIX I – Interview’s Script (Translated from Portuguese)**

Dear Sir/Madam,

The following interview is carried out in the master's degree in Business Management of ISCTE and has the objective of exploring the impact of strategic theories in the decision-making process of managers, with the intention of obtaining better knowledge in regard to organizational strategy in Portugal. Assume strategic theories such as: various models with tools, methods, frameworks, approaches and methodologies which help and support the decision-making process on a strategic management level.

The interview is comprised of 10 questions and its completion takes, in average, 45 minutes.

It is important to underline that the main objective of this investigation is not centered in the search for truth but in approaching and adding relevant, reliable and consistent information. Lastly, the focus of the search intends the creation of a complement to the model already created by theory, in order to be applied to widespread organizations in the search of a sustainable competitive advantage.

Bearing this in mind, I herein request your consent to continue with this investigation asserting as its basis, the realization of interviews.

In the case you are interested in receiving a summary of this study, I request that you let me know in the end of the interview.

To conclude, I reinforce my gratitude for your collaboration availability and support.

## Company and respondent's data

The interview starts by requiring some data about the respondent and the company in order to better describe the respondents. Thus, we asked for the respondent's age, his educational background, years of experience, sector/ industry of activity and current position.

Age: \_\_\_\_\_

Gender:  Male  Female

Academic Degree:  Bachelor's degree  Master's degree  PhD.  Other

Years of Experience: \_\_\_\_\_

Function performed: \_\_\_\_\_

Sector/ Industry of Activity:

Education  Banks/ Insurance  Transportation  IT  Health

Management/ Consultancy  Marketing  Factory/ Industry  Other

## General Questions

### 1) Sustainable Competitive Advantage

a. What defines the competitive advantage of a company?

### 2) Strategic Tools

a. In regard to your company, business unit or department for whom you are currently working for, which tools and/or strategic theories have been used over the past five years, in a systematic fashion, with the aim of supporting the most relevant decisions? Below you can find a brief description of some of these values:

Value-Chain analysis;

Industry analysis (Porter's 5 Forces Model);

Market Position Analysis (Porter's Competitive Strategies);

- Portfolio Analysis (BCG Matrix);
- Resource and Capabilities Analysis (VRIO);
- Analysis of micro actions, which comprise the strategic activity (strategy as practice).

**b.** Is there a relation, in regard to contribution, between the indicated strategic tools and the company's performance?

### **3) Strategic Planning**

- a.** Strategic management, as a continuous and dynamic process of planning, organization, leadership and company control is based on the acronym PDCA (Plan, Do, Check and Act). In regard to strategic planning, what are the aspects to take into consideration as a starting point?
- b.** Considering that strategic planning sustains the process of formulation and strategy implementation, how can the above-mentioned tools/theories be a key factor?

### **4) Internal Company Analysis**

- a.** It is often stated that managers are experienced professionals in what concerns the identification and analysis of the connection between the company's costs and profits, neglecting the process of value creation for said company. Can you identify the resources and/or capacities, which are most valuable today for your company, business unit and/or department? (*Resources being perceived as all tangible and intangible assets that the organization holds and can be used in the creation and implementation of tactics/strategies*)

**5) Dynamic environment variations and respective impact**

- a. In a constantly changing environment, a company's ability to adapt to the market's competitive dynamism is crucial. In what way are the strategical theories important or unimportant to this adaptive process?
- b. Some literature advocates that the analysis of the resources and capabilities of the company is vital to a relevant decision-making process for managers. In your opinion what are the strengths and weaknesses of this analysis?

**6) Micro actions that comprise strategic activity**

- a. In your opinion, do the organizational values influence the competitive advantage of the same?
- b. In what way can the process of elaborating a strategic activity be positive towards the construction of a competitive advantage?

**APPENDIX II** – Categorization and coding the *corpus* of the interview



Generic Categories	Sub-Category	Empirical Objectives of Research
<b>Competitive Advantage</b>	Competition-Related	C 1.1.1.
	Differentiation / Uniqueness	C 1.1.2.
	Changing environment	C 1.1.3.
	Human Resources Management	C 1.1.4.
	Innovation related	C 1.1.5.
	Value-Creation/ Efficient	C 1.1.6.
<b>Strategic theories prioritization</b>	Value-Chain Analysis	C 2.1.1.
	Industry Analysis (Porter's 5 Forces Model)	C 2.1.2.
	Market Position Analysis (Porter's Competitive Strategies)	C 2.1.3.
	Portfolio Analysis (BCG Matrix)	C 2.1.4.
	Resources and Capabilities Analysis (VRIO)	C 2.1.5.
	Analysis of micro actions (Strategy-as-Practice)	C 2.1.6.
	Other	C 2.1.7.
	None	C 2.1.8.
<b>Strategic tools and company's performance</b>	As guidance	C 2.2.1.
	Unspecified impact	C 2.2.2.
	There is no contribution	C 2.2.3.

<b>Starting point in strategic analysis</b>	External Analysis	C 3.1.1.
	Internal Analysis	C 3.1.2.
	Dichotomy between Internal vs. External analysis	C 3.1.3.
	Profit and Loss Analysis	C 3.1.4.
	Other factors	C 3.1.5.
<b>Strategic tools as key factors towards strategic planning</b>	Resource's identification	C 3.2.1.
	External environment identification	C 3.2.2.
	Core strategy improvement	C 3.2.3.
	Other	C 3.2.4.
<b>Resource's Identification</b>	Human capital	C 4.1.1.
	Intangible	C 4.1.2.
	Technological	C 4.1.3.
	Financial	C 4.1.4.
	Other	C 4.1.5.
<b>Impact of strategic theories in a changing environment</b>	Relevant	C 4.2.1.
	Relevant when combined with other factors	C 4.2.2.
	Not relevant	C 4.2.3.
<b>Resource-Based Analysis – Strengths and Weaknesses</b>	Strengths	C 5.1.1.
	Weaknesses	C 5.1.2.

<b>Impact of organizational values</b>	Yes	C 6.1.1.
	Yes, when combined with other factors	C 6.1.2.
<b>Relevance of the micro actions that comprise the strategic activity</b>	Value-creation	C 6.2.1.
	Systematization/ Core	C 6.2.2.
	Support	C 6.2.3.
	Interdependency Relation	C 6.2.4.

**APPENDIX III – Dictionary of categories**

General Category: To explore, analyse and describe the known overlaps and diversities of strategy perceptions so as to crystallize a conceptual framework, based on the research findings, which is directed towards a managerial perception on strategy				
Research Question	Generic Categories	Subcategories	Sub-subcategories	Indicators
Taking into consideration strategic theories and business practices how can traditional hypothesis surmise a SCA?	1.1. Competitive Advantage	1.1.1. Competition-Related	NA	<i>"(...) Having a better cost-benefit ratio than the competitors."</i>
		1.1.2. Differentiation/ Uniqueness		<i>"(...) differentiating the way on how the company's services (...) are delivered"</i>
		1.1.3. Changing environment		<i>"(...) offered solutions so that (...) satisfies the market's needs (...)"</i>
		1.1.4. Human Resources Management		<i>"People are the driving force behind a CA."</i>
		1.1.5. Innovation related		<i>"(...) the innovation and the capacity to adapt/ resist to changes."</i>
		1.1.6. Value-Creation/ Efficient		<i>"All businesses begin with value-creation."</i>
Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?	2.1. Strategic theories prioritization	2.1.1. Value-Chain Analysis	NA	NA
		2.1.2. Industry Analysis		NA
		2.1.3. Market Position Analysis		NA
		2.1.4. Portfolio Analysis		NA
		2.1.5. Resources and Capabilities Analysis		NA
		2.1.6. Analysis of micro actions		NA
		2.1.7. Other		NA
		2.1.8. None		NA

Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?	2.2. Strategic tools and company's performance	2.2.1. As guidance	2.2.1.1. Human Resources	<i>"(...) most valuable and appreciated by the customers as a business card to win new customers, and above, retain (...)"</i>
			2.2.1.2. Strategical decisions	<i>"(...) as a complement and support to the strategy to be implemented."</i>
			2.2.1.3. Opportunities maximization	<i>"(...) improve a company's performance by allowing managers to identify the company's weaknesses and to define opportunities for improvement (...)"</i>
		2.2.2. Unspecified impact	NA	<i>"(...) may have a relevant impact (...)"</i>
		2.2.3. There is no contribution	NA	<i>"(...) not have any impact in the company's performance."</i>
What could be the most fitting starting point in strategic analysis?	3.1. Starting point in strategic analysis	3.1.1. External Analysis	NA	<i>"(...) analysis of the external environment (...)"</i>
		3.1.2. Internal Analysis	NA	<i>"(...) an internal analysis translated into specific objectives (...)"</i>
		3.1.3. Dichotomy between Internal vs. External analysis	NA	<i>"(...) external analysis vs. internal analysis may be the more relevant factor to consider (...)"</i>
		3.1.4. Profit and Loss Analysis	NA	<i>"(...) financial analysis (...)"</i>
		3.1.5. Other factors	NA	<i>"(...) some variables have already undergone (...)"</i>
	3.2. Strategic tool as key factors towards strategic planning	3.2.1. Resource's identification	NA	<i>"(...) support the resource's identification and their distribution over time in accordance to the firm's long-term strategy."</i>
		3.2.2. External environment identification	NA	<i>"(...) knowledge about the surroundings and the external environment."</i>
		3.2.3. Core strategy improvement	NA	<i>"(...) help managers in the decision-making process by identifying and satisfying the customer's requirements (...)"</i>

		3.2.4. Other	NA	<i>"(...) check and act are the tools that we (...) use (...)"</i>
<b>Could RBV be seen as an appropriate starting point in strategic analysis?</b>	4.1. Resource's Identification	4.1.1. Human capital	NA	<i>"People are the greatest assets."</i>
		4.1.2. Intangible	NA	<i>"(...) know-how and skills."</i>
		4.1.3. Technological	NA	<i>"Areas of technological innovation (...)"</i>
		4.1.4. Financial	NA	<i>"(...) financial resources (...)"</i>
		4.1.5. Other	NA	<i>"All resources are important, as long as, they are placed in the value-chain with their defined responsibilities (...)"</i>
	4.2. Impact of strategic theories in a changing environment	4.2.1. Relevant	NA	<i>"(...) as a means of supporting decision-making (...)"</i>
		4.2.2. Relevant when combined with other factors	NA	<i>"(...) strategic theories are very important as long as they are not static."</i>
		4.2.3. Not relevant	NA	<i>"(...) Most important is the practice and experience of the managers rather than the usage or knowledge of the theories."</i>
<b>Could the RBV be extended or somewhat improved by addressing its constraints?</b>	5.1. Resource-based analysis: strengths and weaknesses	5.1.1. Strengths	5.1.1.1. As a starting point	<i>"This analysis implies a strong pragmatism and awareness of basic tools that support the decision-making."</i>
			5.1.1.2. Understand what the firm can do	<i>"(...) their analysis is crucial so that resources and capabilities can be maximized when they translate into a competitive advantage and minimize the impact when they are not."</i>
			5.1.1.3. Inform about future decisions	<i>"(...) allow us to justify and sustain the decisions. (...) enables us to be prepared and to be proactive as we are then able to identify what is happening in real time and predict future needs/requirements."</i>

<p><b>Could the RBV be extended or somewhat improved by addressing its constraints?</b></p>	<p>5.1. Resource-based analysis: strengths and weaknesses</p>	<p>5.1.2. Weaknesses</p>	<p>5.1.1.4. Improve Competitive Advantage</p>	<p><i>“(...) allow us to formulate more realistic strategies with a greater possibility of success.”</i></p>
			<p>5.1.2.1. Transition from theory to practice</p>	<p><i>“(...) managers will then be able to focus in the analysis provided by the theory instead of focused in the reality.”</i></p>
			<p>5.1.2.2. Lack of focus</p>	<p><i>“Strategy tools are not 100% adapted to our company’s reality and terminology which may lead to some vices (...).”</i></p>
			<p>5.1.2.3. Strictly rational approach</p>	<p><i>“(...) the more dynamic the sector the more difficulties the managers will find to invest the needed time and costs (...).”</i></p>
			<p>5.1.2.4. Time-Consuming</p>	<p><i>“An excessive analysis of the company’s resources and capabilities may result in a conservative position.”</i></p>
<p><b>How can practices, activities and social interactions contribute towards</b></p>	<p>6.1. Impact of organizational values</p>	<p>6.1.1. Relevant</p>	<p>6.1.1.1. As attitudes and behaviors influencers</p>	<p><i>“(...) factors of improvement and reinforcement of the organization’s identity, serving as a reference point for the outside and the external environment.”</i></p>



organizational capabilities and routines?		6.1.1. Relevant	6.1.1.2. As differentiators	<i>“(...) what differs a company from its competitors is marked by the transparency, social and environmental responsibility, team spirit and remaining values that governs the company.”</i>	
			6.1.1.3. As organizational reinforcement	<i>“(...) values have a great impact on the attitudes and behaviors of the associates (...)”</i>	
		6.1.2. Relevant when combined with other factors	NA	<i>“(...) They have impact in the company's competitive advantage but not as a unique factor.”</i>	
	6.2. Relevance of the micro actions that comprise the strategic activity	6.2.1. Value-creation	6.2.1. Value-creation	NA	<i>“(...) by supporting the value-creation process (...)”</i>
			6.2.2. Systematization/ Core	NA	<i>“The process of elaborating a strategic activity, like any process, leads to the systematization of ideas and procedures and this discipline is indispensable in the construction of a competitive advantage (...)”</i>
			6.2.3. Support	NA	<i>“The strategic activity provides innovation, continuous improvement, adequate processes, market positioning and people involved – all situations triggering competitive advantage.”</i>
			6.2.4. Interdependency Relation	NA	<i>“(...) Generally speaking, the second (competitive advantage) depends on the first one.”</i>

**APPENDIX IV – Characterization of the Interviewees**

#### IV.1 – Characterization of the Interviewees

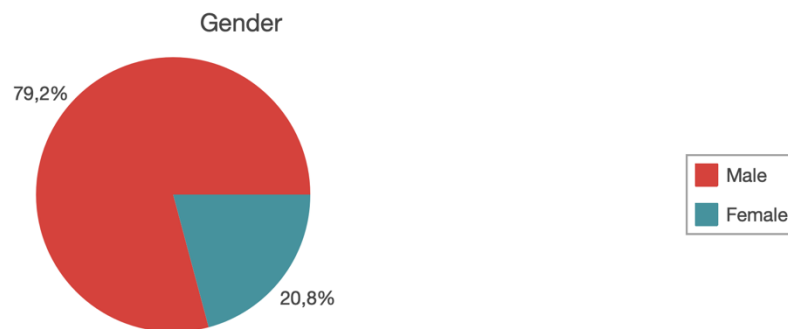
**Table 18:** Characterization of the Interviewees

Interviewee	Gender	Job Position	Education
I 1	Female	HR IT Consultant	Master Degree
I 2	Male	Multi-Channel Lead & Digital Partnerships	Doctoral Degree
I 3	Female	Chief Executive Officer (CEO)	Bachelor Degree
I 4	Female	Global Ecosystem Builder	Post-Graduate
I 5	Female	Operational Director	Master Degree
I 6	Male	Professor	Doctoral Degree
I 7	Male	CEO	Master Degree
I 8	Male	Managing Partner	Bachelor Degree
I 9	Male	Partner	Master Degree
I 10	Male	Executive Director	Bachelor Degree
I 11	Male	Chief Technology Officer (CTO)	Master Degree
I 12	Male	Project Manager	Bachelor Degree
I 13	Male	CEO	Doctoral Degree
I 14	Male	Director	Post-Graduate
I 15	Male	Managing Partner	Master Degree
I 16	Male	Consultant	Doctoral Degree
I 17	Male	Business Consultant	Doctoral Degree
I 18	Male	Managing Director	Bachelor Degree
I 19	Female	Executive Coordinator	Master Degree
I 20	Male	Commercial Manager and Salesman	Bachelor Degree
I 21	Male	CEO	Post-Graduate
I 22	Male	Partner	Bachelor Degree
I 23	Male	Mid-Market Senior Manager	Bachelor Degree
I 24	Male	Health Administrator	Bachelor Degree

**Source:** Formulated by the author

#### IV.2 – Interviewees characterization by gender

**Figure 10:** Percentage of respondents by gender



**Source:** Formulated by the author

#### IV.3 – Interviewees characterization by age group

**Table 19:** Table of frequencies regarding the age group of the interviewees

Age	AF	RF	RCF (%)
27-30	1	0,04	4,17
31-40	3	0,13	12,50
41-50	16	0,67	66,67
51-60	4	0,17	16,67
Total	24	1	100

Mean = 44,96; Median = 46,50; Mode = 47,00; Standard-Deviation = 6,59

**Source:** Formulated by the author

#### IV.4 – Interviewees characterization by academic degree

**Table 20:** Table of frequencies related to the academic degree of the interviewees

Academic Degree	AF	RF	RCF (%)
Bachelor's Degree	9	0,38	38,00
Master's Degree	7	0,29	29,00
Doctoral Degree	5	0,21	21,00
Post-Graduate	3	0,13	13,00
Total	24	1	100

**Source:** Formulated by the author

#### IV.5 – Interviewees characterization by hierarchical position

**Table 21:** Table of frequencies related to the hierarchical position of the interviewees

Position	AF	RF	RCF (%)
Senior Manager	3	0,13	13,00
Founder/ CEO	6	0,25	25,00
Director	6	0,25	25,00
Partner	4	0,17	17,00
Project Manager	4	0,17	17,00
Professor	1	0,04	4,00
Total	24	1	100

**Source:** Formulated by the author

#### IV.6 – Interviewees characterization by years of experience

**Table 22:** Table of frequencies related to the years of experience of the interviewees

Years of Experience	AF	RF	RCF (%)
03-10	3	0,13	13,00
11-20	7	0,29	29,00
21-30	13	0,54	54,00
31-40	1	0,04	4,00
Total	24	1	100
Mean = 20,88; Median = 21,50; Mode = 20,00; Standard-Deviation = 7,99			

**Source:** Formulated by the author

#### IV.7 – Interviewees characterization by industry/sector in which they are currently employed

**Table 23:** Table of frequencies for the industries/sectors that the interviewees represent

Professional Activity	AF	RF	RCF (%)
Business Consulting	11	0,46	46,00
IT/ Software	8	0,33	33,00
Health	2	0,08	8,00
Education	1	0,04	4,00
Retail & Distribution	1	0,04	4,00
Telecommunications	1	0,04	4,00
Total	24	1	100

**Source:** Formulated by the author

**APPENDIX V – Research Findings**

V.1 – 1<sup>st</sup> Research Question: Taking into consideration strategic theories and business practices how can traditional hypothesis support a SCA?

**Table 24:** Indicators and sub-categories for the first question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
1.1.1.	Competition	6	17,14	1,6,8,14,15
1.1.2.	Differentiation / Uniqueness	8	22,86	1,5,7,8,10, 11,12,17
1.1.3.	Changing environment	3	8,57	2,4,21
1.1.4.	Human Resources Management	5	14,29	2,9,11,16,23
1.1.5.	Innovation	6	17,14	2,3,4,7,13,24
1.1.6.	Value-Creation/ Efficient	7	20,00	6,13,18,19, 21,22,23

**Source:** Formulated by the author

V.2 – 2<sup>nd</sup> Research Question: Which are the traditional strategic theories that companies tend to prioritize when in pursuit of a SCA?

**Figure 11:** Strategic Tools in use



**Source:** Formulated by the author



**Table 25:** Indicators and sub-categories for the second question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
2.1.1.	Value-Chain Analysis	8	12,12	2,6,9,11,13,17, 23,24
2.1.2.	Industry Analysis (Porter's 5 Forces Model)	10	15,15	2,3,5,6,13,15,16,20, 23,24
2.1.3.	Market Position Analysis (Porter's Competitive Strategies)	11	16,67	2,6,13,15,16,18, 19,20,22,23,24
2.1.4.	Portfolio Analysis (BCG Matrix)	9	13,64	2,6,7,10,11,13, 17,23,24
2.1.5.	Resources and Capabilities Analysis (VRIO)	12	18,18	1,5,6,8,10,11,13, 15,20,21,23,24
2.1.6.	Analysis of micro actions (Strategy-as-Practice)	12	18,18	2,4,6,7,9,10,13, 17,18,21,23,24
2.1.7.	Other	2	3,03	6,13
2.1.8.	None	2	3,03	12,14

**Source:** Formulated by the author

**Table 26:** Indicators and sub-categories for the third question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
2.2.1.	<b>As guidance</b>	<b>20</b>	<b>80</b>	-----
	2.2.1.1. Human Resources	2	10	1,8
	2.2.1.2. Strategical Decisions	15	75	2,4,5,9,11,14, 15,16,17,18,20, 21,22,23,24
	2.2.1.3. Opportunities maximization	3	15	2,13,19
2.2.2.	<b>Unspecified impact</b>	<b>3</b>	<b>12,00</b>	6,7,10
2.2.3.	<b>There is no contribution</b>	<b>2</b>	<b>8,00</b>	3,12

**Source:** Formulated by the author

V.3 – 3<sup>rd</sup> Research Question: What could be the most fitting starting point in strategic analysis?

**Table 27:** Indicators and sub-categories for the fourth research question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
3.1.1.	External Analysis	7	20,59	2,4,7,15,19,20,23
3.1.2.	Internal Analysis	10	29,41	7,8,9,10,11,14,15,16,19,23
3.1.3.	Dichotomy between Internal vs. External analysis	7	20,59	3,6,13,17,18,22,24
3.1.4.	Profit and Loss Analysis	7	20,59	2,7,8,10,11,12,15
3.1.5.	Other factors	3	8,82	1,5,21

**Source:** Formulated by the author

**Table 28:** Indicators and sub-categories for the fifth question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
3.2.1.	Resource's identification	6	20,69	1,2,6,11,15,19
3.2.2.	External environment identification	4	14,00	1,2,13,24
3.2.3.	Core strategy improvement	15	51,72	4,7,8,9,10,12,13,14,16,17, 18,20,22,23,24
3.2.4.	Other	4	13,79	3,5,6,21

**Source:** Formulated by the author

V.4 – 4<sup>th</sup> Research Question: Could RBV be seen as an appropriate starting point in strategic analysis?

**Table 29:** Indicators and sub-categories for the sixth question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
4.1.1.	Human Capital	15	42,86	1,2,3,4,6,7,8,9,13,15,16,19, 20,21,22
4.1.2.	Intangible	12	34,29	1,2,6,7,10,11,12,14,15, 16,18,24
4.1.3.	Technological	4	11,43	9,19,20,22
4.1.4.	Financial	2	5,71	3,17
4.1.5.	Other	2	5,71	5,23

**Source:** Formulated by the author

**Table 30:** Indicators and sub-categories for the seventh question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
4.2.1.	Relevant	20	83,33	1,4,6,7,8,9,10,11,12,13,14, 15,16,17,18,19,20,22,23,24
4.2.2.	Relevant when combined with other factors	3	12,50	3,5,21
4.2.3.	Not relevant	1	4,17	2

**Source:** Formulated by the author

V.5 – 5<sup>th</sup> Research Question: Could the RBV be extended or somewhat improved by addressing its constraints?

**Table 31:** Indicators and sub-categories for the eight question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
5.1.1.	<b>Strengths</b>	<b>22</b>	<b>50,0</b>	-----
	5.1.1.1. Understand what the firm can do	10	45,45	3,5,9,10,11,13,14,15,20,21
	5.1.1.2. Improve competitive advantage	4	18,18	8,12,19,23
	5.1.1.3. Inform about future decisions	4	18,18	1,4,16,17
	5.1.1.4. As a starting point	4	18,18	2,7,22,24
5.1.2.	<b>Weaknesses</b>	<b>22</b>	<b>50,00</b>	-----
	5.1.2.1. Transition from theory to practice	8	36,36	1,4,5,9,11,12,20,24
	5.1.2.2. Lack of focus	7	31,82	2,6,7,14,15,16,22
	5.1.2.3. Time-Consuming	5	22,73	13,17,18,21,23
	5.1.2.4. Strictly rational approach	2	9,09	3,10

**Source:** Formulated by the author

**V.6 – 6<sup>th</sup> Research Question:** How can practices, activities and social interactions contribute towards organizational capabilities and routines?

**Table 32:** Indicators and sub-categories for the ninth question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
6.1.1.	Yes	23	85,19	-----
	6.1.1.1. As organizational reinforcement/ improvement	15	65,22	5,6,8,11,12,13,14,15 16,17,18,21,22,23,24
	6.1.1.2. As differentiators from the competition	3	13,04	1,3,7
	6.1.1.3. As attitudes and behaviors influencers	5	21,74	1,4,9,13,19
6.1.2.	Yes when combined with other factors	4	14,81	2,10,20,23

**Source:** Formulated by the author

**Table 33:** Indicators and sub-categories for the tenth question

Sub-Category	Indicator	AF	RCF (%)	Interviewees
6.2.1.	Value-Creation	1	4,17	1
6.2.2.	Systematization/ Core	6	25,00	3,6,11,13,14,18
6.2.3.	Support	9	37,50	2,4,5,9,16,20,21,22,23
6.2.4.	Interdependency Relation	8	33,33	7,8,10,12,15,17,19,24

**Source:** Formulated by the author