

The management of dynamic core-capabilities and their interactions with different types of development projects

Jungbauer, Arthur

Abstract

The dissertation considers one of the central themes of strategic management research: How to create and maintain a competitive advantage over a longer period of time? It is based on a resource- and capability-oriented framework focussing on the firms' "core-capabilities". The approach follows the idea that firms in fast changing industries cannot rest on their current core-capabilities for a longer time frame. They have to develop, adapt, and renew these capabilities to stay competitive. This capability development process depends to a great extent on the firm's former development path. Therefore it is crucial for the sustainment of the competitive advantage how the corporate management makes a link between the experience from the past and the firm's future needs.

Often there is an ambivalent relationship between the firm's core-capabilities and new development projects. The projects are hindered by the inertia of the incumbent organization against new forms of working behaviour. Especially projects that depart to a great extent from the main business may become a focal point of tension inside the organization.

The research was conducted with the help of descriptive/comparative case-studies in the high-technology industry sector. Data were gathered from firm brochures, internet sites, personal interviews, and participating observations. A pattern matching process was used to match empirical findings with 3 a priori constructed patterns.

The work may serve to complement the frame of reference for the management of dynamic core-capabilities. The approach seeks also to foster the link between intrapreneurship and the capability-driven approach in the field of strategic management, corroborating that the intrapreneurial context supports the building of a resource- and capability-focussed organization.