

# **Organizational Behavior**

analyzing resources and capabilities

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# Introduction

# Change in focus

- from external to internal
- stability
- accessibility
- predictability
- fitness
- ...

## basic questions

- What is our business?
- Who are our customers?
- Which of their needs are we seeking to serve?
  
- What will be our business?
- Who will be our customers?
- Which of their needs are we going to serve?
  
- Nosce te ipsum: resources and capabilities.

# Resources

## resources

### resources

Resources are the productive assets owned by the firm.

(Grant, 2018: 112)

## types of resources

- tangible
- intangible
- human

(Grant, 2018: 112)

# tangible

- easy to identify
- easy to value
- e.g.:
  - cash
  - inventory
  - machinery
  - land
  - buildings



# intangible

- not necessarily obvious
- hard to value
- e.g.:
  - brand
  - copyrights
  - patents
  - trademarks
  - trade names
  - customer lists

# human

- not necessarily obvious or accessible
- hard to value
- e.g.:
  - abilities
  - knowledge

# Capabilities

# capabilities

## capabilities

Capabilities are what the firm can do; a firm's capacity to deploy resources for the desired result.

(Grant, 2018; Helfat & Lieberman, 2002)

# types of capabilities

- distinctive
- core
- dynamic
- ...

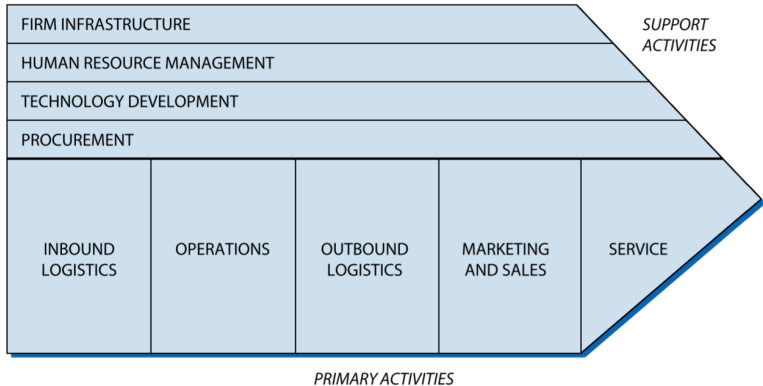
(Grant, 2018: 117–119)

# analyzing capabilities

- functional
- value chain

(Grant, 2018: 117)

# Porter's value chain



(Grant, 2018: 13)

# Resource-Based View



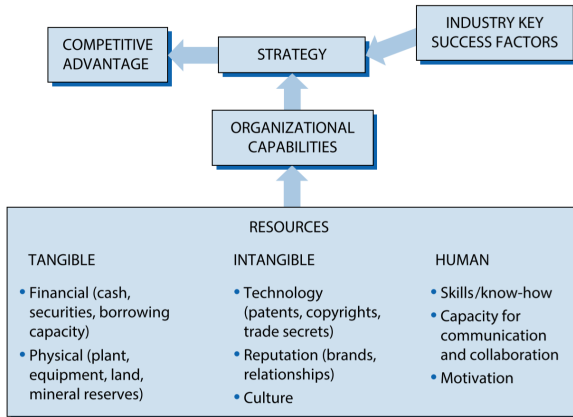
## the resource-based view of the firm

### the resource-based view of the firm

The resource-based view of the firm is a conceptualization of the firm as a collection of resources and capabilities that form the basis of competitive advantage and the foundation for strategy.

(Grant, 2018: 12,108)

# the links between resources, capabilities, and competitive advantage



(Grant, 2018: 113)

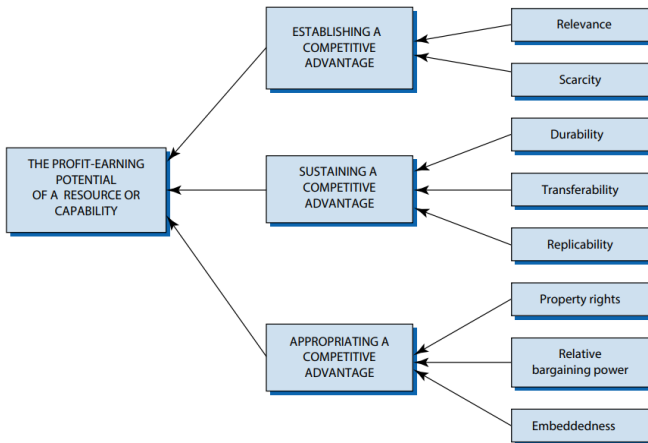
# the resource-based view of the firm

- Establishing Competitive Advantage
  - relevance
  - scarcity
- Sustaining Competitive Advantage
  - durability
  - transferability
  - replicability
  - appropriation

(Grant, 2018: 112)

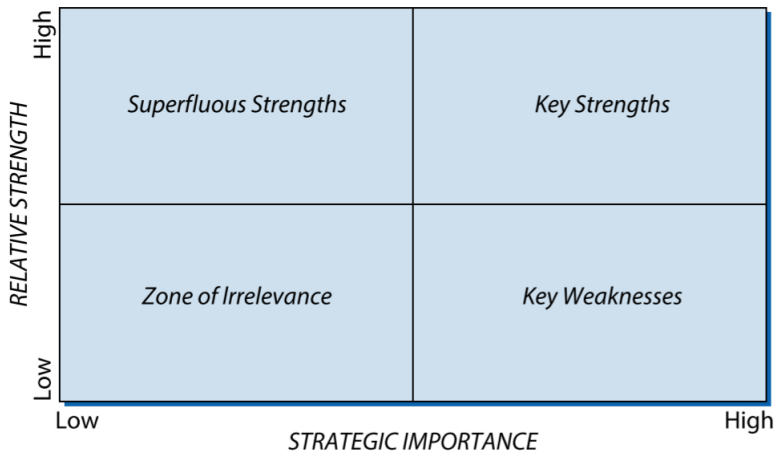
# Appraisal and Development

# appraising the strategic importance of resources and capabilities



(Grant, 2018: 120)

# the framework for appraising resources and capabilities



(Grant, 2018: 124)

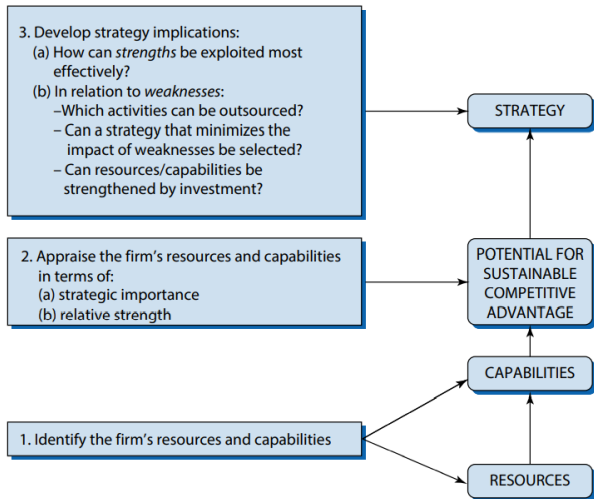
# the framework for appraising resources and capabilities

- exploiting key strengths
- managing key weaknesses
- exploring superfluous strengths
- determining relevance (context)

# Conclusion and Overview



# a framework for analyzing resources and capabilities



(Grant, 2018: 128)

# Sources

- Grant, R. M. (2018). Contemporary strategy analysis: Text and cases edition. John Wiley & Sons.
- Helfat, C. E., & Lieberman, M. B. (2002). The birth of capabilities: market entry and the importance of pre-history. *Industrial and corporate change*, 11(4). doi: 10.1093/icc/11.4.725

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U N I V E R S I T Y**