

# A Resource Based View: Perspective On Acquired Human Resource Towards Competitive Advantage

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**ABSTRACT:** Resource Based View are built on many theories in addition to diverse perspectives, we extend this view placing emphasis on human resources addressing the tools required to sustain competitive advantage. Highlighting on several theories and judgments assumptions were established to clearly reach if resource possession alone suffices for the sustainability of competitive advantage, or necessary accommodation are required for better performance. New practices were indicated in terms of resources used in firms, these practices were implemented on the human resource in particular, results were developed in compliance to the mentioned assumptions. Such results drew attention to the significance of practices that provide enhancement to human resources that have core responsibility of maintaining Resource Based View for an organization to lead the way to gaining competitive advantage

**Keywords:** Competitive Advantage, Resource Based Value, Human Resources.

## 1 Introduction

IN the field of Strategic Management an important topic had its impact and development, in terms of the Resource Based Value, emphasized strongly by Mahoney and Pandian in 1992. The importance of Resource Based Value (RBV) has shown its [1] significance in the strategic management field, and proposed a controversial issue in literature. Many previous studies revealed the [2] importance of a firm's resources in terms of its rareness, quality and the impact it develops on gaining competitive advantage, in other words does a firm's resources contribute to its production efficiency and innovation. The core purpose of this paper is to examine and question the Resource Based Value of the firm and its relation to competitive advantage sustainability. Furthermore, is the possession of a bundle of scarce valuable resources provide sufficiency to gain the competitive advantage and distinctiveness as Penrose indicated in 1959, where he stated that diversity of the resources gives the firm its unique form. After many years [3] a theory came out that resources are classified according to certain characteristics in terms of scarcity, inimitability and non-substitutability. The idea of resource based is that each company is heterogeneous in its resource possession and that's what makes each firm become distinctive in its own way. Reference [4] stated that such heterogeneity may suggest the rise of further questioning, are resources a basic method that needs to be converted to capabilities by being deployed and fully utilized to attain competitive advantage. In this paper further investigation throughout an empirical study will elaborate the importance of firms resources selectivity as an input for exploitation and deployment to become an acquired capability that will lead to gain competitive advantage, proving that its more than owning such resources and the value is extracted from knowing how and where to effectively utilize them.

## 2 RBV: THEORETICAL BACKGROUND

As we can determine from the introductory section mentioned above, there is an arousal of a conflict between the factors behind a firm's success in terms of acquisition and sustainability of competitive advantage. Therefore further analysis is imposed to indicate which assumption or theory makes more sense in the RBV practice of a firm whether proving that [5], [15] a Firm is only a bundle of diverse resources and is sufficient. As we can determine from the introductory section mentioned above, there is an arousal of a conflict between the fac-

tors behind a firm's success in terms of acquisition and sustainability of competitive advantage. Therefore further analysis is imposed to indicate which assumption or theory makes more sense in the RBV practice of a firm whether proving that a References [5], [15] A Firm is only a bundle of diverse resources and is sufficient to drive the sustainability of competitive advantage, or else.

### 1. A need of additional development & deployment are required to accommodate such resources to become a competence /capability.

If the first assumption is followed, then let's say however that the, [2] human resources is the most significant and influential on achievement of competitive advantage, as well as the most rational, such assumption indicates that a bundle of resources together will achieve the objective of RBV, then however human capital is the focal type of the resources that operate the rest of the bundle. Could this resolve the argument occurring with the second assumption that claims deployment as well as allocation are needed for such resources, then however people will be the core resource utilized for resources allocation, or this postulate maintains and strengthens the first assumption. As for any enterprise to sustain competitive advantage, they need to understand clearly the external forces as well as the internal, but however internal forces are easily measured and controlled throughout the concept of RBV theory implementation [6]. References [5], [15] A Firm is only a bundle of diverse resources and is sufficient to drive the sustainability of competitive advantage, or else A need of additional development & deployment are required to accommodate such resources to become a competence /capability. If the first assumption is followed, then let's say however that the, [2] human resources is the most significant and influential on achievement of competitive advantage, as well as the most rational, such assumption indicates that a bundle of resources together will achieve the objective of RBV, then however human capital is the focal type of the resources that operate the rest of the bundle. Could this resolve the argument occurring with the second assumption that claims deployment as well as allocation are needed for such resources, then however people will be the core resource utilized for resources allocation, or this postulate maintains and strengthens the first assumption. As for any enterprise to sustain competitive advantage, they need to understand clearly the external forces as

well as the internal, but however internal forces are easily measured and controlled throughout the concept of RBV theory implementation [6]. External forces are uncontrollable, but it is not less significant because we live in a dynamic world that is mainly operated through flow of information [7], and data that plays the most important role in strategic management decisions. A combination of theories discuss both internal and external forces together they substantially integrate each other to coordinate the practices and capabilities that enable the resources to become a value for the firm to gain competitive advantage. Such theories were associated with [8] all of them agreed on the concept that internal resources regardless on any specified resource are responsible for the success of gaining competitive advantage In terms of the two assumptions mentioned in the points 1, 2, this paper will focus on proving the postulate of [1] that RBV main emphasis is the human capital resource, it has the influence on all of the other firms internal resources as well as external.

### 3 LITERATURE

Many researchers emphasized on the importance of human resource in RBV, pinpointing on its significance. Reference [9] indicates it has been debated enormously that human resources had encountered challenges to develop a position in organizations Few Researchers acknowledged a fact that [10] conventional types of resources (natural, financial, operational) no longer suffice to obtain competitive advantage and a growing need for the human resource is attributed for better management. Reference [11] says Human Resource cannot operate in a competent way unless it's accommodated using organizational cultures. Reference [12] mentioned that there is difference between a firm owning human resource and a firm owning both human resources among their practices by which he meant the necessary tools required to develop and fully utilize the human resource. RBV had its effect on the human resource by which it's developed a macro perspective in HRM research, according to the assumption of resources of a firm need to be heterogeneous, immobile; researchers in terms of this recognized that a strategic deployment of people's knowledge and skills are essential to sustain competitive advantage of a firm. As [13], [14] illustrated in their study that theories of RBV in a firm in terms of understanding its people is a crucial step towards a sustainable competitive advantage. Reference [15] states that it is crucial to learn and comprehend about a firms practice to know more about its internal functions that develop innovation [16], [17], [18], Morris et al, 2005 suggested that a combination of human, social and organizational aspects define the firms competitive advantage. Some suggest however that there is a difference between human resources as a human capital pool and the practices in terms of tools that drive such resources to sustain competitive advantage. They emphasized that human resources practices are easily imitated by other organizations, therefore instead it needs to carry on with the efforts on deploying the human capital and motivate it to effectively reach the objective of innovation which is the key factor to gain competitive advantage. On the contrary another study indicates that the development of [19], [20] intangible resources provides sufficiency to attain an outstanding difference in the organizations performance [19] In a Meta analysis, conducted that human and the intangible resources of a firm are more effective in terms of its accommodation in the managerial process.

### 4 METHODS

According to the literature gathered, further study and analysis will be continued to track results by indicating the importance of human resource development in terms of its acquisition of knowledge, skills and other tools and its impact on a firm to gain as well as sustain competitive advantage. To prove such hypotheses, it is required to establish a link between the resources of human capital in particular in the resource based view [3] as a contribution to firm's competitive advantage and the set of measures such as acquired skills and learning. According to this matter a qualitative research method is contended to explore the topic of [10] innovation (intangible resource); in specific and how it's enhanced by human resource development and test the results it diffused on the attainment of sustainable competitive advantage. A survey done by years ago, indicates that approximately seventy eight percent among five hundred and forty CEOs of organizations stated that innovation is the key material stimulated and considered a top priority to attain competitive advantage. Continuing with the above progress data collection was done on diverse areas in terms of countries (Table I), industry to determine the assumptions in Fig. 1, asking questions and observing results using online surveys and questionnaires.

### 5 TABLES AND FIGURES

**TABLE 1**  
NUMBER OF COUNTRIES RESPONDING

Countries	Participating	Number of responses	Total
UK		100	394
France		20	
Germany		5	
Spain		7	
Italy		25	
Austria		30	
USA		78	
Canada		41	
Egypt		15	
UAE		10	
Qatar		3	
Kenya		5	
Indonesia		15	
Singapore		7	
China		25	
Sudan		8	

We started asking questions in terms of indicating the significance of human factor how much it is involved in the strategy of competitive advantage at first, Then we needed to identify and contemplate the theory of Resource Based Value (RBV), is the significance of human resource development and enhancement sufficient to assist the other resources to be deployed, results are illustrated in Table II.

**TABLE 2**

ILLUSTRATING THE SIGNIFICANCE OF HUMAN RESOURCES FOR THE SUSTAIN OF COMPETITIVE ADVANTAGE

Countries	Participants That re-sponded	Contended that hu-man re-sources is highly sig-nificant
UK		70 (70%)
France	100	15 (75%)
Germany	20	4 (80%)
Spain	5	3 (43%)
Italy	7	24 (96%)
Austria	25	22 (74%)
USA	30	65 (84 %)
Canada	78	40 (98%)
Egypt	41	7 (47%)
UAE	15	6 (60%)
Qatar	10	3 (100%)
	3	
Kenya		1 (20 %)
Indonesia	5	10 (67%)
Singapore	15	4 (58%)
China	7	24 (96%)
Sudan	25	3 (34%)
	8	
Total	394	301 (77 %)

n= Number of respondents (394)

Competitive Advantage = Dependant variable

Human Resource= Independent variable

**TABLE 3**

ILLUSTRATION OF THE MOST IMPORTANT PRACTICES IMPLEMENTED THAT MAKES HUMAN RESOURCE THE MAIN ASPECT IN RBV

Total res-pondents	Companies that relied on innova-tion	Companies that relied on learning	Companies that relied on quality man-agement
301	182 (61%)	57 (19%)	62 (20 %)

Human Resource = Dependent Variable

Practices Implemented = Independent Variable

However since 301 respondents agreed on the significance of human resources, the others when surveyed answered that a combination of other methods that are non-human play the important role for RBV of a firm.

**TABLE 4**

ILLUSTRATION OF THE NON-HUMAN RESOURCES FIRMS THOUGHT ARE HIGHLY IMPORTANT FOR RBV

Total Res-pondents	Types of non-human re-sources relied on mostly	Companies highly relying on	Percentage
93	Machines	45	48 %
	Knowledge	20	21.5 %
	Land	5	5.5 %
	Capital	13	14.5 %
	No specific response	10	10.5 %

Dependent Variable = RBV

Independent variable = non-human resources

**TABLE 5**

RATIO BETWEEN TOTAL PARTICIPANTS RELYING ON HUMAN RE-SOURCES AND THOSE RELYING ON NON-HUMAN

RBV Applied	Human sources	Re- Non -Human Resources
394	301 (76.5%)	93(23.5 %)

## 6 RESULTS

Numerically speaking, it is clearly obvious from the figures in Table V, that out of 394 companies of diverse sectors and from different companies around the world, a high percentage agreed on the principle that the main value for resources are based on the human factor which proves the theory of Barney 1987, as through them exclusively competitive advantage is developed and sustained. RBV is not only the possession of human resource capital, it needs to be accompanied by certain practices to enhance their abilities to overcome any challenges in the global market and attain distinction and competitive advantage among other firms. That's why heterogeneity is what makes each firm unique and bring out what best through the human mind as indicated in Table III, different measures and skills are practiced, the majority of respondents agreed on innovation while the rest in compliance answered learning & quality management. This proves that innovation is the key element to cope with the fierce competition, although results reveal that other companies can rely more on other factors intensively, at the end quality management as an internal strategy plays an integral role with the external factors that develop the concept of innovation. In terms of heterogeneity and inimitability proved by Barney in 1991, several years before he stated that human resource is the most influential, both theories integrate each other, as Table IV shows the group of respondents that rely highly on non-human resources, such resources used can be easily imitated or be similar with other firms with zero difference. However human resource as a firm's capital is always different from one firm to another due to utilization of key practices such as learning. Results from Table V, those 93 companies out of 394 (total), relying heavily on

non-human resources, when they were questioned about their past five years in their business operations, they said that narrow amount of innovation was established, market expansion was on local basis, in addition to owning a small to medium percentage in gaining market share, since the main firm's mission was survival through hard circumstances. On the other side the respondents that relied on the human factor to accommodate the practices and other resources, said that in the their past five years they reached out global markets, their export volume increased dramatically, also market share improved, as well as an expansion in their business portfolio was observed. In accordance to what is said previously, firms that adopted innovation are the most that conduct business on wider basis and had the opportunities to spread to international markets at speed, the main cause behind such achievements was mainly expansion in the business portfolios that provided edge and distinction in the worldwide market. The group respondents that used human resources intensively which put extra emphasis on learning, had results of improvement in terms of their business operation in the past five years, the efforts done in enhancing the performance and efficiency of employees was translated into additional productivity and better management style. Competitive advantage was developed on a small scale throughout most of these companies, they stated that they stressed on quality management to sustain the advantage. After observation of all these results, accordingly the assumptions mentioned previously (page 1), conclusion is that the results shown counteract assumption number 1, RBV cannot rely solely on a bundle of resources it owns to drive sustainability of competitive advantage as the firms that implemented this were beyond the normal standard of competition, such resources were used for mainly survival and ongoing operation. As assumption 2, suggested that a firm's resources not only need to be owned but it needs more development and deployment for attaining maximum utilization and efficiency. This paper's aim was to foresee the impact of human resource when accommodated properly in particular on RBV to sustain competitive advantage. The results obtained verified such assumption as firms that relied on the human resource but also implemented the necessary practices were ahead of other competitive firms in terms of gaining higher market share, expansion of business portfolio, higher penetration into global markets, which all are the aspects that lead to competitive advantage gain and sustainability. Furthermore, practices implemented as shown in tables in terms of innovation, learning and quality management not all have the same weight in providing the ultimate competitive advantage, as the firms that relied heavily on innovation are among the most successful carrying an edge towards outside markets, that leads them to appear at better form throughout competition. This proves [3] as clearly justified that resource heterogeneity is a main aspect that will lead to competitive advantage. In accordance to what they said, this paper adds human resource which is proved the most heterogeneous type of resource, no person is like the other even if they own similar characteristics, the skills they learn will be perceived differently therefore behavior will differ as well, this leads to driven force of creating potential and innovation that keeps competitive sustainability ongoing.

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