

Resource-Based Theory, Competition and Staff Differentiation in Africa: Leveraging Employees as A Source of Sustained Competitive Advantage

Paul J Davis

Kazakh British Technical University

Ewan Simpson

Kazakh British Technical University

This paper reports upon a research project designed to identify the extent to which and in what ways Human Resource (HR) managers in Africa view employees as a source of potential sustained competitive advantage (SCA) and whether Resource-based Theory (RBT) is being applied in practice. A qualitative research methodology is adopted, specifically a constructivist Grounded Theory Research Method (GTRM) approach. Data were collected through fifty-six semi-structured interviews from May 2015 through May 2016 with HR managers from 17 Sub-Saharan African countries. While the interviewees were not aware of RBT or consciously applying RBT principles and practices, many did see the potential for adopting a RBT model and the benefits it could deliver employees and the organization. However, some interviewees were skeptical of RBT and in all organizations represented by the sample there are many barriers to developing and implementing a RBT model. The study has advanced our knowledge of RBT in emerging African economies. The paper highlights a number of potential future research opportunities and acknowledges some of the study's limitations. There are potentially significant practical implications for companies in terms of maximizing employee capability and competitive advantage; opportunities currently being missed. There are implications for employees in terms of their development, job design and engagement and for HR managers developing HR strategy. The authors contend that this is the first empirical, multi-country study of Resource-based Theory in Africa.

INTRODUCTION

Globalization and the boundary-less organization have increased competition and accentuated the importance of good employees to business success. To compete successfully in the globalizing world, employees' knowledge and skills must be maximized and fully utilized (Whelan & Carcary, 2011; Collings & Mellahi, 2009; Lewis & Heckman, 2006). An important part of this is the identification and deployment of employee capabilities to meet strategic and productivity targets (Nilsson & Ellström, 2012) and managers must be the orchestrators of effective employee capability application to the business' needs. According to Ellehuus (2012), business leaders who are effective at managing employee talents

can generate revenues and profits up to seven percent greater than their counterparts who are less successful in this task.

In Africa the current outlook for organizations seeking to maximize the effectiveness of their workforce is bleak. Companies are struggling to find, develop and retain the quality employees they need (Kamoche *et al.*, 2015) and this challenge is weakening their ability to compete (Spies, 2011). Companies here face numerous impediments to maximizing the potential of their workforce. These challenges include a lack of investment in formal employee training and development (Mitra *et al.*, 2011; Webster & Wood, 2005); low competency in skills considered critical to competitive work-forces (Mitra *et al.*, 2011); adoption of western talent management practices which align poorly with African organizational contexts (Bagire, 2015; Silva *et al.*, 2015); poor working conditions and low financial compensation (Webster & Wood, 2005); corruption (Everhart, 2010; Okpara & Wynn, 2008); tribalism, AIDS and resistance to change (Okpara & Wynn, 2008); poor recruitment and promotion practices (Okpara & Wynn, 2008; Webster & Wood, 2005). In addition, the continent has a scarcity of educated, skilled labor (Kock & Burke, 2008; (Ghebregiorgis & Karsten, 2006).

The following section will demonstrate that there is significant evidence that under certain circumstances a company's internal resources, particularly differentiated employee competencies, can be a source of sustained competitive advantage (SCA) for organizations. This is the basic premise of Resource-based Theory (RBT). The nature of the competitive advantage that organizations can derive from employees is impressively diverse. In Africa, for example, this has included achievement of organizational goals and improved organizational performance (Ijigu, 2015; Al Damoe *et al.*, 2013; Akinyemi, 2012; Dimba, 2010). Furthermore, there is sufficient evidence from Africa that employee skills, knowledge and attitudes that are strategically deployed alongside well aligned and integrated broad HR initiatives have a compensative effect on other forces conspiring to mitigate the impact of employee contribution (Schlechter *et al.*, 2015; Onyema, 2014; Ihionkhan & Aigbomian, 2014; Akinyemi, 2012; Oladipo & Abulkadir, 2011). Therefore, the problems caused by, for example, a shortage of labor or endemic corruption, can be somewhat alleviated by better strategic application of the current workforce's full potential. The point is that organizations can do little about a culture of corruption or a continent-wide skills shortage, but they can indirectly address the frustrations such shortcomings create through innovative approaches to human resource management (HRM) strategy and practice.

This paper reports upon a study investigating the awareness and perceptions of RBT among HR professionals in the private sector in Africa. Specifically, the study explores the extent to which RBT is understood and applied in practice and whether African HR professionals believe that employee competencies can be a source of sustained competitive advantage for African companies. HR practitioners were specifically chosen as the subjects for the present study because HR practitioners are the bridge between SCA sourced through employees and the design and development of initiatives which enable and maximize employee contribution to the organization. The significance of the role of HR in this respect has been widely documented, including in Africa (Singh, 2014; Al Damoe *et al.*, 2013; Adomako *et al.*, 2013; Ofori *et al.*, 2012; Anifowose *et al.*, 2011; Bagraim & Sader, 2007; Pietersen & Engelbrecht, 2005).

LITERATURE REVIEW

Resource-based Theory and Competitive Advantage

RBT is concerned with the idea that a firm's internal resources can become a direct source of sustained competitive advantage (SCA) for the firm. This is distinct from traditional notions of competitive advantage popularized first by Porter (1985) which stressed competitive advantage was attained for the firm through external means such as products, location or customer base. Sveiby (2000) draws the distinction that while traditional views of competitive advantage, such as Porter's, are product-based, RBT is knowledge-based. The notion that a firm's human resources could be a source of SCA dates to 1984 (Fahy, 2000; Wright & McMahan, 1992) although it seems not to have gained much momentum as a mainstream theory in the academic literature until a decade later.

To enable employees to become a source of a firm's competitive advantage, it is necessary to affirm several principles that underscore the link between a firm's human resources and its business strategy. According to Karami *et al.*, (2004) there are four principles that link the two: 1. The firm must seek to ensure that it has capable and committed employees; 2. The firm must commit to the strategic importance of human resources to the success of the business; 3. Human resource activities must be managed by specialists; 4. Human resource management is integrated into business strategy.

In addition to the above, a firm's employees must also possess certain characteristics. Wright and McMahan (1992) claim that in order for a firm's internal resources (human or otherwise) to provide SCA, four criteria must be attributable to the given resource: (a) the resource must add value to the firm, (b) the resource must be unique or rare among current and potential competitors, (c) the resource must be impossible to imitate perfectly, and (d) the resource cannot be substituted with another similarly-functioning resource by competing firms. Commonly expressed in the literature as VRIN/O (valuable; rare; inimitable; non-substitutable with the organization in place to apply them). 'Having the organization in place' means having capable management in the organization is necessary. It also means more generally that the organization's systems, procedures, policies, structure and other internal elements must be organized and aligned in ways which support internal resources being able to be used strategically. Chew *et al.*, (2008) call this the process of organizing resources into capabilities. Resources themselves, the authors claim, only have the potential to create SCA but need to become organizational capabilities before they can add value.

According to Yang and Conrad (2011) RBT is concerned with organizational performance heterogeneity. The objective is to bring together a range of internal resources which combined and deployed strategically can create competitive advantage for the organization. Internal resources include various types of capital: Physical capital (buildings; machinery; stock); financial capital (investments; cash reserves; operating capital); human capital (the knowledge, qualifications, skills and experience of employees) and corporate capital (trademarks; patents; systems). Yang and Conrad (2011) explain that these resources become valuable when they are used to enable the organization to implement its business strategy. It is through the implementation of business strategy that sustained competitive advantage (SCA) can be achieved.

Leiblein (2011) has observed that RBT is premised upon two observable truths. Firstly, firms vary in their ability to control, access and organize productive resources. Secondly, firms' differences in resources and resource management at least partially explain performance differences among close competitors. The nature of resources and resource management are the two main issues that this section will address.

Strategic business applications

There have been a number of studies which have shown the strategic value of RBT to organizations. Sveiby (2001) found that RBT can inform the process of strategy formulation for businesses and act as a guide for strategic decision making and even setting the strategic direction for a business. He argues further that RBT provides a reason for the full realization of the importance of knowledge sharing and then converting this knowledge into actionable business strategies.

Other researchers have conducted studies that point to numerous specific ways that RBT can add to strategic decision making in different organizations. Shook *et al.*, (2009) found that RBT is a valuable perspective from which to understand strategic sourcing issues in manufacturing and services industries. The authors found that using RBT these businesses could improve the efficacy of important strategic decisions such as deciding between whether to manufacture, purchase or ally. They also found RBT was able to guide decisions such as selecting the right suppliers and deciding how many suppliers was optimum for different processes. The findings of the study conducted by Shook and colleagues are supported by a similar study of ninety-three textile and clothing firms in Italy (Ordanini & Rubera, 2008). They discovered a positive correlation between a firm's internal resources, including human resources, and key decision making capabilities in procurement. In other words, RBT when translated into practice improves strategic decision making in the business buying process.

Another link between RBT, human resources and strategic planning was the conclusion of Knott (2009). He found that RBT provides for the development of several models which organizations can use

to analyze their internal resources for the purposes of strategic planning exercises and decision making. These models, applying RBT, can outline an integrated set of steps which act as a map for management practitioners to base decisions on. In one of the earlier studies on the strategic applications of RBT in organizations, Olavarrieta and Ellinger (1997) discovered the theory is very useful for understanding strategic logistics because an organization's logistics possesses some of the same characteristics as RBT: elements of uniqueness and fairly inimitable. The authors argue that these characteristics help companies gain competitive advantage from their logistics capabilities. This is especially true in logistics activities such as strategic partnerships; outsourcing and location decisions. Therefore, RBT's central tenants can be mapped across to logistics and provide a guide for decision making.

Similarly to the above mentioned study, Bourne *et al.*, (2003) argue that RBT provides a fresh and insightful perspective to better understand operations management generally. They point out that traditionally areas such as operations management have been conceptualized through external theories of competitive advantage. However, they contend that external, market-based theories of operations management decision making are insufficient and that RBT provides a more valuable viewpoint from which to assess such business issues and make strategic decisions. Das and Teng (2000) also found RBT a useful framework for operations management decision making. They highlight the theory's applicability to better understanding strategic alliances between firms such as joint ventures and partnerships and that RBT can help identify which kind of strategic alliance is likely to maximize competitive advantage through the pooling of internal resources.

The final strategic business application where RBT can play an important role is marketing strategy. Hunt and Derozier (2004) say that RBT grounds theories of marketing strategy because RBT is a differentiation-provoking theory of competitive advantage. One example of this is that RBT demands unique and inimitable resources (such as skilled and creative employees) as prerequisites of attaining competitive advantage. Employees are key to the creation of goods and services for the marketplace which marketers must promote. Therefore RBT acts as an anchor for marketing strategy because it is constructed of principles which support marketing efforts.

Business improvement applications

This next section provides some examples from the literature that show RBT has good application to business improvement and organization development. The first three studies relate how RBT can be applied to improving all-round quality in business systems and processes. Quality assurance is important for achieving competitive advantage and for business sustainability.

Ooi *et al.*, (2009) conducted research especially interesting to this research project because they showed how RBT can be applied to integrate HRM and total quality management (TQM) in organizations. They developed a model which shows the relationships between quality management and human resource management. Most significantly, the research found that when integrated, HRM and TQM combine to positively impact on knowledge management (KM) outcomes. The central point is that both HRM and TQM are essentially based upon knowledge-driven principles and systems and so when fully integrated they combine to produce better knowledge creation, sharing and dissemination within an organization.

Another study that found a positive relationship between HRM and TQM was conducted using private companies in Sri Lanka (Wickramasinghe, 2012). This was a study of seventy-seven export-based firms which had international quality assurance accreditation and formal TQM programs in place. The study found that these firms had consciously upgraded the status and role of HRM in the business to support TQM programs. In these companies RBT identified human resources as a form of competitive advantage through TQM programs and so leveraged personnel skills and knowledge and provided enhanced development for employees. A different example where RBT was used to improve quality was in a US call center (Jack *et al.*, 2006). In this case the call center wanted to identify the kinds of operational challenges that managers face that might impact on their ability to improve service quality. The call center developed an analytic framework based upon RBT and found the framework very helpful in identifying human resource based management decisions that had an impact on service quality.

RBT has also been applied successfully to organizational change initiatives. Alas and Sun (2007) conducted a study where they held structured interviews with 160 managers in firms in northern China to identify how employees contributed to organization change projects. They concluded that generally the knowledge and skills of employees were ignored by Chinese managers during change and that managers used coercion and manipulation on employees to bring about change. This was found to increase employee resistance to change efforts. The authors concluded that RBT could be used to inform managers of the value of employees during change initiatives and that a RBT change-based model would ensure change is better managed and more successful.

Other business improvement and organization development areas where RBT has been applied include at a major US food services company. Lewis *et al.*, (2010) report that at a large, well established food services company in America, a RBT inspired framework achieved faster product development cycles than had been achieved using more traditional, market-based theories of competitive advantage. Hazen and Byrd (2012) discovered that a firm's information technology (IT) is critical to sustaining competitive advantage and that good IT depends upon human capabilities and integration with other internal firm resources such as other systems and process. RBT was applied to understand how IT can be developed and maintained for competitive advantage.

RBT has also been applied successfully to help firms expand and develop. Zubac *et al.*, (2012) demonstrate that RBT can provide for a model to help inform business owners and senior management where best to invest capital in the company for maximum returns. RBT can help identify which internal resources might return the highest value as a result of internal investment. Such a model can compare and contrast the different strengths and opportunities of various internal resources. Another study that applied RBT to business expansion and revenue generation was conducted on UK food retailers (Ellis-Chadwick *et al.*, 2007). The researchers studied the development and expansion strategies adopted by grocery retailers for creating sustained competitive advantage (SCA) in online grocery retailing using a RBT model. They found that IT infrastructure was only one part of what determined online selling success and that internal human resource capability was more important for the success of online retailing. Specifically, these capabilities were identified to be: strategic thinking, innovation, competitor analysis and risk taking.

A similar finding to the online grocery retailing was made by Wan *et al.*, (2011). Here the authors discovered that RBT can be applied to direct decision making regarding business diversification initiatives. A RBT framework can allow the firm to assess and maximize internal resources such as personnel and then capitalize on these resources by identifying ways in which the competencies of these resources can be transferable to related businesses and so pave the way for business diversification. An example might be that human resource capabilities within a hotel would allow the hotel to exploit opportunities to open restaurants.

The final business improvement or business development application presented here where RBT has been found to have merit is corporate social responsibility (CSR). In recent years the literature reflects that CSR has become an important initiative for firms of all sizes. McWilliams and Siegel (2011) found that RBT can be applied to helping organizations develop CSR initiatives because both CSR and CBT have the same prime objective which is to deliver SCA to the organization. The authors state that RBT models can identify in which ways and to what extent an organization can engage in specific CSR activities for maximum financial and non-financial (reputation building; community goodwill; brand promotion and so forth) return on CSR investment. RBT models can identify, for example, strengths of employees and their various out-of-work interests that can be a match with providing useful support to specific charitable or non-profit community organizations. This study's findings have been supported by other research (Gallego-Alvarez, et al., 2011) that has also found RBT provides a frame for better understanding CSR practices and how they can return value to the organization.

Human capital applications

This final section on the applications of RBT in organizations looks at how RBT models and frameworks can be applied to better understand human capital related business issues. Early examples of

RBT as a step to improving human capital outcomes in organizations focused on workplace learning. Smith et al., (1996) provide one of the earlier research studies on RBT and workplace learning whereby they developed an integrated model of the two. They proposed that RBT and workplace learning espouse the same principles of inimitability, inherent value and complex semi-permanence. This therefore means that RBT principles and workplace learning ideals can be integrated to develop learning interventions that can potentially be a source of direct competitive advantage for the organization. Later, Davis and Hase (1999) applied this approach in the construction industry to change the perception and approach of that industry towards workplace learning. They found that a RBT inspired approach was able to shift the nature of learning in construction from management control to employee-centered. This transition was achieved by demonstrating that employees can be a source of competitive advantage when developed in ways which empower and liberate them to think and act more freely. This meant managers releasing their control over learning processes and transferring more of the responsibility for learning to the employees.

According to Weissenberger-Eibel and Schenk (2009) firms that appreciate and understand RBT can apply it to encourage the development of KM initiatives within the business. The relationship is a cycle: A good grasp of RBT theory can produce models which can then nurture and steer KM initiatives. KM initiatives foster innovation through knowledge sharing, experimentation and strategic knowledge deployment; innovation is necessary for achieving competitive advantage. Knowledge management is especially important to RBT in action because it is one way in which firms can use employees to gain competitive advantage.

Two final applications of RBT to human capital issues in organizations are entrepreneurship (Andersen, 2012) and financial reporting (Abhayawansa and Abeysekera, 2008). The first study applied a RBT framework to analyze types of entrepreneurship in small businesses in Sweden. Anderson surveyed 186 small businesses and identified six distinct types of entrepreneurship. He argued that typically the literature uses just one definition to explain all types of entrepreneurship. Anderson explained that by applying RBT it is possible to identify complexities and subtleties in seemingly homogeneous concepts such as entrepreneurship and therefore RBT is valuable as an analytic tool to explore more thoroughly problems and opportunities.

Abhayawansa and Abeysekera (2012) studied the issue of human capital disclosure on financial statements of firms. This means the annual financial reports that listed companies must make publicly available. They applied a RBT framework to conceptualize a more appropriate view of human capital to meet the demands of the market (presumably analysts and investors). They found that the current approach to compiling financial statements lack detailed information on the organization's human capital. The authors state that such information is important to external parties who may use the financial statements of companies to make decisions such as, presumably, buying stock. Using a RBT analytic model the authors showed how human capital could be better reported that shows the value of employees to a company's worth. Such detailed reporting would provide higher quality information on which the market could make investment decisions.

Resource-based Theory and competitive advantage

This section will address the specific ways in which RBT can be applied to achieving competitive advantage through employees. This section of chapter five is especially relevant to HRM practitioners in organizations. It is they who must usually coordinate the programs and initiatives through which employees might achieve competitive advantage for the organization. It is HRM practitioners that best understand how employees can be enabled to make maximum contributions through their daily work. HRM practitioners have most influence over the proposal, design and implementation of policies that frame work practices. And HRM practitioners guide and advise management on bigger organizational decisions that can either advance or hinder employee achievement, loyalty, morale and commitment and in turn impact on organizational effectiveness. This section will show how other organizations have taken RBT, developed practice, and achieved good results for their organizations by utilizing employee abilities in progressive ways.

There is little doubt that valuable employees who are well managed have an impact on their organization's fortunes. Masakure *et al.*, (2009) assessed the financial performance of micro-enterprises in Ghana applying a RBT model and found that differentiated internal resources had a positive impact on firm performance. This is precisely the claim of RBT; where internal resources, such as employees, are 'differentiated' (VRIN/O) they can have a positive impact on firm performance by creating competitive advantage. The point made about employees being well managed is very important; even highly rare and inimitable internal resources will be useless if their potential is not recognized by the organization's senior decision makers and then appropriately acted upon. Kraaijenbrink *et al.*, (2010) explain that at first managers must identify the potential of an internal resource to be utilized for competitive advantage. Leiblein (2011) has said that it is precisely *because* firms do vary in their ability to harness the resources they have that: *There is a positive role for management in leveraging, accessing or developing scarce resources for the organization.*"(p. 911). Management's ability to correctly make best use of internal resources will ultimately influence the impact those resources will have on firm performance.

The first way in which RBT can be applied specifically to employees for the purposes of utilising their skills and knowledge for competitive advantage is through competence development. Clardy (2008) for instance suggests that RBT be the basis for organizations to develop business competencies so that competencies are focused on achieving competitive advantage. These should then be cascaded down to employees and inform the nature of the competencies they are developed to achieve. In this way, leadership and general employee training and development programs can be designed to skill people with the mindset and abilities to work in ways that contributes to organization competitive advantage.

Hunt and Madhavaram (2012) pick up from Clardy by suggesting that RBT frameworks can be practically applied to facilitate managerial actions and decisions. They state that managerial actions are known to influence performance and provide examples of such actions including: acquisition of customers; introduction of new products; business expansion; entering into business partnerships and takeovers. All such actions and the decisions that lie behind them would necessarily be based in competencies learned through development or experience. Therefore, employee competencies will predict certain actions and decisions that, if well chosen, can influence competitive advantage and firm performance.

An example to illustrate the point being made is provided by Menguc and Barker (2005) where a RBT framework and methodology was applied to understanding the importance of sales skills of field-based sales managers. The study analyzed managers across 102 large Canadian organizations. The study concluded that good sales skills have an impact on firm performance through creating competitive advantage because good sales skills are VRIN/O. It is not only the capabilities of managers and their actions that influence the fortunes of organizations. Khandekar and Sharma (2005) examined the links between HR capabilities, organizational performance and SCA. They sampled 300 line and HR managers in nine Indian and foreign global companies operating in India. They discovered that HR capabilities or competencies are positively linked to organizational performance in that those companies with best developed HR systems and practices were performing most well. Further; HR capability was found to be a significant predictor of SCA. The HR capabilities that had particular impact on organizational performance included: attracting and retaining the required people; developing employee expertise; rewarding employees; encouraging knowledge sharing across the business.

Before looking at the two main opportunities for organizations to leverage employees for competitive advantage, there are three studies to mention that show the diversity of ways in which employees can influence competitive advantage. The first study looked at the entrepreneurial behaviours of some employees within organizations. The study (Alvarez and Busenitz, 2001) found that employees who display entrepreneurial behaviours uniquely contribute to creating competitive advantage. The study considered entrepreneurial behaviours including creativity; innovation; experimentation and risk taking. Entrepreneurial employees perceived the organization and its resources differently; they saw opportunities to maximize resources that other employees did not see. The authors noted that entrepreneurial employees were better able to integrate internal resources and internal resource heterogeneity is a fundamental principle of RBT.

In an Italian study of hyper-growth firms, Cassia and Minola (2012) applied RBT in an attempt to identify what factors influence how firms can achieve hyper-growth. They identified two main factors: able to exploit extraordinary business opportunities and extraordinary knowledge-based internal human capital resources. The finding of the study is, in part, that truly exceptional employees can help a firm achieve truly exceptional results and so the extent to which your knowledge-based workers are VRIN/O seems proportional to the extent of the success the firm can enjoy (if exceptional business opportunities exist to be exploited).

The third example that illustrates the broad diversity of the ways in which employees can impact on firm performance and competitive advantage is a Spanish study. Pertrusa-Ortega *et al.*, (2010) conducted a study of large firms in Spain to identify how organizational structure might affect firm performance. The study concluded that organizational structure does not exert a direct influence over firm performance but an indirect influence when observed from a RBT perspective. The authors stated that organizational structure can be a VRIN/O resource from which a company can derive competitive advantage over rival companies.

RESEARCH DESIGN

The research project adopted a qualitative methodology and specifically a constructivist Grounded Theory Research method (GTRM). The constructivist method has been largely developed by Cathy Charmaz (2006; 2007; 2008; 2014) and this project has applied her guidelines on data collection and analysis. Semi-structured interviews were selected as the data collection method because, as Brinkmann (2014) has noted, this is the ideal form of investigation to understand people in organizations, their work experiences and the challenges they face in their jobs. Semi-structured interviews are also well suited to the principles of constructivism (Brinkmann, 2014; Cooksey & McDonald, 2010); the GTRM approach (Bryant, 2014; Urquhart, 2013; Creswell *et al.*, 2007). Data collection and analysis were conducted simultaneously (Charmaz, 2014) and data were sorted and analyzed using a coding process also detailed by Charmaz (2009). Part of the coding process also made use of memoing (Saldana, 2014; 2012). This process assists the researcher to reflect upon and link data during the analysis phase.

Participants were sourced through convenience sampling in that they were participants in executive workshops designed and delivered in Johannesburg and Cape Town by this paper's lead author. During a series of workshops over a twelve month period, fifty-six HR managers from seventeen Sub-Saharan African countries participated in interviews. Thirty-one participants were female; twenty five male. They ranged in age from twenty-six through to fifty-three and held various managerial positions from front-line supervisor through to director level in HR. The least experienced participant had three months experience as a HR manager and the most experienced had twenty-two years experience in HR and personnel management roles. Participants came from seventeen countries: South Africa; Malawi; Lesotho; Swaziland; Namibia; Botswana; Zambia; Mozambique; Tanzania; Kenya; Nigeria; Cameroon; Angola; Ghana; Gambia; Uganda and Rwanda. All participants worked in the private sector in a range of industries including financial services; transportation; retail; utilities; education services; construction and FMCG.

The interviews were based around five questions which were derived from the literature review and specifically the principles of RBT and VRIN/O detailed earlier. The questions were:

1. What do you know about the Resource-based theory of competitive advantage?
2. Do you believe that employee competencies such as skills and knowledge can be a source of sustained competitive advantage for the organization?
3. Does your organization currently derive sustained competitive advantage from your employees and if so, in what ways?
4. What needs to change or improve in your organization to better utilize employee competencies to better achieve sustained competitive advantage?

5. What internal or external challenges need to be addressed that may inhibit achieving sustained competitive advantage through your employees?

FINDINGS AND DISCUSSION

The interviews revealed that only two of the interviewees had a good understanding of RBT and how it can be applied in organizations. Both of these interviewees held higher degrees, had work experience in the UK and held subscriptions to western HR associations. This was found to explain their knowledge of RBT. Several respondents had some general idea of internal resources' applicability to helping organizations achieve SCA. In other words, they generally recognized that employees with valuable and differentiated skills could use these skills to help the organization to compete. For example; one respondent identified product development and advanced customer relationship skills as ways employees could help the organization gain SCA. However, the overwhelming responses in the interviews revealed that the participants did not know anything about RBT principles and practices. Most were aware of Porter's work on competitive advantage but did not know about the value of internal resources to SCA.

There was evidence that about one-third of the participants' organizations were engaged to some extent and at some time in practices that facilitate the achievement of SCA although this was not deliberate or done knowingly. These practices included participative management; employee engagement; self-directed work teams; employee empowerment initiatives; cascading decision making to lower levels of the organization and some innovative approaches to career development and employee learning. However, there was no formal, written or agreed plan to use employee competencies gained through such initiatives specifically as a means for gaining SCA and any SCA achieved would have been coincidental.

There was no measurement of how any of these practices might be returning SCA for the organization. The interviews revealed that there was almost no measurement of HR initiatives beyond very basic feedback from employees attending training programs. Interviewees mostly did not know how to objectively and systematically measure their initiatives and indicated that there was no expectation from senior management to do so. Indeed; more than half of the interviewees said that they played no real strategic role in their organization and that their tasks were limited more to transactional HR and serving business units needing to hire and fire employees or sourcing training for business units. Three participants even commented that HR need not be a strategic business partner to fulfill its obligations to the organization. Twelve interviewees said that their attempts to develop HR as a strategic business partner for their organization were thwarted by line managers and senior managers who just wanted HR to serve immediate employee needs and issues such as writing up employment contracts and processing time sheets.

Most participants did see some merit in adopting models, practices and frameworks to target SCA through employee competencies once RBT had been explained to them. Many interviewees seemed genuinely interested in the topic and several asked the interviewer for more information such as websites and books on the topic. Many participants were able to articulate where they could see opportunities in their organization for RBT to be applied and where it could overcome existing problems such as employee apathy; turnover of talented employees; excessive bureaucracy and improved customer outcomes. However, about a quarter of participants were skeptical about RBT in practice and its ability to achieve SCA for their specific organizations. The reasons for this were numerous and included organizational culture; organizational leadership; availability of financial resources; challenges with measuring SCA; employee commitment and internal organizational politics, business priorities and personal agendas of powerful organizational players. Challenges identified relating to RBT included African culture; corruption; favoritism; nepotism; tribalism; bureaucracy and lack of support for initiatives that cost money and appear to have no immediate returns or are more opaque than concrete.

The research identified that RBT and SCA through employee competencies are little understood and little appreciated. There is considerable skepticism around RBT in practice and organizations appear to be currently ill suited to adopt RBT in terms of their mindset and internal organization. HR managers felt

that lack of support, knowledge, funds and employee commitment would conspire to see any concerted focus on RBT fail.

In regards to the literature review it would seem that, based upon the interviews, African organizations are not deriving the benefits which many other organizations are in different parts of the world. The benefits that RBT has been found to deliver in connection with realizing SCA include overall organizational performance including financial performance; the development of employee entrepreneurial behaviors; the accomplishment of strategic goals and formulation of strategic plans; improved decision making; assessment of business opportunities and the exploitation of opportunities; improved operations management; marketing of goods and services; organizational development; business integration such as incorporating TQM with other initiatives; developing knowledge management; facilitating organizational change; business growth and expansion; business diversification; corporate social responsibility; workplace learning; employee morale and engagement; improving managerial excellence. The skepticism expressed by the interviewees regarding the benefits of RBT in relation to SCA are not supported by the considerable evidence that RBT has provide many advantages to organizations in disparate geographic regions and industries.

It could be the case that African organizations in particular have more to gain from RBT than those in fully industrialized nations in more developed and competitive markets. As many African organizations are still in a developmental stage it is likely that those which do adopt RBT stand to gain a considerable advantage over those which do not. The literature review highlighted that many African organizations find it difficult to recruit, develop and retain talented employees and that there is a lack of training and poor incentives in many African organizations. Additionally, issues like AIDS and tribalism further challenge organizations wishing to develop, grow and compete. Against this operating environment, African organizations need ways to compensate for the factors which hinder the achievement of strategic objectives and RBT offers a very good way to help do this. The literature review also provided evidence that other HR initiatives implemented in African organizations have delivered valuable benefits which suggests that RBT could be another employee-centered initiative that would complement existing HR initiatives and be equally advantageous.

RESEARCH IMPLICATIONS AND LIMITATIONS

There are important implications arising from the research findings that deliberate application of RBT in practice is essentially absent from African organizations. There are implications for HR practitioners, employees, private HR business consultants, organizations at large and scholarly researchers.

HR practitioners have an opportunity to expand their role and strategic contribution to their organization. The research findings indicate that there is work to do before launching in to any RBT initiatives. This work would include readying the organization for change by developing the organizational culture, gaining higher levels of employee commitment and support and engaging senior management through active participation in HR initiatives. The literature review also highlighted poor general HR practices also exist in many African organizations so there is a challenge to professionalize and integrate HR activities including recruitment, talent management and employee professional development. Some of these challenges are likely to require outside help and so there exists an opportunity for private HR consultants to partner with organizations in achieving these objectives. This may also present a challenge to HR consultants to perhaps change their focus from existing consulting services to learn about RBT so that they can help organizations develop appropriate models and initiatives around RBT.

For organizations and their senior leadership there are also implications. The research indicates that currently there are opportunities being missed to develop and grow organizations. Initiating and leading change and integrating RBT initiatives into strategic planning present a challenge to leadership. Organizations as a whole need to find ways to combat tribalism, the scarcity of talent and funds and deal with corruption. Perhaps developing new vision and mission statements, re-working strategic plans and then cascading these into new key performance indicators for employees and new job descriptions could

be worthwhile endeavors. Involving employees in these activities would be a way to engage their interest and encourage commitment and interest. It is important to state that the implications of doing nothing could have serious consequences into the future. As Africa becomes more integrated into the global economy organizations will need to find ways to better compete with overseas organizations. Employees' expectations regarding contribution to the organization and expectations of it will likely increase too. RBT is a way to serve both needs and a failure to act could cause organizations to fall further behind competitors for the best employees, for market share and for survival.

This research project has also highlighted the need and opportunity for further scholarly research. There is very little known about RBT in the African context yet Africa is a vast market and increasingly important in global business. Researchers could consider further how RBT can be best applied given the unique cultural and environmental circumstances African organizations operate in.

Finally, the authors acknowledge the limitations of the present study. The sample size was small and the data limited to only interviews. North Africa was not addressed by this study and the situation may be different there. Further, data were only collected from HR managers and organizational leaders, for example, may have a different perspective on the issues of the research. A quantitative study, perhaps using a survey, could collect data from many more participants and would undoubtedly help to contextualize the findings of this project. The authors encourage and welcome further and more detailed examination of RBT in Africa.

REFERENCES

- Abhayawansa, S. and Abeysekera, I. (2008), 'An explanation of human capital disclosure from the resource-based perspective', *Journal of Human Resource Costing and Accounting*, Vol. 12, No. 1, pp. 51 – 56.
- Adomako, S., Gasor, G. K. and Danso, A. (2013), 'Examining human resource managers' involvement in mergers and acquisitions (M&As) process in Ghana', *Journal of Management Policy and Practice*, Vol. 14 No. 6, pp. 25 – 36.
- [Akinboade](#), O.A., [Kinfaek](#), E.C. and [Mokwena](#), M.P. (2012), "An analysis of citizen satisfaction with public service delivery in the Sedibeng district municipality of South Africa", *International Journal of Social Economics*, Vol. 39 Iss: 3, pp.182 –199.
- Akinyemi, B. and Iornem, D. (2012), "Human resource development climate and employee commitment in recapitalized Nigerian banks", *International Journal of Business and Management*, Vol. 7 No. 5, pp. 91 – 99.
- Al Damoe, F. M. A., Yazam, M. and Hamid, K. A. (2013), "Human resource management practices on organizational performance in Libya firm", *Public Administration Research*, Vol. 2 No. 1, pp. 29 – 32.
- Alas, R. and Sun, W. (2007), 'Organizational changes in Chinese companies: a resource-based view', *Chinese Management Studies*, Vol. 1, No. 4, pp. 225 – 242.
- Alvarez, S.A. and Busenitz, L.W. (2001), 'The entrepreneurship of resource-based theory', *Journal of Management*, Vol. 27, pp. 755 – 755.
- Andersen, J. (2012), 'A resource-based taxonomy of manufacturing MSME's', *International Journal of Entrepreneurial Behaviour and Research*, Vol. 18, No. 1, pp. 98 – 122.
- Anifowose, B. D., Genty, K. I. and Atiku, O. S. (2011), "The post consolidation of banks: Human resources management challenges and prospects in Nigeria banking sector", *International Journal of Business and Management*, Vol. 6 No. 11, pp. 67 – 75.
- Bagire, V., Byarugaba, J. and Kyogabiirwe, J. (2015), "Organizational meetings: management and benefits", *Journal of Management Development*, Vol. 34, No. 8, pp. 960 – 972.
- Bagraim, J. and Sader, R. (2007), "Family-friendly human resource practices and organizational commitment", *Management Dynamics*, Vol. 16 No. 4, pp. 2 – 10.

- Bourne, M., Mills, J. and Faull, N. (2003), 'Operations strategy and performance: a resource-based perspective', *International Journal of Operations and Production Management*, Vol. 23, No. 9, pp. 944 – 946.
- Brinkmann, S. (2014), Unstructured and semi-structured interviewing. In P. Leavy (Ed.), *The Oxford Handbook of Qualitative Research* (pp. 277-299). Oxford: Oxford University Press.
- Bryant, A. (2014), The grounded theory method. In P. Leavy (Ed.), *The Oxford Handbook of Qualitative Research* (pp. 116-136). Oxford: Oxford University Press.
- Cassia, L. and Minola, T. (2012), 'Hyper-growth of SMEs: Toward a reconciliation of entrepreneurial orientation and strategic resources', *International Journal of Entrepreneurial Behaviour and Research*, Vol. 18, No. 2, pp. 179 – 197.
- Charmaz, K. (2006), *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*, London: Sage
- Charmaz, K. (2007), Constructionism and grounded theory. In J.A. Holstein & J.F. Gubrium (Eds.), *Handbook of constructionist research* (pp. 319-412). New York: Guildford.
- Charmaz, K. (2008), Grounded theory as an emergent method. In S.N. Hesse-Biber & P. Leavy (Eds.), *The Handbook of Emergent Methods* (pp. 155-170). New York: Guildford.
- Charmaz, K. (2014), *Constructing Grounded Theory*, London: Sage.
- Chew, D.A.S., Yan, S. and Cheah, C.Y.J. (2008), 'Core capability and competitive strategy for construction SMEs in China', *Chinese Management Studies*, Vol. 2, No. 3, pp. 203 – 214.
- Clardy, A. (2008), 'Human resource development and the resource-based model of core competencies: methods for diagnosis and assessment', *Human Resource Development Review*, Vol. 7, No. 4, pp. 387 – 407.
- Collings, D. and Mellahi, K. (2009), "Strategic talent management: a review and research agenda", *Human Resource Management Review*, Vol. 19, pp. 304-13.
- Cooksey, R. and McDonald, G. (2011), *Surviving and Thriving in Postgraduate Research*, Prahan, Victoria: Tilde University Press.
- Creswell, J.W., Hanson, W.E., Clark-Plano, V.L. and A. Morales (2007), 'Qualitative research designs: selection and implementation', *The Counseling Psychologist*, Vol. 35, No. 2, pp. 236 - 264.
- Das, T.K. and Teng, B.S. (2000), 'A resource-based theory of strategic alliances', *Journal of Management*, Vol. 26, No. 1, pp. 31 – 61.
- Davis, L. and Hase, S. (1999), 'Developing capable employees: the work activity briefing', *Journal of Workplace Learning*, Vol. 11, No. 8, pp. 298 – 303.
- Dimba, B. A. (2010), "Strategic human resource management practices: Effect on performance", *African Journal of Economic and Management Studies*, Vol. 1, No. 2, pp. 128 – 137.
- Ellehuus, C. (2012), "Transforming business leaders into talent champions", *Strategic HR Review*, Vol. 11 Iss. 2 pp. 84 - 89.
- Ellis-Chadwick, F., Doherty, N.F. and Anastasakis, L. (2007), 'E-strategy in the UK retail grocery sector: a resource-based analysis', *Managing Service Quality*, Vol. 17, No. 6, pp. 702 – 727.
- Everhart, S. S. (2010). The Resource Curse and Private Investment: A Theoretical Model of the Impact of Corruption. *Education, Business and Society: Contemporary Middle Eastern Issues*, Vol. 3, Iss. 2, pp. 117 – 135.
- Fahy, J. (2000), 'The resource-based view of the firm: some stumbling blocks on the road to understanding sustainable competitive advantage', *Journal of European Industrial Training*, Vol. 24, No. 2, pp. 94 – 104.
- Gallego-Alvarez, I., Prado-Lorenzo, J.M. and Garcia-Sanchez, I.M. (2011), 'Corporate social responsibility and innovation: a resource-based theory', *Management Decision*, Vol. 49, No. 10, pp. 1709 – 1727.
- Ghebregiorgis, F. and Karsten, L. (2006). Human Resource Management Practices in Eritrea: Challenges and Prospects. *Employee Relations*, Vol. 28, Iss. 2, pp. 144 – 163.

- Hazen, B.T. and Byrd, T.A. (2012), 'Toward creating competitive advantage with logistics information technology', *International Journal of Physical Distribution and Logistics Management*, Vol. 42, No. 1, pp. 8 – 35.
- Hunt, S.D. and Derozier, C. (2004), 'The normative imperatives of business and marketing strategy: grounding strategy in resource-advantage theory', *Journal of Business and Industrial Marketing*, Vol. 19, No. 1, pp. 5 – 22.
- Hunt, S.D. and Madhavaram, S. (2012), 'Managerial action and resource-advantage theory: conceptual frameworks emanating from a positive theory of competition', *Journal of Business and Industrial Marketing*, Vol. 27, No. 7, pp. 582 – 591.
- Ihionkhan P. A. and Aigbomian E. E. (2014). The Influence of Human Resource Management Practices on Organizational Commitment: A Study of Manufacturing Organizations in Nigeria. *Indian Journal of Commerce & Management Studies*, Vol. 5, Iss. 1, pp. 18 – 28.
- Ijigu, A. W. (2015). The Effect of Selected Human Resource Management Practices on Employees' Job satisfaction in Ethiopian Public Banks. *Emerging Markets Journal*, Vol. 5, Iss. 1, pp. 1 – 16.
- Jack, E.P., Bedics, T.A. and McCary, C.E. (2006), 'Operational challenges in the call centre industry: a case study and resource-based framework', *Managing Service Quality*, Vol. 16, No. 5, pp. 477 – 500.
- Kamoche, K., Siebers, L. Q., Mamman, A. and Newenham-Kahindi, A. (2015), "The dynamics of managing people in the diverse cultural and institutional context of Africa", *Personnel Review*, Vol. 44 No. 3, pp. 330 – 345.
- Karami, A., Analoui, F. and Cusworth, J. (2004), 'Strategic human resource management and the resource-based theory approach: the evidence from the British manufacturing industry', *Management Research News*, Vol. 27, No. 6, pp. 50 – 68.
- Khandekar, A. and Sharma, A. (2005), 'Managing human resource capabilities for sustainable competitive advantage: an empirical analysis from Indian global organizations', *Education and Training*, Vol. 47, No. 8, pp. 628 – 639.
- Knott, P. (2009), 'Integrating resource-based theory in a practice-relevant form', *Journal of Strategy and Management*, Vol. 12, No. 2, pp. 163 – 174.
- Kock, R. and Burke, M. (2008). Managing Talent in the South African Public Service. *Public Personnel Management*, Vol. 37, Iss. 4, pp. 457 – 470.
- Kraaijenbrink, J., Spender, C. and Groen, A.J. (2010), 'The resource-based view: A review and assessment of its critiques', *Journal of Management*, Vol. 36, No. 1, pp. 349 – 372.
- Leiblein, M.J. (2011), 'What do resource and capability-based theories propose?' *Journal of Management*, Vol. 37, No. 4, pp. 909 – 932.
- Lewis, M., Brandon-Jones, A., Slack, N. and Howard, M. (2010), 'Competing through operations and supply: The role of classic and extended resource-based advantage', *International Journal of Operations and Production Management*, Vol. 30, No. 10, pp. 1032 – 1058.
- Lewis, R.E. and Heckman, R.J. (2006), "Talent management: a critical review", *Human Resources Management Review*, Vol. 16 No. 2, pp. 139-54.
- McWilliams, A. and Siegel, D. (2011), 'Creating and capturing value: strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage', *Journal of Management*, Vol. 37, No. 5, pp. 1480 – 1495.
- Masakure, O., Henson, S. and Cranfield, J. (2009), 'Performance of microenterprises in Ghana: a resource-based view', *Journal of Small Business and Enterprise Development*, Vol. 16, No. 3, pp. 466 – 484.
- Menguc, B. and Barker, T. (2005), 'Re-examining field sales unit performance: insights from the resource-based view and dynamic capabilities performance', *European Journal of Marketing*, Vol. 39, No. 7, pp. 885 – 909.
- Mitra, J., Abubakar, Y. A. and Sagagi, M. (2011), "Knowledge creation and human capital for development: the role of graduate entrepreneurship", *Education + Training*, Vol. 53 No. 5, pp. 462 – 479.

- Nilsson, S. and Ellström, P.-E. (2012), "Employability and talent management: challenges for HRD practices", *European Journal of Training and Development*, Vol. 36 Iss. 1 pp. 26 – 45.
- Ofori, D. F., Sekyere-Abankwa, V. and Borquaye, D. B. (2012), "Perceptions of the human resource management function among professionals: A Ghanaian study", *International Journal of Business and Management*, Vol. 7 No. 5, pp. 159 –178.
- Okpara, J. O. and Wynn, P. (2008). Human Resource Management Practices in a Transition Economy: Challenges and Prospects. *Management Research News*, Vol. 31, Iss.1, pp. 57 – 76.
- Oladipo, J. A. and Abdulkadir, D. S. (2011), "Strategic human resource management and organizational performance in the Nigerian manufacturing sector: An empirical investigation", *International Journal of Business and Management*, Vol. 6 No. 9, pp. 46 – 56.
- Olavarrieta, S. and Ellinger, A.E. (1997), 'Resource-based theory and strategic logistics research', *International Journal of Physical Distribution and Logistics Management*, Vol. 27, No. 9, pp. 559 – 587.
- Onyema, E. O. (2014). Assessing the Relationship between Human Resource Management and Employee Job Satisfaction: A Case Study of a Food and Beverage Company. *Journal of Business Administration Research*, Vol. 3, Iss. 1, pp. 71 – 81.
- Ooi, K.B., Teh, P.L. and Chong, A.Y. (2009), 'Developing an integrated model of TQM and HRM in KM activities', *Management Research News*, Vol. 32, No. 5, pp. 477 – 490.
- Ordanni, A. and Rubera, G. (2008), 'Strategic capabilities and internet resources in procurement: A resource-based view of B-to-B buying process', *International Journal of Operations and Production Management*, Vol. 28, No. 1, pp. 27 – 52.
- Pertusa-Ortega, E. H., Molina-Azorin, J. F. and Claver-Cortes, E. (2010), 'Competitive strategy, structure and firm performance: A comparison of the resource-based view and the contingency approach', *Management Decision*, Vol. 48, No. 8, pp. 1282 – 1303.
- Pietersen, F. L. and Engelbrecht, A. S. (2005), "The strategic partnership role of senior human resource managers in South African organisations", *Management Dynamics*, Vol. 14, No. 4, pp. 47 – 58.
- Porter, M. (1985). *Competitive Advantage*, Free Press, New York.
- Saldana, J. (2012), *The Coding Manual for Qualitative Researchers* (2nd Edn.), London: Sage.
- Saldana, J. (2014), Coding and analysis strategies. In P. Leavy (Ed.), *The Oxford Handbook of Qualitative Research* (pp. 581-605). Oxford: Oxford University Press.
- Schlechter, A., Thompson, N. C. and Bussin, M. (2015), "Attractiveness of non-financial rewards for prospective knowledge workers", *Employee Relations*, Vol. 37 No. 3, pp. 274 – 295.
- Shook, C.L., Adams, G.L., Ketchen, D.J. and Craighead, C.W. (2009), 'Towards a theoretical toolbox for strategic sourcing', *Supply Chain Management: An International Journal*, Vol. 14, No. 1, pp. 3 – 10.
- Silva, M. R., Roque, H. C. And Caetano, A. (2015), "Culture in Angola: Insights for human resources management", *Cross Cultural Management*, Vol. 22 No. 2, pp. 166 – 186.
- Singh, P. (2014). Intervention of Transformational Collegial Leadership to Develop Human Resources. *International Business & Economics Research Journal*, Vol. 13, Iss.1, pp. 53 – 68.
- Smith, K.A., Vasudevan, S.P. and Tanniru, M.R. (1996), 'Organizational learning and resource-based theory: an integrative model', *Journal of Organizational Change Management*, Vol. 9, No. 6, pp. 41 – 53.
- Spies, P. H. (2011), "Sub-Saharan Africa's future is not a given", *Foresight*, Vol. 13 No. 3, pp. 85 – 99.
- Sveiby, K. E. (2001), 'A knowledge-based theory of the firm to guide in strategy formulation', *Journal of Intellectual Capital*, Vol. 2, No. 4, pp. 344 – 358.
- Urquhart, C. (2013), *Grounded Theory for Qualitative Research: A Practical Guide*, London: Sage.
- Wan, W.P., Hoskisson, R.E., Short, J.C. and Yin, D.W. (2011), 'Resource-based theory and corporate diversification: Accomplishments and opportunities', *Journal of Management*, Vol. 37, No. 5, pp. 1335 – 1368.
- Webster, E. and Wood, G. (2005). Human Resource Management Practice and Institutional Constraints: The Case of Mozambique. *Employee Relations*, Vol. 27, Iss. 4, pp. 369 – 385.

- Weissenberger-Ebil, M. and Schwenk, J. (2009), 'Lifeblood knowledge: dynamic relational capabilities (DRC) and knowledge for firm innovativeness and competitive advantage', *Measuring Business Excellence*, Vol. 13, No. 2, pp. 7 – 16.
- Whelan, E. and Carcary, M. (2011), "Integrating talent and knowledge management: where are the benefits?", *Journal of Knowledge Management*, Vol. 15 Iss. 4 pp. 675 – 687.
- Wickramasinghe, V. (2012), 'Influence of total quality management on human resource management practices: An exploratory study', *International Journal of Quality and Reliability Management*, Vol. 29, No. 8, pp. 836 – 850.
- Wright, P. M. and McMahan, G. C. (1992), 'Theoretical perspectives for strategic human resource management', *Journal of Management*, Vol. 18, No. 2, pp. 295 – 320.
- Yang, Y. and Konrad, A.M. (2011), 'Understanding diversity management practice: Implications for institutional theory and resource-based
- Zubac, A., Hubbard, G. and Johnson, L. (2012), 'Extending resource-based logic: applying the resource-investment concept to the firm from a payments perspective', *Journal of Management*, Vol. 38, No. 6, pp. 1867 – 1891.