



LEVEL 7 ASSIGNMENT SPECIFICATION

Student name:		Student number:	
Programme:	DBA		
Module:	Approaches to Research and Academic Communication	Module Level:	7
Module code:	SBPD7001	Contribution to Overall Module Assessment (%):	100% (80%)
Lecturer:	Dr Millissa Cheung	Internal Verifier:	
Assignment Title:	Portfolio	Assignment No :	1 of 1
Hand Out Date:	7 July 2018	Submission deadline:	19 August 2018

Referencing:	In the main body of your submission you must give credit to authors on whose research your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have read or quoted in order to complete this assignment (e.g. for books: surname of author and initials, year of publication, <u>title of book</u> , edition, publisher: place of publication).						
Disclosure:	Please include the following statement on the title page of the submitted assignment, followed by your name: I declare that this assignment is all my own work and that I have acknowledged all materials used from the published or unpublished works of other people. All references have been duly cited.						
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YES	✓						

TASK DESCRIPTION

TASKS

Choose a well-focused topic in your field of interest. You are to prepare a critical review of the research carried out on this topic over the past ten years, in which you also fully examine the epistemological, ontological and ethical issues in this research. Your portfolio should consist of the following:

- A critical literature review and bibliography of key research carried out on your topic over the last ten years. (Note that you may also include older references if they are considered foundational for the more recent research.) (4,000 words, 50%)
- A detailed discussion of **one** of the research studies mentioned in your literature review, focusing on research philosophy, ethics, reliability and validity. (3,500 words, 30%)
- A thirty-minute oral defense (viva) of your research (20%)

LENGTH REQUIRED

7,500 words +/- 10%.

FORMATTING AND LAYOUT

Please note the following when completing your written assignment:

1. **Writing:** Written in English in an appropriate business/academic style
2. **Focus:** Focus only on the tasks set in the assignment.
3. **Length:** 7,500 words +/- 10%
4. **Formatting:** Typed on A4 paper in Times New Roman or Arial font 12 with at 2 centimetre space at each edge, 1.5 spaced and pages numbered.
5. **Document format:** Word
6. Ensure a clear title, course, and name or ID number is on a cover sheet and a bibliography using **Harvard referencing** throughout is also provided.
7. **Research:** Research should use reliable and relevant sources of information e.g. academic books and journals that have been peer reviewed. The research should be extensive.

The use of a range of information sources is expected – academic books, peer reviewed journal articles, professional articles, press releases and newspaper articles, reliable statistics, company annual reports and other company information.

ASSESSMENT CRITERIA

This section details the assessment criteria. The *extent* to which these are demonstrated by you determines your mark. The marks available for each criterion are shown. Lecturers will use the space provided to comment on the achievement of the task(s), including those areas in which you have performed well and areas that would benefit from development/improvement.

Criteria	Marks Available	Marks Awarded
Identification and selection of appropriate research papers	10%	
Thematic structure	10%	
Critical evaluation	20%	
Writing clarity, style, grammar, correct use of Harvard referencing	10%	
Understanding of research philosophy	10%	
Critical discussion of ethical and methodological issues	10%	
Writing clarity, style, grammar	10%	
Presentation skills (Clarity, audibility, enthusiasm)	10%	
Ability to respond to questions	10%	
TOTAL	100	

Assignment Mark (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)	Late Submission Penalties (tick if appropriate)		%
	Up to one week late, maximum of 50%		

University of Wales Trinity Saint David

DBA Programme

Module: SBPD 7001

Approaches to Research and Academic Communication

Assignment: Research Portfolio 100% (80%)

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Hong Kong August 19, 2018

A Literature Review on Core Competence

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Abstract

Core competence (Prahalad et al 1990) is the “engine” of operational and managerial activities of a company. Core competence underpins a firm’s competitive strategies which enable the firm to achieve its sustainable competitive advantage in the market place for the ultimate objective of economic benefits. Over the past 30 years, researches on the topic of core competence had been rich and extensive since the concept was initiated on the basis of resources-based view (Wernerfelt 1984). The objective of this review is to find out a general view of the topic being studied over the past ten years. The research issue is to find out solutions to build core competence for achieving competitive advantage in a context of Chinese State-owned Enterprise (SOE) in Hong Kong. The research questions are: What is the definition of core competence? How to identify core competence? How to build core competence? Finally, how to leverage the core competence? This review on 24 selected research papers was lent by mainly three philosophies, the ontology, epistemology, and axiology. The reviewer (the author of this review) firstly summarized, and then synthesized the literature under review; and used a matrix table for analysis. A gap based on a unique context among the literature was identified within the reviewer’s interests. This gap was about the identification of core competence of Chinese State-Owned Passenger Transportation enterprise in Hong Kong; since no such researches have been carried on this niche. The author of this paper believes that such study on this important gap will have significant theoretical and managerial implications. The reviewer found useful information, and acquired solid knowledge from the literature in three categories relating to the topic: identification, building, and utilization of core competence. This literature review provided a solid knowledge base for understanding the concept of core competence and its utilization, for future studies on the topic to close the gap; and find solutions to resolve the practical problems for practitioners.

Key words: core competence, definition, identification, building, leveraging, competitive strategy, sustainable competitive advantage, Chinese state-owned enterprise

I. Literature review

I.1. Introduction

This collection of literature consists of 24 papers that addressed three related aspects of the topic, namely, definition and identification, building, and leveraging of core competence. Over the past three decades, researchers have taken extensive studies on core competence from the ontological perspective in terms of definition, linkage with other important variables (such as competitive strategy, competitive advantage and value chain etc), as well as the leverage of the core competence. The purpose of this literature review is to build up knowledge to identify the core competence and understand its practical utilization with a practical problem of finding out a solution to build core competence for achieving competitive advantage in a context of a Chinese State-owned Enterprise (SOE) in Hong Kong. The research questions are: What is the definition of core competence? How to identify core competence? How to build core competence? Lastly, how to leverage the core competence? The reviewer of this literature held the view that in order to survive and succeed in the turbulent environment; a firm should first understand exactly its core competence. This is the starting point for making corporate or business strategic decisions. Seminal articles on this subject and the related topics include corporate core competence by Prahalad, C. and Hamel, G. (1990), the resource-based view (RBV) by Wernerfelt (1984), sustainable competitive advantage by Barney (1991), and competitive advantage by Porter (1985). Ever since Wernerfelt's (1984) RBV, many studies on the topic of core competence have been conducted from different perspectives, in different context, and for different purposes. Over the past 30 years, studies on core competence have been getting more and more momentum and have been branching out to different dimensions within the business context. With the literature on the topic accumulated for more than 30 years, the whole picture of the development of the theory has become more crystallized and complete, which endues even more enthusiasm for further studies. The reviewer of this literature identified three main trends in these studies over the past ten years, which are identification, building, and leveraging of core competencies, as well as a significant gap in terms of business context for further studies. The reviewer developed a matrix table for better understanding the relationship among these 24 papers (see Table 1), and a framework to articulate the topic and other related subjects (see Figure 1). The reviewer would acclaim that those findings, solutions, paradigms and theories developed in the literature provide a valuable and holistic theoretical framework for the topic under

review.

For the purpose of this review, the reviewer deployed applicable methods. Throughout this review, the basic methods used include comparing, abstracting, summary, analyses, synthesis, and inference. 24 papers were included in this review according to the criteria: empirical studies, published in peer reviewed journals in the past ten years (including older references), and relevance to the topic area. These papers were reviewed to determine their attributes for one of the three categories, the definition and identification, the building, and the leveraging of core competence. In order to build up solid knowledge in the field and maintain rigorous, the reviewer perused ten articles in full text, and completed readings covering the rest of the papers in terms of abstract, introduction, literature review, results, discussion and conclusion.

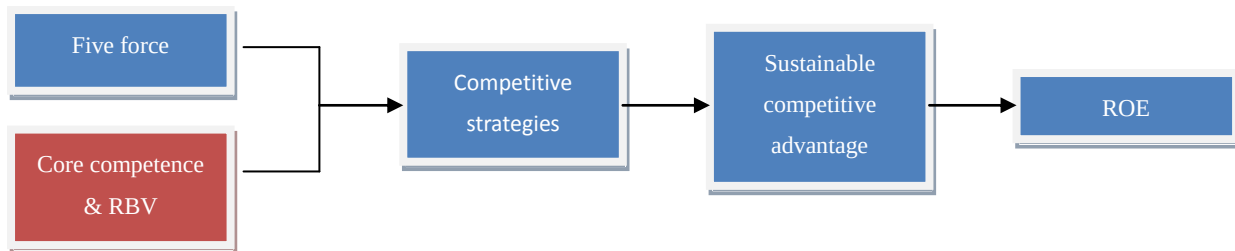
1.2.The review

In the academic field of core competence, the seminal works were about resources-base view (RBV) by Wernerfelt (1984) and Barney (1991); and the landmark work was about core competence by Prahalad and Hamel (1990). Wernerfelt (1984) first proposed RBV to differentiate the competitive advantages between enterprises. His underlying assumptions were that an enterprise holds a collection of different resources; and the management should focus on the specialties of such resources and the strategic elements to develop its sustainable competitive advantage. Barney (1991) also held the RBV and he proposed that firms can have different kinds of strategies, because they have different mix of resources. Barney also suggested the VRIO framework, namely value, rarity, imperfect-imitation and organization. VRIO can be used for strategy sustainability tests

The reviewer of the literature developed a framework (see Figure 1) and used it for review purpose. The framework encompassed the five force (Porter 1979), competitive strategy (Porter 1980), competitive advantage (Porter 1985), RBV (Wernerfelt 1984), and core competence (Prahalad et al 1990). Over the past three decades, many diligent researchers had focused their studies mainly on the topic in terms of the theoretical concept of or the leverage of core competence within the framework of competitive advantage. Taking the framework as a continuum, it was easy to notice that a firm makes corporate or business strategies starting from identifying its core competencies

(indicated in red Figure 1), and these core competencies are the underpinnings for competitive strategies. Companies' operation results are achieved by firms' competitive advantage which base on competitive strategies.

Figure 1. Competitive advantage framework



On this continuum, behind the five forces and core competence there are other factors should be considered, such as the philosophical underpinnings and assumptions; and to the right end after the sustainable competitive advantage, there are factors like return on equity and other corporate economic objectives or benefits that should also be considered. In this literature review, the reviewer shall focus on the part of core competence. Many researchers have come to consent that corporate sustainable competitive advantage achieved by firms' competitive strategies which may base on either one of the two different views, the five force theory by Porter (1979) and the core competence theory by Prahalad et al (1990). Porter (1979) proposed the five force theory for competition analysis, and he and other researcher took an external perspective and argued that product and industry structure were the determinants for firms to achieve sustainable competitive advantage. On the other hand, Prahalad et al (1990) took the internal perspective and considered the internal resources as the sources of competitive advantage. In this literature review, the chosen topic is core competence in a context of Chinese state-owned shipping company in Hong Kong. The review will cover literature relevant to this topic from the internal perspective.

I.3. Definition and identification of core competence

Basically, consents had been reached that corporate core competence underpins competitive advantages which based on competitive strategies; naturally, the issue of the definition of core competence would come out first. Prahalad and Hamel (1990) suggested that core competence of a firm was a perfect mix of resources and expertise of an organization. They argued that core

competences should be able to (1) enable a firm to access a wider market, (2) create value for customer through its products or services, and (3) they were difficult to be copied by competitors. Wernerfelt (1984) first proposed the resources-based view (RBV) to differentiate the competitive advantages between enterprises. His underlying assumptions were that an enterprise held a collection of different resources; and the management should focus on the specialties of such resources and the strategic elements to develop its sustainable competitive advantage. Barney (1991) held the same resource-based view and he proposed that firms can have different kinds of strategies, because they have different mix of resources. Barney suggested the VRIO framework, namely value, rarity, imperfect-imitation and organization. VRIO can be used for sustainability tests. Regarding the definition, Edgar, W. and Lockwood, C. (2011) suggested from the ontological perspective; that three questions were frequently asked by researchers. These were: (1) what are the corporate core competencies? (2) How can they be identified? and (3) what is the relationship between core competencies and other variables? Edgar et al in one of their studies provided a framework, a guideline and a description to answer these three questions respectively. In one of their studies, they provided a conceptual framework to identify the core competencies; and a description to link the core competencies with the knowledge of a firm. As far as back to the 70's, Ball (1973) argued that it was imperative to reevaluate technology and innovation management strategies, because of the current economic situation in USA. Ball then identified the close relationship among contemporary technology, competencies and resources; and proposed a model to relocate domestic resources. More specifically, Hafeez, K., Zhang, Y. and Malak, N. (2002) found the gap that some basic terms regarding core competence should be made clear. They considered corporate core competence as the most valuable treasure for business success. Hafeez et al claimed that definitions on some important concepts, such as resources, asset, capability and competence should be made clearly before a better understanding of some contemporary management theories: the resource-base view (Barney1991), the competence-based perspective (Prahalad et al 1990), and dynamic capabilities approach (Teece et al 1997). Through a case study in a manufacturing company in UK, Hafeez et al provided some working definitions on those terms, and proposed a linking mechanism to identify capabilities, competencies and core competencies. They proposed using mapping process to identify core competencies. Hafeez et al supported the view that core competencies were sources of sustainable competitive advantage; and they claimed that their findings and their framework for

identification of corporate core competences were generic for manufacturing and service companies. To refining the definition, Boguslauskas, V., and Kvedaraviciene, G. (2009) suggested that a firm should first understand its core competences and determine core competence and non-core competence. The authors claimed that core competence and core process were two different things; core processes of a firm were built by using core competencies. They insisted that processes with utilization of core competencies should not be outsourced, because core competencies underpinned sustainable competitive advantage of a firm.

In addition, there were some more inspiring views about the definition of core competence. Scarbrough (1998) suggested include organization knowledge as the core competences. Scarbrough advocated that core competencies theory; and he took a critical study on the core competences framework from an organizational perspective. With focus on organizational knowledge among the key features of resource-based theories, Scargbroguh argued that organizational knowledge was a valuable resource in the present knowledge-based view of competition, but he criticized that core competencies approach had neglected the factor of organizational knowledge. Scarbrough proposed a linear model to link skills, competencies and competitiveness. He asserted that organizational knowledge should never be negligible, and he pointed out that organizational knowledge was an objectified entity which can be deployed by top management for competitive performance. Such neglect could be one of the reasons why Hussain, M., Rahman, M., and Alam, M. (2006) argued that it was difficult to identify core competence. Hussain et al conducted a case study in a small private owned company to identify core competencies of the company. Hussain et al then found that it was very difficult to identify core competencies of such small company, because the owner/manager would not necessary to strive for making money; instead they may pursue other objectives such as independence, responsibility and personal involvement which were the possible reasons to explain the difficulties of identifying core competency of small companies. Hussain et al argued that for small companies, there could be five to 15 core competencies, and if there are more than 15 core competencies, such competencies should be considered as the constituent skills; and if there are less than five core competencies, there could be considered as too broad to define these competencies. Marino (1996) pointed out that there was lack of guidelines to identify core competences. Marino claimed that some international leading companies had achieved their

sustainable competitive advantage by guiding and leveraging their unique core competencies and capabilities; but there were inadequate guidelines for practitioner to identify competencies and capabilities. Marino accordingly conducted a research on how to understand core competencies and their utilization. Marino then provided such guidelines for practitioners in daily operation. These guides related to firstly identifying and developing core competencies, and secondly the leverage of such core competencies. Marino claimed that most of a firm's resources belong to one of three categories of assets: physical, human and organization. Lazarus (2002) held the similar view. Lazarus pointed out that most international leading firms only built their leadership with just a few core competencies and leveraged these core competencies to achieve global competitive advantage. In addition to core corporate competencies, Lazarus suggested that the most important competencies were leadership skills, technical expertise and management know-how. Prayor, M., Anderson, D., Toombs, L., and Humphreys, J. (2007) held the view that strategy implementation was a kind of core competency; because of the fact that many well crafted projects failed due to poor strategy implementation. Accordingly, the authors provided a 5 P's model for the purpose of enhancing strategy implementation.

The above ten studies addressed the research questions of definition and identification of core competence from different perspective, namely, the working definitions, inclusion of element, difficulty, distinguishing, guiding and the quantity of core competencies. These authors had made significant contributions to advance the literature by asking the most basic questions about core competence from the ontological perspective; and they provided insights for future studies.

I.4. Building core competence

Based on the previous section, the question immediately followed was how to build core competence. In this literature, Srivastava (2005) was the first researcher to address the issue. Srivastava defined a concept of critical competence and proposed a holistic critical competence framework to cover all aspects relating to competencies and skills. Srivastava exhorted that managers should not only focus on developing core competencies, but should continue to upgrade, cultivate, or replace them with considerations of the changes in internal and external environment. Liu (2012) suggested that core competence should be evaluated. Liu conducted a research and

developed a theoretical approach to integrate core factors into conceptual analytical models to evaluate overall competitiveness. These core factors were manufacturing strategies and transformational leadership with technology level, which were considered as factors contributing to achieve company's competitive objectives. Liu also suggested to use sense and respond (S & R) to optimize resources allocations. Liu's study aimed at identifying and developing the operational competitiveness to achieve sustainable competitive advantage. Mabuidscarenhas, B., Baveja, A., and Jamil, M., (1998) argued that a firm should concentrate on building its core competence while outsourcing the non-competence. Mabuidscarenhas et al claimed that identifying and knowing core competencies was critical to develop a firm's competitive strategy. They suggested focus on core competencies; and pointed out that outsourcing the other non-core competence activities would help a firm in four ways: 1) optimize what a firm can do the best, 2) create entrance barriers to competitors, 3) leverage external supports, and 4) reduce investment and operational risk in new areas. Mascarenhas et al argued that some studies had been done on identifying actual core competencies and evaluated such core competencies; but little research had been done on the dynamics of competencies. Accordingly, they asked questions about derivation, managing, maintaining and upgrading to avoid static core competencies. They identified three types of competences, the superior technological know-how, reliable processes, and external partnership. They found out that leading companies in U.S.A. do not keep rigid core competencies; instead they develop new competencies to cope with market changes. Mascarenhas et al suggested that a firm possessing multiple core competencies would make it impossible to be imitated by competitors; and it also increases the adaptability of the firm in the long-run perspective. Some researchers have suggested building core competence through internal or external systematic structuring. By internal approach, Chawla (2015) argued that core competencies can be created through vertical and horizontal market integrations to obtain competitive advantage and to secure market leadership; because market integrations can enhance the value chain of firm and optimize profit margins as well as increase market entry barriers to competitors. Sun (2013) suggested build core competence through business partnership. Sun argued that most significant change in building core competencies was that individual companies established strategic partnership in supply chains to achieve companies' sustainable competitive advantage. Sun pointed out that the utilization of core competences can be optimized to increase innovation through knowledge-sharing in the partnership.

Sun examined the regression among several variables using a hierarchical regression model and identified the positive relationship among innovation and other variables: level of knowledge perception and knowledge perception among partners. Sun asserted that in the ever changing knowledge-based economy today, companies chose to establish partnership supply chain as a measure to obtain required core resources, and related knowledge as a means to obtain core competences for building competitive advantage. Sun identified a positive relationship in knowledge sharing in value chain partnership which had positive influence on corporate innovation.

By external approach, Diez, F. and Spearot, A. (2014) focused their study on creation of core competencies through foreign direct investment for entry into the market of the host country. Diez et al developed a matching model to choose local partners in host countries. And they proposed three possible types of foreign investments, which are green field, joint venture and full acquisition.

Johnson, J. and Dimitratos, P. (2014) undertook a study on identifying core competences of micro-multinationals, based on the resources-base view (Wernerfelt 1984). Johnson et al defined a micro-multinational as small and medium-sized enterprise that possessed core competencies through establishing or foreign investment activities. Johnson et al claimed that their findings of core competencies of SMEs included six factors, namely, leadership, proactive strategies, customer responsiveness, market niche, global positioning, and effective networking. In addition to the internal restructuring and the external approaches of building core competence, there were other alternatives.

Clardy, A. (2007) considered core competence as an organizational capability for achieving competitive advantage; and provided a model with thoughts for the implication of RBV to core competencies for human resources development. Clardy argued that current literature looked at competence as individual skill proficiency, rather than an organizational characteristic. Claydy suggested that building core competencies should include the role of human resources development.

For more effective management of core competence, Ljungquist (2007) proposed a stream of researches focusing on practical process to identifying core competencies. It was suggested that such core competencies need continuous development; otherwise they would become core rigid. Therefore Ljungquist claimed that core competencies of company should be managed separately. He suggested that core competencies management should be context-dependency. He identified three core competencies in the case company; 1) resources, 2) service-producing core competence, and 3) good-producing core competencies. Hsu et al (2014) suggested that building an appropriate

corporate culture would foster entrepreneurship within company. They also advocated that an integrated management effort in terms of knowledge, process and technology should be deployed for innovation.

The above ten papers addressed the issues of building the core competencies from different perspectives, and also the leveraging of core competencies in different contexts. These studies were based on or supplementary to the antecedent literature in terms of outsourcing, optimizing, integration, FDI, partnership, and nurturing; and in the contexts of HR roles and value chain.

I.5.Leveraging core competence

Utilization of core competence had attracted great attention from practitioners; because, a firm's ultimate objective is to leverage core competence to achieve competitive advantage for better returns. The importance was addressed by Barney (1991). Barney pointed out that if a firm can not coordinate effectively and efficiently its resources and capabilities, it will be at competitive disadvantage even it has the valuable, rare and difficult to imitated resources and capabilities. A study by Cheng, Y. and Yeh, C. (2007) had indicated that core competence facilitated company's operation. Cheng et al conducted a study to identify core competencies of air-cargo forwarding industry in Taiwan. They investigated the relationship between core competences and sustainable competitive advantage (SCA) in the industry. The findings were that resources, capabilities and logistics services had strong affect on sustainable competitive advantage for the industry. The results of the study had the merits for strategic planning of that industry in Taiwan. The benefits of core competence to other related issues were also endorsed by Hsu C., Tan, K., Jayaram, J., and Laosirihongthong, T., (2014). Who conducted a study to examine the relationship among corporate entrepreneurship, core competency and innovation in the auto industries in five countries in South-East Asia. The study found that a positive relationship existed among these three variables, and found that innovation was derived from core competency on which through the influence of entrepreneurship.

Some insightful thoughts about core competence were a warning by Mehta, S., and Peters,L.(2007) and a suggestion by Trott (2009). Mehta et al suggested that outsourcing could have short-term

effect of weakening firm's competencies and in the long-run would increase the risk of competition because of the diffusion of core competencies in terms of best knowledge or skills to other rivals in the market. Trott et al advocated company to "go green" for enhancing brand equity; and he carried out a survey on the topic in the Indian automobile industry. His study focused on the impact of green core competencies on green innovation and image. His study found four reasons for companies to go green, which are profitability, corporate social responsibility, laws and regulations, and cost and return.

The papers in this section addressed the importance of the management of the core competence, the execution, performance evaluation, innovation, the contribution to achieve competitive advantage, and application in different business context. These articles also provide warning; and advocate of social responsibility in the leverage of core competence. These works made the advancement in applying the theory of core competence to practice.

I.6 Discussion

This literature review focused on a collection of 24 research papers on the topic of corporate core competence over the past ten years (included older references). The reviewer identified three main categories of studies, which were identification, building, and leveraging of core competence respectively. The organized literature in three categories is shown by Table 1 below:

Table 1 Core competence: synthesis of literature and niche

No.	Context	Category		
		Identification	Building	Leveraging
1	Definition	Prahalad et al (1990)		
2	Conceptual framework	Edgai et al (2011)		
3	Technology and innovation	Ball (1973)		
4	Definition and framework	Hafeez et al (2002)		
5	Core process	Boguslauskas et al (2009)		
6	Organizational knowledge	Scarborough (1998)		
7	Small firms	Hussain et al (2006)		
8	Guidelines	Marino (1996)		
9	Quantity of elements	Lazarus (2002)		
10	Implementation	Prayor et al (2007)		
11	Critical competence		Srivastava (2005)	
12	Integrated conceptual model		Liu (2012)	

13	Outsourcing		Mascarenhas et al (1998)	
14	Integration		Chawla (2015)	
15	Partnership		Sun (2013)	
16	FDI		Diez (2014)	
17	Micro-multinationals		Johnson et al (2014)	
18	HR development		Clardy (2007)	
19	Context-dependency		Ljungquist (2007)	
20	Auto industries in SEA		Hsu et al (2014)	Hsu et al (2014)
21	Management of core compt.			Barney (1991).
22	Air cargo forwarding			Cheng et al (2007)
23	Risk of outsourcing			Mehta et al (2007)
24	Green core competence			Trott (2009)
Identification of gap/ niche for further study:				
Context: Passenger ferry services by Chinese state-owned enterprise in Hong Kong		<u>Niche exist</u>	<u>Niche exist</u>	<u>Niche exist</u>

Figure 2 Percentage of category

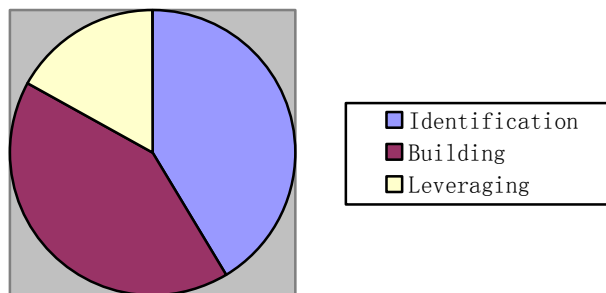


Table 2 Category analysis of literature

Category	Identification	Building	Leveraging	Total
Number of paper	10	10	4	24
Percentage	0.415	0.415	0.17	1.00

According to Table 1, Figure 2 and Table 2, it was salient that researches on core competences in terms of identification and building took a substantial percentage (83%) in the study of core competence; and the study in terms of leverage of core competence took only 17%. These facts revealed three implications: 1) more efforts had been made to the study of the core competence in terms of identification and building, 2) there were still plenty of rooms for further studies in terms of context or methodologies in the first two categories, and 3) there will be a boom in study in terms

of leveraging core competence in future, when studies gradually fill up gaps appeared in identification and building of core competence, and after such knowledge were accumulated and built up. Table 1 above could serve as a negative list, where any topics which were not included in the table could be gaps for future studies in terms of category, context or methodology etc.

1.7. Philosophical considerations

Many researchers may agree that philosophies underpin the study of core competence. Firstly, the theory of core competence has been attracting great attention in study and utilization for nearly three decades since Prahalad et al posed the theory in 1990. Over the past years, researchers mainly concentrated their studies on identification and building of core competence, rather than on leveraging them. From the philosophical point of view, this can be interpreted as that researchers were still trying to find answers to some basic ontological questions, such as what are the exact meanings of core competence? What should be included as the core competences? And, how can practitioners leverage these core competences? However, it seems there are still plenty of rooms for future studies in different contexts, and from different perspectives.

Secondly, from the axiological perspective, the findings of a study or the new knowledge should be of significant value both to the literature as a whole, and practitioners in the private sector. The contribution or significance of such studies should be of a high degree of utility function to the research community and the users; otherwise, studies would not be worth to undertake. Take the new knowledge, be it a new model or a new theory, as guide to daily practice, their value could only be considered as being realized when the application of such new knowledge produce good results to the practitioners or the research community. This should be taken as a requirement to guide research or analysis in academic or business studies; and more specifically, this requirement should be reflected at the beginning of any researches. In view of the literature collection of 24 papers, it would be reasonably conclude that these studies had contributed significantly to the research community and the practitioners at large

Thirdly, 91% of the studies (22 cases) used qualitative methods in research, which should be considered as sensible and adequate. According to the Subjective – Objective Continuum proposed

by Morgan, G. and Smircich, L. (1980), it can be interpreted that researchers holding the external view (etic perspective) on competitive advantage were having the stance of positivist epistemology; because they took an outsider stance while acknowledging the fact of the resources and capabilities of firms. They considered that if a firm had certain level of resources and capabilities, the firm's competitive advantage depends on the product market and the industrial structure; or it may be interpreted that they took the product market and industrial structure as the metaphor of a "machine". While on the other hand, researchers holding the view of core competences as insiders (Emic perspectives), they took a stance to the left of the continuum of subjective, who favored on the process of human being's interpretation of the reality of social phenomenon. These researchers mainly took qualitative research methods in their studies, which constituted as 91% of this review. It is interesting but logical, because the objective of these researches is to identify the actual meaning (in different contexts) of a "being"; they were trying to find the nature, the relation, and the boundaries of the "being". Certainly, they were also considered as having the positivist epistemology.

The reviewer identified a glaring gap in the literature under review, which is in the domain of reviewer's interest. According to the review, there were only one study on air cargo forwarding, an enterprise in logistics industry in Taiwan; but it was in an entirely different context. Obviously, no literature on the topic regarding Chinese SOE in shipping context was available. The reviewer would consider this gap in the literature of great significance for future study, in that the reviewer is interested. The target SOE is a well known ferry operator in Hong Kong; and the firm operates 45 high speed (45 knots) passenger ships among Hong Kong, the Pearl River Delta and Macau, the largest fleet in Asia and in the world. The researcher, once a key member of the management of that shipping company, believes that a study on the core competence of such kind of company would close the gap and enrich the literature on the subject; and contribute to the practitioners for their understanding, developing, maintaining and leveraging of their core competencies to achieve competitive advantage for better economic returns and better services for the public at large.

I.8. Conclusion

In conclusion, the reviewer has the view that Morgan et al's view (1980) is accredited. They suggested that a researcher's positionality along the subjective-objective continuum will affect the researcher's view and the methods he or she would use to his/her study. Specifically, emic-stance may use subjective approach and the qualitative techniques for study. They would mainly focus on identifying the nature and classification of such elements of resource and capabilities. On the contrast, the etic-stance may deploy more objective approach to focus on observation with quantitative techniques to prove and explain the relationship among variables of phenomenon. However the reviewer would suggest hold an alternative approach to avoid oversimplified dichotomy between subjective and objective approaches (Morgan et al 1980). The reviewer would hold a view that a research would be better off, if it can be done in a supplementary approach by using qualitative for exploratory research and proven by objective empirical research with evidence/facts, so the argument would be more convincing and complete as a whole.

II. Discussion on a chosen article

II. 1. The chosen article

This section discussed the chosen article on the same topic of core competence. The title of the article is *Core competence for sustainable competitive advantage: a structured methodology for identifying core competence* (the subject paper). It is one of the 24 papers, in the category of identification of core competence. The authors are Khalid Hafeez, YanBing Zhang, and Naila Malak, scholars from Sheffield Hallam University, Sheffield, U.K. Hafeez et al (2002) conducted a case study to identify core competences and developed a generic framework for core competencies identification; and the framework was tested in a manufacturing firm in U.K. The study identified two core competencies, namely promotion and customer services, all in the sales and marketing function of the company. Hafeez et al claimed that their findings provided companies with better understanding of corporate core competencies when making corporate strategic decisions; by which companies can focus on capability development, while making alternative decisions on outsourcing, focusing, or diversification in activities of new products, new services or new markets. This discussion shall follow the order of the structure of the paper, and shall focus on two areas; one is about the format and convention; and the other is about philosophies.

II.2. Format and convention

This subject paper based on strategy management theories including the resources-based view (Barney 1991), the competence-based perspective (Prahalad et al 1990) and dynamic capabilities approach (Teece et al 1997). It simply provided audience with a report on what study had been done by the authors; however there were some important issues which had been missing, leading to meager proof for convince the audience.

II.2.1. Title and abstract

The title was considered as appropriate. The title consists two parts: the topic and the controlling idea. The title was well defined with a manageable topic and a clear defined context for developing research questions. In the abstract section, the authors started with an emphasis on the importance of the topic by describing core competencies as the “crown jewels”, which attracted the attention of the audience. The authors then pointed out the gap that clear definition on certain terms, such as

resource, asset, capability and competence of companies, had not been clearly defined in the literature on the topic; because such problems had become obstacles in understanding competence theories. In that section, the authors mentioned the summary and synthesis on relevant literature. That section informed the audience that the authors had made working definitions to fill the gap and developed a framework to identify the core competencies for companies, the implications for literature as well as for practitioners. This abstract section is concise and informative.

II.2.2.Introduction

In the traditional section of introduction, the authors provided the background of the research, the objective and methodology of the research. The relationship with other theories, such as the competitive force theory was explained. The authors addressed the reasons of their research leading to the significance of their gap study. The authors then justified their reasons. They explained the categorizing of corporate core competencies and the provision of a framework of identification core competences and explained the relationship between assets, capabilities, competences and core competencies. The researchers mentioned the demonstration of the utilization of the framework in a manufacturing firm in U.K. This section has been adequately prepared and very straightforward, and provided a solid path forward to lead audience to the main body of the paper.

II.2.3.Literature review

In the literature review section, the authors did not use the conventional title, literature review as the title for this section, instead, the authors used four subtitles under this literature section, namely, 1) new waves of strategic management, 2) capability is formed by the integration of resources, 3) firm competencies are special capabilities, and 4) core competencies are flexible. First of all, the authors follow a very clear logic flow to build up a solid knowledge of literature on this topic and summarized seminal studies and mentioned those key figures in the field and distinguished the differences and relationship between their findings to narrow the gap. The authors then categorized the literature they had collected into the above four categories, under one topic phrase and three topic sentences as the subtitles. The reviewer of this subject paper appreciated that the authors would like to build up the arguments by summarizing, categorizing and synthesizing literatures to support their argument that corporate core competences are characterized by those three main

features as the above 2, 3, and 4 which are derived from the 1. This should be considered as an effective organization and construction of the literature on the topic with evidence by a comparison Table 1 which categorized and synthesized the three main theories, e.g. RBV, CBP and DCA. However those four subtitles seemed odd in conventions, because researchers seldom used a complete topic sentence as the subtitle like No.2, No.3 and No.4 as above except No.1. According to Strunk (1869-1946), a paragraph begins with a topic sentence, and ends it in conformity with the beginning. The reviewer of this subject paper considered that such type of subtitle in the chosen paper was not appropriate. The reviewer's suggestion was that such topic sentences should be placed at the beginning of each paragraph or at the end of the paragraph. Those subtitles should be replaced by sub-topic of each paragraph, not a topic sentence of each paragraph. Although this section did not use the traditional title as literature review, it was considered acceptable by judging its structure and organization of the information and data without much difficulty. This section had been fairly well organized and structured in terms of the deep and breath of the extent of the research, which has identified the seminal works, key figures, main trends of study; and in terms of techniques of summary, categorizing and synthesis, except that the type of subtitles in this section. Regarding a subtitle, its function is just to tell the audience about the theme of the paragraph, it is not necessary to use the opinion sentence of the author as the title. Such opinion statement should be placed in the beginning usually of a paragraph, which will be naturally followed by the reasons and facts to support that argument. A complete flow of an argument consisted several elements, e.g. a topic, a topic sentence as the claim statement followed by reasons which based on evidence (facts).

The categorizing of the literature was adequate with clear focus on each topic per paragraph; and these four categories of literature lay solid grounds for argument for working definitions of some terms. One feature of this section was that the author used tables and diagrams to show the relating concepts that made easier for audience to understand the arguments. The clear logic flow showed that the authors developed their argument from a comparison of the resources theories to claim that the capabilities were integrated resources; to suggest that competencies were special capabilities; and finally to point out that core competence was of flexible nature. Based on these inferences, the authors introduced the framework for identification of core competencies. Such inference enabled

readers to follow their logic smoothly. In addition, the construction of core competencies based on these reasoning was complete and convincing logically.

II.2.4.Methodology

The methodology section came as the next. The major problem of this subject paper was the methodology deployed by the authors. From the analysis of this subject paper, the reviewer would consider that there were several major problems which would undermine the credibility of the study, mainly the following:

Firstly, the authors did not make it explicitly what methodologies were used. Readers had to guess that the approaches and the methods were qualitative. If the author used the qualitative approach with interview techniques, then the results would not be considered as convincing; because the authors were using measurement scales to measure perceptions of respondents which should be considered as a quantitative technique. If the authors used the quantitative techniques, the application was obviously wrong; because the measurement scale was not acceptable, and it was not a well recognized measurement scale like Likert scale.

Secondly, the reporting format was not acceptable; because the subject paper failed to report meaningful information about the results such as the mean, the standard deviation, the instrument development, the reliability test, and the validity considerations. There were no disclosure of hypothesis, sample design, respondent rate and testing etc. Instead, the authors used their questionnaire with four scales to measure the perception of the members of the management on the questions; and arbitrarily made their judgments on the scores recorded. These methods should be considered as rather subjective and lack of objective adjustments. The authors did not indicate the treatment of reliability issues by showing Cronbach alpha values to testify the reliability of their measurement instrument.

Lastly, the knowledge building was considered not complete. As the author did frankly reveal and admit that further study on this topic will be carried out with quantitative methods in order to eliminate other factors including personal prejudices, politics, conflicting information sources or

misjudgments etc. The reviewer agreed with the authors, because the power of objectivism of the quantitative analysis lies in its variance analysis which can reduce human's subjective bias. Since the author did admit their limitation about their research, the reviewer did not find ethical problems about the study, although no indication about treatment of ethical issue was mentioned.

It can be seen that the authors used the induction research approach and the qualitative research methods in their study; because the authors built up their new models and theories, rather than testing the existing theories in different contexts. No matter which methods, either qualitative method or quantitative method, were used; these methods were not used adequately; and accordingly the findings were not considered convincing. The reviewer held that supplementary quantitative methods, such as the correlation or multiple regressions may be applicable in this case. The reviewer appreciated that the authors took a positivism attitude throughout the study, and the framework would have its merits to give further thoughts for identification of corporate core competencies for companies in different contexts.

II.2.5. Convention

During the process of the review of this subject paper, merits and defects were found. The research questions had not been clearly stated; as a result, readers had to reason them out as 1) what is the definition of core competence? 2) What are the methods we can use to identify core competencies? and 3) How to generalize the new knowledge of this research? Even if the authors argued that these questions were warrants; the reviewer would not acknowledge that claim.

The authors did not follow some conventions in academic writing; instead, they used different style in in-text citation and references (the Vancouver system) which caused unnecessary interruption in reading and thoughts while reading the subject paper. The references were not in consistence with the conventions, where Harvard Referencing (APA) had been recommended for use in business studies. In the subject paper the numbers were used for in-text citation, which cause interruptions of reading flow. Since readers may not know the persons behind the numbers, so if a reader wanted to check the person behind the number citation, it would cause interruption in reading flow. This would certainly require repeated checking efforts. While using the Harvard referencing (APA),

which is with a format of the “author and year”, would enable readers to get connected thinking to the same person and the related academic works in the past, without checking from time to time. The reviewer considered that this citation was not efficient.

II.3. Philosophical considerations

II.3.1. Discussion

According to the subjective-objective continuum of Morgan et al (1980), the authors of the subject paper took a basic epistemological stance to study core competence as a system, a process, and a changing organism. However, the reviewer noticed that the study was conducted with only qualitative methods. The reviewer held that the results of the research would be more convincing if the authors had taken a stance a bit to the right of the continuum for more objective stance by using additional quantitative study to eliminate the possible human being’s subjective bias.

The reviewer considered that the subject paper was logically clear; but the findings were not adequately proved in term of the lack of quantitative support for objectivism. The authors concluded that the core competence of the case company were promotion and customers services, and they took these two as generic core competences for manufacturing and service companies. The reviewer held that the reliability of the findings remains to be seen. From the ontological perspective, the authors did want to position themselves as “adaptor” to conduct the study on core competencies and took a historical analysis approach in the study. (Morgan, G., and Sircich, L. 1980). However, the authors took a much more subjective stance by just taking the qualitative methodology, by interview case study. As Morgan et al argued that dichotomy between the two methods, quantitative and qualitative, is oversimplified; and abstracted methods based on both quantitative and qualitative approaches should be considered for empirical studies. Apparently, the authors failed to do so. This problem can be interpreted by the positionality that the authors had chosen.

II.3.2. Evaluation

The authors started the research with working definitions on some generalized terms, the assets, resources, capabilities, and competencies. The authors claimed that research issue on identification

of corporate core competencies was a critical and justified gap to be addressed in order to build competitive strategies for the ultimate purpose of achieving competitive advantage in the marketplace. The authors developed a framework for identification of such core competencies and tested it in the case company, a manufacturing firm in U.K. The researchers had made their valuable contribution in terms of giving further thoughts in future studies and for practitioners.

The authors had done a deep and broad literature review on the topic by making reference to 32 research studies including those key figures and seminal works, such as Porter (1985) on the competitive advantage theory, and three main contemporary management theories on core competence by Prahalad et al (1990), Sanchez et al (1997), and Teece et al (1997). The literature review of this paper was summarized, categorized and synthesized by a comparison table with explanations, which should be considered as adequate. The authors took a wide perspective to look at the research issues from the background of the competitive advantage theory of Porter (1985) to the ultimate objective to achieve competitive advantage in the market place. The authors focused on the definition, connecting, identification and utilization of the core competencies. These reviews should be accredited.

The authors had tried rigorously to design a holistic framework and had logically presented and put into action; but serious defects in their research approach and methods were found. Such defects lead to doubts on the reliability and validity of their findings and implication of their new knowledge manifested by the framework. Their conclusion that the case company had two core competencies, which were promotion and customer services functions. The authors claimed that these findings were generic and of value for generalization to other manufacturing or service industries. About this statement, the reviewer of this subject paper would have doubt; because whether a theory is a truth or not; it depends on the results of tests of wider practical applications, other than on its logical inference alone.

In this subject paper, the authors did not mention treatment of ethical issues about their research work; however the authors had frankly acknowledged the limitations in their research in terms of research methods.

II.4.Conclusion

The subject paper was logically well organized and coherence to the main research issue for the purpose to define some important terms, and establish relationship between resources, core competence and competitive advantage, as well as developing a framework for identification of core competence. However, due to the obvious defects in the application of research approaches and techniques, the reliability and validity of the findings remain to be seen.

Acknowledgement

The author of this literature review appreciates and acclaims those diligent researchers for their valuable works; and would express his heartfelt thanks to Dr Millissa Cheung for her excellent lectures on this module.

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