Does strategy have a say in times of technological change?

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DOES STRATEGY HAVE A SAY IN TIMES OF TECHNOLOGICAL CHANGE?

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Abstract
In the past twenty years, several theories have been proposed about the sources of competitive advantage. Williamson (1991) has grouped them under two different headings: ‘strategizing’ and ‘economizing’. The first perspective underlines a market power imperative and competitive interactions between rival firms, and in doing so it highlights the importance of the external environment. The second perspective is fundamentally concerned with efficiency, and maintains that the sources of competitive advantage mainly reside inside the firm. Which of these two perspectives may better help managers to cope with technological change? The paper attempts to extend the literature by proposing a composite framework which enables to grasp the complementarity of the two above mentioned research perspectives. Together, they can help firms achieving and sustaining superior returns in times of technological change. Thus this study has also relevant implications for management practice. In particular, it provides a guide on how to balance the constantly present tension between external and internal standpoints on competitive advantage.

Keywords: Transaction cost economics, Resource Based View, Dynamic Capabilities, Innovation.
REFERENCES


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