

Abstract

The main focus of strategic management is to assist organizations in attaining sustained competitive advantage. The Resource-based View (RBV) of strategic management posits heterogeneous, immobile, valuable, rare, inimitable, and non-substitutable resources of organizations result in sustained competitive advantage. Among these characteristics of resources, inimitability seems to be an important reason for sustained competitive advantage. Inimitability of resources depends on unique historical conditions, social complexity, characteristic causal ambiguity, time compression diseconomies, resource mass efficiencies, interconnectedness of resource stocks, and resource erosion. Reasons for inimitability have been researched for resources that exist within organizations but not for network resources that exist within a network of organizations. Research on networks of organizations has identified the important network resources as network membership, network structure, tie modality, and network management. This research explains why network resources become inimitable for an organization that is a part of a network of organizations.

The empirical context is the research and development services domain of the Indian information technology industry that is moderately dynamic. A single holistic exploratory case study of an organization in this domain, Semiconductor Company that is a part of a network of organizations, offers analytic explanations to generate hypotheses on the reasons for inimitability of network resources. The reasons for inimitability of network resources are

classified into path and knowledge dimensions. Unique historical conditions, time compression diseconomies, and resource mass efficiencies constitute the path dimension of inimitability. Characteristic causal ambiguity, social complexity, interconnectedness of resource stocks, and resource erosion are categorized as the knowledge dimension of inimitability. The path dimension seems to be an important reason for inimitability of all the network resources while the knowledge dimension seems to be an important reason for inimitability of two network resources viz. tie modality and network management.

This research is an extension of the application of the RBV when resources are not situated within the boundaries of one organization but spread across a network of organizations. An attempt is made to extend theory in the RBV by identifying relationships between reasons for inimitability and network resources. Evidence suggests that the important managerial implication of this research is that the path dimension of inimitability is more important than the knowledge dimension. This implies that the foresight of strategic decisions that shapes the evolutionary path of an organization in a network is critical in ensuring the inimitability of network resources. There are interesting possibilities for further research to validate the hypotheses developed in this research for network organizations in different moderately dynamic industries and comparing the results of this research with those obtained from the Dynamic Capabilities paradigm and the Relational View. It will also be

interesting to compare the results of this research with those obtained from similar research in a high-velocity industry.