Emilia Renard

Identification of key capabilities

A single-case study on a nursing home for the mentally handicapped

School of Management
Master's thesis in Strategic
Business Development

Vaasa 2022

UNIVERSITY OF VAASA
School of Management
Author:	Emilia Renard
Title of Thesis:	Identification of key capabilities
Degree:	Master of Science in Economics and Business Administration
Programme:	Master's programme in Strategic Business Development
Supervisor:	Jukka Vesalainen
Year of Graduating:	2022 **Pages:** 65

ABSTRACT:

Capabilities, whether them being dynamic, strategic, innovative or something else have been a popular subject for researchers for a long time. The difficulty in capabilities is how to gain competitive advantage through them and how to choose the right combination of capabilities to utilize in competition. Capabilities are often built from resources and can be further developed into for example, dynamic capabilities. Researchers often see capabilities as a hierarchical structure, where resources and competences are built on in order to build higher level capabilities.

This study is a qualitative single-case study exploring the key capabilities of the case company. The case company is a private nursing home for the mentally handicapped offering different housing services as well as different activities. The case company has been on the market for 12 years. The data was collected through workshops in March 2022 with the executive team consisting of six participants with different backgrounds, which provided different viewpoints for the case.

The results of this study show, that despite the restrictions of the industry and similar resources and capabilities between competing companies, there are clear ways to find unique key capabilities and utilize them in a way that competitive advantage can be gained. Additionally, this study helped the strategy development process in the company and further added the awareness of the key capabilities in the company.

KEYWORDS: Strategy process, Capabilities, Strategic capabilities, Dynamic capabilities, Network capabilities, Strategic Capability Architecture

CONTENTS

LIST OF FIGURES

1   INTRODUCTION

This chapter introduces the reader to the background, definition of the main concepts and research objectives. This chapter also introduces the research questions and the aim of the study. Lastly, this chapter explains the structure of the study in order to help the reader.

1.1   Background

The strategy process of a company is a complex process. In addition to planning, validation and implementation of the strategy play a big role in the process. (Pettigrew, 1992.) Strategy process renewal, adaptation and reflection of the process is necessary. This has already been acknowledged in the early 1990's, but has since grown to be even more significant in the recent years. Keeping up with new possibilities as well as being aware of the possible threats is crucial for any strategy process. (Chakravarthy and Doz, 1992.)

Although companies have been utilizing capabilities in their strategies for years, environments change continually, markets are disrupted and new ways to create competitive advantage is needed. Strategies can no longer be developed every 5-years, thus companies need to be alert daily and be ready to alter their strategies. Capabilities, resources and processes need to be adaptable to the continuous change. However, the continuous change and development requires investments in research and technologies and it can also be considered to be risky. (Teece, Peteraf & Leih, 2016.)

According to Henderson and Cockburn (1994), in order for a competence to be a source of competitive advantage it must be distributed throughout the industry, it must be hard to imitate and it must be hard or costly to replicate. This is similar to the definitions of a capability being a source of competitive advantage. For example, Collis (1994) describes capabilities as invisible assets, since they are hard to imitate and substitute by others.

The competence-based strategy and competition research began in mid 1990's. Sanchez and Heene (1997) argue, that the strategic management research and the traditional strategy theory lost its shine by becoming too fragmented and unconnected. The new, competence-based research suggests, that *"achieving organizational competence requires effective integration of internal organizational and external competitive dynamics."* Competence-based research is more integrative as well as it interacts with other old, useful strategy theories. (Sanchez and Heene, 1997.)

Resources, capabilities and competences are all a part of the competitive advantage the company has. However, in order to understand them better, it is important to understand their position and place in the strategy. Strategic capability architecture aims to explain the nature and relationship between resources, capabilities, strategic capabilities and dynamic capabilities. Each level builds on the previous level creating the basis for strategy and competitive advantage. (Wang and Ahmed, 2007; Vesalainen and Hakala, 2014.)

Competitive advantage and how companies are able to utilize their capabilities to gain it has been a popular topic in strategic management research. Companies have different resources, capabilities and knowledge which they combine aiming to create unique, sustainable competitive advantage that cannot be imitated by the competition. (Barney, 1991.) However, if all the competitors are bound by the same restrictions, such as predefined prices among other regulations, where can companies seek competitive advantage? Is there even such a thing as sustainable competitive advantage in these situations?

The challenge in nursing industries is, that different companies are bound by the same restrictions. Cities and municipalities are the ones who pay for the care and housing in nursing homes. Thus, cities and municipalities host tenders yearly in order to keep the prices of the nursing homes reasonable (Tampere.fi). This creates boundaries regarding

the pricing of housing etc. After the tenders, cities and municipalities offer new customers to the private nursing homes based on their pricing, which means that if priced too high, it can be difficult to get customers.

However, on the bright side, at the moment there is a surplus of customers compared to the nursing homes, which means that if priced reasonably, you often have a full house. In addition to housing, nursing homes often offer temporary housing, work activities, day activities and weekend care for people with mental disabilities. These can also be a way for nursing companies to lure in customers. In some cases, customers first come to day activities or weekend care and after a while end up staying permanently.

1.2   Research questions and objectives

This research aims to understand and find the core capabilities of a company operating in a nursing industry by conducting an action research. The research is based on one case company where the process is done in deep collaboration with the executive team. Based on the wishes of the case company and the objectives of the researcher, this study has three research questions:

1. *What are the key capabilities of the company?*

The first research question aims to investigate how the case company considers their capabilities and how they use them to gain competitive advantage. The challenging competitive environment creates unique challenges for the company. The industry is highly regulated, and the prices are continually challenged and revised by cities and municipalities. Additionally, the research question aims to challenge the executive team to rethink and revise the capabilities and find new ways to create competitive advantage despite the environmental challenges.

2. *How can the key capabilities be secured in the future?*

The second question aims to find different ways to utilize and secure the found key capabilities. It is important to find practical ways to utilize the capabilities in order to gain possible competitive advantage from them. Additionally, it is also important to understand the semi-dynamic nature of the industry and be able to adapt and revise the capabilities to match the changing needs.

3. *By further development of capabilities, is it possible to gain competitive advantage?*

The last research question raises an interesting point of view. Since the companies operating in the same industry often have somewhat similar capabilities and operate within the same regulations. Finding ways to gain competitive advantage can be difficult and the possibilities need to be searched differently.

1.3   Structure of the study

The study is divided into five main chapters. The first chapter focuses on the background of the study and introduces some of the main literature for the first time. Additionally, the first chapter includes the research questions and explains the aim of the study more in depth.

The literature review is done in the second chapter. This chapter introduces the relevant literature and phenomenon better. The chapter also aims to connect and deepen the understanding between the different concepts. The chapter begins by shortly introducing general strategy processes. The chapter continues by explaining capabilities and the different emphasis on dynamic-, network- and strategic capabilities. Additionally, strategic capability architecture is divided into smaller pieces in order to deepen the understanding of capabilities.

The third chapter introduces the research method used in this study. The chapter explains and justifies the reason behind the research method. The research method is followed by the case selection and introduction as well as data collection and analysis process.

The fourth chapter includes the findings of this study. The chapter also presents the data and the analysis process of the study. To conclude, the chapter answers the research questions and summarizes the findings.

The fifth and last chapter discusses the findings and literature presented in this study. Additionally, it aims to show the possible connection between literature and the study. In the end, theoretical and managerial implications are presented as well as suggestions for future research and possible limitations of the study.

2   LITERATURE REVIEW

The strategy process of a company is a multi-level process. The core is often how to find competitive advantage and survive in the forever changing environments. Capabilities can be considered to be a source of competitive advantage to companies. This means, that choosing and utilizing different capabilities is an important strategic choice for a company. To understand capabilities and their strategic value better, the literature review introduces the basic concepts and is the base for this thesis.

2.1   Strategy process

The importance in any strategy process of a company does not lie only in the planning, but also how well they are validated and implemented throughout the company. Strategy processes are also diverse, which is why it is difficult to offer clear directions for them. The literature regarding strategy processes is diverse and they are aimed to describe how things change over time by observing the strategy process in action. (Pettigrew, 1992.)

Additionally, the strategy process research has also offered managers some guidelines on how to improve the strategic position of a company by using different decision processes and systems. It has also been stated that strategies need to change in order to keep up with the changing environments. Strategy processes should also focus on identifying new opportunities as well as being able to manage possible threats. (Chakravarthy and Doz, 1992.)

In addition to strategy process literature paying attention to managers, some research also pay attention to middle managers, and their ability to participate in the strategy process. Different strategy tools are also central in some literature regarding strategy processes. For example, how they are perceived and how they can be utilized in the process. (Burgelman, Floyd, Laamanen, Mantere, Vaara and Whittington, 2017.)

Making strategic decisions in less time, can be considered to be a source of competitive advantage. The decision-making speed has been associated with the performance of a company and has been seen to have a positive affect to sales and profitability. However, the process is dependent on individuals as well as the complexity of the decision and the implementation process, making it difficult to measure sometimes. (Baum and Wally, 2003.) Additionally, Sutcliffe and McNamara (2001) argue, that decision making process is subjected to a hierarchy of different influences, rather than only being dependent on individual perspective.

In the past years, business environments have been becoming more and more volatile, making the strategic planning more difficult. Additionally, currently strategies need to be flexible and able to adapt to rapid change. Uncertainty of the environments also creates its own pressure to decision makers, since the implementation of strategies need to also be rapid due to the changes in strategies being continuous. (Grant, 2003.) The planned strategy is only materialized after the implementation, which indicates the importance of implementation together with the actual planning. However, the implementation of strategies has gained fewer attention than strategic planning and strategy processes. (Thomas and Ambrosini, 2015.)

2.2   Capabilities as hierarchical structure

According to Wang and Ahmed (2007), strategic capabilities can be seen as a hierarchical structure. Resources are considered to be the "zero-order", capabilities as the "first-order", core capabilities as "second-order" and dynamic capabilities as "third-order" of the hierarchy.
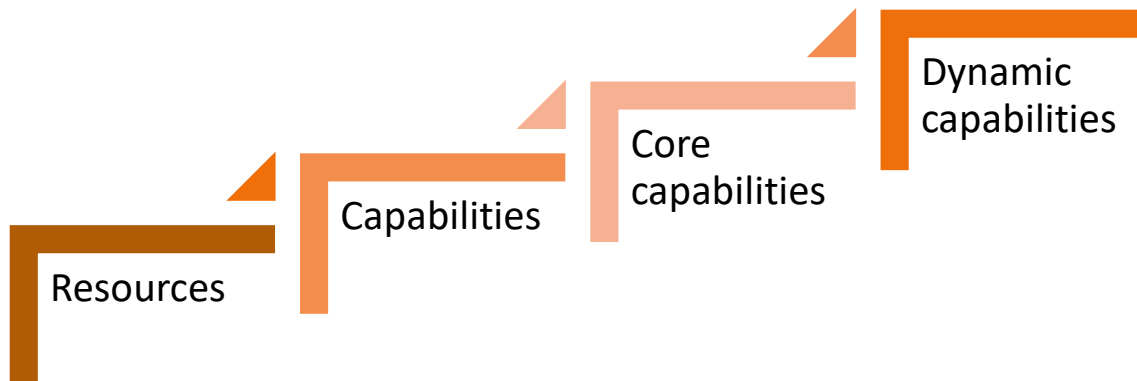
Figure 1. Strategic capability hierarchy according to Wang and Ahmed (2007).

Resources can be considered as the base of the strategic capability hierarchy, since they are rarely seen as a source of competitive advantage the way they are. Resources can be considered to be the basic elements of competitive advantage, being either tangible on intangible assets (Vesalainen and Hakala, 2014). Capabilities are the second layer, since the utilization of them can be led to improved performance. However, in order to do so, companies need to be able to recognize and utilize them correctly. (Wang and Ahmed, 2007.)

The third level is core capabilities. Core capabilities can be considered to be a bundle of the previously mentioned resources and capabilities forming a way to create competitive advantage. Core capabilities are valuable and important for the company. The use of core capabilities often combines and reconfigures different resources and capabilities according to the strategy of the company. (Wang and Ahmed, 2007.)

Dynamic capabilities are the fourth and last level of strategic capability hierarchy. Dynamic capabilities combine all the best features of the three previous levels, as well

as aim to renew and re-create resources and capabilities. Dynamic capabilities adapt to the changes coming from the outside of the company. (Wang and Ahmed, 2007.) Vesalainen and Hakala (2014) also consider dynamic capabilities to be a way of organizational learning, where capabilities build on one another and leverage activities.

Hafeez et.al (2001) argue, that as seen on the previous literature, companies should build their strategies based on the core capabilities and competences of the company. However, to do so, a deeper understanding of the key capabilities of the company is needed. In order to identify the key capabilities of the company, Hafeez et.al (2001) suggest that the use of an analytical hierarchy process (AHP)- based method is useful.

Hafeez et al. (2001) continue by writing that physical assets, intellectual assets and cultural assets are all part of companies' capabilities. These resources can either be intangible- or tangible resources owned by the company. These capabilities can become core capabilities of the company through collective learning. These core capabilities can be identified by using the AHP-based method mentioned earlier. The outcome of the AHP is the optimal choice among the different alternative decisions that are based on qualitative and quantitative criteria.

Mapping capabilities and determining performance measures

Evaluating performance contribution

--> Non-financial- and financial performance model

Determining key capabilities
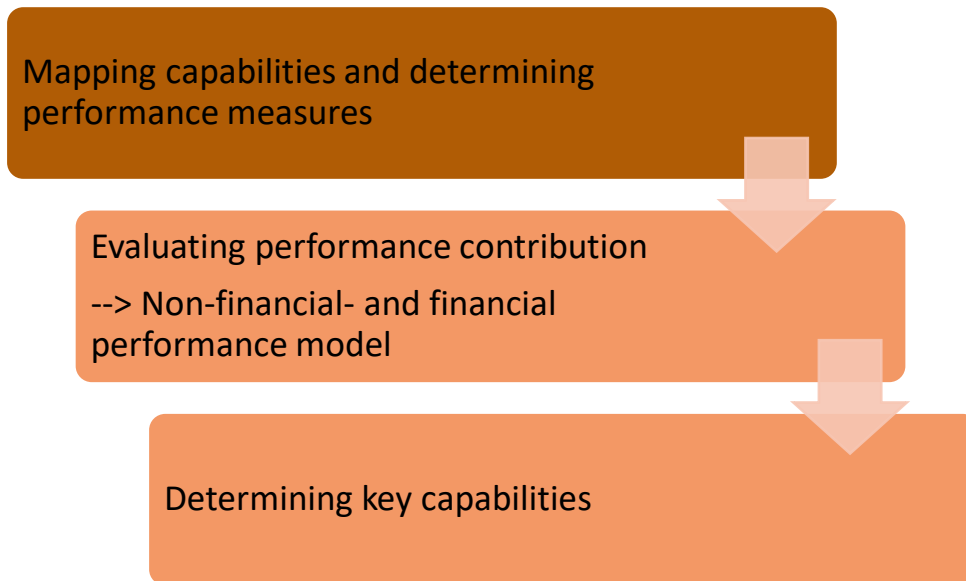
Figure 2. The process to define key capabilities, Hafeez et. al (2001).

There are four principles on the AHP process;

1. *Decomposition*
2. *Prioritization*
3. *Synthesis*
4. *Sensitive analysis*

When starting the process of defining key capabilities, there often is a complex problem. *Decomposition* is needed to decompose the problem to a few manageable elements, where the process continues to decompose them further along. The elements identified in the decomposition process are then *prioritized* and compared pairwise. After prioritization the elements are *synthesized* to provide overall assessment of the different possibilities. Lastly, the outcome is tested via *sensitive analysis* in order to figure out the best possible choice. (Hafeez, et. al, 2001.)

After the mapping process, financial evaluation model and non-financial evaluation model are being made. The aim of these models is to analyze how the capabilities affect

the financial business performance as well as the non-financial business performance. To conclude the process, the key capabilities are determined by the results of the mapping and financial- and non-financial performance evaluations. (Hafeez et. al, 2001.)

2.2.1 Capabilities

Before researchers started to gain interest in capabilities, Porter's five forces framework was the first model to introduce how competitive forces work and how they affect companies (Teece, 2016; orig. Porter, 1980). The goal of capabilities is to provide competitive advantage for companies and increase their ability to keep up with the competition.

Capabilities are the skills and routines, that the organization has and uses as a competitive advantage (Teece, Pisano and Shuen, 1997). To create competitive advantage, companies usually combine different resources, such as physical-, human-, and technological resources. All of these resources can also be called capabilities. Hafeez, Zhang and Malak (2001) again describe that *"capabilities are formed through the co-ordination and integration of activities, processes, and are the product of collective learning of individual assets."*

To continue, capabilities can also be considered to be the firm's ability to utilize all of these resources and create competitive advantage. (Amit and Schoemaker, 1993.) Collis (1994) calls them invisible assets, since they are somewhat hard to imitate or substitute by others. To maintain competitive advantage, capabilities need to continuously renew, and companies need to search other new ways to create competitive advantage to keep up with the competition (Ethiraj, Kale, Krishnan and Singh, 2005).

According to Ethiraj et.al (2005), capabilities are not only about what the company has or what it can do, but also about what they can do better than others. The organizational skills or in other words, capabilities, are the result of years of knowledge

and learning inside the organization. They are formed by repetitively executing routines that then can become a capability. Capabilities are not only something the company already has, but companies can also deliberately invest in improving different processes or routines for them to become a capability. (Ethiraj et.al 2005.)

Collis (1994) categorizes capabilities into three categories. The first category is how a capability can perform its basic activities and create value by them. For example, how and what the capability can do better than the competitors. The second category is the capability's dynamics. How flexible and innovative it is. The third and last category is firm's ability to identify intrinsic value of resources and use them as a competitive advantage before the competitors. (Collis, 1994.)

Capabilities can also be measured. For example, Teece (2007) measures capabilities on their "technical"- and "evolutionary" fitness. These define how effectively the capability functions and how big of an effect the capability has on company's profit.

Even though capabilities are considered to be a source of competitive advantage, the sustainability of them can differ. According to Collis (1994) the three downfalls of a capability are: the corrosion of a capability, replacement by different capability and being surpassed by a better capability. To continue, Zahra and George (2002) argue, that capabilities can be *"imitable in the short run and substituted in the long run."*

The continuous change and improvement of capabilities is not always beneficial, which diminishes the sustainability of capabilities (Teece, 2016). Additionally, capabilities can also turn to disadvantage due to the change of its environment, making the capability useless (Burisch and Wohlgemuth, 2016).

2.2.2   Strategic capabilities

Barney (1991) states, that in order for a capability to have strategic value and be a source of sustainable competitive advantage, it has to have four attributes; valuable, rare, hard

to imitate and not having strategically equivalent substitutes. However, it is also important for the company to know how to utilize these capabilities and how they impact the companies' competitive advantage.

Figure 3. The attributes of a strategic capability, VRIN-model. (Barney, 1991.)

To continue, according to Amit and Schoemaker (1993) the decision-making process of managers in an organization are characterized by uncertainty, complexity and intraorganizational conflicts. The economics, industries and environments the firm operates in make it difficult for managers to provide simple models and show the exact relationships between the firm's capabilities and performance.

As Pandza, Horsburg, Gorton and Polajnar (2003) write, there are no clear rules on how to systematically create competitive advantage. Thus, identifying these capabilities and being able to create sustainable competitive advantage through them is a great challenge for managers. Amit and Schoemaker (1993, p.39) continue by stating *"the*

strategic value of a firm's resources and capabilities is enhanced the more difficult they
are to buy, sell, imitate or substitute."

When it comes to strictly regulated industries, the first movers rarely gain any advantage by trying to implement their strategies rapidly. Additionally, in industries like this, many companies have the exact same set of resources, thus the opportunity lies in knowing how to utilize them in strategies efficiently. (Barney, 2001.) In addition, instead of being a singular item, capabilities can also be considered to be different nested systems that operate with different external environments and continually interacting with each other. (Pandza et.al, 2003).

2.2.3   Dynamic strategic capabilities

Dynamic capabilities have also been studied widely. The word dynamic refers to change. Markets, competition, products etc. all change rapidly and continually. Change, according to Collis (1994), is considered to be one of the main differences between ordinary and dynamic capabilities. Dynamic capabilities can also be seen as strategic capabilities. Dynamic capabilities are not only about creating new, they are also about having the ability to exploit and expand the existing capabilities. (Teece etl.al 1997.)

Examples of competitive advantage according to Teece et.al. (1997) are resources, organizational routines, core competences, dynamic capabilities, products. In addition, Eisenhardt and Martin (2000) write, that dynamic capabilities are a process that use resources, which integrate, reconfigure, gain and release resources. They can also be described as strategic routines with a purpose to gain new resource configurations in forever changing markets (Teece, 2007).

The expectancy in dynamic capabilities is, that companies are able to renew and change them continually. (Teece, 2007: Eisenhardt and Martin, 2000). However, capabilities can also be profitable without the element of dynamicity. For example, Eisenhardt and Martin (2000) write, that the utilization of capabilities in strategy is about integrating,

reconfiguring and releasing resources. Thus, the current resources can be utilized uniquely, even though other competitors may have the same available resources. The word dynamic, in dynamic capabilities can also be misunderstood. Teece et al. (2016) argue, that change is not always possible, or even necessary.

Even though dynamicity may not be the key ability in strategic capabilities, flexibility is. Pandza et al. (2003) write, that "*Investments in resources and capabilities are choice decisions made in the context of uncertainty... Real options are investments in physical and intangible resources that provide the firm with contingencies in an uncertain environment. The ability to alter a course of action in the light of new information is valuable*".

To continue with the criticism of dynamicity in capabilities, Teece et.al (2016) argue, that continuous change is also risky and staying in constant state of alertness is not always profitable. Uncertainty is always a part of every business environment. However, the answer to this is balancing the different activities rather than always aiming to be dynamic and only utilizing continually changing capabilities. Additionally, Collis (1994) states, that capabilities, being static, dynamic or creative still have an effect on the companies' ability to perform regardless of their core nature.

Mills, Platts and Bourne (2003) argue, that continuous change and reconfiguring capabilities is only necessary in handful of industries, such as industries driven by rapid technological advance. Such organizations require systems that are embedded to the organizational culture and its employees in order to be able to undergo constant modification.

2.3   Network capabilities

Vesalainen and Hakala (2014) identify network capabilities, as being a capability that has the ability to build, handle and exploit relationships. The network capability of a firm is

in a complex configuration and they cannot necessarily be separated from the other capabilities of the company. However, a network capability in its core is often found through thorough examination and analysis, which requires deeper understanding of the capabilities and their position in the company.

Liu and Bing (2011, orig. Homen & Pedersen, 2003) again write, that network capabilities are the overall ability to holistically understand the network environment, the development process of networks and the innovation performance of a company. Network capabilities can also be seen to correlate with the innovation performance of a company. Additionally, the network capabilities of a company can also help with requiring new products, technologies and adopting new processes. Additionally, network capabilities can also be seen to *enable the use of strategic resources for improved value creation.*" (Kohtamäki, Partanen, Parida and Wincent, 2013).

Ritter and Gemunden (2003) state, that network capabilities are company-specific abilities exploiting interorganizational relationships. The ability to manage relationships between the company and its network and other organizations has become a core capability of a company. The importance of networks lies in the connections it gives for the company. To continue, the relationships with competitors can also allow companies to gain access to resources and capabilities the competitors hold. These relationships require coordinating and companies have different emphasis on the importance of nurturing these relationships. (Kohtamäki et.al, 2013.)

Burt and Soda (2021) continue by writing, that the networks are not only the external networks that companies made with other organizations, but they are also the internal networks, or so-called social networks. The internal networks have been given less attention in the management literature even though managers are expected to coordinate through them daily. Liu and Bing (2001) also state, that network capabilities can enhance the companies' ability of organizational learning from which they can gain more knowledge resources.

2.4 Strategic capability architecture

In order to understand strategic capabilities better, it is important to understand the architecture behind them better. Many researchers consider capabilities as a multi-level structure, where each level builds on higher-level competences. (Vesalainen and Hakala, 2014.) However, Mills et al. (2003) criticize the word architecture in this context, since it refers to solidity and can be implied to be a long-time process. Environments change continually, thus a better word of use in this context according to them could be configuration.

Hafeez et.al (2001) again argue, that capabilities, competences and core competences are often vaguely defined, which makes it harder to analyze the hierarchy of them. For example, some authors see resources as a capability, when others make a clear separation between them. Additionally, some authors argue, that a capability is the way company utilizes its resources. (Hafeez et. al, 2001.)

The strategic capability architecture focuses on the different levels of capabilities. Resources, competences and practices are all a part of capabilities and show the multi-level nature of capabilities. Each of these play an important role in the overall strategy of a company as well as influence the formation of company's strategy

2.4.1 Resources

*"Firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge etc. controlled by a firm that enables the firm to conceive of and implement strategies that improve its efficiency and effectiveness" (*Barney, 1991; orig. Daft, 1983).

Resources are the different tangible and intangible assets that companies have. Resources can also be divided into internal- and external resources. Resources are often related to something that the company values, for example employees and their knowledge or a core product of the company. The resources of the company are used as a way to reach its goals.

Halbesleben, Nevey, Paustian-Underdahl and Westman (2014) describe recourses as things that have to lead to a positive outcome. Additionally, they also describe resources as *"anything perceived by the individual to help attain his or her goals."* The vague definition of resources allows them to contain almost anything possible and therefore be the base for higher-level competences in strategic capability architecture.

According to Alexy, West, Klapper and Reitzig (2017), write that companies often have many complementary resources that create value for the customer, and for the company itself. To add, the value of a resource is an important factor when talking about resources overall. The value in the resources can come for example through saving costs or having the complementary benefit with other resources as mentioned earlier.

Halbesleben et.al (2014) continue by writing that the value resources have is often left on the interpretation of the individual. However, Ten Brummelhuis, Hoeven, Bakker and Peper (2011) argue, that when talking about value, there are cultural values that need to be taken into consideration when thinking about the personal values that affect the interpretation of individuals.

Ten Brummelhuis et.al (2011) divide resources into macro resources and key resources. The macro resources are resources are the basic resources that often require support from other resources of the company. Key resources again are described as resources that can help with the management of other resources and can act as the support resources.

The difference between resources and capabilities is, that resources can be considered to be the base of the company. The definition of them is often vague as seen above. Capabilities again are thought to exploit and combine these resources in order to reach the goals of the company. Additionally, resources and capabilities are both considered to be a way to gain competitive advantage, however resources as such are rarely a source for competitive advantage. (Laosirihongthong, Prajogo and Adebanjo, 2014).

2.4.2   Competences

According to Sanchez (2004), the word competence has been used too broadly losing the essence of it. The elements of a competence are for example; skills, capabilities, knowledge, learning, coordination, organization and relationships. The broad use of the meaning of competence has led to inconsistencies. The competence theory has "four cornerstones" which aim to clarify and capture the nature of organizational competences.
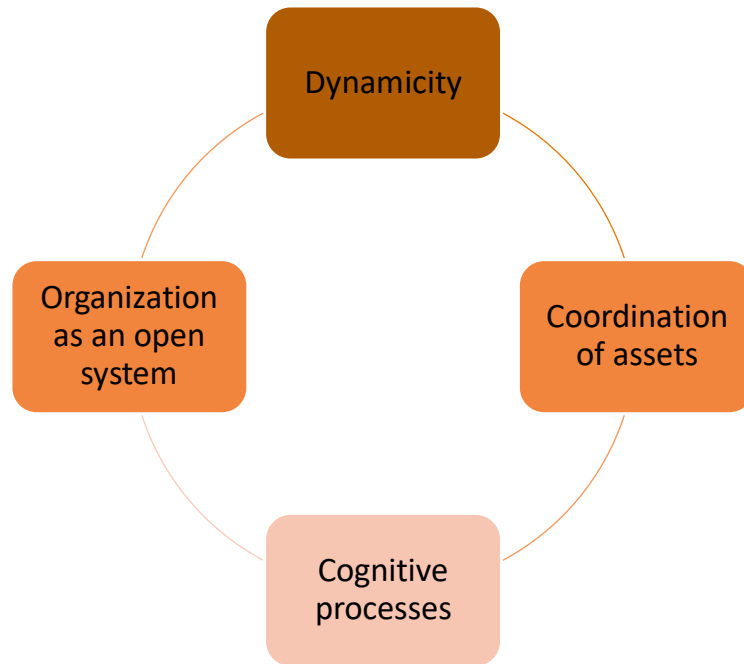
Figure 4. The four cornerstones of competence theory (Sanchez, 2004).

The first feature of a competence is the ability to respond to the continually changing environments and the dynamicity of the internal processes of a company. Additionally, this leads to the competence being sustainable and its ability to create value for the company. (Sanchez, 2004.)

According to Sanchez (2004), in addition to being dynamic, competences should also be able to manage the systematicity of organizations and their interaction with outside competitors as well as other outside factors. In this feature, the core is to be able to coordinate assets, such as firm-specific assets and firm-addressable assets. (Sanchez, 2004.)

Additionally, competences in their nature should be able to manage the cognitive processes of an organization. The challenge is to deploy the assets in a way that they can create value for the company as well as meeting the minimum efficiency requirements

of the company. The pressure of this is often directed to the managers of the company. (Sanchez, 2004.)

To conclude the "four cornerstones" of competence theory, competences should holistically manage the organization as an open system. Additionally, this also requires that the competence takes into consideration all of the stakeholders of the company. The aim is to achieve the goals in all organizational levels as well as meeting the expectations of the resource providers that are in the process of creating value for the company. (Sanchez, 2004.)

Mills et.al (2003) continue the discussion of competences by proposing, that the co-ordination of resources and competences is what makes them applicable. For example, one resource can be used differently depending on the skills or the co-ordination applied. Additionally, the performance of the resource is also dependent on the co-ordination. Mills et.al (2003), propose following;

> *Resource(s) + Co-ordination = Service(s),*
>
> *Services + Co-ordination = Competence(s),*
>
> *Competences + Co-ordination = Higher-level competences.*

One building block consists of different resources and co-ordination force that combined with other building blocks form competences and higher-level competences. Additionally, some of the resources can be shared amongst other competences, especially in cases where the competences utilize common resources. (Mills et.al, 2003.)

Henderson and Cockburn (1994) divide competences into two categories, 'component competences' and 'architectural competences'. The component competences could also be identified as resources, knowledge and skills or technical systems. Then again, the architectural competences could also be called for example capabilities, integrative capabilities, dynamic capabilities or organizational architecture. Henderson and

Cockburn (1994) use a broader meaning of these, since often for example capabilities and dynamic capabilities are differentiated from each other (Teece, 2007).

2.4.3   Practices

The practice level focuses on how managers and other practitioners 'do' and 'use' the planned strategy. MacKay, Chia and Nair (2021) describe strategy practices as *"routinized types of behavior in the social accomplishment of strategy."* The strategy practices of a company contain the daily practices, activities and processes that are done in the company daily. Thus, the strategy practice research does not focus on the organizational outcomes of strategy as much as to the organizational issues that happen within the company. (MacKay et. al, 2021.)

Strategy practices also contain the strategy tools used in strategy work. Additionally, strategy practices can also be seen multileveled. The strategy practices are embedded to the routines, culture and procedures of a company. Thus, the strategy practices are formed over time through organizational learning. (Burgelman et.al, 2017.) Edwards (2017) continues by stating that strategic practices are *"people-centered, embedded with values, norms and beliefs which provide a competitive advantage to the firm."*

Strategy practices can also be seen as a pattern, rather than a bundle of decisions that are made and then acted upon. However, despite this newer definition, some researchers continue to consider strategy practices as formal processes. Additionally, some researchers have failed to understand the environment as a part of the strategy rather than being an outside factor. (Edwards, 2017.)

Strategy-as-practice has also been a popular research topic amongst researchers. SAP regards who, what and how the strategy is done. SAP also focuses on the whole strategy process and on the people, who do strategy instead of only focusing on upper managers. Additionally, personal motivation and actions are also taken into consideration. (Jarzabkowski and Paul Spee, 2009.) To continue, Jarzabkowski (2005) states, that SAP is

about strategy flow. Additionally, strategy is about content and processes, and them being mutually constitutive.

Compared to earlier strategy research, strategy as practice identifies strategy as something people do, as a practice. Earlier, strategy was often considered to be something a company only has. The practice level of strategy allows to understand the strategic activities happening inside the company as well as gaining a more integrated view of strategy. (Whittington, 2006.)

2.5   Capability framework in this study

There are many different definitions of capabilities based on the researcher. Capabilities can be seen as routines the company has and uses to gain competitive advantage (Teece etl.al, 1997). Or they can be seen as the ability to utilize resources to gain competitive advantage (Amit and Schoemaker, 1993). However, the common factor in most studies is, that capabilities are something that are used to gain competitive advantage.

In this research, capabilities are seen as the resources the company has, utilizes and develops further in order to gain competitive advantage. This study focuses mainly on regular- and strategic capabilities instead of dynamic capabilities, which are often considered to be the highest level of capabilities. Additionally, this study focuses on the building and formation of the capabilities in order for them to be considered key capabilities of the company. This is based on the hierarchical nature of capabilities (Vesalainen and Hakala, 2014).

In this research, the goal was to identify the key capabilities of the company. The framework for the workshops follows the basics of the AHP model (Hafeez et.al, 2001). The AHP model can be found on page 14-15. According to Hafeez et.al (2001), the AHP model is used in order to identify key capabilities. The model utilizes both financial and non-financial evaluation of the company and combines these two into a two dimensional

matrix. The model begins with mapping capabilities and determining performance measures to evaluating performance contribution (both financial and non-financial) and ends with the determination of key capabilities. However, in this research the financial evaluation was not done, since there were no financial goals set at this stage of the strategy process.
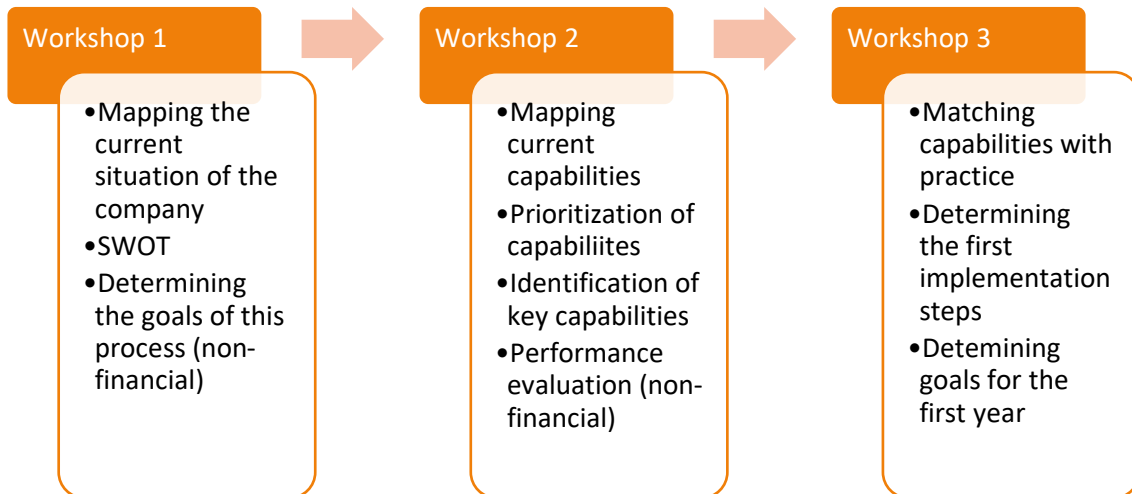
Workshop 1	Workshop 2	Workshop 3
• Mapping the current situation of the company • SWOT • Determining the goals of this process (non-financial)	• Mapping current capabilities • Prioritization of capabiliites • Identification of key capabilities • Performance evaluation (non-financial)	• Matching capabilities with practice • Determining the first implementation steps • Detemining goals for the first year

Figure 5. Framework for the research.

In addition to this thesis and the exploration of the capabilities of the case company, the case company also renewed their overall strategy in the same process. However, this thesis will not address the broad process of renewing the strategy, but rather focuses on the capabilities and the formation and exploration of the key capabilities. Therefore some of the elements in the figure above (such as goals for the process, performance evaluation and first implementation steps) are not explained in depth in this thesis.

3 METHODOLOGY

The methodological choices behind this study are explained and justified in this chapter. The chapter starts by introducing the research method. The chapter continues with the case selection process and data collection process.

3.1 Research method

When deciding on which research design to choose, it is important to identify the nature and the objectives of the study. Creswell (2014) writes, that there are three different method approaches for research; qualitative, quantitative or mixed methods. However, qualitative and quantitative research methods are not necessarily opposites of each other, but rather offering guidelines and basis for the studies. These methods can also be used simultaneously.

In this case, the opportunity rose to work side by side with a company and their executive team in order to renew their strategy and identify strategic capabilities in order to gain competitive advantage in a highly regulated industry. Thus, a single-case study became the logical option taking into consideration the experience the researcher would gain from working with knowledgeable informants and being able to utilize their own knowledge into practice.

For this research, qualitative research method was chosen. Qualitative research can be used, when deeper and richer theoretical understanding of certain phenomenon is needed. Additionally, qualitative research method allows to understand the phenomenon more holistically. (Gioa, Corley and Hamilton, 2012.) The qualitative research method allows for the researcher to understand capabilities and their interaction with each other better. Gillham (2000) adds, that qualitative research often tackles certain issues and offers possible explanations to them. In short, qualitative research aims to understand a certain phenomenon that is going on.

Case studies are often used to answer specific research questions. Additionally, in case studies, the researcher ais to find evidence in order to answer the research questions. While doing a case study, different sub-methods are also used, for example questionnaires, observations and interviews. (Gillham, 2000.) To continue, Farquar (2012) states, that *" a case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident."*

Lastly, case studies offer an insight on how a certain phenomenon actually occurs and operates in certain situations. Additionally, case studies allow researchers to explore the research questions from, for example, industry-specific perspectives. Thus, case studies combine the theory to the research questions and the case study is able to demonstrate how it matches the theory. (Farquar, 2012.)

According to Yin (2009: 49-50), in order for a single-case study to be rational, it should be either critical, unique, representative, revelatory or longitudinal. In this case, the study represents a revelatory opportunity to gain unique knowledge on the strategy process of a groundbreaking company, along with having insights from the executive team. Additionally, strategy processes in literature are often described by using example companies operating in free markets. However, in this case, the strategy process is not as straightforward due to the limitations of the industry, which adds an extra element to the study.

However, despite this study being a single-case study, there are some features of an action research to be seen. Action research is often used in cases, where current practices need improving and updating. Action research is often done through interviews, workshops and observations. The process often starts from wanting to find a solution to practical problems either working inside the company with the executive team or bringing an outside researcher to help ease the process. (Meyer, 2000.) The action

research process can be described to be a circular process, where planning, acting, observing and reflecting follow each other continually. (Elliot, 1991.)

In this study, the action research features come from wanting to solve a practical problem, which was the updating of the poor current strategy and transforming the company vision towards being more employee based. Additionally, the process can be seen to be somewhat circular, since the strategy process did not end in the workshops, but is still continued and modified based on the workshops and other evaluation.

A holistic approach to the case study is needed, since the focus is on a single company and its single unit. The case study becomes specific and aims to deeply understand the capability identification process of a company. In addition to literature, the material and data is gathered through workshops with the executive team consisting of versatile professionals with different backgrounds.

This study is a qualitative single-case study using on a nursing company wanting to explore and renew their strategy in an industry, where most of the outside factors are defined by the state or the cities. The nursing industry is highly regulated by different laws and tenders. Unlike in many other industries, the nursing industry has restrictions on pricing, buyers and service content which leaves a little room for competing. The challenge often is, how to gain competitive advantage. Additionally, the role of strategy can sometimes be belittled.

This research was conducted in many different steps. The process begun with a meeting with the CEO of the case company and the CEO of the mother company of the case company. The process was followed by continuous circle of evaluation and planning. The initial idea came from the fact that the case company had started their process of strategy renewal and they were open to have an outside consultant to help with the process.
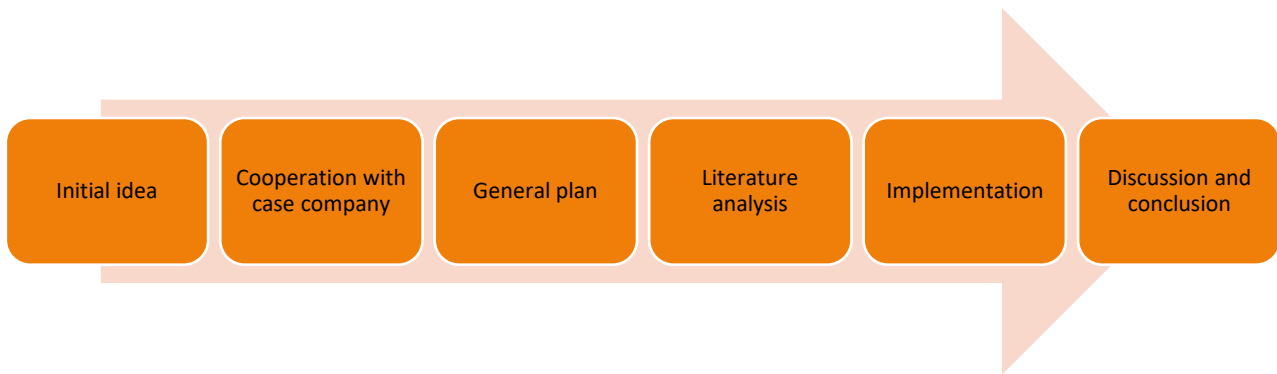
Figure 6. Plan of research.

In the first meeting with the CEO's, it was determined that the most beneficial subject for both parties would be the search of key capabilities of the case company. Due to the challenging environment the case company operates in, it is crucial to find factors where possible competitive advantage can be gained. However, in addition to the search of key capabilities, the case company also made a general strategy apart from this research.

The process continued by literature research and analysis in order to gain more understanding about the relevant literature to this case. Additionally, after the initial meeting, there were discussions about different ways to collect the data. However, it was determined that the information would be collected through three different workshops, where each workshop dived deeper into understanding the capabilities of the company. This would allow better information flow than for example questionnaires would.

The workshops were conducted in March 2022 in three different sessions with the executive team, where open discussion was encouraged. The themes and aims of the workshops were always different and they can be found from chapter 3.3 data collection. The researcher aimed to challenge the current beliefs of the executive team and search for different approaches regarding the key capabilities. The workshops were then evaluated, and the data collected from them was analyzed.

3.2 Case description

The case company is a private nursing home offering permanent and temporary housing for people with mental disabilities. The company is a part of a larger organization that operates globally. In 2020, the result of the financial year was more than doubled from the previous year 2019.

In the past few years, the company has continued to grow and thrive in an extremely difficult environment and despite having tough regulations. The company aims to increase awareness of people with mental disabilities. The CEO of the company has won The Female Entrepreneur of the year in 2019 and the company has also participated in a popular tv show in Finland.

Additionally, the challenges and limitations in the industry, as well as the current process of renewing the strategy offers a unique opportunity to explore ways to identify strategic capabilities and gain competitive advantage for the company. The single-case study offers a deep insight to the strategy process of the company as well as being collaborative with the researcher. This would not be possible in a larger sample of cases.

To continue with the challenges and limitations in the industry, the official requirements of the industry are quite strict, and the market demand can be overwhelming. Additionally, the current pandemic situation has affected the temporary housing business in the beginning of the pandemic.

Some of the benefits in the industry are for example the non-cyclicality of the industry. The customers will remain whether the overall economic situation is bad or not, since they still need housing. Additionally, the caring of the customers is paid by municipalities, which again get their money from the state. The volatility of individual households or even recession does not affect the business.

There could also be some opportunities to recognize. For example, the case company is located in an area, where there are also other services for the mentally handicapped, which could lead to possible future collaboration. Additionally, the area itself has room for growth so the possibility to expand is great. However, the poor situation in the employees in nursing industry has become a great barrio for future expansion and growth.

The framework for this case study follows the basics of Hafeez et.al's (2001) AHP model. Unlike in the AHP model, in this case financial targets were not set at this stage of the process. The data collection was done in three different workshops where the goal was to identify the key capabilities of the company. The framework used and further explanation can be seen earlier on this paper in figure 5 on page 28.

3.3 Data collection

In order for the data to be relevant and the case study becoming reliable, different sources of data is needed (Yin, 2009). The primary data were the main source of information. The data was collected mainly through workshops and previous material offered from the company. Additionally, the background data to which the results are mirrored was collected through literature analysis. Some previous material offered by the company was also used, such as company website, annual reports and previous strategy plans.

The company had already started the process of renewing their strategy, which offered some strategy data in addition to the three workshops that were conducted with the executive team. The executive team consists of three middle managers, the CEO of the case company, the HR-coordinator and the CEO of the parent company. The list of workshop participants and their education can be found on the figure below.

Participant	Title	Education
1	Chief executive officer of parent company	Master of Business Administration
2	Chief executive officer of case company	Master of Business Administration
3	Responsible caregiver 1	Bachelor of Social Services
4	Responsible caregiver 2	Bachelor of Social Services
5	Responsible caregiver 3	Bachelor of Social Services
6	HR coordinator	Bachelor of Business Administration

Figure 7. List of workshop participants.

The primary data was collected through workshops. The workshops were conducted in three different sessions, starting from general strategy process and moving on to deeper understanding of the capabilities of the company and the possibilities for competitive advantage. The theme of the first workshop was to find out the current situation of the company, it's environment, competitors, customers, challenges and opportunities. The aim of the first workshop was to identify the current capabilities of the company based on the beliefs of the executive team. The goals for the strategy process were also set. However, at this stage the company decided to focus on non-financial goals and decided to set the financial goals later on.

The second workshop dived deeper into the key capabilities of the company. In the workshop, capabilities were listed and prioritized based on the beliefs of the executive team. Additionally, the key capabilities of the company were chosen. Additionally, the second workshop was used to build a new strategy for the company overall. The new strategy would focus on being employee based and have the key capabilities as a center.

The second workshop also addressed the previous performance of the case company (non-financial).

The third and last workshop was all about practice. By using the key capabilities, the aim was to match the strategy with practical practices, how they can truly be utilized The aim was also to find pairs for the capabilities from practice in order for them to be considered to be key capabilities for the company. Additionally, in the third workshop, the first implementation steps of this new strategy were determined. Lastly, the executive team also set goals for the first year using this new strategy.

The challenge in the workshops was the different backgrounds of the executive team. Many of the participants have a background in nursing industry, which became a challenge when trying to understand capabilities and their core meaning for the company. Additionally, the executive team lacked some diversity, since all of the responsible caregivers have similar education. However, they all have worked in different industries, which offered some diversity for the discussion.

3.4   Data analysis

There are many different ways available to analyze qualitative data. Especially for new researches, the choice is extremely important. (Lester, Cho and Lochmiller, 2020.) Seers (2012) continues by writing, that in order for qualitative research to be good, it is crucial to use a systematic approach. For example, coding and categorizing can be considered to be an effective way to analyze qualitative data. Additionally, when analyzing qualitative data, the data collection and data analysis can be done simultaneously. The analysis process can and should already start while collecting the qualitative data. (Gibbs, 2018.)

The data was analyzed by systematic content analysis. The data analysis process started by analyzing the discussions made in the workshops. Since the workshops were

conducted in three different sessions, it became logical to go through them from first to last and see the development in between them. During the process of analyzing the workshops, the researcher also looked deeper into the similarities and differences between each participant based on their background and education to see whether there were clear differences.

The analysis begun with transcribing the workshops. However, complete transcription was not seen necessary, since the workshops also included other conversations regarding strategy in addition to the capabilities, which were the theme of this study. (Gibbs, 2018.) After transcripts, the coding process begun, which is considered to be a great first step to analyze qualitative data (Seers, 2012). After coding, different categories and themes were formed based on utilizing Gioa et. al's (2012) data analysis process.. Additionally, this process also leads to the identification of the key capabilities based on the categories and themes formed on the workshops.

3.5   Validity and reliability

Evaluating reliability and validity in research is an essential part of the research process. According to Yin (2009), there are two types of validity in research; construct validity and external validity. Construct validity is about the measures regarding the concept and external validity is about the generalizability of the findings. Regarding the construct validity, there were different types of participants in the workshops, which created diverse discussion as well as brought out versatile opinions. Additionally, the whole process was done in deep collaboration with the executive team to amplify the validity of the data.

Regarding the external validity, this research is a single case study, which leads to the data and models used being more simplified, since there is no comparison between companies. Additionally, the questions and assumptions are only answered through one sided view offered from one case company.

Sanders (2016) argues, that personal feelings, as well as participation of certain individuals might affect the data collection. However, reliability of this research was ensured by previously constructed workshops as well as the openness and trustworthiness between participants. Even though there were clear guidelines to structure the workshops, open discussion was encouraged. Additionally, the workshops were recorded, and the researcher also took notes during the workshops to highlight important matters.

4   FINDINGS

In this chapter, the results of this study are presented. Additionally, the three research questions are answered based on the findings in this study. The aim of this study was to explore the key capabilities of the case company as well as find ways to utilize and secure them in the future. The subcategories are divided into the three research questions, in order for clearer analysis. Additionally, the results are also mirrored to the literature to see whether there are clear similarities or differences to be found.

4.1   Collected data and data structure

The data was analyzed by utilizing Gioa et.al's (2012, p.21) data analysis method. In the data analysis method, it is encouraged to first find similarities and differences from the data in order to form the categories. After categorizing, themes are formed in order to have more distinct description of the categories. The aggregate dimensions are formed based on the themes by even further summarizing the themes. In this study, the workshop data was coded and further categorized. The categorization is followed by forming themes and lastly forming dimensions, or in this case the key capabilities of the company.

First order concepts → Second order themes → Aggregate dimensions

Figure 8. Simplified version of data structure by Gioa et. al (2012).

The figure below illustrates the data structure, process and further the formation of the key capabilities of the case company. Based on the discussion in the workshops, there were similar categories and themes recognized. These categories are listed on the first table on the figure above. In summary, the categories are often appearing topics in the workshops. However, the categories are slightly summarized and rephrased for them to be more understandable. Secondly, the categories are summarized together to form the second order themes found in the second table. These themes were formed in order to have more distinct description of each category. Lastly, the dimensions were formed based on the combination of the themes. However, in this case the dimensions are replaced by the key capabilities of the case company. Additionally, the key capabilities, which were the main finding in the workshops are discussed further in the coming chapters.
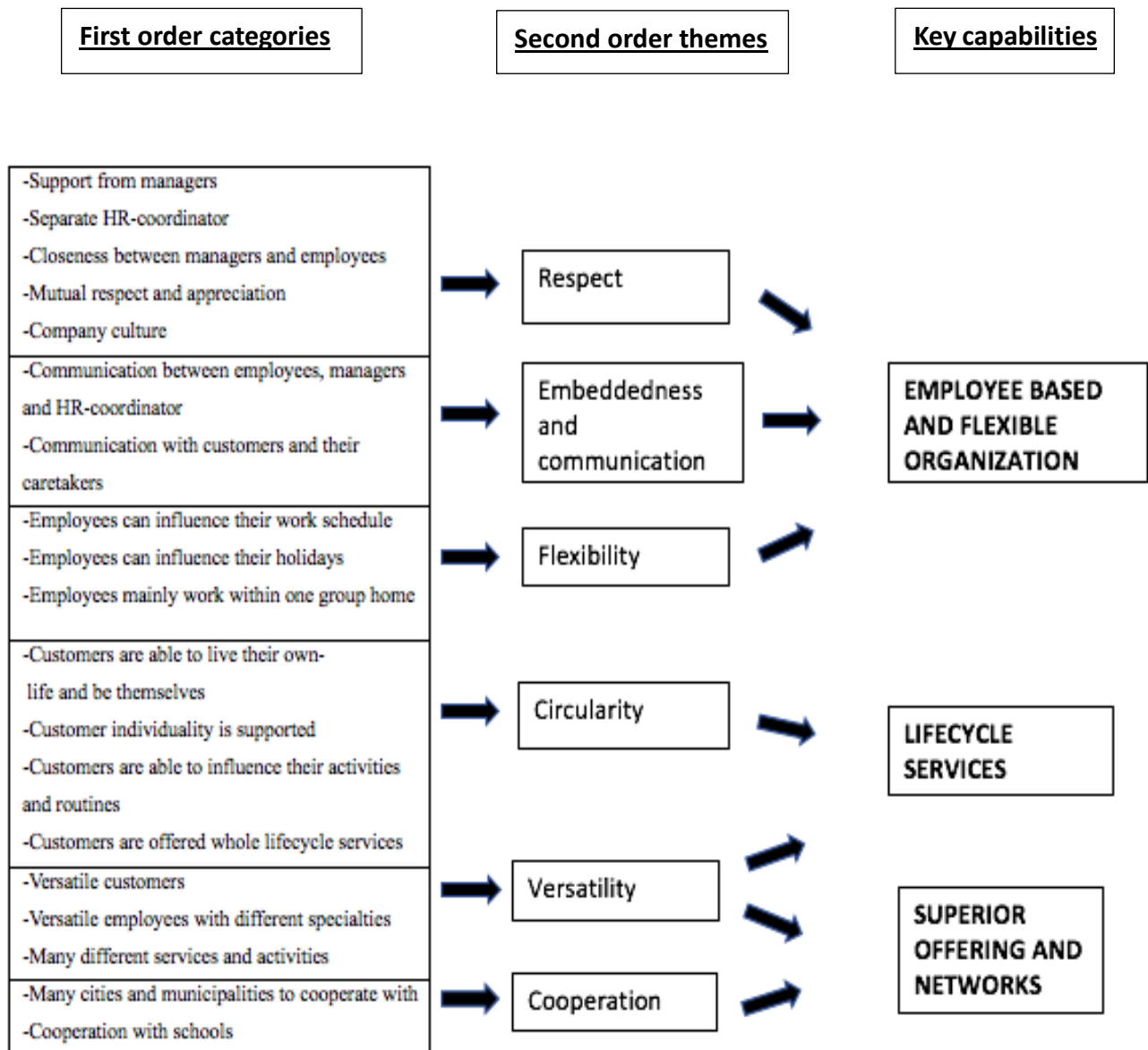
First order categories   Second order themes   Key capabilities

Figure 9. Data structure.

4.2 The key capabilities of the company

When talking about the key capabilities of the company, it is important to find equivalent measures to them from action. This was continually emphasized in the workshops by the CEO of the mother company. Additionally, all of the participants continually emphasized

the culture and spirit of the company. This was summarized by the CEO of the case company as such:

"You cannot talk about our company without talking about the spirit and culture that we have here. No matter how many struggles we face, we continue to have a unique spirit inside our company and that is what has kept us going all these years. We appreciate our employees as much as they appreciate us and that can clearly be seen in our everyday actions. The struggles in nursing industry have affected us negatively as well as our competitors, but the spirit we have cannot be taken away from us no matter what, and that's what makes us different from the competition." (Participant 2)

Ethiraj et.al (2005) write, that capabilities are also about what the company can do better than others, as well as what the company has. The case company has built their culture through the years and can now be seen as one of the capabilities that are different from the competition. Company culture can also be seen as a capability that is hard to imitate, since it is build based on the employees and is constructed over the years. (Collis, 1994.)

Based on the workshops and the data analysis, there were many different capabilities identified. Based on these, the three key capabilities were identified later on in the process. The capabilities of the company can be considered to be; respect, embeddedness and communication, flexibility, circularity, versatility and cooperation. According to Barney (1991), strategic capabilities, thus capabilities that can be used as a source of competitive advantage need to be valuable, rare, hard to imitate and non-substitutable. Thus, how do these capabilities perform?

When talking about the cooperation, it is shown by the fact, that the case company is cooperating with many different cities and municipalities ensuring, that they have strong relationships and are guaranteed to be offered customers after the tenders. For example, in many companies, a certain number of places are sold to one certain city, which means that the places cannot be used by other cities. Liu and Bing (2011) argue, that networks

are in fact one of the key capabilities of a company. In cases, where there are not suitable customers to offer to the company, these places remain empty. This shows a level of valuability as well as sustainability, which are considered as great qualities for capabilities (Pandza, 2003).

The case company aims to hire versatile employees with different specialties, in order to offer as versatile services as possible. In nursing homes for the mentally handicapped, employees are often educated to work with mentally handicapped people, however, the case company also values education for example in mental illnesses, since mental illnesses are quite common in mentally handicapped people. As one participant pointed out;

"Something the competitors often fail to realize is, that a way to engage customers is to offer lifecycle services. If you think about our company, we have had many cases where kids come to our company for temporary housing in weekends and after they turn 18, they end up applying for permanent housing. This has also happened through the daily activities, where customers come here for daily activities from some other company but enjoy their time here so much, they want to apply for permanent housing too." (Participant 3)

The level of expertise in employees also leads to the case company being able to offer many different services in housing and activities as well as being able to accommodate versatile customers. Teece et.al (1997) as well as Amit and Schoemaker (1993) argue, that human resources especially are a great way to gain competitive advantage, since each employee has a unique set of skills that cannot be imitated. Additionally, the idea of lifecycle services is unique, since other companies do not offer it at the moment.

Going back to the spirit and culture of the company, the CEO of the case company mentioned the mutual appreciation between employees and managers. Employees feel appreciated by the managers and also consider to get great support from them.

Additionally, the hierarchy levels in the case company are low and the CEO can be seen in the company daily. This statement was also supported in the employee satisfaction questionnaire conducted in 2021. Burt and Soda (2021) argue, that the internal networks in an organization are as important as the external networks, when talking about network capabilities. To add, the case company has also hired a separate HR coordinator to support the relationship between everyone inside the company, which lead to an embedded organization throughout.

"I feel like we have a very close relationship with the employees. We don't have the normal hierarchy boundaries that maybe bigger companies have. I work in the same office as the other managers and also talk to employees daily. I have always aimed to be easily approachable and trustworthy so that employees feel like they work in a safe space. However, I must add that the hiring of the HR coordinator has made the employees more satisfied and they have opened up to him in a way that they sometimes may not be able to open up to me." (Participant 2)

To continue with the embeddedness, employees are also able to influence their work greatly by influencing their work schedule as well as their holidays. For example, in the case company, employees mainly work inside one unit, where again in other companies you may have to work in different unit every day. Additionally, strong communication inside the company is also encouraged. One participant stated:

"The flexibility offered to the employees has been a clear way to satisfaction. Employees feel like they are in control of their own work which also makes them feel empowered. I also want to add that I worked in public sector previously, and if you ever had a suggestion it would have to go through many levels of managers and even so you probably would never hear from them again. Here I can suggest something for participant 2 and it can be used in action the next day." (Participant 4)

Additionally, the case company also aims to be flexible with their customers. Customers are able to live their own life the way they see it and are also able to influence the daily routines, activities and free time. The case company also aims to create experiences to the customers in addition to the daily care. For example, the case company takes all of the customers to a cruise yearly, and it is often the highlight of their year. The case company also invests in strong communication between the customers and their families and caretakers, creating trustworthy relationships.

As Wang and Ahmed (2007) write, the building of strategic capabilities often begins from identifying resources that are led to capabilities that again lead to core capabilities and so on to dynamic capabilities. Hafeez et.al (2001) continue by writing, that in order to identify the key capabilities, it is important to understand capabilities on a deeper level, which was done in the workshops. However, in this research the process was done a bit differently through coding. The outcome however was still similar.

To answer the first research question, there were three key capabilities identified from the capabilities discussed in the workshops. This process can be seen in figure 9 on page 42. The key capabilities turned out to be superior offering and networks, employee based and flexible organization and lifecycle servicers. As discussed in the previous chapter, these can be identified in different ways.

Superior offering and networks are formed through the cooperation and versatility within the company. Teece et.al (1997) write, that competitive advantage through the capabilities is often formed through combining different types of resources. In this case, human resources are identified as one of the key resources of the company as well as one of the key capabilities for the company. Cooperation also has attributes of a network capability, as it exploits relationships (Vesalainen and Hakala, 2014).

To continue, employee based, and flexible organization was the second key capability. In nursing industries strategies are often formed from customer-based view. However, the

current poor situation in nursing industry made the executive team to think differently and started the process of having an employee-based strategy and overall organization. Every organization has their own unique employees, however, as Mills et.al (2003) write, one resource can be utilized differently depending on how they are applied, and this way can create competitive advantage in one organization even though it would not in another.

The last key capability identified was lifecycle services. As mentioned in previous chapters, the case company has a unique position where they offer all available services under one roof, which has not been done in the competing companies. This holds great strategic value, since it is hard to imitate and has no current substitutes (Amit and Schoemaker, 1993). This capability could also be seen to have dynamic attributes, since it is possible to change the proportions to which housing services and activity services are offered (Eisenhardt and Martin, 2000).

In addition to the key capabilities, there was one factor that the executive team thought was a clear difference from the competition and that was the visibility of the case company. For example, the case company actively participates in all types of activities in order to gain more awareness of themselves. Additionally, the case company has participated in a popular tv show called *Arman Pohjantähden Alla*, that gained them even more visibility. Lastly, the CEO of the case company is a passionate advocate for mentally handicapped people and has also won the Female Entrepreneur of the Year in 2019. The executive team thought, that all of these in addition to their other capabilities are a reason behind their great reputation and visibility.

4.3   Securing the key capabilities

As mentioned earlier, in order for capabilities to have strategic value and to be utilized, they need to have equivalent practices. This is also key in securing the capabilities in the future. However, many researchers (Teece et.al 1997; Eisenhardt and Martin, 2000;

Teece, 2007) argue, that in order for capabilities to have strategic value, they need to be dynamic. This refers to their ability to change and adapt continually to match the environments and keep up with the competition. Pandza et.al (2003) argue, that strategic capabilities may not have to be dynamic in order to be valuable, but they need to be flexible.

To continue, Teece et. al (2016) argue, that changing continually may not be profitable in every case. Continuous change can also be seen as risky an unnecessary. Companies should aim to balance their current capabilities as well as seek for new ones, instead of always changing. This is also dependent on the industries, since change is much more rapid in industries where technological issues are concerned. (Mills et.al, 2003).

One of the key issues that was raised in the workshops was how to secure the key capabilities. Even though nursing industry is described as quite steady, there still needs to be clear measures on how to utilize and secure the capabilities. As the CEO of the parent company mentioned:

 "Strategy is not a very typical conversation in nursing industries, and it has been awhile since we last discussed these matters. And on the top of everything the current situation has even made it less relevant, since the focus is on the actual work. However, I strongly believe that in order for us to remain our position and gain more attention we have to start thinking about ways to separate ourselves from the competition. We already have clear differences, but we also have to find new ways to compete." (Participant 1)

Whittington (2006) writes, that it is important to think strategy as something people do instead of strategy being something the company has. The key capabilities identified were superior offering and networks, employee based and flexible organization and lifecycle services, but how are these done in everyday life? How can they be secured in order to have them as key capabilities?

MacKay et.al (2021) define practices as routines, something the company does daily in order to accomplish the planned strategy. In order to remain having superior competences, the case company aims to continue with their versatile cooperation. Additionally, the hiring of versatile employees is aimed to continue. The case company also suggested that in the future they would want to offer more training for their permanent employees in order to advance their abilities and knowledge. For example, one of the offered trainings at the moment is called AVEKKI, which offers training for aggressive and violent situations in the workplace.

As opposed to what was done earlier, the aim is to transfer to an employee-based organization, since it was recognized that employees and their satisfaction is a way for the company to differentiate themselves from competition especially in the current situation. The training mentioned in the previous chapter are also a way for the company to commit their employees. It is also aimed to empower the employees more by giving them more opportunities to influence their work. One practical example of this is that in the future employees could be able to suggest trainings that interest them.

Lifecycle services are something that are already offered, however, currently there are more customers coming that the case company is able to have. In the future the aim would be to expand and establish more group homes in the near are as well as to other cities. Additionally, daily activities are particularly desirable, thus the aim is to able to offer them more when new group homes are formed. However, the clear challenge in this capability is the poor situation in nursing industry, where there are not enough employees. However, the case company has already solved this in some level by offering higher salary than many competitors and public companies.

4.4 Competitive advantage through capabilities

As Hafeez et.al (2001) write, the key capabilities should be at the basis of building a strategy. Vesalainen and Hakala (2014) continue by stating that the key capabilities are

the basis of the competitive advantage the company has and gains. In this case, the key capabilities were embedded to the strategy and are considered to be the basis for all activities.

The third research question was about whether it would be possible to gain competitive advantage by further developing the capabilities. The answer to this based on the research is yes. In the beginning of the research, one of the key issues was how to gain competitive advantage in an industry where companies have similar capabilities as well as are bound by the same restrictions. However, as the research process continues, it became clear that there are different capabilities in different companies as well as different ways to utilize them.

For example, when talking about the case company transforming themselves into an employee-based organization, that is already a way to create competitive advantage through adding the quality of human resources. Additionally, adding an HR coordinator to the company differentiates the case company from competitors. However, these could also be done by the competitors which makes them less sustainable.

Offering lifecycle services is also a way to create competitive advantage by adding the quantity of capabilities. In order to offer lifecycle services, the case company need to have a solid customer base and additionally improve their visibility for other customers to find their services too. In addition, lifecycle services require different types of employees depending on the level of their customers. For example, hosting daily activities is considered to be simpler than for example working in a permanent housing unit for autistic people. These require completely different levels of expertise.

To continue with the different levels of expertise, versatile employees are needed, which creates again another level of adding the quantity as well as quality of the capabilities. Thus, these previous chapters we can come to the conclusion, that even though companies operating in the same nursing industry and having somewhat similar

capabilities, it is possible to gain competitive advantage by adding the quality or quantity of capabilities. However, in order for capabilities to be a sustainable source of competitive advantage, they should be rare, hard to imitate, valuable and hard to substitute, which is not completely valid with these capabilities (Barney, 1991).

There were also some challenges concerning the future operations of the case company and how they affect the newly found key capabilities. First of these challenges was security. For example, in one city there is a new practice where the social workers are not allowed to give out any personal information about the customers which makes it hard for companies to choose whether they are applicable or not.

"Last week I got a call from city x asking if we had any room for a new customer. When I tried to ask more specifically about the customer and what they are like the city was not able to ask any of my further questions, since they are not allowed to. It was impossible for me to offer them housing in my company, since I had no idea if they would fit here or not." (Participant 2)

Secondly, one big problem is also the hierarchy levels in some cities. For example, the social workers granting the housing for customers in nursing companies may not know the customer at all. In addition, they are also not the ones coming to the meetings with the nursing companies, rather they solely make the decision based on information gained from another person. When talking about people and their housing, many of the participants in the workshops thought that the person making the decision should know the customer better in order to make such a big decision on their behalf.

Lastly, when looking the current situation within the customers of nursing homes of the mentally handicapped, there is a clear move towards having more and more difficult customers. Severely mentally handicapped people are increasing which also means that there is more demand for housing. However, the employees in nursing industries are

more reluctant to work with severely mentally handicapped people, which means that there are not enough employees to answer the increasing demand.

4.5   Summary of the findings

The first research question was, what are the key capabilities of the company? These capabilities were found in the workshops by discussion and utilizing the strategic capability hierarchy by Wang and Ahmed (2007). The capabilities were built on the beliefs of the executive team and there were three key capabilities found; **superior offering and networks, lifecycle services and employee based and flexible organization**. The reasoning and the process behind these can be found in the previous chapters.

The second research question addressed the issue on how these capabilities can be secured in the future. It was mutually agreed in the workshops, that securing these capabilities need innovation. The company aims to have an employee-based organization by engaging and empowering their employees to answer the current poor situation in the industry. Additionally, the current networks are aimed to be broadened and built even further to retain their position amongst competition. Lastly, the possibilities of opening new group homes is thought in order to strengthen the position as the only company offering lifecycle services.

The third and last research question was whether it is possible to gain competitive advantage by further developing the capabilities of the case company. After the research it was clear that the answer is **yes.** It was certified that in addition to the case company having some unique capabilities, it is also possible to gain even more competitive advantage by developing and transforming these capabilities further. For example, employees are thought to be one of the most important capabilities for the company. In order to develop this capability even further, the company changed their operations towards being more employee based, which allows them to engage and empower their employees better.

To continue, in order to see whether the further development of the employee capability becomes profitable, the company will hold a job satisfaction survey in fall. These job satisfaction surveys are held yearly, thus the data collected can be compared to the last year's survey and analyze whether there can already be seen some differences.

5   DISCUSSION

This chapter further discusses the finding of this study reflected to theory in theoretical reflections. Additionally, this chapter includes managerial implications, limitations of the study and further research suggestions.

5.1   Theoretical reflections

The purpose of this study was to study the role of capabilities, key capabilities and competitive advantage in a nursing company for the mentally handicapped. In order to understand the capabilities better, the strategic capability hierarchy is often needed to understand. Strategic capability architecture indicates how resources can be built in order to create competence and higher order capabilities. (Wang and Ahmed, 2007.) In this case, the key capabilities were built vaguely based on the capability hierarchy theory. The process can be seen in detail on figure 8 on page 36.

Capabilities are considered to be a way for a company to gain competitive advantage (Teece et.al, 1997). In order to utilize these capabilities, companies need to understand where they come from, how they can be utilized, and which capabilities are considered to be crucial in the success of the company. In the workshops, it was identified that companies in the same industry often have similar capabilities, however, it is possible to gain competitive advantage by identifying the key capabilities of the case company as well as developing them even further. There were clear differences found that distinguish the case company from the competition.

Capabilities overall, whether they are considered to be dynamic or strategic are considered to be a crucial part of the strategy process of a company as well as be in the key position when searching for competitive advantage. (Collis, 1994.) In addition, capabilities are thought to be valuable, rare, hard to imitate and hard to substitute in order to be considered to be strategic (Barney, 1991). The case company had unique

capabilities, such as superior offering and networks that cannot be found amongst the competition at the moment. However, these are possible for the competition to imitate even though them requiring investments and time.

In many cases, dynamic capabilities are thought to be superior compared to other capabilities (Teece et.al, 1997). Dynamic capabilities have the ability to renew themselves and adapt to outside changes rapidly (Eisenhardt and Martin, 2000). In the case company, the key capabilities cannot be considered to be solely dynamic, since their nature is more stable. Additionally, in the nursing industry overall, having dynamic capabilities can be challenging. However, dynamic capabilities have faced some critique. For example, Teece et.al (2016) argued that dynamic capabilities are also risky, since they require constant state of alertness, that is considered to be unprofitable.

According to Barney (2001), the value in capabilities also lies in knowing how to utilize them in strategies differently. For example, in the nursing industry the case company operates, companies tend to have similar resources and capabilities: However, the case company has found superiority by valuing and building their networks better than the competition in order to have good relationships with the cities and municipalities that decide which companies get customers. Additionally, the case company offers superior services by offering every service under one roof, allowing them to have lifecycle services. This also leads to building strong relationships with their customers as well as their caretakers.

Even though the discussion in the workshops was more based on practice, there were indications to theory. For example, the strategic capability hierarchy and building key capabilities based on lower level capabilities was understood and utilized in the process. Additionally, the whole executive team was aware of the key capabilities that differentiates them from competition and makes the case company unique.

5.2 Managerial implications

Due to this study being a single case study, there is no clear evidence that this study could be beneficial for other managers and companies operating in the same industry. However, there were clear implications that the case company benefitted from this study. Additionally, it gave the case company tools for future, since strategies need to be renewed more often than they used to be.

However, even though this would have been a comparative case study with different case companies, there still is no clear recipe for succession. Thus, this research can be helpful for other managers and companies in their identification of capabilities and ways to find competitive advantage.

The utilization of capabilities and identifying the key capabilities of a company requires a sense of the current situation as well as a clear way to which the company wants to move. In order to understand capabilities, companies need to understand their resources and competences and sense how they can be built into capabilities. The sense of itself in the company allows them to gain competitive advantage through the capabilities

This research indicates, that even though nursing companies face restrictions and have similar resources and capabilities, there are clear ways to gain competitive advantage through capabilities, if companies are aware of how they should be utilized and what should be the focusing points in the company's strategy.

5.3 Suggestions for future research

This research is relatively small, yet interesting due to only researching one case company. For future research, it would be interesting to do a comparative study between different companies in the same industry. A comparative study would be interesting also

due to the current situation in the nursing industry, where many companies face difficulties and are trying to find different ways to cope and succeed despite the difficulties.

Additionally, it could be interesting to study the differences in capabilities between public and private companies. Especially since they are both bound by similar restrictions. Thus, the situation within employees in nursing industry could also be different between public and private companies, which could create another element of interest in future research. For example, private companies are able to utilize different benefits to lure in employees as well as pay higher salaries. It could also be interesting to see whether there are clear differences in employee satisfaction between public- and private companies.

In addition, since one of the most challenging issues the company faces was regarding the current situation in the nursing industry, it could be interesting to do a comparative case study where employees from different companies are interviewed and see how their opinions differ from middle- and top managers. Additionally, this type of study could give companies tools to engage and empower their employees through the challenges the industry faces.

Lastly, this study focused on the key- and strategic capabilities of the company and how they can be found. However, there is room for more research regarding the resources and competences the company has. Thus, taking a step back could also be interesting in order to understand the basis of the company better. However, this study also addressed some of the resources as well as show the different levels of resources and capabilities, but it could also be studied further. For example, could there be some dynamic capabilities to be found?

5.4 Limitations

Studies often face some limitations which are already known at the start of the process or that are uncovered while doing the research. The limitations for this study are mainly regarding the small sample size, similarity of participants in the workshops and case selection.

The first limitation of this study was the small sample size. Since this was a single case study, there cannot be made any generalizations. Additionally, the research only shows the results based on one company and their perspective. A larger sample size would have allowed to make comparisons between similar companies as well as find some generalizations about the subject. However, this case study was made to also help the company by operating as an outside consultant, which lead to deep cooperation.

The second limitation of this study came from the similarity of the participants in the workshop. The workshops were conducted with the executive team, which consisted of two CEO's, three middle managers that operate as responsible caregivers and HR coordinator. The two CEO's both have extensive experience in nursing industry as well as other industries. Additionally, all of the three middle managers have the same education despite their different experiences from mentally handicapped people, elderly and children. However, they all operate in a different type of group home, which created more versatile opinions.

The last limitation of this study was the case selection. The case company operates in private sector, which means there can be some clear differences compared to public sector companies. However, the case company is one of the leaders in its industry and has been recognized globally as well, which can be considered to be a reliable company for a case study.

REFERENCES

Alexy, O., West, J., Klapper, H., Reitzig, M. (2017). Surrending control to gain advantage. Reconciling openness and the resource-based view of the firm. *Strategic Management Journal.* Volume 39, Issue 6. Pages 1704-1727. https://doi-org.proxy.uwasa.fi/10.1002/smj.2706

Amit, R., & Schoemaker, P. J. H. (1993). Strategic assets and organizational rent. *Strategic Management Journal.* Volume 14, Issue 1. 33. https://www.proquest.com/scholarly-journals/strategic-assets-organizational-rent/docview/224670554/se-2?accountid=14797

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*. Volume 17, Issue 1. Pages 99-120. https://www.proquest.com/scholarly-journals/firm-resources-sustained-competitive-advantage/docview/215258436/se-2?accountid=14797

Baum, J. R., & Wally, S. (2003). Strategic decision speed and firm performance. *Strategic Management Journal*, Volume 4, Issue11. Pages 1107– 1129. https://www.proquest.com/scholarly-journals/strategic-decision-speed-firm-performance/docview/225005034/se-2?accountid=14797

Burgelman, R.A., Floyd, S.W., Laamanen, T., Mantere, S., Vaara, E., Whittington, R. (2017). Strategy processes and practices: Dialogues and intersections. *Strategic Management Journal.* Volume 39, Issue 3. Pages 531.558. https://doi-org.proxy.uwasa.fi/10.1002/smj.2741

Burisch, R., Wohlgemuth, V. (2016). Blind spots of dynamic capabilities: A systems theoretic perspective. *Journal of Innovation and Knowledge*. Volume 1, Issue 2. Pages 109-116. https://www.sciencedirect.com/science/article/pii/S2444569X16000172

Burt RS, Soda G. (2021). Network Capabilities: Brokerage as a Bridge Between Network Theory and the Resource-Based View of the Firm. *Journal of Management*. Volume 47, Issue 7. Pages 1698-1719. doi:10.1177/0149206320988764

Chakravarthy, B. S., & Doz, Y. (1992). Strategy process research - focusing on corporate self-renewal. *Strategic Management Journal*. Volume 13, pages 5– 14. https://www.proquest.com/scholarly-journals/strategy-process-research-focusing-on-corporate/docview/231179237/se-2?accountid=14797

Collis, D.J. (1994). Research Note: how valuable are organizational capabilities? *Strategic Management Journal*. Volume 15, Special Issue. https://www.proquest.com/scholarly-journals/research-note-how-valuable-are-organizational/docview/231165867/se-2?accountid=14797

Creswell, J. W. (2014). The selection of a research approach. Research design: Qualitative, quantitative and mixed methods approaches. Pages 3-24.

Edwards, G. (2017). Through the looking glass: Strategic organizational practices in strategic management. *Canadian Journal of Administrative Sciences*. Volume 25, issue 3. Pages 373-389. https://doi-org.proxy.uwasa.fi/10.1002/cjas.1442

Eisenhardt, K.M., Martin, J.A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*. Volume 21, Issue 10-11. https://doi.org/10.1002/1097-0266(200010/11)21:10/11<1105::AID- SMJ133>3.0.CO;2-E

Elliot, J. (1991). Action Research for Educational Change. Open University Press.

Ethiraj, S.K., Kale, P., Krishnan, M.S., Singh, J.V. (2005). Where do capabilities come from and how do they matter? A study in the software service industry. *Strategic Management Journal.* Volume 26, Issue 1. Pages 25-45. https://www.proquest.com/scholarly-journals/where-do-capabilities-come-how-they-matter-study/docview/225004709/se-2

Farquar, J.D. (2012). Case Study Research for Business. Sage Research Methods. https://dx.doi.org/10.4135/9781446287910.n2

Gibbs, G.R. (2018.) Analyzing Qualitative Data. *Sage Publications*. https://dx.doi.org/10.4135/9781526441867

Gillham, Bill. (2000). Case Study Research Methods. Bloomsbury Publishing Plc. https://ebookcentral-proquest-com.proxy.uwasa.fi/lib/tritonia-ebooks/detail.action?docID=564247.

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2012). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods, 1*, pp. 15-31. https://doi-org.proxy.uwasa.fi/10.1177/1094428112452151

Grant, R. M. (2003). Strategic planning in a turbulent environment: Evidence from the oil majors.*Strategic Management Journal*. Volume 24, Issue 6,. Pages 491– 517. https://doi-org.proxy.uwasa.fi/10.1002/cjas.1442

Halbesleben JRB, Neveu J-P, Paustian-Underdahl SC, Westman M. (2014). Getting to the "COR": Understanding the Role of Resources in Conservation of Resources Theory. *Journal of Management*. Volume 40, Issue 5. Pages 1334-1364. doi:10.1177/0149206314527130

Hafeez, K., Zhang, Y. B., Malak, N. (2002b). Determining key capabilities of a firm using analytic hierarchy process. *International Journal of Production Economics*. Volume 76. Issue 1. Pages 39–51. https://doi.org/10.1016/S0925-5273(01)00141-4.

Henderson, R. M., & Cockburn, I. M. (1994). Measuring competence? Exploring firm effects in pharmaceutical research. *Strategic Management Journal*. Volume 15 Pages, 63–84. https://www.proquest.com/scholarly-journals/measuring-competence-exploring-firm-effects/docview/231190682/se-2

Jarzabkowski, P. (2005). Strategy as Practice: An Activity Based Approach. *Sage Publications.*

Jarzabkowski, P., Paul Spee, A. (2009.) Strategy-as-practice. A review and future directions of the field. *International journal of management review*. Volume 11, issue 1. Pages 69-95. https://doi-org.proxy.uwasa.fi/10.1111/j.1468-2370.2008.00250.x

Kehitysvammaisten henkilöiden asumispalvelujen hankinta, § 234. Tampere.fi

Kohtamäki, M., Partanen, J., Parida, V., Wincent, J. (2013). Non-linear relationship between industrial service offering and sales growth: The moderating role of network capabilities. Industrial Marketing Management. Volume 42, Issue 8. Pages 1374-1385. https://doi.org/10.1016/j.indmarman.2013.07.018.

Laosirihongtong, T., Prajogo, D., Adebanjo, D. (2014). The relationships between firm's strategy, resources and innovation performance: resources-based view perspective. *Production Planning & Control.* Volume 25, Issue 15. Pages 1231-1246, DOI: 10.1080/09537287.2013.819593

Lester JN, Cho Y, Lochmiller CR. (2020). Learning to Do Qualitative Data Analysis: A Starting Point. *Human Resource Development Review*. Volume 19, Issue 1. Pages 94-106. doi:10.1177/1534484320903890

Liu, Q., Cao, B., (2011). The Research on the Relationship between Network Capability and Innovation Performance: The Intermediation of Knowledge Resources Acquisition - An Empirical Study of SMEs in Xinjiang, China. *International Conference on Management and Service Science*. Pages 1-4, doi: 10.1109/ICMSS.2011.5998914.

MacKay B, Chia R, Nair AK. (2021). Strategy-in-Practices: A process philosophical approach to understanding strategy emergence and organizational outcomes. *Human Relations*. Volume 74, Issue 9. Pages 1337-1369. doi:10.1177/0018726720929397

Mills, J., Platts, K., & Bourne, M. (2003). Competence and resource architectures. *International Journal of Operations & Production Management.* Volume23, Issue 9. Pages 977–994. http://dx.doi.org/10.1108/01443570310491738

Meyer, J. (2000). Using qualitative methods in health-related action research. *British Medical Journal.* 320. Pages 178–181. DOI:10.1136/bmj.320.7228.178. DOI:10.1108/01443570310491738

Pandza, K., Horsburgh, S., Gorton, K., & Andrej. (2003). A real options approach to managing resources and capabilities. *International Journal of Operations & Production Management, 23*(9), 1010-1032. http://dx.doi.org/10.1108/01443570310491756

Pettigrew, A. (1992). The character and significance of strategy process research. *Strategic Management Journal.* Volume 13, Issue 5. Pages 5-16. https://www.proquest.com/scholarly-journals/character-significance-strategy-process-research/docview/224965000/se-2?accountid=14797

Ritter, T., & Gemünden, H. G. (2003). Network competence: Its impact on innovation success and its antecedents. *Journal of Business Research*. Volume 56, Issue 9. Pages 745–755. https://doi.org/10.1016/S0148-2963(01)00259-4

Sanchez, R. (2004). Understanding competence-based management Identifying and man- aging five modes of competence. *Journal of Business Research.* Volume 57. Pages 518–532. https://doi.org/10.1016/S0148-2963(02)00318-1.

Sanchez, R., & Heene, A. (1997). Reinventing strategic management: New theory and practice for competence-based competition. *European Management Journal.* Volume 15, Issue 3. Pages 303–317. https://doi.org/10.1016/S0263-2373(97)00010-8.

Saunders, M., Lewis, P. & Thornhill, A. Research methods for business students. *Pearson Education UK.*

Seers, K. (2012). Qualitative data Analysis. BMJ Journals. Volume 15, issue 1. http://dx.doi.org/10.1136/ebnurs.2011.100352

Sutcliffe, K. M., & McNamara, G. (2001). Controlling decision-making practice in organizations. *Organization Science.* Volume 12, Issue 4*.* Pages 484-501. https://www.proquest.com/scholarly-journals/controlling-decision-making-practice/docview/213830114/se-2?accountid=14797

Teece, D.J. (2007). Explicating dynamic capabilities: The nature and micro foundations of (sustainable) enterprise performance. *Strategic Management Journal*. Volume 28, Issue 13. https://doi.org/10.1002/smj.640

Teece D, Peteraf M, Leih S. (2016.) Dynamic Capabilities and Organizational Agility: Risk, Uncertainty, and Strategy in the Innovation Economy. *California Management Review.* Volume 58, Issue 4. Pages 13-35. . https://doi-org.proxy.uwasa.fi/10.1525/cmr.2016.58.4.13

Teece, D.J., Pisano, G., Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal.* Volume 18, Issue 7. Pages 509-533. https://www.proquest.com/scholarly-journals/dynamic-capabilities-strategic-management/docview/231174373/se-2?accountid=14797

Ten Brummelhuis, L. L., ter Hoeven, C. L., Bakker, A. B., Peper, B. (2011). Breaking through the loss cycle of burnout: The role of motivation. *Journal of Occupational and Organizational Psychology*. Volume 84. Pages 268-287. https://doi-org.proxy.uwasa.fi/10.1111/j.2044-8325.2011.02019.x

Thomas, L. & Ambrosini, V. (2015), Materializing strategy: The role of comprehensiveness and management controls in strategy formation in volatile

environments. *British Journal of Management.* Volume 26. Pages S105– S124. https://doi-org.proxy.uwasa.fi/10.1111/1467-8551.12075

Vesalainen, J., & Hakala, H. (2014). Strategic capability architecture: The role of network capability. *Industrial Marketing Management*. http://dx.doi.org/10.1016/j.indmarman.2014.05.008

Wang, C. L., & Ahmed, P. K. (2007). Dynamic capabilities: A review and research agenda. *International Journal of Management Reviews.* Volume 9, Issue 1. Pages 31–51. https://doi-org.proxy.uwasa.fi/10.1111/j.1468-2370.2007.00201.x

Whittington, R. (2006). Completing the practice turn in strategy research. *Organization Studies*. Volume 27. Pages 613– 634. https://doi-org.proxy.uwasa.fi/10.1177/0170840606064101

Yin, R. K. (2009). *Case study research: Design and methods.* London: SAGE Ltd.

Zahra, S.A., George, G. (2002). Absorptive capacity: A review, reconceptualization and extension. *Academy of Management Review*. Volume 27, Issue 2. Pages 185-203. https://doi-org.proxy.uwasa.fi/10.5465/amr.2002.6587995