

CORE COMPETENCES AS META-NARRATIVES - BEYOND THE AFFIRMATIVE MODE: LINKING KNOWLEDGE, POWER AND NARRATIONS

Jochen Koch

Institute of Management,
Free University Berlin, Germany
koch@wiwiss.fu-berlin.de

Session B-4

Abstract

Core competences or capabilities are characterized in an almost exclusive affirmative way. Even if the perils of path dependence and core rigidity are acknowledged to some extent, the flip side of core competences is not really reflected in the well-established concepts. The paper focuses on such shortcomings accompanying the one-sided affirmative conceptualizations and tries to develop a more critical perspective. Based on a postmodern theory of knowledge three different types of knowledge problems are identified and transferred into an organizational concept on knowledge, power, narrations and meta-narratives representing the deep knowledge structure of an organization. This concept is related to the idea of core competence and the interpretation of core competences as meta-narratives offers an analytical and critical perspective and allows differentiating between core competences and core rigidities not only by referring to the market but also within an organization.

Keywords: core competences, path dependence, discourse analysis, knowledge, power, narrations.

Core competences as meta-narratives

Beyond the affirmative mode: Linking knowledge, power and narrations

Jochen Koch

Institute of Management
Freie Universität Berlin, Germany
koch@wiwiss.fu-berlin.de

Abstract

Core competences or capabilities are characterized in an almost exclusive affirmative way. Even if the perils of path dependence and core rigidity are acknowledged to some extent, the flip side of core competences is not really reflected in the well-established concepts. The paper focuses on such shortcomings accompanying the one-sided affirmative conceptualizations and tries to develop a more critical perspective. Based on a postmodern theory of knowledge three different types of knowledge problems are identified and transferred into an organizational concept on knowledge, power, narrations and meta-narratives representing the deep knowledge structure of an organization. This concept is related to the idea of core competence and the interpretation of core competences as meta-narratives offers an analytical and critical perspective and allows differentiating between core competences and core rigidities not only by referring to the market but also within an organization.

Keywords: core competences; path dependence; discourse analysis; knowledge; power; narrations.

1 Introduction

The current debate on organizational knowledge and competences is basically influenced by a social constructionist perspective (Spender, 1996) standing in the tradition of the sociology of knowledge (Berger and Luckmann, 1967). Organizational knowledge and competences are reconceptualized emphasizing a descriptive mode and differentiating forms and types of knowledge (Blackler, 1995) and their interplay (Nonaka, 1984). This form of understanding knowledge in organizations goes hand in hand with the obviously more and more influential pragmatist view (Brown and Duguid, 2001; Rorty, 1982) tearing down the difference between knowledge and action by

focusing on knowing (Cook and Brown, 1999). Last but not least, both streams of influence fit quite nicely into the presumable most powerful perspective on organizational knowledge and competences, considering knowledge as a resource (Barney, 1991) and capturing a specific combination of knowledge and capabilities with the epithet of core competence (Prahalad and Hamel, 1990) and more recently and in a temporal perspective as dynamic capabilities (Teece et al., 1997).

It goes without saying that this wide and heterogeneous field of research – here roughly sketched and circumscribed on a theoretical level in form of a descriptive perspective, a pragmatist impetus and a resource based view – has produced important insights and that the impressive amount of literature could not be easily condensed to such a coherent and all-encompassing picture framed by this three elements. Nevertheless this reduction could be seen as a helpful abstraction in order to work out some fundamental problems of the field.

It is the purpose of this paper to show how this theoretical focus of the field constitutes a problematic form of understanding core competences in organizations. Roughly spoken, the descriptive “heritage”, the pragmatist impetus and the focus on knowledge as a resource, this all together constitutes a conceptualization of organizational knowledge and competences which confirms an only affirmative perspective. In a theoretical point of view maybe this problem is captured in the best way by stating: “If knowledge is everything, maybe it is nothing.” (Schreyögg und Geiger, 2002). In a practical point of view a more or less arbitrary conceptualization of competences becomes a problem of learning and organizational change: If knowledge and competences are not questionable sooner or later they will constitute learning barriers or defenses routines (Argyris, 1990). Or put it another way: Without a critical perspective core competences easily shift into core rigidities (Leonard-Barton, 1992). However, both points of view refer to the same reason: Knowledge has to draw a distinction and there has to be a critical perspective on core competences. Otherwise these concepts constitute ever and only affirmative categories.

Therefore the paper wants to go beyond such an affirmative mode and tries to (re)gain a critical perspective on knowledge and above all to (re)gain both the conceptual and the practical ability for a critical inquiry of organizational knowledge and competences. For this account and in order to explore such a perspective the paper refers to “theories of distinction” standing basically in the tradition of postmodernism. Central is the philosophy of knowledge from the French philosopher Jean-François Lyotard (1984; 1988). Before this critical perspective is introduced the paper reconceptualizes the idea

of a core competence or core capability and refers to shortcomings of an only affirmative perspective. The discussion of a critical perspective then results in a combined model integrating the descriptive level of core competences and the analytical level of meta-narratives.

2 The concept of core competences

Competences or capabilities are considered *core* if they differentiate a company in a strategic sense (Leonard-Barton, 1992: 111). They are defined as a specific combination of different organizational resources which enables a company to gain a sustainable competitive advantage. From a strategic point of view the existence of a core competence is basically due to the imperfect functioning of factor markets (Hunt and Morgan, 1995). From an organizational point of view the development of an idiosyncratic set of resources take center stage (Barney, 1986).

In both viewpoints the idea of a core competence refers mainly to a procedural perspective focusing on an emergent and contingent development process resulting in and representing an enduring superiority concerning the endowment of resources and their combination. Core competences are therefore described as institutionalized and embedded in a complex organizational web of interdependent elements “viewed as bundles of tangible and intangible assets, including a firm’s management skills, its organizational processes and routines, and the information and knowledge it controls” (Barney et al., 2001: 625).

Leonard-Barton has proposed an instructive idea of such a complex web by distinguishing four different dimensions of a core capability: (1) technical or physical systems, (2) skills and knowledge, (3) managerial systems, and (4) values. In this concept a core competence has some aspect of all these four dimensions, even if the main focus on one of the dimensions could vary from company to company (see Fig. 1).

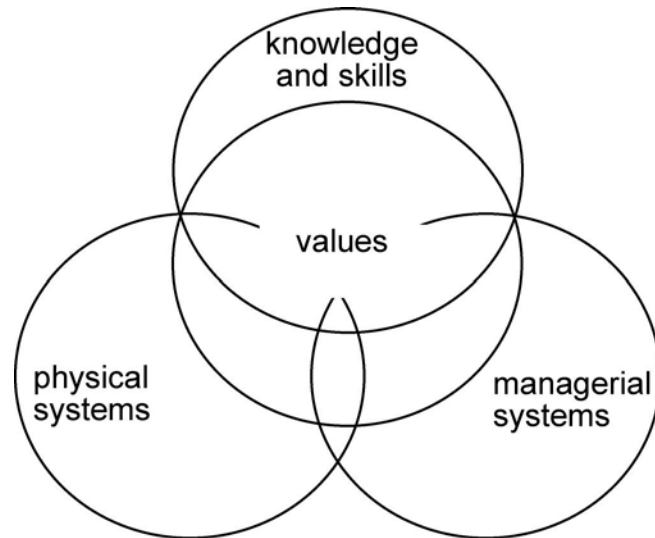


Fig. 1. The concept of core competence (Leonard-Barton, 1992)

As shown in Figure 1, the model refers to the idea that the four dimensions of a core competence - even if they are analytically distinguishable - represent an interrelated web and in terms of Leonard-Barton “a core capability is an interrelated and interdependent knowledge system” (1992: 114). However plausible and perspicuous this conceptualization may be at first sight, finally it constitutes an only affirmative understanding of a core competence which poses some fundamental problems of theorizing.

3 Components of an only affirmative concept and their critique

3.1 Core competence and competitive advantage

The concept of core competence and its explicit and implicit references to the idea of organizational knowledge certainly stands at the heart of many important considerations in the fields of strategic management and organizational analysis. Core competences are conceptualized as the definite reason for competitive advantage and are therefore distinctive competences (Selznick, 1957) in the sense that it is the competence which draws a distinction between strategic success and strategic failure.

Considering the well known criteria of Barney (1991) for identifying such a strategic resource, the concept of competence reveals a recursive relationship between what is seen as a competence and what is the effect of it. In this vein limited imitation, limited substitution and uniqueness are only necessary but not sufficient constraints for identifying a competence. Consequently it is the fourth aspect – the potential for creating value – which is crucial for the existence of a core competence.

Put it this way a core competence is something which creates a competitive advantage and it is the competitive advantage which is decisive for the existence of a core competence. This recursive relationship between the idea and the effect of a core competence raises a fundamental analytical problem in the field and at last it is conspicuous that a Resource Based View – which tries to capture the criteria for distinctive success in the inner functioning of an organization – refers finally to an exclusive external criterion: the market.

On the other side it is not only difficult but it is impossible to disprove this relationship between a core competence and a competitive advantage. But this is exactly the problem: linking the idea of a core competence recursively with the effect of competitive advantage constitutes a claim which is true by definition and consequently it does not contain further distinguishing features. Thus the definition embodies the first aspect of an only affirmative understanding of core competences.

3.2 The (insufficient) description of a complex phenomenon

The idea of core competences refers to a lot of different elements which are located on different but nevertheless interdependent organizational levels: skills, assets, personnel and organizational knowledge, managerial systems, values and so on. Focusing on the impressive amount of literature concerning these elements, it is quasi impossible to give a clear cut definition of what is exactly meant when applying one of these notions. A core competence is defined as a specific and not totally transparent combination of different resources. Therefore it is inherent to the definition of a core competence to be constituted by a somehow impenetrable network of interrelated elements. Insofar the definition of core competence refers to a complex phenomenon while stating that this phenomenon is too complex for being described analytically, because otherwise it could not be treated as a core competence. So logically a clear cut definition of a core competence would comprise its one negation. Obviously this constitutes a paradox, but it is one of those paradoxes which have to be unfolded because alternatively it leads not only to cloudy and indistinct conceptualizations but also to an unchallengeable category. This is the second reason why the concept of core competence constitutes an only affirmative idea, because in its strong sense it is not further questionable: a core competence is the description of something which has to be opaque by definition and therefore obviously any clear cut definition could not lead to an adequate capturing of the meant phenomenon. This leads over to the next problem.

3.3 The bane of embeddedness

Even if the concept of core competence is based on four different dimensions, each dimension is built on a more or less ambiguous category. This problem is not due to the fact that these categories (like skills, knowledge or values etc.) are essentially indistinct. The ambiguity and even nebulosity comes in by the assertion of embeddedness (Granovetter, 1985; Brown and Duguid, 1991) which is central for the concept of core competences. Therefore for example all knowledge which is relevant for a distinctive competence has to be regarded as embedded, because otherwise it could be easily imitated or transferred. In this sense the assumption that a competence has to be imperfectly imitable fits perfectly into the idea of embeddedness. On the other side: What can be said about an embedded resource, for example about embedded knowledge in organizations? This is definitely (!) not an analytical category and this poses again both theoretical and practical problems (Schreyögg and Geiger, 2002).

However the claim for embeddedness is not wrong (and indeed it seems always true because every social fact is embedded because every social fact is related to other social facts), but it is not very helpful for the work of identifying and analyzing core competences because it leads again to an only affirmative idea of the concept. Therefore another difference is required: if we talk about embedded phenomenon in organizations there has to be something which is not embedded in order to make an analytical distinction between what is included and what is excluded while applying the notion.

3.4 The amalgamation of different analytical levels

A further problem which goes along with the problematic application of the idea of embeddedness and concerns the different dimensions of a core competence is the amalgamation of different organizational levels of analysis. This problem is similar to the recursive linkage between cause and impact mentioned above under 3.1.

When Leonard-Barton for example states, that knowledge is a part of a core capability and at the same time a core capability constitutes an interdependent knowledge system, then she applies obviously two different ideas of knowledge at the same time. The same problem can be detected in the relationship between organizational routines which take part of a core capability and are the main constituting element of it (Teece et al., 1997). Also the idea that managerial systems are part of a core competence leads to the same problem. If we take the idea of management seriously in the sense of a mindful and rational form of steering the processes and structures of a social

system than it is at least confusing to include this managerial work into the description of its own results.

Obviously the here mentioned problems are one of self-referential statements. For coping with these forms of problems it is necessary to introduce different theoretical distinctions in order to unfold and circumvent those problems of self-reference and that means to distinguish different levels of analysis by introducing clear cut definitions of what is intended and what is not intended by using for example the notion of “knowledge”. Without those distinctions the whole concept of core competence will remain ambiguous.

3.5 The belittlement of path dependence

It is the merit of the work of Leonard-Barton having alluded the problem of a flip side of core capabilities. This very important insight refers to the argument that every competence goes along with a concentration and a narrow focus. For Leonard-Barton the only difference between a core capability and a core rigidity is competitive advantage. This idea could be found also in the work of Danny Miller (1993; 1994) concerning the architecture of simplicity as an inherent effect of success.

This important fact is mentioned by a lot of writers in the field and it is often linked to the notion of path dependence and lock-in (Teece et al., 1997; Burgelman, 2002). In this sense the development of a core competence is a time consuming process where history matters (David, 1985; 1993). Core competences are interpreted as the result of a complex and contingent historical development which leads to a specific social and cognitive pattern (Tripsas and Gavetti, 2000).

But however the notion of path dependence means more than the mere statement that a company's competences are dependent on past decisions and events (Arthur, 1989; Cowan and Gunby, 1996). It refers also to the perils inherent in any developed core competence: to be locked-in. Thus even if the fact of path dependence is acknowledged by the most part of the literature the peril of a lock-in is broadly neglected.

“While path dependence is a basic premise in the resource-based view of the firm (i.e., every firm has an idiosyncratic set of resources and skills that lead to a potentially unique strategy and competitive advantage), it could make the firm less flexible and adaptable to environmental changes. On the other hand, path dependence can reinforce the firm's patterns of learning through complex social arrangements. As such it does not necessarily produce inflexibility and loss of dynamic quality in its core competences.” (Lei et al., 1996: 565)

This is definitely not the case: path dependence leads always and by definition to a situation where a company has at least partly lost its capabilities for coping with new efforts and certainly for double-loop learning (Argyris, 1976). If a company is locked-in by the specific competences which it has developed over a period of time, it is indeed only a matter of time until success leads to failure (Audia et al., 2000). The process of path dependence in its stronger sense refers to this problem of the flip side of every competence. This does not mean that every core competence is at a certain time the only destiny of a company. There are certainly ways out of the competence trap (O'Driscoll et al., 2001), but the first and necessary step out of a lock-in competence is to develop a critical perspective on it, including the concern of path breaking abilities.

However the most part of the literature seems to neglect this problem by following the idea of meta-competence in terms of dynamic capabilities (Teece et al., 1997). Concerning the problem of core rigidities it is quasi self-evident, that the idea of dynamic capabilities has emerged as a solution of this problem of a potential dark side of core competences. But taken the problem of path dependence seriously, the notion of a dynamic capability does not entail a solution but it embodies only a further step for neglecting that problem. The theory of path dependence shows that the overcoming of an existing core competence (which has shifted over into core rigidity) requires a path breaking ability and that means an ability to destroy that competence. Therefore the notion of a dynamic capability even in the sense of a meta-capability is misleading, because the process of path breaking has to include also these "forms" of competences. All capabilities if they are considered core does not run only the risk of path dependence even if they are labeled dynamic – *they are path dependent*.

3.6 Summary

As it is argued until now the current conceptualizations of core competences induce different theoretical problems indicating in sum that a core competence is described more or less as a self-sufficient, enclosed and recursively stabilized category which is also able (by adding the epithet dynamic) to create organizational change when it is required.

When Leonard-Barton states that the only difference between core competence and core rigidity is competitive advantage she is definitely (and by definition) right. But a core competence is (also by definition) something which is developed within an organization. Therefore it would not only be helpful but even necessary to go deeper into those organizational processes which are assumed to be fundamental for building up core competences. In other words: taken the resource based view seriously than

there has to be also and at least one distinctive feature within an organization which does make a difference between what is concerned core competence and what is concerned core rigidity. In a market perspective the only difference may be competitive advantage, but in an organizational perspective there should be further distinguishing features.

Thus what is needed is an analytical perspective on such an interrelated and interdependent knowledge system called core competence or core rigidity. It is the purpose of the following chapter that such a critical perspective could be found the philosophy of knowledge standing basically in the tradition of postmodernism.

4 Exploring a critical perspective on core competences

Central to such a postmodern knowledge theory is the work of the French philosopher Jean-François Lyotard (1984; 1988) and his all too famous claim of the end of meta-narratives. However, beyond the mere proclamation of the end of meta-narratives, one can find in his philosophy an important and profound framework for a discursive understanding of recent society that focuses on three different problems of communication, knowledge and social integration: (1) the problem of legitimation, (2) the problem of chaining and (3) the problem of meta-narratives.

4.1 The problem of legitimation

Generally speaking, "legitimation is a process by which a legislator is authorized to promulgate (...) a law as a norm" (Lyotard, 1984: 8). Lyotard draws on scientific discourse to illustrate this problem, suggesting that any statement has to fulfil a given set of conditions in order to be accepted. The rules of this scientific discourse are therefore the domain of a scientific "legislator" who prescribes the relevant conditions (for instance, internal consistency and experimental verification) and determines whether a statement is considered scientific or not.

At this point the problem of legitimation becomes evident. Scientific legitimation can also be required of the rules inherent to scientific discourse, or even of the goal of such a discourse. If it is the goal of the scientific discourse to distinguish between true and false, what is the status of this goal itself? In other words: is the distinction between true and false itself true or false?

This simple question leads scientific communication to fundamental and virtually unsolvable problems. Yet such a reflection of a discourse on its own rules and goal cannot be prevented unless rules are introduced which themselves do not fulfil the

scientific standards. "This is exactly what Nietzsche is doing, though with a different terminology, when he shows that 'European nihilism' resulted from the truth requirement of science being turned back against itself" (Lyotard, 1984: 39). The undermining effects are inevitable.

At this point Lyotard introduces the idea of narrative knowledge and thus the distinction between scientific and narrative knowledge, which can be seen as a specific means of unfolding the problem of legitimation. According to Lyotard, the main difference between these two types of knowledge lies in their differing approaches to legitimation. While scientific knowledge is always confronted with the problem of legitimation, narrative knowledge is not, because the process of generating and transmitting narrative knowledge is presumed to be self-legitimizing. In this sense scientific knowledge is supplemented by narrative knowledge in order to close the gap of legitimation, and therefore narrative knowledge has an important relevance for the possibility to make scientific statements.

However, the legitimation function attributed to narrative knowledge in this relationship is not obvious, nor can it be made explicit without losing its function of legitimation. Consequently, to resolve the legitimation problem a specific genre of discourse cannot refer explicitly to a simple narration. "A science that has not legitimated itself is not a true science; if the discourse that was meant to legitimate it seems to belong to a pre-scientific form of knowledge, like a "vulgar" narrative, it is demoted to the lowest rank, that of an ideology or instrument of power." (Lyotard, 1984: 38)

4.2 The problem of chaining

While the problem of legitimation in a narrow sense can be regarded as a "discursively enclosed" one because of the complex relationship between included and excluded parts of narratives, the problem of chaining is in the first place clearly an open one. It deals with the possibilities and limits of linking different genres of discourse (their phrases or their knowledge claims respectively) with one another. In the concept of Lyotard, this problem is presented in a clearly antagonistic perspective: "By its rule, a genre of discourse supplies a set of possible phrases, each arising from some phrase regimen. Another genre of discourse supplies another set of other possible phrases. There is a differend between these two sets (...) because they are heterogeneous. (...)" (Lyotard, 1988: xii).

This problem of linking or (as proposed here) chaining is presumed to be fundamental, induced by the premises of the genres of discourse themselves. The conflict between

different genres of discourse is inevitable and therefore called a “differend” to mark the intended antagonistic relationship. It is presumed that this problem cannot be resolved in general, so that any “solution” or any claim of a solution is suspected to explicitly or implicitly suppress potential differends. In this sense also the problem of chaining refers to a narrative, which then can be understood as a meta-narrative or even as a grand narrative.

4.3 The problem of meta-narratives

Meta-narratives are no simple narrations but narrations which seem to be based on discursive knowledge and in fact are not. Lyotard has identified two major forms of such narratives, one more political and the other more philosophical. (Lyotard, 1984: 31) Both ideas could be seen as represented in the concept of Enlightenment. “The explicit appeal to narrative in the problematic of knowledge is concomitant with the liberation of the bourgeois classes from traditional authorities” (Lyotard, 1984: 30). Furthermore, such a meta-narrative also resolves the problem of legitimation for each genre of discourse. This can be explained by drawing again on scientific discourse. In this sense the goal of science to distinguish between true and false is itself stabilised against auto-logical reflection by referring to the idea of a grand narrative, for instance to the idea of Enlightenment. True are those claims, which deserve the idea of Enlightenment, and it is the idea of Enlightenment, which is true in itself. Beyond solving the problem of legitimation, this narrative can be considered a grand narrative, because it also reconciles different genres of discourse.

This is the point of departure for all postmodern critiques, as it shows that the idea of a meta-narrative or even a grand narrative has to be considered as a pseudo-solution of both problems mentioned above. The problem of a meta-narrative in this interpretation becomes a problem of the invisible, subconscious and emergent structures of the knowledge development process, and therefore it also entails a linkage to power and power structures.

Lyotard (1988) has analysed this problem from an ethical perspective under the notion of “differend”, demonstrating in an instructive way how certain kinds of claims are systematically excluded. A similar conceptualisation can be found in the work of Foucault (1972; 1973) under the notion of episteme and in his later work (1979) under the notion of apparatus (dispositif).

In this sense casting doubt on a meta-narrative requires a highly sophisticated framework which offers an analytical perspective for grasping the “subconscious

structure” of the conceptual ideas behind society and therefore of society, too. While Foucault is certainly more sceptical, this is the point where the concept of deconstruction developed by Derrida (1977; 1978) fits in.

4.4 Consequences for organization theory

The consequences of this knowledge model for organization theory are far reaching. There are two main possibilities to transfer or better translate these ideas to organization theory. The first one would have to reconstruct organization theory as one discourse within the whole genre of scientific discourse. This obviously leads to an epistemological discussion concerning issues like scientific forms of handling the legitimation problem, paradigms, theoretical pluralism, meta-narratives in organization theory and so on. The second possibility lies in the idea of transferring the developed knowledge model with certain modifications to the idea of organizational knowledge. And this is what is proposed in the following.

First of all we have to consider, that organizations are different from societies, and even if organization theory has gained important insights by following the idea of “a return of the society” (Ortmann et al., 1997), there is a non-neglectable difference between both. This difference is neither a matter of complexity nor a matter of goals and strategy, but a matter of power. If one considers the postmodern idea of knowledge as an adequate description of the “knowledge base” of a society, one can reconstruct power as an exclusively limiting factor of the “free floating” developments of knowledge. In this vein power can be conceptualized as an inherent or “discursively enclosed” phenomenon in the conscious or even unconscious representation in form of a meta-narrative.

This is not the case for organizations, because power cannot be considered only as a problematic limitation of organizational knowledge but has to be conceptualized as a given frame induced by the legal system surrounding organizations (Clegg, 1998). Consequently power in organizations is not only inscribed implicitly, but it refers to a legal frame and has thereby explicit influence on the development of organizational knowledge.

In consequence for organizations one has to distinguish at least between legal and illegal power structures. This necessity of an explicit consideration of power has considerable consequences for the idea of a meta-narrative.

Following the postmodern idea of the end of a meta-narrative one might assume that meta-narratives have to be questioned even in organizations in that totalizing way. But

meta-narrative in organizations reflects a given limiting power structure for the development of organizational knowledge. Therefore power can be considered in the same functionality as narratives: it has a legitimating function for certain knowledge claims.

Consequently the concept of a meta-narrative in organization represents a quite different idea. We have to distinguish between power as a limiting structure and those forms of limitation induced by narratives. Both narratives and power are standing in ambiguous relationship to knowledge: they enable and they constrain the development of organizational knowledge.

Regarding the existence and the form of a meta-narrative as the structure of organizational knowledge leads to an abstract understanding of the knowledge base by referring to three different dimensions: (1) knowledge (in the sense of discursive knowledge), (2) narratives (in the sense of non-discursive knowledge) and (3) power.

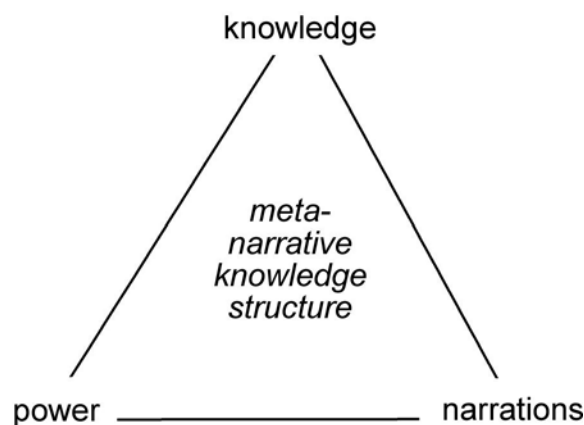


Fig. 2. The organizational concept of a meta-narrative

This idea of a meta-narrative for organizations stands obviously close to the concept of organizational culture (Schein, 1984). But the analysis of the basic premises of an organizational culture does not lead necessarily to an understanding of a presumed meta-narrative. A meta-narrative is more than a mere description of what is considered true or false in an organization, because it combines not only different types of knowledge but resolves also the legitimation problem within certain types of knowledge by referring to power and to narratives.

Concerning the main knowledge types in organizations, it is basically a matter of a meta-narrative, what kinds of different knowledge forms are included and how they are chained or even not chained in the knowledge base of an organization. Theoretically every knowledge form available can be potentially enclosed in the knowledge base of

an organization. But what is included and what is excluded in a concrete knowledge base is again reflected by a meta-narrative.

While the dimension of knowledge induces in this model a problem of legitimation and a problem of chaining, the dimension of narratives and the dimension of power provide specific “solutions” for these problems. Under certain circumstances organizations tend to a problematic closure and simplicity (Miller, 1993; Miller and Toulouse, 1998) and in relation to the concept of core competence the peril of core rigidity has to be taken into account. In this perspective the organizational model of meta-narratives this is always the case, when the problem of legitimation and the problem of chaining are not accentuated in a sufficient way. In these cases it is presumed that the dimension of power and the dimension of narratives are linked together in a quasi self-reinforcing manner. This is exactly the point, when a meta-narrative turns over into a problematic rigidity.

5 Linking core competences and meta-narratives: An analytical model

The above developed idea of organizational meta-narratives reflects both the attempt of a critical questioning and the problem of rigidity. Both aspects are conflictive and contradictory. The more critical questioning is provided the less rigid the organization will be. But however without rigidity no core competence and consequently a total self-questioning does not lead to a solution of the problem.

Therefore the existence of some kind of meta-narrative knowledge structure – and that means of some kind of undiscussable pattern in the organization – is the inevitable precondition for building up core competences. In this vein the idea of a dynamic capability combining both stability and flexibility is definitely deceptive. But as it is argued above a meta-narrative structure can refer in different ways to the three elements proposed in Fig 2. Following this idea there can be detected different forms of meta-narratives and that can be used to develop a more distinctive perspective on core competences.

In order to provide such a perspective it is necessary to combine or to link the concept of meta-narrative with the concept of core competences. For that purpose it is argued that the idea of core competence as it is suggested for example by Leonard-Barton (1992; 1995) can be reconceptualized as a descriptive level, whereas the components of the meta-narrative model represent the analytical level of such a combined model. While the descriptive part is composed by the four dimensions displayed in Fig. 1, the analytical side of the model is made up of the components displayed in Fig. 2

(knowledge, power, narrations) which is supplemented by an equally fourth dimension of non-discursive practices. Therefore the analytical level is cut into two different parts: a discursive and a non-discursive level.

Now in order to link the concept of core competence and the idea of a meta-narrative it is important to acknowledge that there is no direct correspondence between the four dimensions of a core competence and the four dimensions of a meta-narrative for the following reason. As it is shown above it is problematic to conceptualize knowledge as a part of a core competence and to describe a core competence at the same time as a knowledge system. Certainly organizational knowledge takes part of a core competence, but it is misleading to describe the whole concept as based finally only on knowledge. On the other side even a meta-narrative could not be described solely as a knowledge system because it is not only founded on knowledge, but also on power and narrations. Therefore and in order to link core competence and meta-narrative one has to introduce a fitting “element” which is able to represent both parts of the model.

Such a link could be found referring to a functional perspective by asking for the common function both concepts carry on for an organization. In this sense one can detect that a core competence as well as a meta-narrative have basically an orientation function and both could be described in relation to that function as an interrelated and interdependent orientation system. Fig. 3 summarizes these conceptual ideas in an integrated model.

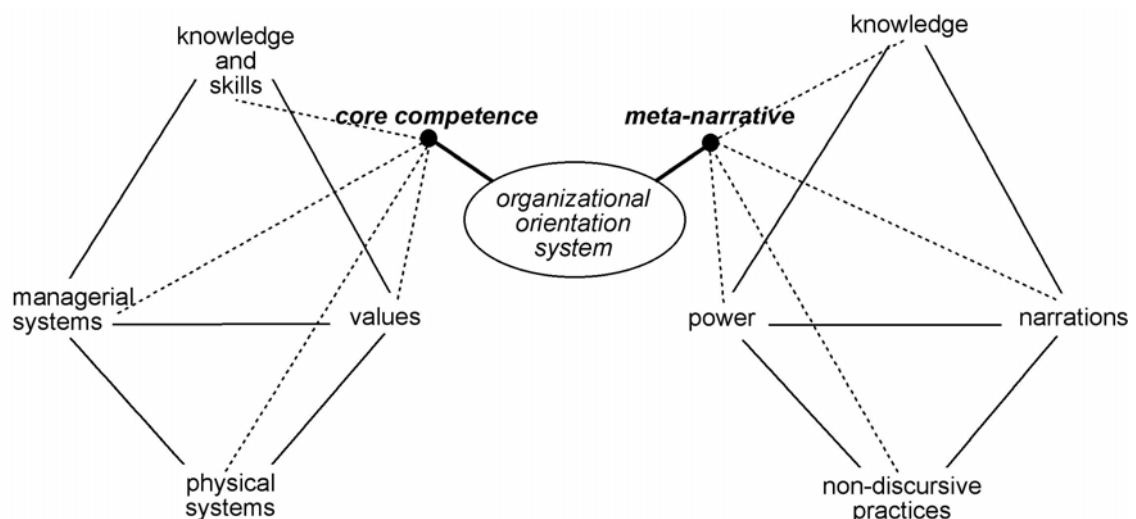


Fig. 3. Core competence & meta-narrative

Adopting this conceptualization a critical perspective on core competences can be gained by relating now both the analytical level and the descriptive level. This is shown in following table (see Tab. 1).

Table 1. Relating the analytical and descriptive level

	knowledge & skills	managerial systems	values	physical systems
knowledge	1 knowledge base as a cognitive orientation system	2 true / false managerial systems	3 true / false values	4 knowledge based on physical resource allocation
power	5 power elements of the knowledge base	6 formal & informal structures as a power orientation system	7 legal / illegal values	8 power based on physical resource allocation
narrations	9 narrative (=self-legitimizing) elements of the knowledge base	10 narrative (=self-legitimizing) elements of the managerial systems	11 basic assumptions as a taken-for-granted orientation system	12 narrations based on physical resource allocation
non-discursive practices	13 "embodied" knowledge	14 "given" power structures	15 "natural" values	16 "material reality"

In its 16 fields the table contains different forms of combinations between the analytical and the descriptive level. The fields 1, 6 and 10 refer to the different forms of orientation which are functionally equivalent in the sense that an organization can be orientated alternatively by one of these fields or a combination of it. (Also field 16 could be regarded as a contribution to the orientation function but however from a constructionist point of view the so called "material reality" is always reflected by our symbolic systems. Therefore there is no direct way to "material reality" and in consequence all orientation referring to that reality is "incorporated" by the forms of orientation figured in the fields 1, 6 and 10.)

In sum the here presented combined model can be considered as a kind of blueprint for both a descriptive approach and a critical investigation of core competences. A description of a core competence requires the analysis of the field 1, 6, 10 and 16, while a critical investigation will focus also on all the other fields in the table in order to identify problematic (and that means basically enclosed and not further questionable forms) of orientation.

Above that the model offers the possibility to distinguish more or less problematic forms of core competences that means to discern those core competences which are more likely to run the risk of core rigidity and those which are less likely to shift over into core rigidity. This form of a possible distinction is indicated in the table 1 by following the diagonal line in the fields 1, 6, 10, and 16. The more a company's core competences rely on the lower section of the table the higher is the risk of core rigidity.

6 Conclusions

The analytical model presented here should be regarded as one possibility to go beyond an only affirmative understanding of core competences. Such a critical perspective as it is argued above is the necessary condition for coping with the problem of a flip side of core competences. However this model does not represent a definite solution for the probably most appealing problem of when and how a core competence becomes a core rigidity. On contrary as it is worked out above by referring to an analytical understanding of knowledge one has to state that this problem could never be solved in a final sense. Accentuating knowledge in an analytical way leads to a critical questioning of all items composing a core competence and such a critical questioning undermines or at least irritates all forms of stable, permanent and taken-for-granted orientation. On the other side a critical questioning is irreplaceable in order to face in a managerial sense the perils of rigidity and inertia.

The model reveals also that a company has different possibilities to "organize" its orientation systems. Concerning the flip side of core competences the model at least indicates that there are certainly forms of core competences which are more problematic than other ones following the diagonal of table 1. But however there are two ends of a core competence: one is the shift into core rigidity, the other its own "(re-)solution". In this vein a company which tries to develop a kind of "dynamic capability" could refer only to an orientation system represented in field 1 of Table 1, what practically would be an always evolving knowledge base without referring to power structures or to basic assumptions. In such an organization managerial systems, values and even physical resources are permanently scrutinized and this would be the other end of a core competence.

References

Argyris, C. (1976): Single-loop and double-loop models in research on decision making. In: *Administrative Science Quarterly*, 21, 363-375.

- Argyris, Ch. (1990): *Overcoming organizational defenses*, Boston.
- Arthur, B. (1989): Competing technologies, increasing returns, and lock-in by historical events. In: *Economic Journal*, 99, 116-131.
- Audia, P.G./Locke, E.A./Smith, K.G. (2000): The paradox of success: An archival and a laboratory study of strategic persistence following radical environmental change. In: *Academy of Management Journal*, 43, 123-148.
- Barney, J. B. (1986): Organizational culture: Can it be a source of sustained competitive advantage? In: *Academy of Management Review*, 11 (3), 656-665.
- Barney, J. B. (1991): Firm resources and sustained competitive advantage, in: *Journal of Management*, 17 (1), 99-120.
- Barney, J. B./Wright, M./Wright, M./Ketchen, D.J. (2001): The resource-based view of the firm: Ten years after 1991. In: *Journal of Management*, 27, 625-641.
- Berger, P. L./Luckmann, T. (1967): *The social construction of reality*. New York.
- Blackler, F. (1995): Knowledge, knowledge work and organizations: An overview and interpretation. In: *Organization Studies*, 16 (6), 1021-1046.
- Brown, J. S./Duguid, P. (1991): Organizational learning and communities of practice, in: *Organization Science*, 2, 40-57.
- Brown, J. S./Duguid, P. (2001): Knowledge and organization: A social-practice perspective. In: *Organization Science*, 12 (2), 198-213.
- Burgelman, R.A. (2002): Strategy as vector and the inertia of coevolutionary lock-in. In: *Administrative Science Quarterly*, 47, 325-357.
- Clegg, St.R. (1998): Foucault, Power and Organizations, in: McKinlay, A./Starkey, K. (eds.), *Foucault, Management and Organization Theory. From Panopticon to Technologies of Self*, London, 29-48.
- Cook, S. N./Brown, J.S. (1999) Bridging epistemologies: The generative dance between organizational knowledge and organizational knowing. In: *Organization Science*, 10 (4), 382-400.
- Cowan, R./Gunby, P. (1996): Sprayed to death: Path-dependence, lock-in and pest control strategies. In: *Economic Journal*, 106, 521-542.
- David, P.A. (1985): Clio and the economics of QWERTY. In: *The American Economic Review*, 75, 332-337.
- David, P.A. (1993): Path-dependence and predictability in dynamic systems with local network externalities: A paradigm for historical economics. In: Foray, D./Freeman, C. (Hrsg.): *Technology and the wealth of nations: The dynamics of constructed advantage*. London, 208-231.
- Derrida, J. (1977): *Of grammatology*, Baltimore, Maryland: Johns Hopkins University Press.
- Derrida, J. (1978): *Writing and difference*, Chicago: University of Chicago Press.
- Foucault, M. (1972): *The archaeology of knowledge*, New York: Harper Colophon.
- Foucault, M. (1973): *The order of things: An archaeology of Human Sciences*, New York: Vintage / Random House.
- Foucault, M. (1979): *Discipline and punish: The birth of the prison*. New York: Vintage / Random House.

- Granovetter, M. (1985): Economic action and social structure: The problem of embeddedness. In: *American Journal of sociology*, 91, 481-510.
- Hunt, S.D./Morgan, R.M. (1995): The comparative advantage theory of competition, in: *Journal of Marketing*, 59, 1-15.
- Lei, D./Hitt, M.A./Bettis, R. (1996): Dynamic core competences through meta-learning and strategic context, in: *Journal of Management*, 22 (4), 549-569.
- Leonard-Barton, D. (1992): Core capabilities and core rigidities: A paradox in managing new product development, in: *Strategic Management Journal*, 13, 111-126.
- Leonard-Barton, D. (1995): *The Wellsprings of Knowledge*. Boston, Mass.: Harvard Business School Press.
- Lyotard, J.-F. (1984): *The postmodern condition: A report on knowlegde*. Minneapolis. (*Original: La condition postmoderne. Rapport sur le savoir, Paris 1979*).
- Lyotard, J.-F. (1988): *The differend. Phrases in dispute*, Minneapolis. (*Original: Le différend, Paris 1983*).
- Miller, D. (1993): The architecture of simplicity, in: *Academy of Management Review*, 18, 116-138.
- Miller, D. (1994): What happens after success: The perils of excellence. In: *Journal of Management Studies*, 31, 325-358.
- Miller, D./Toulouse, J.-M. (1998): Quasi-rational organizational responses: Functional and cognitive sources of strategic simplicity, in: *Revue Canadienne des Sciences de l'Administration*, 15, 230-244.
- Nonaka, I. (1994): A dynamic theory of organizational knowledge creation, in: *Organization Science*, 5 (1), 14-37.
- O'Driscoll, A./Carson, D./Gilmore, A. (2001): The competence trap: Exploring issues in winning and sustaining core competence. In: *Irish Journal of Management*, 22 (1), 73-90.
- Ortmann, G./Sydow, J./Türk, K. (1997): Einführung, in: dies., *Theorien der Organisation. Die Rückkehr der Gesellschaft*, Opladen, 15-34.
- Prahalad, C.K./Hamel, G. (1990): The core competence of the corporation, in: *Harvard Business Review*, 90 (3), 79-91.
- Rorty, R. (1982): *Consequences of pragmatism*. Minneapolis.
- Schein, E.H. (1984): Coming to a new awareness of organizational culture, in: *Sloan Management Review*, 25 (2), 3-16.
- Schreyögg, G./Geiger, D. (2002): If knowledge is everything, maybe it is nothing. Reconsidering organizational knowledge, Conference on Organizational Knowledge, Learning, and Capabilities (OKLC), Athens.
- Spender, J. C./Grant, R. M. (1996): Knowledge and the firm: Overview. In: *Strategic Management Journal*, 17, 5-9.
- Teece, D. J./Pisano, G./Shuen, A. (1997): Dynamic capabilities and strategic management, in: *Strategic Management Journal*, 18, 509-533.
- Tripsas, M./Gavetti, G. (2000): Capabilities, cognition, and inertia: Evidence from digital imaging., In: *Strategic Management Journal* 21, 1147-1161.