CONDITIONS FOR SUSTAINABILITY
OF THE ORGANIZATION’S COMPETITIVE ADVANTAGE

Chief Assist. Prof. Veselina Maksimova

The term „competitive advantage“ is pivotal in strategic management literature. The scientists’ pursuits in this area have a large scope – ranging from attempts to define and measure the advantage, through its resources to the set of attributes which generally presupposes its presence, and its sustainability for a longer period. The striving for conserving an organization’s competitive advantage is an exceptional challenge in the conditions of a highly dynamic environment. Thus major significance is put on the question of necessary and sufficient conditions, to which the sources of competitive advantage should be able to respond in order to guarantee its sustainability. Studying the sustainability conditions calls for the definition of the latter at that, with the necessary respect to the requirements for dynamism, coming from the external environment.

The purpose of the present article is to study, systematically analyse and generalize the existing opinions in science about the conditions providing sustainability of an organization’s competitive advantage. In view of the fulfillment of the set objective the following tasks have to be carried out.

1. To review the prerequisites for sustainability and draw out a definition for “sustainable competitive advantage”;
2. After surveying the scientist opinions about the set of attributes for advantage sustainability, to come out with the necessary and sufficient attributes for the competitive advantage availability and protection, respectively its “sustainability”.

The subject of scientific interest is the sustainability of companies’ competitive advantage and the conditions which ensure it. The object of study is organizations looked at as “goals-directed social entities, designed as intentionally structured and coordinated activity systems, linked to the external environment” (Daft, 2007).

1. Theoretical conditions for the existence of sustainability and defining “sustainability”

The issue of sustainable advantage raises controversial disagreements in scientific opinions on different aspects, among which the ones related to: (1) existence of sustainability at all; (2) defining sustainability;

The existence of sustainability is a subject of scientific dispute between proponents of traditional economic theory and researchers in the field of strategic management. Whereas the former try to explain that advantages cannot be sustained (stay for a longer period), the latter analyse what conditions are needed for their sustainability.

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1 The advantages are viewed namely on the level of „organization“, but not in marketing aspect – on the level „product“.
implementation. The traditional economic theory postulates claim that on a highly competitive market the advantage of a specific participant would be short-term. The economists think that any advantage, gained from a participant would be rapidly identified and copied by the rest and that would provide a long-term competitive equality.

Dennis Mueller is one of the first scientists whose research seeks the answer of the question whether the advantage would prove to have longer duration than the traditional economic theory presumes. He divides a sample of 472 companies in eight categories, on the basis of their results in 1949, after studying the impact of initially registered company results on the subsequent figures (Mueller, 1977). Traditional economic theory hypothesis would be that all companies in the sample would draw their result figures nearer to the average values for the sector. However, this hypothesis is not confirmed in Mueller’s research. The findings show that companies with good results in the past tend to keep their good performance in the next period, whereas those with unsatisfactory past results tend to maintain this performance for a future period, as well.

Geoffrey Waring further develops Mueller’s study explaining the reason why the competitive advantage in specific industries lasts longer than in other industries. Waring finds out (Waring, 1996), that companies operating in industries which (1) are characterized with „information complexity”, (2) insist on customer’s wide range of competences concerning the product use, (3) require more research and development activities and (4) generate significant economies of scale, are more likely to possess sustained competitive advantage than companies operating in industries which lack the above mentioned characteristics.

Amit and Shoemaker offer a more generalized explanation of sustainable gained advantages without limiting the conditions to specific industries only. They attribute their expectations for company differences to (1) imperfections of the resource market, as well as to the fact that (2) the managerial decisions concerning resource development and utilization are influenced by personal considerations. This predetermines the differences in resources and expertise which specific companies possess and control. Likewise, this asymmetry, in authors view may be a source of sustained economic annuity (Amit and Shoemaker, 1993).

The findings of the quoted research provide arguments for the fact that advantages could be sustainable. However, different researchers interpret sustainability definition equivocally. Before reviewing their standpoints we will pay attention to the meaning of the word given in the general, as well as specialized business dictionary.

Oxford Advanced Learner’s Dictionary defines the word „sustainable” as „that can continue or be continued for a long time”². A specialized business dictionary defines the concept “sustainable competitive advantage” as “a long-term competitive advantage that is not easily duplicable or surpassable by the competitors”³.

There are two points to consider in the above mentioned definitions: (1) the long-term character of the advantage (as calendar time) and (2) it is difficult to...
copy or surpass it by competitors. In order to understand the extent to which these points exist in researchers definitions we will study and compare the ones which are most often cited and used by other scientists.

The term “sustainable competitive advantage” emerged in 1985, when Porter put forward the core competitive strategies (low-cost leadership or differentiation), which companies can adhere to if they want to gain a sustained competitive advantage in a long-term aspect. Despite using the concept, Porter does not offer any formal conceptual definition.

Although Coyne does not offer a formal definition either, he promotes the understanding of the concept by saying that „in order to possess a sustained competitive advantage consumers have to distinguish between the company product and the one offered by its rivals. The advantage is sustained when the competitors either could not or would not undertake actions to close this gap.“ (Coyne, 1986).

Part of the authors focus on the long-term nature of results, irrespective of conditions needed to keep them for a longer period. So, Flore Bridoux stipulates that under the term “sustained competitive advantage” she understands “a competitive advantage which continues for a long period of time.” The approach suggested by Porter in 1985, is used by many authors, including later studies as the ones of Acquaah (2003) and Wiggins and Ruefli (2002).

Barney opposed to the use of calendar time for defining sustainability and thinks that “the advantage is sustained only on condition that it continues its existence after the competitors’ attempts to copy it cease.” (Barney, 1991). So Barney adds the sustainability attribute to his definition that “a company possesses a competitive advantage when it is implementing a value creating strategy, not simultaneously being carried out by any of its current or potential competitors. The latter relates to the condition that “competitors should not be able to duplicate the benefits of this strategy”. In this conception the author also assimilates the conclusions of other researchers (see also Lippman and Rumelt, 1982) and perhaps is the first to come nearest to the formal definition of the term “sustainable competitive advantage”.

In addition to Barney’s definition, the viewpoints of Bharadwaj, Varadarajan and Fahy add another opportunity to gain advantage: „The competitive advantage can be a result of either an implementation of value-creating strategies which at the same time have not been carried out by any current or potential competitor, or through the same strategy to outperform the competition" (Bharadwaj, Varadarajan and Fahy, 1993). In that way the definition comprises the concept that the strategy implementation manner also has a determining role regarding the end results (advantage, equality, lagging behind).

Despite the long-term being Porter’s point of departure, his idea about sustainable advantage leads also to the answer of the question how fast an idea can be copied (imitated). The choice of a unique position in the sector is not sufficient to guarantee

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4 The two authors claim that the time frame, determining the advantage sustainability may vary in different sectors because of variables which are specific for the particular sector such as duration of product lifecycle, protection of patents, protection of copyrights, etc.
a sustainable advantage. The winning position instigates the competitors to attempt to imitate it. The strategic position cannot be sustainable, unless, by choosing it, we refuse another position, Porter explains. The compromise is necessary when activities required for implementing one or other position are incompatible [...]. If the compromise is not necessary, there will not be a need for choice. Every nice idea can and will be rapidly copied. (Porter, 1996).

To sum up the reviewed attempts for definitions of sustainable advantage, we would adhere to the formal definition which Hoffman (2000) works out, namely “Sustainable competitive advantage is a continuous benefit of implementing some unique, value-creating strategy which at the same time has not been applied by any current or potential competitor along with the inability to duplicate the benefits of this strategy.”

The above mentioned definition is considered sufficiently summarizing and consensual because of the following characteristics:

(1) It contains the concepts of both the time frame, where the advantage manifests itself (“prolonged benefit”), as well as the difficulty in copying it (“inability to duplicate benefits”);

(2) The expression “a strategy that has not been applied” is sufficiently summarizing and may encompass the different reasons for which the competitors have not done it:
    ✓ They cannot implement the same strategy (Barney)
    ✓ They could but do not undertake actions to implement the winning strategy (the nuance added in Coyne’s formulation)
    ✓ They apply the same strategy but not in such a good way (Bharadwaj, Varadarajan and Fahy) and consequently cannot “duplicate its benefit”.

2. Conditions for sustainability of the advantage

Although the majority of advantage definitions include sustainability as its inherent characteristic (or the advantage would not have had its nature if it did not imply sustainability)\(^5\), neither theory, nor practice exclude the cases of “temporary advantage”. In other words – sustainability is never guaranteed only by presence of advantage. In order to provide sustainability certain attributes are required. They are exactly the subject of our interest in the present article.

Sustainability is most often rendered dependent on the nature of advantage resources. One of the principle comprehension of resource approach is that not all resources are equally important and do not possess the same potential to be sources of sustainable competitive advantage.

Different authors formulate in various ways the attributes which the resources should possess in order to obtain sustained advantage. In table 1 we compare the

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\(^5\) The advantage is regarded as returns, which “constantly exceeds the industry sector average” (Almanac of competitiveness), and is related to “better financial long-term returns” (Ghemawat and Rivkin, 1999), it is defined as “sustained above the normal returns” (Peteraf, 1993), it is stipulated that the strategy which helps to attain it should not be followed either by current or potential company competitors (Barney, 1991).
viewpoint of most cited authors about the set of attributes needed for sustainable advantage. A view on the table as well as the insight into the scientists’ interpretation of every definition indicates a similar set of attributes among different authors.\(^6\)

### Table 1

<table>
<thead>
<tr>
<th>Attributes providing sustainability of competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Barney</strong></td>
</tr>
<tr>
<td>value</td>
</tr>
<tr>
<td>rarity</td>
</tr>
<tr>
<td>difficult/costly imitation+lack of substitutes</td>
</tr>
<tr>
<td>With organization support</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

The resource value is related to value creation – it has to possess value or contribute to its creation. Value, according to Barney and Hesterly has reference to the fact whether the respective resource contributes to making use of opportunities and/or neutralizes the threats coming from the external environment (Barney & Hesterly, 2006). The condition „to be in line with the strategic- sector factors”, which Amit and Shoemaker include in their list with eight criteria, has similar meaning, namely – the set of resources and company capacity have to be applicable to the specific

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\(^6\) In Barney’s list the attributes sequence is logically justified – each next attribute for advantage sustainability is made pointless if the former one is not present. Thus, we choose the above proposed sequence of attributes as leading, and arranged the lists of other authors attributes which provides comparability in table rows.

\(^7\) The authors consider creation of value as interaction between demand conditions, scarcity of resources and company ability to control resource (the attributes in the final table row) - see Collis & Montgomery, 2008.
environment conditions where they operate (Amit & Shoemaker, 1993). „The resource value is determined by their interaction with market forces”, Collis and Montgomery (2008) pointed out. It cannot be studied in isolation from the conditions of the particular sector and the specific time period.

Failure to meet the condition for resource value deprives an organization of the ability to create value. Barney, as well as Fahi (2000) highlights that even if the resource fits other conditions, it is not a potential-advantage resource if it does not aid value creation.

Another attribute discussed by Teece, Pisano and Shuen (1997), is placed in the first row of the table. Replicability (inside the organization) the authors relate to the ability of resource to be utilized in various organizational processes. In our opinion, this “adds” to the “value” of the resource. Being used in various processes the respective resource aids making use of different capabilities, arising from the environment (the way Barney interprets the meaning of “value”).

Though a specific resource may be valuable, however, if plenty of current or potential competitors possess it, it may be capable of neither competitive nor sustainable advantage (Barney, 1991), i.e. the resource has to be rarely exposed. At the same time Barney emphasizes that the resources which do not comply with the second criteria should not be discarded as useless. Resources which are valuable and possessed by many competitors are significant although they provide competitive equality, not advantage.

The resources complying with the above mentioned two conditions are capable of sustainable competitive advantage only if the competitors that do not possess them are not capable of gaining them. Namely the degree of imitability is the criterion which finds its place in all researchers’ lists (see row three in table 1). Barney, Lippman and Rumelt called these resources “incompletely (or wrongly) imitable”, whereas Collis and Montgomery – inimitable. Amit and Shoemaker introduce the attribute of inimitability, and as a benefit to the limited capability of gaining resources add the conditions ”to be difficult to trade them” and to have “limited substitutability”. The condition to be complementary (to other resources) also reduces the competitors’ capability when imitating one of the resources to “imitate” also its advantage in case they do not possess the complementary product. In addition to the immutability degree, Grant includes the degree of resource transparency and transferability among “the characteristics which are vitally significant sustainability determinants” (Grant, 1991). The last ones, in our opinion, influence exactly the resource imitability, which again indicates its significance for the sustainability of the advantage.

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8 Fahi, and many other authors (Collis and Montgomery, Amit and Shoemaker, Grant) pay attention to the necessity to possess capability for resource benefits appropriation (appropriability). Once the resource value has been obtained the key question is: who is it meant for? Who makes use of it? Value is a target of interest for many involved parties –consumers, suppliers, staff, shareholders, government, etc. The condition considered by the cited authors is that companies should be able to avoid dispersion of obtained added value and turn it into profit.

9 „replicability” in the original.

10 In Amit and Shoemaker list the criterion with similar meaning is “scarcity of resources”.

The last attribute which Barney and Hesterly include in the VRIO-model created by them, concerns the organization elements. The last should “support and create conditions for complete utilization of valuable, rare and difficult to imitate resources and capabilities owned by the company”. (Barney & Hesterly, 2006). The note the two authors made concerning the organizational elements is that “they solely are not capable of sustainable advantage”. They are called “complementary” resources because they cannot create advantage separately without other resources.

The researchers’ concept about the necessary and adequate attributes is synthesized in the VRIO-framework created by them (table 2).

Table 2

<table>
<thead>
<tr>
<th>resource</th>
<th>Valuable Value</th>
<th>Rarely met Rarity</th>
<th>Difficult to imitate Inimitability</th>
<th>With organizational support</th>
<th>Competitive implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>..........</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>yes</td>
<td>Competitive disadvantage</td>
</tr>
<tr>
<td>..........</td>
<td>yes</td>
<td>-</td>
<td>-</td>
<td>yes</td>
<td>Competitive parity</td>
</tr>
<tr>
<td>..........</td>
<td>yes</td>
<td>yes</td>
<td>-</td>
<td>Temporary advantage</td>
<td></td>
</tr>
<tr>
<td>..........</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>Sustained advantage</td>
<td></td>
</tr>
</tbody>
</table>

According to Barney & Hesterly (2006)

In accepting the logic of the model which is well illustrated by the table above we can draw the conclusion that the first pair of attributes (resources have to be valuable and rarely met) are necessary but not adequate for creating a sustainable competitive advantage. The requirement that the resource has to be inimitable or difficult to copy is a key attribute for sustainability of a certain advantage.

Nearly all of the following conclusions and attempts to formulate a set of attributes for sustainable advantage bring to the fore the difficulties to imitate resources that help its creation.

Peteraf suggests “an alternative” model for the way the companies gain a sustainable competitive advantage, discussing four conditions, which have to be fulfilled in order to create such advantage. (Peteraf, 1993): (1) superiority of resources (heterogeneity within the industry), (2) limitations at the exit (ex poste limits to

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11 The first letters of the English words for value, rarity, imitability and organizational support.
12 As organizational elements which support advantage, researchers point out the formal system for company accountability, the formal and informal control mechanisms, the system of rewards, etc.
competition) – the competitors should not be able to achieve same results (profitability), (3) imperfect resource mobility, (4) limitations for competitors at the entrance (ex ante limits to competition). The latter suggests imperfections on the resource market.

Thus, on the basis of resource approach, Peteraf formulates a set of conditions which encompasses part of the attributes which Barney stipulates. Heterogeneity is the attribute which has a leading impact in Peteraf model. It means difference in relation to resource possession („rarity” in Barney model), but it is only a prerequisite, necessary condition for advantage. The rest are reviewed by the author of the model as “protecting” the result (ensuring sustainability), achieved thanks to the first condition. It can easily be noted that the second and third conditions from Peteraf’s model are highly relevant to the attributes of difficulty in advantage imitability and limitations in competitors’ capabilities to achieve it (including the case of imperfect resource mobility).

3. Factors influencing the imitability degree

Highlighting imitability degree as a key condition for sustainability of the advantage, the interest is turned to the factors which influence imitability. There are three attributes which separately or in combination can determine incapability to imitate resources (Barney, 1991). They are objects of theoretical postulates and empirical checks by scientists who are interested in sustainability of the advantage. They concern the following:

(1) the resource has to be acquired in unique historical conditions – depending on the time and place we are located at. Collis and Montgomery (1995) also pointed out that everything which has happened in the process of resource acquiring is for the benefit of resource inimitability (path dependency);

(2) an existence of causal ambiguity between the source of competitive advantage (capability) and the advantage itself. Reed and DeFillippi (1990) point out that such ambiguity of the relation „capabilities - results” exists when capabilities are hidden, difficult to identify (highly tacit), very complex and result from accumulated, specific activities for the company.

(3) to be characterized with “social complexity”, which is difficult to yield to systematic impact.\(^{13}\)

Research done by scientists in the Massachusetts Institute of Technology aiming at finding out what makes 6 out of 70 automobile companies different from the rest\(^{14}\), is considered one of the most significant tests about the degree of which the historical conditions, causal ambiguity and social complexity of attained resources influence the ability to achieve and protect the competitive advantage. (Womack, Jones, Roos, 1990, cited Barney & Hesterly, 2006). The research shows that the distinguished success made by the six companies depends on “socially complex” relations among staff

\(^{13}\) Such socially complex phenomena may be the relationships between managers, company culture, company reputation among clients and suppliers, etc.

\(^{14}\) These six companies for the research period have simultaneously very low costs and extremely high quality.
In search of the factors which determine the degree of resource imitability and the advantages achieved through them, Dierickx and Cool (1989) introduce the term „reserve assets”. The latter is the result of a continuously conducted and consistent company policy. What is characteristic of those is that they cannot be effectively accumulated in a limited time by competitor firms. The two authors point out that exactly such non-tradable assets are able to create sustainable competitive advantages. They develop and accumulate in the company itself, and the fact that they are inimitable is explained precisely with the above factors: causal ambiguity, social complexity, or the fact that they are created as a result of particular company history and the specific processes of organizational study.

The significance of various resources for competitive-advantage sustainability is a subject of researchers’ interest and some authors have their “favourite” ones. The role of the “organizational knowledge” is increasingly being emphasized for company’s competitive-advantage sustainability (Narasimha, 2000). Bartlett and Ghoshal (2002) point out that a large number of managers appreciate development of internal resources and abilities as a process which is more difficult to imitate. Morgan and Hunt (1996) pay attention to the significance of the combination of specific resources in order to develop resources of higher line or competences. The process of building these long-term interconnections between resources is viewed as more difficult to imitate by competitors and therefore a more secure source of sustainable competitive advantage. With the approach “dynamic capabilities” Teece, Pisano and Shuen (1997) focus on the “key role of strategic management to adapt, integrate and reconfigure in an adequate way internal and external organizational skills, resources and functional competences with the objectives to achieve compliance with the requirements of the changing environment”. Achieving compliance both with the external environment conditions and between particular components of the company, in our opinion, is a skill that is difficult to imitate. Therefore, its impact on creation and protection of the organization’s competitive advantage is an object of our scientific interest, too.

The theoretical review gives us causes to adopt the attributes, included in the VRI-framework as a credible reference point in creating sustainable competitive advantage. Therefore, in our research we look for empirical evidences that resources, capabilities and competences, complying with the VRIO-model gain

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15 As examples for untradeable assets on strategic factor markets Dierickx and Cool point out corporate reputation, customer trust, suppliers and dealers loyalty, ability to carry out research and development project activities, etc..

16 Foss (1998) assumes that the terms “capabilities”, “competences” aim at taking hold of exactly these grouping and interaction between different resources.

17 The research is carried out on a draft R54/2011 and is a part of the author’s dissertation thesis “Sustainability of company competitive advantage (based on the example of the dairy plants in Bulgaria)”. It includes 40 companies from the dairy sector. The managers of the researched companies are the respondents in the survey.
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advantage\textsuperscript{18} for the companies which own them and that the anticipated results are retained long-term. In search of particular sources of advantage and as a result of a theoretical study, a number of hypotheses were formulated, the proof or rejection of each one is being done after empirical check. The main assumptions read that: (1) the reasons for differences in organizations’ performance can be found \textit{mostly in their intangible assets} and (2) in organizations which sustain their competitive advantage there exists a \textit{compliance} between components which create the organization, \textit{(internal compliance)}\textsuperscript{19}, as well as between organization and the environment \textit{(external compliance)}.

The review of the formulated assumptions proves that companies which have sustainable competitive advantage:

(1) implement decisions (mostly strategic ones), which provide compliance of their activity with the environment (input and output of an organization). For the companies in the sector which is the object of our empirical study these decisions comprise: various forms of \textit{cooperation with suppliers}, as well as implementing a \textit{backward vertical integration strategy} in order to overcome input problems related to scarcity of raw materials; running an \textit{export business operation} and providing a \textit{vast range of goods} in order to overcome the domestic demand limitations and adapt to the different needs of Bulgarian and foreign consumer; intense \textit{innovation activity} and \textit{availability of patents} in response to the fierce and sometimes unfair competition they have to outplay.\textsuperscript{20} The presence of such \textbf{external compliance} (between decisions of the organization and external-environment conditions where it operates) adds \textbf{value}\textsuperscript{21} to resources which the company has accumulated for implementing these decisions.

(2) possess availability of resources which are \textbf{difficult to imitate} because of their \textit{intangible nature, social complexity and causal ambiguity}, namely: \textit{staff loyalty}\textsuperscript{22}, \textit{consumer trust and loyalty, established positive image}.

\textsuperscript{18} The advantage (higher operational results) is calculated through \textbf{value supplied to consumers} (measured by sales profits –derivatives of price which the client is willing to pay for the product and the volume he/she decides to buy) and \textbf{the proprietor value} (measured by return rate). For the \textit{long-term nature} of results we judge by the average annual sales profits growth in the company for a period of 6 years. Getting ahead of (or lagging behind) the average sector rates for the specified indicators is accepted as presence, respectively absence of competitive advantage.

\textsuperscript{19} The internal compliance is sought for a set of pairs „strategy- component of formal organization”. The formal organization components for which specific information has been gathered through empirical studies are: control system, decision-making and delegating system, characteristics of structure, staff rewards system, processes formalization degree, continuous improvement focus.

\textsuperscript{20} Part of these findings has been published in a paper on the subject” Strategic decisions and sustainability of competitive advantages of dairy companies”// The human factor in management: Jubilee scientific - practical conference, 2012, Svistov, publ. Tsenov, 2012, p. 338-344

\textsuperscript{21} According to the meaning which Barney and Hesterly imply in the concept “value” (the first attribute in VRIO- framework).

\textsuperscript{22} In our staff loyalty research we judge by the subjective assessment of phenomenon, given by the respondents- managers, as well as by the more objective indicator “percentage of experts” and „percentage of personnel working in company for more than 3 years”.
long-term and fair relationships with suppliers and traders, management philosophy and understanding of the reasons for success/failure;21:

(3) possess characteristics which even if tangible are difficult to imitate because of their relevance to the particular company history, namely: location (in relation to major input), company size, relations of long standing with suppliers, sales network distribution, owners/partners’ interest in running the business;

(4) possess a complex of resources and skills which has a proven link with gaining the advantage. Namely the combination of different factors (which is unique for each organization) is a prerequisite for fulfilling both the condition for resource rarity (the complex of resources) and the condition for inimitability. It is quite unclear for a competitor what combination of factors contributes to success which impedes imitating the behavior that leads to success.

(5) the successful organizations are designed in a way relevant to the chosen strategy and helpful for its implementation. The study demonstrates that the presence of compliance with the relation ”strategy-component of formal organization” (“internal compliance”) influences the attainment of sustainable competitive advantage and this is most explicitly given a proof for the relation “strategy – staff rewards system” and the relation “ strategy – organizational-managerial structure”.24 In this way, organizations with a competitive advantage possess organizational support (the fourth condition in the VRIO-framework) for implementing the selected strategy.

The summary of the empirical study findings gives us good reasons to consider that the set of conditions deduced from the theoretical review of the sustainable competitive advantage is effective to our practice, too. It is also a reliable diagnostic tool for the company potential to develop and protect its competitive advantage. The study confirmed the positive relation between the company long-term results and availability of valuable, rare, difficult to imitate resources and capabilities. Organizational support is also provided for their beneficial use.

**Conclusion**

Knowledge of conditions to which an organizational resource needs to comply with in order to be a source of sustainable competitive advantage, may have both a

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21 The findings of the present empirical research manifested that looking for the causes of possible failure in internal environment (rather than in circumstances from the external one) is typical exactly for companies with competitive advantage. The managerial conception that success, respectively failure are the result of mustering the internal strength of organization is a particular capability materialized in and stemming from the manager’s mindset which makes it difficult to copy and consequently a reliable source of sustainable advantage.

24 We found out that some of the checked compliance pairs “strategy-component of formal organization” (“strategy-processes formalization degree” and “strategy- continuous improvement focus”) were feasible at the same degree for the successful and lagging behind companies. This determines them as a necessary but insufficient attributes for attaining advantage. The attribute” organizational support” in the VRIO-framework is exactly perceived as such.
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diagnostic and a pro-active role for management performance. On the one hand, the
set of attributes described in the present article may serve as a specific test for the
extent the available company resources and capabilities "promise" long duration of
the attained competitive advantage. On the other hand – awareness of sustainability
attributes is a pre-requisite for managers’ active search for resources which are difficult
to imitate in view of the purposeful plan for their creation and development. Awareness
of the need for development process continuity is a pre-condition for dynamism in the
behavior of economic entities and sustainability of the results they achieve.

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Abstract

In the article there are compared and generalized the opinions of various authors on the complex of conditions, which must be met by the sources of competitive advantage for the latter to be sustainable. Research is founded on the views of the resource approach, according to which not all resources possess the same potential to be sources of sustainable competitive advantage. The requirement for the resource to be difficult to imitate affirms itself as a key condition for the sustainability of the advantage. There are also mentioned examples of resources that are difficult to imitate, for which various studies (including the author’s) prove a positive connection with the achieved advantage of the organization in the long run.

Keywords: competitive advantage, degree of imitability, sustainability of the competitive advantage.