Linking Core Competence, Innovation and Firm Performance

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Abstract

Organizational resources and capabilities realized by business practitioners and researchers have significant importance as they support firm performance and competitive advantage. However, what exactly core competence is not clearly understood since terms such as resource, capability and competence are used interchangeably by researchers. From this point forth, this article provides a framework for separating organization's core competencies from resource and capability. We propose three empirical determiners such as uniqueness, inimitability and extendibility to the research model for separating organization's core competencies from resource and capability. Second, the proposed core competence framework serves as a tool for assessing the relationship between core competencies and innovation. Finally, the paper intended to help leaders and managers about how they can enhance firm performance by means of supporting core competencies and innovation.

Keywords: Core Competence, Innovation, Performance