

AN INTEGRATED FRAMEWORK FOR SUPERIOR AND SUSTAINABLE BUSINESS PERFORMANCE

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Abstract:

Scholar of resource base view provided limited evidence on how firm achieve superior and sustainable business performance. This failure is because the current literature on resource base view de-emphasizes the importance of operations. Therefore, the paper presents an integrated framework for superior and sustainable business performance by incorporating the role of operations in firm's performance. The paper argues that to gain and sustain superior business performance not only competitive advantage is sufficient but also the operations need to be competitively distinct. First, the paper theoretically links the significance of interaction between resource allocation and operations to answers the question how a firm can gain and sustain superior business performance. Second half of the paper explains what is meant by competitively distinct operations. By doing this paper provides evidence on how resource allocation and operations decisions can be aligned together to identify the best possible combination of resource choice and mode of operations. The success story of Walmart Inc. from existing literature is considered as a witness in the justification of the proposed framework. The paper concludes that the *cost of operations*, *opportunity cost*, *cost of resources* and *possible output* are the crucial factors to be considered by decision makers in resource allocation and operations decisions. Finally, the managerial implications, research limitations and future research possibilities are discussed.

Keywords: resource base view, competitive advantage, competitively distinct operations, business performance