The effect of departmental resource schemas on firm dynamic capabilities: A case study of strategic change at the Getinge Group

This study examines how various thought worlds—idiosyncratic to functional areas within a firm—affect how managers viewed the organization’s (human) resources, and the subsequent linking of organizational resources to strategic action during recent changes in the medical devices industry.

Managerial cognition has been argued to affect the construction, understanding, and linking of organizational resources and capabilities to strategic action. So far, extant literature has focused on the external environment as being subject to interpretation. While work exists depicting the organization itself as an environment, it focuses on the formation of shared beliefs around how things are currently done, and/or the alignment of interests between various social groups related to what should be done in the future. Consequently, we know little about how managers actually understand existing organizational resources and their beliefs related to how these resources can be linked to strategic action.

By relaxing the assumption that resources are given, the findings in this study help extend our existing understanding of how resources are understood in organizations and how they are linked to strategic action in two main ways.

First, by focusing on the interpretation of a given organizational resource, the study identifies idiosyncratic understandings within the organization related to what a given resource actually is and what it can be used for. These differences are emerge through the managers’ daily work with the resource as they form beliefs around the important and necessary characteristics of the resource.

Second, since any given resource is embedded in a variety of co-dependent and unique activity sets throughout an organization, decisions around resource reconfigurations impact several functional area managers at once. Getinge data suggests that when one manager attempts to alter a resource, the proposed alteration may be based on a belief around resource properties that other managers do not share. Such differences may significantly impede strategy work and the organization’s response to changes in its competitive environment.

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