Organizational theory design and change

24 January, What core competencies give an organization competitive advantage? What are examples of an organization's functional-level strategies? The core competencies that give an organization competitive advantage are the skills displayed in the value creation activities. Abilities shown in such activities make the system more efficient, innovative, creative and conducive for a higher quality, and hence, the satisfaction of the customer (Jones). In order for an organization to gain competitive advantage, its strategies should be consistent with the macro and micro environment and also, make part of the organization's value creation process. Functional level strategies are plans made to enhance the organizational and functional resources of an organization. The plan also strengthens the coordination within the organization. All of these factors mutually function to generate core competencies in the organization. In order for an organization to develop a functional level strategy, it should either lower the cost of functional activities as compared to that of the competitors, or else, make its service and/or goods different from others'. Examples of an organization's functional level strategies can be increase in the quality of products in which the value creating function is " manufacturing", and hiring talented workforce and improving their skills through on-the-job training in which the value creating function is the " human resource management". Likewise, improving the quality of existing products or developing new ones pertains to the value creating function of " research and development." Similarly, an organization can improve services in other value creating functions. These examples explain the skills that are displayed in the value creating functions. The very skills are fundamentally the core competencies of an organization

and give it competitive advantage. Works cited: Jones, Gareth.

Organizational Theory, Design, and Change. 6th ed. NJ: Prentice Hall. 2007.