

# Research paper



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## Business competition and factors that promote competitive advantage

Introduction In the era of fast paced technological advancement and rapid globalization, the business dynamics are also undergoing dramatic transformations. The recessive economy has also become a huge threat for the businesses across the globe. The changing paradigms in the global business environment have brought forth a new set of uncertainties and risks that need to be addressed urgently. In such a scenario, the organizations are looking innovative business strategies and measures to meet the challenges of the emerging new economic equations. Thus, the various paradigms that significantly influence the performance outcome of the businesses have become vital factors of competitive advantage in the contemporary global business environment.

Scholars assert that in the contemporary times, resources like machine, factories, human capital or intellectual property can be bought from the open market and therefore, they are not effective resources that could provide competitive edge to a firm (Johnston, Scholes and Whittington, 2005). But Lynch (2003) believes that resource based strategy inherently includes all tangible and intangible assets that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness and therefore gives it the necessary advantage. It also true that organizational competencies in terms of organizational culture and leadership initiatives that exploit human capital for improved performance outcome is highly relevant element of competitive advantage (De Wit & Mayer, 2005). Hence, the research on the topic would greatly help identify factors and issues that facilitate businesses to gain leverage in the highly competitive business of contemporary times.

## Study methods

The proposed research study would be qualitative in nature and would involve comprehensive literature review. Observation and interviews have been two major methods of understanding and evaluating the factors that impact the changing business dynamics. The sample data primarily comprised of observations of general public and local businessmen on the various perspectives of business competition and issues that influence their performance.

## Results

The results showed the recessive trend had hugely impacted the business outcome and necessitated cost cutting measures to meet the challenges of the time and survive tough economic conditions. It was also found that the globalization and increasing multicultural environment also required more proactive measures to promote cross cultural understanding for improved teamwork. Workplace conflicts adversely impact performance and need to be resolved early because if left long to fester, the situation can become explosive and critical for the organization.

## Conclusion

One can therefore, conclude that social change, economic trends and the technological factors are the major driving forces behind innovative business strategies of the companies to gain significant leverage in market positioning. Indeed, managing change has become intrinsic part of business strategy. It encourages innovative business strategies and creative practices to overcome the challenges of fast changing technologies and dynamics of economy. The identification and evaluation of various factors that impact the efficiency and effectiveness of delivery of organizational goals have become

critical paradigms of business competition. These issues need to be addressed urgently if the businesses want to maintain a competitive advantage in the current environment of global recessive trend. Hence, research on the topic would go a long way in evolving creative strategies to overcome the changing socio-economic dynamics of the societies that influence business decisions.

(533 words)

#### Reference

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