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The Building of Strategic Capabilities for  
Sustainable Competitive Advantage:  
Case Studies in the New Zealand Seafood Industry

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of the requirements for the degree of  
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J. RANDALL BESS

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## Preface

During the examination of the thesis, it was agreed that this preface be added to address issues raised concerning the contribution each case study makes to the theory on sustainable competitive advantage. The main issues raised are:

- (1) The within-case analysis;
- (2) The identification of firms' competitive advantages;
- (3) How firms' competitive advantages impact on their performance; and
- (4) Generalisations made about the study's findings.

The first three issues relate to the study's design and choice of methodology, including the researcher's experience in gaining the trust of participants and honouring the agreement to ensure that their involvement would not jeopardise their firms in any way. The fourth issue relates to the appropriateness of making generalisations at the national and general theory levels. These issues are addressed as follows:

- (1) Questions were raised about the case studies because it was assumed narrative accounts lack within-case analyses. However, the case studies, as narrative accounts, are the outcome of within-case analyses. The analyses consisted of the researcher synthesising the multiple types of data, resolving contradictions in the data and negotiating with participants any conflicts of recollections and limitations placed on the release of the data (refer p.262). The analyses culminated in the most sensible accounts of what happened in

the firms and the identification of sources of competitive advantage and the processes used to build them. The identified competitive advantages and building processes were further analysed at the cross-case level.

Prior to this study little research had been done on the process of building sources of competitive advantage. The researcher concluded, therefore, that the study should focus on this process. The researcher contends that the study's findings at the cross-case level on the capabilities building process are its greatest contribution to the theory on sustainable competitive advantage.

- (2) This study broadly defines competitive advantage as something one firm enjoys over another in a particular market. This definition does not presume a direct association between superior financial performance and a competitive advantage. Instead, an advantage is more in line with a firm consistently producing products and/or delivery systems with attributes that correspond to the majority of its customers' key buying criteria (refer p.9).

This study's identification of sources of competitive advantage commenced with the researcher observing relationships among concepts or variables during within-case analyses. Participants further contributed to the observations during a series of subsequent interviews (refer pp.260-1). The study used various multiple-data collection methods to verify participants' statements about sources of competitive advantage, their sustainability and the processes used to build them (refer pp.254-5). This method of identifying sources of competitive advantage was appropriate, given the broader definition outlined above and the restricted access to financial data, as outlined below.

- (3) Analysing the impact a source of competitive advantage has on firm performance (profitability) was hampered by participants either refusing the researcher's request for access to basic financial data or constraining its

release. For these reasons, a sixth research question regarding why firms operating in similar product markets display varied performance was eventually omitted from the study (refer pp.244-5).

Restricted access to comparable types of economic and financial data across firms and the industry prevented this study from tracking firm-level financial performance over time and making comparisons across firms and with industry averages. The study cautions against making within-nation and cross-nation comparisons of seafood firms due to the lack of available quantitative data on the performance and operations of New Zealand seafood firms (refer p.424).

- (4) The appropriateness of generalising the study's findings is best addressed by distinguishing between statistical generalisations and theoretical generalisations. The study could not be designed around statistical generalisations that focus on 'how many' types of quantitative research questions. Instead, the study was designed to ask a variety of 'what', 'how' and 'why' questions that lead to theoretical generalisation (refer pp.243-4). The comparative case study approach treated each case study as a separate experiment instead of a statistical sample (refer p.263).

The study qualifies any generalisations made to only those seafood firms with similar size and levels of vertical integration. The expectation was expressed that the study might provide a more comprehensive understanding of firm-level competitiveness with broader application to firms in other industries, particularly other natural resource-based industries characterised by high vertical integration (refer p.427). The theoretical generalisations made are reasonable given the stated qualifiers.

The researcher trusts that this preface clarifies the above issues so that the reader can fully appreciate this study's purpose, limitations and contribution.

## Abstract

The aim of this study was to identify the process by which selected New Zealand seafood firms built firm-specific resources, referred to as strategic capabilities, to gain and sustain a competitive advantage in the context of New Zealand's economic reforms and transformation of the fisheries management system. Having identified several contextual factors unique to the seafood industry and the macro-environment, this study examined the capabilities building process using broad organisational, environmental and historical contexts. A case study approach was used to conduct the research. The case study design consisted of four medium to large-sized, highly vertically-integrated seafood firms. Data were collected from interviews, internal documents, industry documents and observations.

The study concludes that the strategic capabilities building process is predominantly systemic, that is utilising and combining several firm-specific resources to develop simultaneously sources of advantage so that firms can compete successfully in the highly competitive international seafood market. The systemic nature of the strategic capabilities building process requires seafood firms to build up intangible processes and routines that link all of their value chain activities in the best possible way. Processes and routines are dynamic; they change, therefore, with the acquisition and integration of new knowledge about a firm's operations, its products and those external environmental forces that impact on the firm. This study suggests that the greatest potential gain for highly vertically-integrated firms lies in senior managers' reviewing the nature and extent of their interactions, their comprehension of value chain activities, and their firm-wide communication-oriented processes and routines that support the capabilities building process. This study also confirms that for vertically-integrated firms operating in resource-based industries, secure access rights to the resource play a critical role in firm-level competitiveness.

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# Table of Contents

Introduction	1
Chapter 1 Strategic Capabilities – An Evolving Concept	
Introduction	7
Competitive Advantage	8
Perspectives on Competitive Advantage	9
Evolutionary Economics	11
Industrial Organisation	13
Implications for the Resource Approach	15
The Resource-based View	17
The Knowledge-based View	28
Types of Knowledge	31
Organisational Knowledge	32
Shortcomings of the Resource Approach	36
Summary	39
Chapter 2 Fisheries Management Regimes	
Introduction	41
Fisheries Worldwide	42
Property Rights	45
Fisheries Science	50
Management Institutions	60
Co-management	80
Summary	87
Chapter 3 Historical Overview of New Zealand Fisheries Management	
Introduction	90
Maori Tribal-based Rights – 800 to mid-1800s	91
Limited Entry Management System – 1866 to 1962	93
Regulated Open Entry System – 1963 to 1982	97
Quota Management System – 1983 to 1986	104
Quota Management System – 1987 to present	112
Marine Farming	128
Managing New Zealand’s Fisheries for the Future	131
Summary	134



Chapter 4	The New Zealand Economy	
	Introduction	136
	New Zealand's Early Economic History	138
	Economic Reforms, 1984 – 1990	146
	Economic Reforms, 1990 – present	151
	National Comparisons	156
	National Competitiveness	161
	The Porter Project	166
	Summary	173
Chapter 5	The New Zealand Seafood Industry	
	Introduction	175
	Seafood Industry Economic Performance	176
	Industry Profile	188
	Implications of the Porter Project	195
	The Nelson Seafood Cluster	197
	Summary	202
Chapter 6	The Addressing of Maori Fishing Rights	
	Introduction	204
	Indigenous Peoples' Rights	206
	Maori Early History and Traditions	211
	Maori Traditional Fisheries Management	215
	Early Colonial History	219
	Fisheries Management Legislation	223
	Maori Fisheries Claims and Settlements	227
	Outstanding Maori Fisheries Claims	232
	Summary	233
Chapter 7	Research Design and Methods	
	Introduction	235
	Research Strategy and Questions	236
	Access to Firms and Industry-related Organisations	245
	Data Collection Methods	254
	Data Analysis and Presentation	258
	Summary	264

Chapter 8	Pacifica Fishing Group Ltd.	
	Introduction	266
	Skeggs Group Ltd.	267
	Pacifica Fishing Group Ltd.	269
	Processing Operations	270
	Marine Farm Operations	273
	Organisational Structure	275
	Marketing Operations	278
	Summary	283
Chapter 9	The New Zealand King Salmon Company	
	Introduction	284
	King Salmon ( <i>Oncorhynchus tshawytscha</i> )	286
	International Salmon Farming Industry	287
	Regal Salmon Ltd.	290
	Southern Ocean Seafoods Ltd.	293
	Regal Salmon and Southern Ocean Seafoods Merger	297
	The New Zealand King Salmon Company Ltd.	300
	Domestic Marketing Campaign	304
	Development of Overseas Markets	306
	Australian Market Access	307
	Improvements to Farming and Processing Operations	309
	Post-merger Activity	313
	Summary	316
Chapter 10	Simunovich Fisheries Ltd.	
	Introduction	319
	Historical Background	320
	Organisational Structure	323
	Managerial Interaction	326
	Fishing Operations	332
	The Kermadec Restaurant	334
	Marketing Operations	336
	Overseas Operations	341
	Summary	345

Chapter 11	Sealord Group Ltd.	
	Introduction	348
	Historical Background	350
	Organisational Structure	356
	Human Resources	361
	Strategic Planning	363
	Business Development	367
	Fishing Operations	369
	Processing Operations	373
	Sealord Shellfish Ltd.	376
	Marketing Operations	379
	Customer Responsiveness	382
	New Ownership	386
	Summary	387
Chapter 12	The Content and Process of Building Strategic Capabilities	
	Introduction	389
	Strategic Capabilities	391
	Managerial Capability	393
	Marketing Capability	400
	Property Rights	402
	Catching/harvesting and Processing Operations	404
	Inter-firm Cooperation	406
	The Building Process: A Framework for Seafood Firms	409
	Summary	425
Chapter 13	Conclusion	
	Introduction	426
	Recommendations for Government Policy and Legislation	427
	Firm-level Implications and Advice	434
	Hypermedia References	438
	References	439

## Figures

1.1	Resources as a Basis for Profitability	16
1.2	The Contribution of the Resource-based View of the Firm To Global Competition	16
1.3	Intangibles, Enabling Capabilities and Sustainability	20
1.4	Competencies: The Roots of Competitiveness	21
1.5	The Relationship Between Resource Heterogeneity and Immobility, Value, Rareness, Imperfect Imitability, Substitutability, and Sustained Competitive Advantage	24
1.6	The Structure of Strategy	26
1.7	The Importance of the Environment Context in Determining the Relationship Between Different Resources and Measures of Performance	27
1.8	A Resource-based View	30
2.1	Alaskan Halibut Fishery Season Length and Landings 1977-1995	67
2.2	The Quality of Quota Property Rights in New Zealand, Norway and Iceland	77
2.3	Key Elements for Future Successful Fisheries Management	86
3.1	New Zealand Seafood Industry Structure prior to 1997	119
3.2	The Restructured New Zealand Seafood Industry	121
4.1	Annual Inflation Rates – New Zealand and Selected OECD Nations	157
4.2	90 Day Bank Bill Rates – New Zealand and USA	158
4.3	Real GDP Growth – New Zealand and Selected OECD Nations	159
4.4	GDP Per Capita (Base = August 1999)	160
4.5	Determinants of National Competitive Advantage	164
5.1	New Zealand Seafood Production and Value (domestic and export)	177
5.2	New Zealand Seafood Exports by Volume and Value	178
5.3	New Zealand Main Export Species by Value	179
5.4	Value of New Zealand Seafood Exports by Destination	181
5.5	Exchange Rates (UK, USA and Australia)	182
5.6	Exchange Rates (Japan and TWI)	182
5.7	Value of Exports from the New Zealand Aquaculture Sector	184

5.8	Volume of Exports from the New Zealand Aquaculture Sector	185
5.9	Total Catch from the New Zealand EEZ by Vessel Registration	193
5.10	Employment Profile of the New Zealand Seafood Industry	194
5.11	Nelson-based Seafood Cluster	199
7.1	Three Dimensions to Understanding the Building of Strategic Capabilities in Medium and Large-size New Zealand Seafood Firms	243
8.1	The Structure of Skeggs Group Ltd.	277
9.1	Worldwide Production of Farmed and Wild Salmon – all species	290
9.2	The Structure of The New Zealand King Salmon Company	301
11.1	1992 Structure of Sealord Products Ltd.	353
11.2	1995 Structure of Sealord Group Ltd.	360
11.3	Sealord Group Ltd. Annual Sales Revenue 1990 to 2000	386
12.1	The Pattern in the Process of Building Strategic Capabilities	409
12.2	New Zealand Seafood Firms Operating as an Open System	414
12.3	Value Chain and VRIO Frameworks Applied to a Vertically Integrated New Zealand Seafood Firm	418

## Tables

1.1	Perspectives on Inter-firm Competition and Sources of Competitive Advantage	10
2.1	Estimated Quality of Quota Property Rights for New Zealand, Iceland and Norway	74
3.1	Composition of New Zealand Registered Fishing Vessels 1967 & 1977	99
5.1	Financial Performance of the Major Quota Owners	187
5.2	Financial Performance of the Non-major Quota Owners	187
5.3	Comparison of New Zealand Exports to Other Export Products, 1995 to 1998	188
5.4	Quota Ownership at 1986 Compared with 1991, 1996 and 1999	189
5.5	Composition of the New Zealand Full-time Domestic Fleet Structure	194
7.1	The Process of Building Theory from Comparative Case Studies and Field Research	240
7.2	Case Names of Five Medium- and Large-size New Zealand Seafood Firms	253
9.1	Worldwide Production of Farmed King Salmon	288
9.2	Worldwide Production of Farmed Salmon – all species	289
11.1	Sealord Product Ltd. Quota Holdings – 1991/92 (in greenweight tonnes)	352
11.2	Total Exports of Hoki by Volume, Value and Return 1989 to 1992	355
11.3	Sealord Group Ltd. Quota Holdings as at 31 January 2000 (in greenweight tonnes)	368
12.1	Strategic Capabilities in Medium and Large-sized New Zealand Seafood Firms	394