

# Review and Prospect of Research on Enterprise Resource Based Theory and Enterprise Core Competence Theory

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**Abstract:** *The concept of enterprise capability and the origin of the theory of enterprise capability both began before and after the first industrial revolution and gradually improved with the continuous development of economy and enterprises. The theory of enterprise capability covers a wide range of contents, among which the theory of enterprise resource base and the theory of enterprise core capability have always been the focus of academic research. Based on the brief introduction of the connotation of enterprise capability theory and the four major capability theories, the text will conduct in-depth research on enterprise resource-based theory and enterprise core capability theory. This paper mainly expounds the enterprise resource-based theory from two aspects: theoretical review and theoretical evolution.*

**Keywords:** *enterprise capability; Core competence; Enterprise resource-based theory; Core competence rigidity; Enterprise capability theory*

## 1. Introduction

### 1.1 Overview of enterprise capability theory

Enterprise capability refers to the ability of an enterprise to achieve its goals and complete corresponding tasks. Since the 1980s, on the basis of internal growth theory, enterprise capability theory has developed four major schools, namely, enterprise resource-based theory, enterprise core capability theory, enterprise dynamic capability theory and enterprise knowledge-based theory. There are many views on the theoretical research of enterprise capability. Before the 1990s, the academic research on the theory of enterprise capability mainly focused on its concept and category, and after the 1990s, it mainly focused on the theoretical framework construction and empirical research of enterprise capability. However, because there are many research ideas on the theory of enterprise capability, so far there is no fixed normative formula for its research in the academic community. Some people think that the development path of enterprise capability theory starts from the enterprise resource-based theory. After the recognition and development of enterprise core competence theory and enterprise knowledge-based theory, it has developed to the depth of enterprise dynamic capability theory. But for the sequence of enterprise knowledge-based theory and enterprise dynamic capability theory. Others believe that the development of enterprise dynamic capability theory precedes the development of enterprise knowledge base theory.

The origin of the theory of enterprise capability can be described from two perspectives: the issues discussed in the theory of enterprise capability and the evolution of the theory of enterprise capability. The germination and development of the theory of enterprise capability are ultimately attributed to the development of productivity, which is accompanied by the innovation of the economic development mode and the times.

From the perspective of the issues discussed by the theory of enterprise capability, the theory of enterprise capability comes from the discussion of "where does the competitive advantage of enterprises come from?" and the study of enterprise management strategy. The development of enterprise capability theory is inseparable from the fields of enterprise competitive advantage, enterprise strategy, industrial organization and so on. They are both independent and interactive. Therefore, the research on enterprise capability theory must have a deep understanding of other fields.

From the perspective of the evolution of enterprise capability theory, Porter's industrial analysis

theory, Adam Smith's theory of division of labor, Marshall's theory of internal growth of enterprises, Panrose's theory of enterprise growth and Richardson's theory of enterprise capability are the origin and foundation of modern enterprise capability theory. Richardson was the first economist to put forward the concept of "enterprise capability". In his book *Industrial Organization*, he creatively used the concept of "capability" to describe the knowledge, experience and skills of an enterprise. Looking at the development process from the germination of enterprise capability theory in the 1980s to the perfection of modern enterprise capability theory, some people believe that the basic logic of the evolution of enterprise capability theory is to focus on the organic combination of enterprise internal variables and external variables, from tangible material resources to intangible knowledge resources. From static analysis to dynamic analysis.<sup>[1]</sup> The author agrees with this view of describing the evolution logic of the enterprise capability theory, but the author believes that the evolution logic of the enterprise capability theory should add a step of "only focusing on the external variables of the enterprise" at the beginning, which is proved in Porter's industrial analysis theory.

Because there are still differences in the academic circles on the development order of enterprise knowledge base theory and enterprise dynamic capability theory, this paper focuses on the theory of enterprise resource base and enterprise core competence without differences.

The text is arranged as follows. The second chapter: the main viewpoints of the resource-based theory of enterprises; Chapter 3: The evolution of enterprise resource-based theory; Chapter 4: The theoretical origin of the core competence theory of enterprises; Chapter 5: The main viewpoints of the core competence theory of enterprises. The conclusion of the sixth chapter will summarize the research results, put forward some personal ideas and suggestions for the unsolved problems, and look forward to the future.

## **2. Evolution of enterprise resource-based theory**

The development of enterprise resource-based theory can be roughly divided into four stages: 1959-1990 is the embryonic stage; 1991-2000 is the growth stage; 2000-2010 is the mature stage; 2011-2020 is a new development stage.<sup>[2]</sup>

### **2.1 Germination stage**

There are few literature materials in this stage, but some basic ideas formed in this stage provide an indispensable theoretical basis for the follow-up development and improvement of enterprise resource-based theory. The main contributions of this stage include:

The emergence of "the importance of organizational resources" provides a fresh perspective for enterprise strategic management research;

Combine organizational resources and organizational performance organically;

Compare the existing similarities and differences between the resource perspective and the product perspective;

The difference of obtaining internal and external resources of the organization is analyzed.

### **2.2 Growth stage**

In 1991, Jayne Barney published *Enterprise Resources and Sustainable Competitive Advantage*, an important document of enterprise resource-based theory. Since then, it has promoted the rapid development of enterprise resource-based theory and entered the growth stage. The main contributions of this stage include:

1) Focused on the resource differences between different enterprises in the same industry, and studied the source of sustainable competitive advantage of enterprises from the organizational level.

2) Connecting several characteristics of resources with the competitive process of enterprises, this paper puts forward the potential conditions for the existence of sustainable competitive advantages of enterprises.

3) Refine the concept of "capability" and define it as the process of enterprises integrating various assets and production factors to achieve specific goals of enterprises.

4) The concept of "dynamic capability" is proposed.

### **2.3 Maturity stage**

At this stage, the enterprise resource-based theory has developed rapidly and achieved fruitful results. However, some scholars have begun to reflect on the content of the enterprise resource-based theory, and many critical articles have appeared. The development of the whole stage presents the characteristics of "a hundred schools of thought contend".

The most theoretical significance of this stage is the academic debate on whether the resource-based theory is effective in 2001. This debate not only reaffirmed the positive aspects of enterprise resource base theory, but also demonstrated the limitations of studying enterprise resource base from a static perspective. After this debate, more and more scholars began to invest more energy in the distinction between resources and capabilities, and the research on enterprise resource-based theory also shifted to a dynamic perspective.

### **2.4 New development stage**

At this stage, the growth rate of the number of relevant papers began to slow down, and the relatively complete and mature literature accounted for a large proportion. All these signs indicate that the enterprise resource-based theory has begun to become stable and mature at this time.

New research directions, such as resource management and resource arrangement, have added new impetus to the development of enterprise resource-based theory after its maturity.<sup>[2]</sup>

## **3. Main viewpoints of enterprise resource-based theory**

The core issue of enterprise resource-based theory is how to obtain and maintain its competitive advantage, which is also one of the key issues of enterprise strategic management theory. The basic view of the enterprise resource-based theory on this issue is that the enterprise is regarded as a special collection of many economic resources, and its research perspective on the issue of "the source of enterprise competitive advantage" is from the external conditions of the enterprise to the internal resource conditions of the enterprise itself.

However, due to the different perspectives of different scholars on this issue, there is still no very clear normative and strict theoretical system at present, and most of them are diversified. The "resource-based view", which started in the mid-1980s, is the earliest of the four major schools of enterprise capability theory and has a long history. There are many voices and views on the core concepts of the enterprise resource-based theory and the construction of the theoretical framework.

### **3.1 Explanation of core concepts of enterprise resource-based theory**

#### **(1) Resources and Assets**

Assets appear more in the category of accounting theory and economic theory, while resources appear more in the category of enterprise strategic management theory. From the perspective of property right theory, no matter what kind of resource it is, when it corresponds to a form of property right, the understanding of resources should be more from the perspective of assets of an economic actor's accounting theory. At this time, resources and assets seem to be the same concept, but according to the strict definition of assets in accounting theory, not all resources can become assets. Therefore, resources are a broader field than assets. Resources include assets.

#### **(2) "Strategic Elements" and "Strategic Elements Market"**

It was mentioned in the above description that the development of enterprise capability theory is inseparable from the enterprise strategic management theory. In the enterprise resource-based theory, how to allocate the resources owned by enterprises to maximize their effectiveness and obtain the maximum benefits, How to make a unique enterprise strategy based on its own resource conditions in the dynamic and complex market environment to gain competitive advantage is very critical. In the study of these issues, the concepts of "strategic elements" and "strategic element market" play a key role.

"Strategic elements" refer to the key resources that are necessary in the process of formulating and implementing enterprise strategies, namely strategic resources. "Strategic element market" is the market

for resources needed to implement a certain strategy of an enterprise, and such market often takes strategic resources as the trading object. Common strategic resources include corporate reputation, corporate market share, etc.<sup>[3]</sup>

### **3.2 Viewpoints of enterprise resource-based theory**

#### **(1) The Theoretical Logic of Enterprise Resource Based Theory**

After studying Jayne Barney's enterprise strategy analysis framework, L.Prime believes that valuable and scarce enterprise resources can enable enterprises to gain competitive advantages. Valuable and scarce resources are regarded as a condition, and the competitive advantage of enterprises can be defined differently under different conditions as a conclusion.

#### **(2) The Sources of Competitive Advantage of Enterprises**

In the field of strategic research, there is a traditional theoretical paradigm, namely the "structure behavior performance" (SCP) model in industrial organization theory. This model believes that what determines the business strategy of an enterprise is the market structure of the external market where the enterprise is located, and the dominant position of the enterprise in the market is the source of the competitive advantage that the enterprise obtains. The resource-based theory of enterprises believes that the real source of competitive advantage of enterprises is their own unique resources and capabilities and the corresponding isolation mechanism, which also determine the performance of enterprises.

#### **(3) The Enterprise Resource Division**

Enterprise resources can be divided into main resources and auxiliary resources. The main resources mainly refer to the unique assets that directly participate in the development of enterprise value, create and maintain the competitive advantage of the enterprise. It includes the technological assets, allocation ability and organizational learning ability of the enterprise. Auxiliary resources mainly refer to those unique resources of the enterprise that have a positive impact on the formation of the main resources of the enterprise. It includes internal human capital, inter enterprise cooperation and management vision.<sup>[5]</sup>

## **4. Theoretical origin of enterprise core competence theory**

The theory of enterprise core competence has been developing since it was put forward. Because its development has been diversified in the form of "a hundred schools of thought contend", the academic research on its theoretical evolution has focused on the theoretical traceability of enterprise core competence theory. So far, there is no final conclusion on its complete evolution process. However, the source of the theory of enterprise core competence was in 1990, when C · K · Prahalad and Gary Hamel published the landmark article "Enterprise Core Competence" on Harvard Business Review. This has been agreed in the academic community.

As for the theoretical traceability of enterprise core competence theory, there are the following views:

1) The origin of "the theory of division of labor": Adam Smith's 1776 "The Wealth of Nations" Adam Smith believes that the division of labor makes the various functions of enterprises different from each other and moves towards specialization, thus improving production efficiency. The core idea of core competence is to emphasize the division of capabilities between enterprises, so there are similarities and differences between the two.<sup>[6]</sup>

2) The research of enterprise resource-based theory focuses on enterprise resources, capabilities, etc. It regards the technology and management owned by enterprises as a special capability, and enterprise core capabilities, as a special resource and capability for enterprises to use and allocate resources in a unique way, become the research focus of enterprise resource-based theory.

3) S. Winter, based on the theory of evolution, puts forward that the difference in capabilities possessed by enterprises is very important for understanding the difference in competitiveness of enterprises. Therefore, the innovation theory will eventually move towards the research on the core competence of enterprises.<sup>[7]</sup>

The theory of enterprise core competence is the manifestation of the development of enterprise strategic management theory to the present stage.

## 5. Main viewpoints of enterprise core competence theory

### 5.1 Definition of enterprise core competence and characteristics of enterprise core competence theory

#### 5.1.1 Definition of enterprise core competence

(1) The core competence of an enterprise refers to the ability that the enterprise has, is unique in the industry and the market, and is difficult to be copied and imitated by others. This capability can support enterprises to realize the value of services or products that users need and pay attention to and that are better than those provided by their competitors, can create more potential for enterprises to enter a broader market, and is the source of long-term profits for enterprises.

(2) The core competence of an enterprise refers to the knowledge and ability accumulated in the production and operation process of the enterprise, especially the knowledge and ability to solve the problem of "how to comprehensively use different production skills and integrate multiple technologies", and on this basis, create the business philosophy, technology products and services, etc.

(3) The core competence of an enterprise refers to the ability that the enterprise has uniquely and can play a key role when it obtains an advantageous position in many similar products and services in the market. This ability is an organic synthesis of enterprise technology and enterprise skills, not just a technology or skill owned by the enterprise. Only by combining the two can we say that it is a core competence of an enterprise.

(4) The meaning of core competence can be summarized from the following aspects:

1) The core competence of an enterprise refers to a resultant force formed after the organic integration of the knowledge, skills and technologies owned by the enterprise.

2) The internal capabilities of enterprises, including core capabilities, are heterogeneous and unique.

3) The various capabilities owned by the enterprise are related to each other.

4) The source of enterprises obtaining their own core competence is the process of enterprises obtaining and allocating resources.

5) Core competence is a multi-competence hierarchy system that forms a dynamic balance.<sup>[8]</sup>

(5) The definition of enterprise core competence can be divided into eight categories: integration view, network view, coordination view, combination view, knowledge carrier view, component framework view, platform view and technology view.

#### 5.1.2 Characteristics of enterprise core competence theory

The characteristics of enterprise core competence theory can be summarized as follows:

1) The core competence theory of enterprises is a strategic theory with certain diversification characteristics, which takes core competence as the research center.

2) The theory of enterprise core competence integrates the internal and external factors that affect enterprise performance and competitive advantage relatively completely.

3) In the research of enterprise strategy theory, the theory of enterprise core competence is the first time to put forward how to solve the problem of enterprise strategic advantage and corresponding solutions in the era of economic globalization, competitive conditions and the background of market globalization.

4) From the perspective of enterprise strategic management, the theory of enterprise core competence integrates the management advantages of various advantageous enterprises in the world, especially Japanese and American enterprises.<sup>[9]</sup>

#### 5.1.3 Viewpoints of enterprise core competence theory

It is not difficult to find that the views of the audience literature on the theory of enterprise core competence always overlap with the definition of core competence unconsciously. This stems from the fact that the concept of "core competence" has not been formally recognized and properly explained throughout the development of the core competence theory of the enterprise, and the explanation of this concept is the first and inevitable problem in the theoretical research of the core competence of the enterprise. Therefore, the theory of enterprise core competence is mainly based on the explanation of the concept of "core competence", supplemented by other aspects such as the identification method of

enterprise core competence.<sup>[10-11]</sup> This section mainly shows the views related to the definition of "core competence", and the identification methods of enterprise core competence will be highlighted in another section, as shown in Table 1 and Table 2.

The views of enterprise core competence theory can be summarized as follows <sup>[4]</sup>:

*Table 1 The main viewpoints of foreign scholars on the core competence of enterprises*

Viewpoint	Representative figure	Focus	Typical definition	Capability representation or dimension
Integration view	Prahalad&Hamel (1990);Kesles et al. (1993)	Integration of different skills and technology flows	Accumulated knowledge in the organization, especially the knowledge of coordinating different production skills and organically combining multiple schools of knowledge	Technology and skills
Network view	Klein(1998)	Skill network	It is a set of skills that can be represented by a skill network	Various skills and networks formed according to their relationships
Coordination view	Sanchez et al. (1996);Durand(1997)	Coordination and allocation of various assets and skills	Core competence refers to the coordinated allocation of various assets and skills by an organization, which includes excellent assets, cognitive processes and routines, organizational structure, behavior and culture	Asset excellence, cognitive ability, procedures and routines, organizational structure, behavior and culture
Combinatorial view	Prahalad(1993) Coombs (1996), etc	Combination of various abilities	A harmonious whole of diversified knowledge, customer related knowledge and intuitive creativity	Technology, management process, group learning
View of knowledge carrier	Leonard-Barton(1992,1994)	Knowledge carrier	A kind of knowledge group that distinguishes the company from other companies and provides competitive advantages to the company. It is a kind of action ability and the key to an organization's ability to form a proprietary ability for a long time so as to provide value to customers	Knowledge and skills, basic management system, physical system (technical system), values and norms
Component I framework view	Henderson&Cock barm (1994)	Capability composition	Combination of component capabilities (resources, knowledge and skills, technical systems) and architecture capabilities (synthetic capabilities, management systems, value standards, intangible assets)	Component capability, construction capability
Platform view	Mayer and Utterback (1993)& leherd (1997)	Role on product platform	The aggregation of functions, the basis of products, and the positive correlation between product platform and product family and enterprise performance	Product technology capability, understanding of user needs, distribution channel capability, and manufacturing capability
View of technical ability	Patel& Paritt(1997)	Relative technical capability indicated by patent	High patent share and high reality technology advantages	Patent share (PS), real technology advantage (PTA)

*Table 2: Main viewpoints of domestic scholars on core competence of enterprises*

Viewpoint	Representative figure	Focus	Typical definition	Capability representation or dimension
Resource view	Li Youcheng, Yang Hao, Dai Yueming, etc	Intangible assets	The core competence of an enterprise is an intangible asset. In essence, it is the competence acquired by an enterprise through the integration of various technologies, skills and knowledge	Technology, skills, knowledge
View of integration of assets and mechanisms	Cheng Qiwei, Wang Bing'an	Organic integration of various skills, complementary assets and operation mechanism	The core competence of an enterprise is composed of core assets such as core products, core technology and core competence. It is the comprehensive application and reflection of core assets and the organic integration of various skills, complementary assets and operating mechanisms of an enterprise	Hard core competence (core products, core technology and core skills);Soft core competence (operation and management).
Consumer surplus view	Analysis of the benefits	Consumer surplus	Core competence is a system of core competence of the enterprise, which is dominated by the core values of the enterprise and aims to provide customers with greater (more and better) consumer surplus	All elements unique to the enterprise that are sufficient to overcome the competition
System and system view	Zuo Jianjun	Enterprise system	Enterprise system and system are the basic core competence	Enterprise system
Ability view	Zhang Jian, Ding Kaisheng, Zhou Xing, Liu Yulin, etc	Technical ability and marketing ability	The enterprise has the ability to develop unique products, develop unique technology and unique marketing	Technical ability and marketing ability
Innovation view	Chen Qingtai	Innovate	Core competence refers to the ability of an enterprise to constantly create new products, provide new services to adapt to the market, constantly innovate management, and constantly innovate marketing means	Patent share, technical advantages and management ability
Combinatorial view	Guo Bin	Combination of various abilities	The core competence of an enterprise is the ability to obtain sustainable competitive advantage through the support and interaction of enterprise strategy process, organization process marketization process, and interface process under the condition of market competition.	Strategic capability, core technology capability, organizational capability, marketization capability, enterprise interface capability
Element frame view	Wang Yi	Capability framework and hierarchy	The core competence of an enterprise is a two-dimensional knowledge system composed of competence, competence framework and hierarchy	Component capacity and framework capacity
Culture and Values	Shi Dongming, Xu Zhengliang, Wang Ligai, etc	Corporate culture and values	The core competence is the energy that distributes the enterprise organization. The core competence that is displayed through the core expertise and wins the competition is the enterprise culture and values	Core values, organization and management, software and hardware



### 5.2 Identification method of enterprise core competence

How to identify the core competence of an enterprise is closely related to how researchers understand the concept of "enterprise core competence". Therefore, in general, the identification methods of enterprise core competence can also be divided into five schools: factor school, integration school, performance school, nature characteristic school and comprehensive school due to different interpretations of the concept of "enterprise core competence".

#### (1) Essentialism

When identifying the core competence of enterprises, this school pays more attention to the constituent elements of the core competence of enterprises, namely the specific components and sources of the core competence of enterprises. The difference of views within the school is mainly the different views and division of the elements of the core competence of the enterprise. However, certain consensus has been formed in some schools on the important elements of core competence of some enterprises, such as technological competence, marketing competence and financial competence.

Ideas such as:

1) This paper identifies and evaluates the relationship between the core competitiveness of enterprises and organizational learning, strategic flexibility and enterprise performance from three perspectives of technological capability, marketing capability and integration capability.

2) From the perspective of enterprise core competence audit, the core competence evaluation index system is established, which is composed of enterprise strategic management capability, enterprise core manufacturing capability, enterprise core technology capability, enterprise organization and interface management capability, and enterprise core marketing capability.

3) From five aspects of core technology ability, core marketing ability, strategic decision-making ability, core creative ability and core response ability, this paper establishes the optimization fuzzy model and multi-level fuzzy comprehensive evaluation mathematical model of enterprise core competence.

#### (2) Conformity school

In the identification of enterprise core competence, the key word of this school is "integration". This school studies the integrity and comprehensiveness of the core competence of enterprises from the perspective that the core competence of enterprises is formed by the organic integration of resources, knowledge, technology, skills and other elements that enterprises have.<sup>[12]</sup> However, this school has limitations in identifying the specific sources of core competence of enterprises, which is in contrast to the factor school. However, the school has not yet formed a more unified normative formula.

Ideas such as:

1) Establish the evaluation model of enterprise core competence composed of strategic integration capability, organizational integration capability and technological integration capability, and each level contains different dimensions.

2) This paper constructs an evaluation model of SMEs' core competitiveness from three dimensions, namely, factor absorption capacity, integration and development capacity, and resource operation capacity.

#### (3) Performance-based

This school mainly identifies and evaluates the core competence of enterprises from the perspective of the specific performance of the benefits brought by the core competence of enterprises, but it is rarely involved in the issue of "how to build the core competence of enterprises". Similar to the integration school, this school focuses on creating competitive advantages in the enterprise market and value performance superior to other competitors after the integration of core competencies. The specific source of enterprise core competencies is relatively lacking in research fields, which also needs to be improved.

Ideas such as:

1) The Swiss Institute for International Management Development proposed that the evaluation of core competence should consider the following four aspects: labor productivity, labor cost, company performance and management efficiency.

2) The index system for evaluating the core competence of Chinese manufacturing enterprises is composed of function, quality, cost, service, delivery date, environmental protection and other indicators.

#### (4) Characteristic school

The research perspective of this school on the identification of enterprise core competence is the essence and characteristics of enterprise core competence, which is more from the important concept essence of "enterprise core competence". However, because the concept of "core competence" is widely applicable to the theory of enterprise core competence, and there is no normative formula at present, the identification model of enterprise core competence constructed by this school is often complicated.<sup>[13]</sup> In addition, the core competence identification model of this school often adopts the static analysis method, which cannot fully reflect the dynamic changes of the core competence of enterprises.

Ideas such as:

1) The only and inevitable foothold to identify core competence is the nature or characteristics of core competence. If the results of identification and evaluation are in good agreement with these characteristics, it can be initially identified as the core competence of the enterprise.

2) Judge the external form of the enterprise's core competence from three aspects: value creation, expandability, and difficulty in imitation, so as to determine whether the enterprise's integration capability is in the range of basic competence, secondary core competence, or core competence.

#### (5) Comprehensive school

This school is characterized by the organic integration of the above two or two schools' views to form a new enterprise core competence identification model. The model of this school fully considers the internal and external factors of the enterprise as well as the essence and characteristics of the enterprise core competence, but it is still lacking in the influencing factors of the enterprise core competence.

Ideas such as:

1) From the five aspects of R&D ability, innovation ability, adaptability, organization and coordination ability, and enterprise influence. Establish the evaluation index system of core competence.

2) The core competence is evaluated from the market level, business and technology level, and resource base level. The business and technology level, as the key point of core competence evaluation, is evaluated from three aspects: "valuable, difficult to imitate, and extensible".

## 6. Conclusion

### 6.1 Problems found

In the holistic study of enterprise capability theory, enterprise resource-based theory and enterprise core competence theory, the author understands the basic theoretical framework and evolution process of the three theories, and finds some problems as follows:

1) From the perspective of enterprise capability theory, enterprise resource-based theory and enterprise core competence theory, there is no unified normative formula for these theories in the academic circle at present. For some key core concepts such as "enterprise capability", "resource", "capability", "core capability", etc., the academic community has not yet formed an effective consensus, that is, there has not been a statement or explanation that can be recognized and convinced by the academic community.

2) The research perspective of enterprise resource-based theory and enterprise core competence theory is mostly static, which cannot well reflect its dynamic change process, which is also a driving force for the gradual rise of enterprise dynamic competence theory.

3) In the research on the identification and evaluation methods of enterprise core competence theory, the models constructed by various schools have limitations. In terms of the heterogeneity, irreplaceability, value, influencing factors of core competence, specific sources of core competence and other aspects of enterprise core competence, each model has its own disadvantages.

4) In the research of enterprise resource base theory, how to better explain the impact and application of enterprise resource base in the field of enterprise strategic management still needs further consideration.

5) There are four major schools of enterprise capability theory, namely, enterprise resource-based theory, enterprise core capability theory, enterprise dynamic capability theory and enterprise knowledge-based theory.



## 6.2 Suggestions and prospects

In view of the problems found in 6.1, based on the research results, the author puts forward some suggestions and future prospects as follows:

1) In the evolution of enterprise capability theory, the author suggests starting from "only focusing on external variables of enterprises".

2) The theory of enterprise capability is a research field with very rich connotation, and the content system of its major schools is also very large. In the future, the research in this field should not only be limited to the independent study of the differentiation of the four major schools, but also should consider the connection between the four schools from a broader perspective of enterprise capability, study their mutual influence, learn from each other's strengths, and enrich and improve the theory of each branch.

3) Now it is in a great change that has not happened in a hundred years. Economic development shows more new features. Intellectualization, globalization, etc. should become the new background of theoretical research on enterprise capabilities. The rapid development of knowledge economy in China is also likely to push the research of enterprise knowledge base theory to a new climax.

4) The interpretation of core concepts plays a key role in the research and development of enterprise capability theory and its four major schools. Therefore, the author believes that future research in this field should develop in depth, strengthen the interpretation of core concepts, and try to reach agreement in the academic community to play a greater role in this field.

5) The outbreak and development of the epidemic is the largest variable in recent years. The future development of enterprise capability theory should also take this variable into full consideration, and add some enterprises' resilience to major disasters to improve their viability.

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