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Predicting Firm Performance through Resource Based Framework

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Abstract
This study aims to review the key concept of Resource Based View (RBV) that is broadly acknowledged in strategic management, and analyze their impact on Firm Performance by using the VRIN and Non-VRIN Resources. Based on experts' theory we develop hypotheses and a conceptual framework to investigate the relationship between firm's resources and its performance to attain the sustainable competitive advantage. In spite of this perception, few empirical studies test these hypotheses at the conceptual level. The paper presents empirical evidence from a survey of different industrial firms in Pakistan. Through random Sampling, the data was collected from Top Management, CEOs and Senior Executives from the top companies in Pakistan. The data has been collected through questionnaires and statistically evaluated by SPSS software. All Data analyzed through Pearson correlation coefficient, linear regression, one way analysis of variance (ANOVA). The finding showed that VRIN Resources have a positive significant relationship to improve firm's performance. While Non-VRIN Resources and performance have an insignificant relationship to each other. This study closes with future recommendations that how this study have important academic and practitioner implications.
Keywords: Resource Based View (RBV), VRIN Resources, Non-VRIN Resources, Firm Performance

INTRODUCTION

In modern eras, numerous studies have been presented on the evolution, growth and development and/or trends of the Resource Based View (RBV) (J. Barney, 2001; J.B. Barney, 2002; Hoskisson, Hitt, Wan, & Yiu, 1999; J. T. Mahoney, 2001; R. Makadok, 2001; Phelan & Lewin, 2000; Priem & Butler, 2001a, 2001b; Wernerfelt, 1984). The Resource Based View (RBV) is a way to make strategies that how to enhance firm performance by available resources in order to attain or gain sustainable competitive advantage. At the very first time, this concept was presented by (Wernerfelt, 1984) in "The Resource-Based View of the Firm", later (J. Barney, 1991) expounded his theory in "Firm Resources and Sustained Competitive Advantage". Subsequently, it become most cited theories in the management field over the period.(J. Kraaijenbrink, J. C. Spender, & A. Groen, 2010).

In simple words, the study elaborate that firm's resources have a capability to compete with others and sustained competitive advantage if resources are valuable, rare, inimitable and non-substitutable (J. Barney, 1991). Furthermore, firm's resources are 4-17 Times more essential element than firm's infrastructure that demonstrating the variations in firm performance (Galbreath & Galvin, 2008). The theorists also say that if a firm exploiting their unique resources and continually maintaining them and it is hard to copy by anyone then it will be the strengths of an organization. The devotees claim that the firm should be focused on internal resources instead of external factors to endure competitive advantage which make different from one and all.

In an organization all resources may not have strategically significant. Only specific resources that are creating the value of firm may leads to competitive advantages. The Resource Based View (RBV) states that the resources should have four attributes i.e. valuable, rare, inimitable & non-substitutable (VRIN) resources, often called empirical indicator which enable to improve firm's efficiency and effectiveness and also helpful in economic growth (J. Barney, 1986; Dierickx & Cool, 1989; M. A. Peteraf, 1993). Also VRIN resources are maintain by a firm leads competitive advantage as well as correlated to the performance.(Newbert, 2008). Similarly, the study of RBV proves that small or medium businesses are look like to be a wide firm if they create a unique strategy which must not be copied by others.(Terziovski, 2010). Subsequently, VRIN resources has become a very essential topic in both academic & management practices to enhance the performance.

This study explore the relationship between Resource Based View (RBV) and firm performance. Specifically, this study analyze that what kind of resources are essential to enhance the performance and how they effect on competitive advantage or performance. This study visualize a definite managerial direction for making strategic decisions about resources. In this paper, scholars also discussed four key empirical indicators of the firm resources that sustain competitive advantage and enhance performance for a long time period. These indicators are valuable, rare, inimitable and non-substitutability (VRIN). This study also targets to prove empirical relationship between financing choices: internal or external; and firm performance such as return on assets (ROA) and return on equity (ROE) or return on sales over the period. In economic and management studies, Return on Assets (ROA), Return on Equity (ROE) or return on sales are assumed as to measure firm's profitability or competitive advantage. Since various business experts and hypothetical researchers believed that ROA used as an indicator for gauging firm's performance (Corbett & Claridge, 2002; Eriksen & Knudsen, 2003; Muller Lietzkow, 2002; Scherer & Ross, 1990).

RESEARCH OBJECTIVES

- To analyze the outcomes of VRIN Resources on Firm Performance to sustained competitiveness.
- To find out the impact of Non-VRIN Resources on Firm Performance to sustained competitiveness.

RESEARCH QUESTIONS

- Is there a correlation between VRIN Resources and Firm Performance?
- Does Firm Performance get influenced by Non-VRIN Resources?

LITERATURE REVIEW:

RBV: The VRIN Concept & Firm Performance:

From strategic management perspectives, Resource Based View (RBV) expounds the performance in manufacturing firms(Nham & Hoang, 2011). Resource Based View (RBV) studies the firm's available resources, capabilities and core competencies to attain and sustain competitive advantage in the same environment (Amit & Schoemaker, 1993; J. Barney, 1986, 1991; J.B. Barney, 2002; Dierickx & Cool, 1989; Hamel & Prahalad, 1989, 1994; J. Mahoney & Pandian, 1992; Oliver, 1997; Teece, Pisano, & Shuen, 1997; Wernerfelt, 1984) And why does a firm confronting in the same industry, in the same environment but perform differently? To getting the answer of this question (Zott, 2003) studied that the Resource Based View (RBV) is a main frame of the firm which cultivate firm's strategies (J. Barney, 1986; Dierickx & Cool, 1989; R. M. Grant, 1991; Rizal, 2011). (Prahalad & Hamel, 1990) established main capability view, & capability based competitiveness also related to the RBV (Heene & Sanchez, 1997).

RBV expounds that how an association sustain or gain competitive advantage to enhance firm's efficiency.(Grahovac & Miller, 2009) study that how resource value, innovation and imitation cost influence performance and sustain competitive advantage while (R. Makadok, 2010) examine the interaction between rivalry restraint and competitive advantage effects on profit. Competitive advantage is just as superior value creation. (Costa, Cool, & Dierickx, 2013; M.A. Peteraf & Barney, 2003). For instance, a firm has competitive advantage only when it created superior economic value then rivalry (Ghemawat & Rivkin, 2010; Grahovac & Miller, 2009; R. Makadok, 2010). RBV focused on middle level outcomes like generating superior value (Sirmon, Hitt, Ireland, & Gilbert, 2011), innovations and maybe short term performance resultant, gives temporary competitive advantage (D'Aveni, Dagnino, & Smith, 2010). (R. Makadok, 2011) studied to recognize profit variation by focusing on internal sources which may not only cause of temporary competitive advantage.

Eminent scholars have been introduced various resources and cited several discussion on developing strategies in order to build up a RBV theories in the strategic management field. Homogenous resources i.e. financial resources, physical resources, human resources, technological resources, reputational & organizational resources are classified by (R. M. Grant, 1991). In other words, homogeneous resources set as an ability to "[…] unique, customized, idiosyncratic, and specific to a firm"(Drnevich & Kriauciunas, 2011). Furthermore, resources are categorized into tangible resources (i.e. financial resources, physical resources & human resources) and intangible resources (i.e. patents, brand recognition & reputation) (Collins & Montgomery, 1995; Zahra & Das., 1993). (Hall, 1992) highlight the intangible resources that are not physical in nature like assets and core competencies and these assets are categories into legal assets (i.e. agreements & contracts, patents & trademarks) and legal assets (i.e. reputation & suppliers network) and other structural-cultural resources. In (Muller Lietzkow, 2002) study, it is assumed that in the imperfect market a firm gain competitive advantage only when they allocate and distribute key resources excellently. Therefore, RBV describes that resources, capabilities and core competencies are highly correlated to explore the firm's sustainability that prolong the firm's performance. Firm specialized know-how have a great impact on performance. Study shows that Resource Based View (RBV) stresses to sustainable competitive advantage whereas ordinary capabilities effect on performance in the same environment and dynamic capabilities in altering. Although comparing the studies we found that heterogeneity is a main source to sustain competitive advantage as well as superior firm performance.(Drnevich & Kriauciunas, 2011; Spanos & Lioukas, 2001). Hence, for more study the progression & development of RBV theory used as a strategic tool to recognize the available resources, capabilities & core competencies they possess (Saxena & Joshi, 2011).

RBV mainly focuses on strategic resources, the only way to get a competitive advantage through the usage of unique resources and core competencies. (J. Barney, 1991, 2001; J.B. Barney, 2002) introduced a very specific method termed as VRIN, to analyze the both resources and core competencies to attain a sustained prolong competitive advantage, & a subset of those that lead to higher long-term performance. The acronym **VRIN** is stand for **V**aluable (to bring value to the firm)(Bowman & Ambrosini, 2003; Priem & Butler, 2001a), **R**are (to carry a unique strategy against rivals), **I**nimitable (hard to copy by rivals) & **N**on-substitutable (not easily replaced by any other valuable resources)(Bowman & Ambrosini, 2000). As postulated by (J. Barney, 1991) and later empirical study by (Newbert, 2008), value & rareness of resources may lead to competitive advantage, which in turn enhance firm's performance. Resource based structure addresses that how firm's initial resources and capabilities are strategically managed into valuable and rareness resources to sustain competitive advantage and gain profit over the period (Rizal, 2011). Strategic resources or RBV are used as a superior technique and these resources are bring into such a manner that respond to how strategic resources are converted into superior completive advantage? If an unexperienced or unqualified person manage VRIN resources, will unable to measure or no benefits to the firm(Katkalo, Pitelis, & Teece, 2010; M.A. Peteraf & Barney, 2003).

H1: VRIN Resources will have a significant positive impact on Firm Performance.

RBV: The Non-VRIN Concept & Firm Performance:

At Present, it is essential to sustain heterogeneity for prolong maintenance of competitive advantage. The RBV is an inside out perspective that study the relation between a firm's internal traits and its performance. Researchers argue that firm should be look inside instead of looking at the external environment. Firm resources contained all assets, capabilities, processes, firm attributes, skills and knowledge that relates to efficiency and effectiveness (J. Barney, 1991). Firm resources categorized as Financial Capital Resources i.e. internal capital & debt capital sources, Physical Capital Resources i.e. real estate, plant & equipment, Human Capital Resources i.e. knowledge, skills, ability & norms (Ployhart & Moliterno, 2011) and Organizational Capital Resources i.e. trademark, brand & patent. But all these resources are not strategically relevant to each other. There are certain and definite strategic resources that enable a firm to improve its capabilities and core competencies.

Additionally, Firm's resources may have a direct or positive and indirect or negative impact on firm's performance. If firm can resort to its resources strategically then firm's assets directly influence on market performance while indirect influence on firm's profitability(Spanos & Lioukas, 2001). For instance, a firm can enhance its performance only by the knowledge about cooperative alliances and also makes invention. Correspondingly, a firm may specialized know-how to get huge return from innovative and inimitable products. Furthermore, superior firm's performance only based on the learnings that how to manage cooperative alliances? And how to design resources? (Jiang, Tao, & Santoro, 2010). It is also found that a firm's ability to identify, integrate, transform, and apply valuable peripheral knowledge enhance the performance(Schildt, Keil, & Maula, 2012).

Non-VRIN Resources i.e. Real Estate (all immoveable property consisting of land, building on it) & Financial Capital Resources (internal financing & external financing sources) are not involved in strategic resources and not strongly impacted on firm's efficiency and effectiveness instead of VRIN resources. Internal capital or internal financing refers to all firms reinvested its profit as a source of capital. In contrast debt capital or external financing consist of new investment from external sources. Various scholars argue that whether internal financing influence on firm growth or not? (Carpenter & Petersen, 2002). In 1986, MM II Theory says that "the value of a firm increases with the use of debt up to a certain level beyond which the tax shield associated with the use of debt is exceeded by bankruptcy costs"(Modigliani & Miller, 1963). Also, (Wernerfelt, 2011) studies a procedure by which a firm can acquire new resources for rivalry may cause asymmetries between current and new resources. A reliable Study have done for Asian countries disclose that debt capital has significant negative correlation with firm's performance (Rajesh, 2011). Summarily, Non-VRIN resources less influence on the firm performance because of inefficient & ineffectiveness of resources and fail to sustain competitive advantage.

H2: Non-VRIN Resources will have a significant negative impact on Firm Performance.

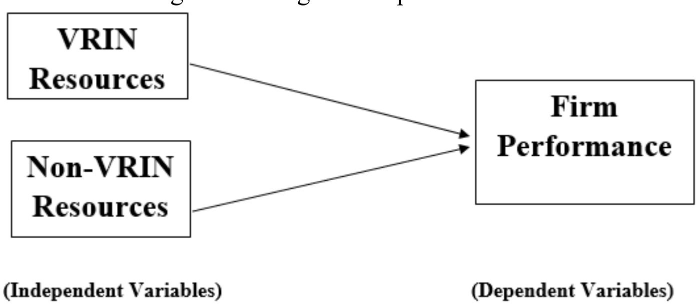

Figure 1: Proposed Research Model of the Study

METHODOLOGY:

SAMPLING AND POPULATION:

Top Management, CEOs and Senior Executives from the top companies were the target population in the present study and the author used convenient sampling technique for collecting data that is non-probability sampling method and the reason for choosing this method was the author was not allowed to access sampling frame. With 5% percent error margin, 95% percent confidence, the size of the sample has been received by using the www.raosoft.com calculator of sample size and the sample size is 388. So the author distributed a total of 450 questionnaire to reach this size but only 360 questionnaire were returned from respondents that were useful for further analysis.

MEASURES:

Questionnaire was containing three components, VRIN Resources, Non-VRIN Resources and Firm Performance. There were 3 Items for VRIN Resource: Specialized Know-How (Amit & Schoemaker, 1993; Leonard, 2011; Tsai & Ghoshal, 1998); Firm Reputation (Deephouse, 2000; Hitt, Bierman, Shimizu, & Kochhar, 2001; Obloj & Capron, 2011) and Cooperative Alliance Experience (Adler & Kwon, 2002; Deephouse, 2000; Hess & Rothaermel, 2011; Hitt et al., 2001) and 3 items were for Non-VRIN Resource: Firm Capital (Bhide, 1996; Chatterjee & Wernerfelt, 1991; Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998), Real Estate Property and Equipment (J. B. Barney & Clark, 2007). To measure Firm Performance was measured through 6 items such as Return on Assets (ROA) were adopted from (Chan Kim, Hwang, & Burgers, 1989; Delios & Beamish, 1999; Gomes & Ramaswamy, 1999; Hitt et al., 2001) and Return on Equity (ROE) from **(Bühner, 1987; Contractor, Kumar, & Kundu, 2007; Qian, 1998)** and Speed of Response to the Market from (Hill, Jones, & Schilling, 2014) and Production Efficiency from (Hill et al., 2014; Pisano & Wheelwright, 1995) and Product Quality from (Hill et al., 2014; C. Lee, Lee, & Pennings, 2001) and Innovation Speed were adopted from (Hill et al., 2014). All measured on five- point Likert Scale ranging from 1-5 whereas 1= for strongly disagree to 5= strongly agree.

RESULTS AND ANALYSIS OF DATA:

Table 1: Gender of Participants

Gender	Frequency	Percentage
Male	215	59.7
Female	145	40.3
Total	360	100.0

There were total 360 respondents of this analysis the distribution of frequency was Male 215 out of 360 and Female 145 out of 360. The percentage of respondents is 59.7% for Male and 40.3% for Female.

Table 2: Age Group of Participants

Age Group	Frequency	Percentage
26-35	45	12.5
36-45	106	29.4
46-55	111	72.8
above 55	98	27.2
Total	360	100.0

There were 4 age groups stated in the questionnaire that are 26-35, 36-45, 46-55 and above 55. There were 45 respondents between the ages of 26-35, 106 respondents were between the ages of 36-45, 111 respondents were between the ages of 46-55 and 98 respondents were above 55 years old. In term of percentage these are 12.5%, 29.4%, 72.8 % and 27.2% respectively.

Table 3: Level of Education

Education	Frequency	Percentage
Under-Graduate	34	9.4
Graduate	60	16.7
Post Graduate	78	21.7
Masters/M.Phil./PhD/ Doctorate	188	52.2
Total	360	100.0

From the results of above table 34 participants were Under-Graduate, 60 participants were Graduate, 78 participants were Post Graduate and finally 188 participants were having Master/ MS/ M.Phil./PhD/Doctorate qualified in term of frequency. Percentage of education level of respondents is 9.4%, 16.7%, 21.7%, and 52.2% respectively.

Table 4: Level of Experience

Experience	Frequency	Percentage
Less than 5 Years	45	12.5
5-10 Years	113	31.4
11-15 Years	120	33.3
Above 15 Years	82	22.8
Total	360	100.0

From the results of above table 45 participants were less than 5 years' experience, 113 participants were having 5-10 years, 120 participants were having 11-15 years and finally 82 participants were having above to 15 years in term of frequency. Percentage of experience level of respondents is 12.5%, 31.4%, 33.3%, and 22.8% respectively.

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	2030.137
	Df	359
	Sig.	.000

In this study, "KMO & Bartlett's Test" is also used to check the acceptability of the sample. Many researchers used "KMO & Bartlett's Test" for adequacy of the sample. 0-1 is the range of KMO and acceptable value is more than 0.7. Table 5 is showing the outcomes of KMO & Bartlett's Test" of this study. The KMO value of this study is 0.713 which is more than the acceptable value i.e. 0.7. On the other hand, "Bartlett's Test" provided us the value 0.000 which indicates that this analysis is perfect and we can proceed further.

Table 6: Reliability Analysis

Variable	No. of Item	Alpha Value
VRIN	03	0.758
Non-VRIN	03	0.762

The above table shows the results of reliability analysis. For this, the value of cronbach's alpha was obtained and according to (Hair et al., 2006) the cutoff value for alpha value is 0.70. As in our case all the values are greater than 0.70 so the criteria of reliability is verified and test of reliability is successfully done here.

Table 7: Correlation Analysis

	VRIN Resources	Non-VRIN Resources	Firm Performance
VRIN Resources	1		
Non-VRIN Resources	.098*	1	
Firm Performance	.184**	-.140**	1

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

To verify the correlation between different variables, "Pearson Correlation" is used for this analysis. A Pearson Correlation means to measure the strength and direction of the linear relationship between two different variables and also defines the amount of degree that the variables are related to others (Sorana Daniela & Lorentz, 2007). In the Pearson Correlation analysis the values are from -0.1 to +0.1. If value is +0.1 then there will be a strong correlation between variables, but if the value is -0.1 then there will be a weak correlation. As table is showing the correlation between "VRIN" and "Non-VRIN" variables is .098** which shows a positive relationship between these two variables. Correlation between "VRIN" and "Firm Performance" variables is .184** which shows a positive relationship between these two variables. Correlation between "Non-VRIN" and "Firm performance" variables is -.140** which shows a negative relationship between these two variables.

Table 8: Overall Results of Regression Analysis

Variables	Unstandardized Coefficients		Standardized Coefficients	T-value	P-value	Sig.
	B	Std. Error	Beta			
VRIN	.200	.052	.200	3.867	.000	.000
Non-VRIN	-.150	.048	-.160	-3.095	.004	.002

From the above table the value of β is +0.200, that means one unit change in VRIN causes 0.200 unit of change in dependent variable Firm Performance. T-Value is 3.867 (greater than 2.00) and P-value is 0.000 (less than 0.05). Therefore by analyze these results, observer determined that VRIN has a positive and significant impact on Firm Performance so null hypothesis is rejected and alternative hypothesis H_1 is accepted. Similarly the regression analysis was carried out on Non-VRIN Resources in order to evaluate the effect on Firm Performance. According to the results, Non-VRIN that is having a negative significant impact on Firm Performance but this is in line with the statement of hypothesis so all two hypotheses H_1 and H_2 are statistically verified and accepted.

DISCUSSION AND CONCLUSION:

This study has examined the role of internal and external resources in the firm performance. Only internal resources has positively and directly impacted firm's performance, while external resources has potentially indirectly impact on firm's performance by swaying internal resources. This study has implications for both industry and academia. For industry, it is important to understand the significant influence that internal resources hold as the 'gateway' to performance. However, it is perhaps more important to understand the reasons why external resources have not directly impacted on performance. For academia, the research in developing economies needs more effort, particularly, as these economies become progressively significant in global developed. According to (Shum & Lin, 2007),without having knowledge about strategic resources it will be too difficult to develop a level of innovativeness to any organization. Most developing countries achieved frontier uniqueness in their resources as they lack of the endowment and capital for state of the art observation (Pietrobelli & Rabellotti, 2011; Sun & Du, 2010).The study also described that inimitable strategy has led to develop firm's internal resources. In addition firms that strive to boast up their resources internally they may lead prolong competitive advantage. The outcomes show that inimitable & unique strategy is not directly associated with performance. (Zeng, Xie, & Tam, 2010) study that collaboration between consumers and suppliers may indicates a relationship is, at best, and positively correlated to the performance. Hence, RBV depict that both internal and external resources influence the competences of a firm leading to prolong performance. However, study shows only internal resources have a significant direct impact on performance. The empirical study indicates that uniqueness of resources are not essentially associated with the firm's performance (De Carolis, 2003). The relation between unique resources and performance has a limited support and it was statistically proved that unique resource can pay to superior performance only when it is paired with complementary resources and an appropriate legislative environment (Newbert, 2008). Through perceiving the outcomes, RBV is applicable when environmental volatility is ignored (Newbert, 2007; Wernerfelt, 2011). However, environmental volatility might reduce the effectiveness and competitive advantage of firms (Lehtimäki, 2017; Newbert, 2008; Teece et al., 1997; Zollo & Winter, 2002). Nevertheless, the RBV is still rather effective or not, and firms with VRIN resources still have competitive advantages; however, this study finds that the VRIN has better explanatory ability than the Non-VRIN resources. The findings of this study indicate that accumulation of VRIN resources increases firm competitive advantage. However, the strength of this effect depends on the volatility of the specific industrial environment.

Analytical results exhibit that VRIN resources can only boost firm performance while Non-VRIN resources have only an insignificant influence. These outcomes also have the supports of previous studies' outcomes (J. Barney, 1986, 2001; Dierickx & Cool, 1989; R. M. Grant, 1991; Robert M Grant, Durand, & Madsen, 2017; Wernerfelt, 2011). Analysis shows that VRIN resources have a positively impact on the development. In contrast, non-VRIN resources do not have significant positive impact on the development of firm's performance. As RBV proposes, the analytical results also indicate that collecting VRIN resources can improve firm performance. Notably, non-VRIN resources cannot improve firm performance. Additionally, learning internally via human resource development programs or externally via strategic cooperative alliance is also critical for improving firm competence. The competitive advantages result not only from accumulation of VRIN resources, but also from the development of firm (Fang & Zou, 2010; THI THUC ANH, 2017). These results are in accordance with RBV as the complex interrelationships among strategic resources and core competencies that generate the most valuable, rareness, inimitable and resources that allow the firm to achieve superior performance. Few strategic scholars would disagree with the statement that firm's main purpose is to yield on investment through creating and sustaining prolong competitive advantages. The assumption that a sustainable competitive advantage implies higher profits is typically accepted as if it were self-evident. The empirical results show that capital structure has indirect and negative impacts on performance measured by ROE, which is consistent with (El-Sayed Ebaid, 2009). In addition, capital structure has negative significant impact on firm's Performance measured by ROA and these outcomes are consistent with (Abor, 2005; Rajan & Zingales, 1995; ur Rehman, Siddiqui, & Khan, 2016). These finding are in contrast with (Chakraborty, 2010; Frank & Goyal, 2003; Ghosh, Nag, & Sirmans, 2000; Jeleel & Olayiwola, 2017; Pratheepkanth, 2011; Salim & Yadav, 2012) who shown firm performance and capital structure are directly and positively correlated to each other.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS:

The study is limited due to the use of perceptual data (Nakayama & Sutcliffe, 2005). Therefore, firm managers may be unable to identify managerial actions based on the study results. The fact that the survey data all come from a single country also limits the generalization of the study. The limitations of this study is based on the experience of one country's companies and its applicability to other countries may be dependent on the level of innovation, competitive strategies and national culture.

From our study, it was suggested that level of innovation is closely related to the ability to exploit internal and external resources (K. B. Lee & Wong, 2011; Shaw & Burgess, 2013). However, it was unclear if these had to be direct relationships. This study has shown that it is possible to have both direct and indirect relationships. Therefore, while some authors have suggested that Non-VRIN resources are directly important for performance through activities such as joint innovation, relationships and shaping of perceptions (Bunduchi, 2013; Romero, Molina, & Camarinha-Matos, 2011; Spekman & Carraway, 2006). As collaboration between external sources of knowledge and in-house R&D activities can stimulate the absorptive capacity of the R&D team, resulting in innovation (Berasategi, Arana, & Castellano, 2011; Cohen & Levinthal, 1990). This study could be improved by joining other factors, including R&D and technology investment. Also, the research framework can be tested by considering the age of company to examine possible differences of the effectiveness of both resources. It is also worthwhile to replicate this study in developed or industrialized countries and compare the relationships between strategic resources and performance.

"We have suggested the clarity and explanatory power of the RBV should improve when it clearly distinguishes among the building, acquisition, and possession of capacity (resources and core capabilities) and the processes of deploying that capacity in the firm's actions.'' (Kozlenkova, Samaha, & Palmatier, 2014; J. Kraaijenbrink, J.-C. Spender, & A. J. Groen, 2010). However, the key detriment of the RBV is that, it is an umbrella concept under which one uses other theories to provide the primary mechanisms that explain why particular firm's resources have specific influences on competitive advantage or performance. If researchers feel the need for such an umbrella concept, they should seriously consider the Practice based view (PBV). Additionally, future study should survey two or more key informants at each company to increase the accuracy of the survey information.

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