International Conference on SOCIAL SCIENCE, HUMANITIES & EDUCATION

21-23 December, 2018 in Berlin - Germany

Trends in the acquisition of resources and their perceived relative importance by SMEs in Pakistan.

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Abstract

The paper aims to explore how SMEs in Pakistan perceive the relative importance of different resource and capabilities and their role in the success of an organization. The study uses Flamholtz model for organizational growth as a framework to explore how important is the resource development for SMEs. Research methods use quantitative survey on the Likert scale 1-5 with sample size (n=21) business owner working as CEO and director of the company. The results reveal that intangible resources such as relationships capabilities play a key role in the success of a business. The SME's future plans to acquire and develop more technological and human resources than physical ones. It is difficult to predict trends and patterns industry-wise for perceived relative importance and future acquisition of resources.

Keywords: SMEs resource acquisition and development, role of resources in SMEs success, SMEs perceived importance of resources, tangible and intangible resources.

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Introduction and problem statement

For SMEs and entrepreneurs, it is not sufficient to identify the market niche and develop product or services in order to achieve sustainable competitive advantage. Growing competition, deregulation, and change in technology, merger and acquisition, flexibility, control, value for money and increased awareness for ethics and CSR demand managers to adopt change. Acquiring additional resources are necessary for organizational growth. As entrepreneurial management is less structured, ad hoc based and have no element of systematic planning at the strategic and operational level. In addition, they pay little attention to organizational infrastructure, which plays a crucial role in the success of an organization. Organization starts facing a problem when infrastructure development does not keep pace with growth in organization size. Effective segmentation and competitive offering of the company increases the demand for products. Increased demand requires the organization to acquire additional resources. For example, the gap widens when organizational revenues grow more rapidly than infrastructure develops, causing acute “growing pains” which can have serious consequences (Flamholtz, & Randle 2000). Therefore, Infrastructure is required to support the successful completion of the business operation. Infrastructure development is dependent on the acquisition of resources and capabilities of the firm. This research focuses on SME in Pakistan acquisition of resources and its impact on the success of the organization. Acquiring resources is one of the basic task presented in Flamholtz (1995) pyramid model for organizational development. This model is validated for US, Europe, and BRIC market.

This research paper aims to analyze the trends in the acquisition and development of resources in the SMEs sector of Pakistan and their likely impact on the perceived sustainable competitive advantage of the firm. More specifically, the research measures the entrepreneur’s behavior, attitude, and perception in the acquisition and development of resources and capabilities. It will help to determine how SMEs entrepreneurs in Pakistan think and evaluate the importance of different resources and capabilities in their organizational success. To attain sustainable competitive advantage is the main challenge for every business (Porter, 1985). The study is based on the concept and pyramid model presented by Flamholtz (1995) to managing organizational growth on different stages of the startup lifecycle. The fundamental premise of this framework states that organizations must perform certain tasks stepwise in order to grow. There are six dimension, which includes: 1) identification of market, 2) development of product and

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services, 3) acquisition and development of resources, 4) development of day-to-day operations, 5) development of management system, 6) development of organizational culture. According to the framework, all the blocks needed to be built individually at a certain stage of organizational growth. However, this research only focuses on “Resources”, one of the third dimension of organizational performance. Why the study choose “resources” acquisition and development for SMEs? First, because of the fact that identification of target market (niche market) and development of product or services is quite easy for SMEs in comparison to the acquisition and development of resources. Access to limited resources may be a problem for small businesses (Saeedi, 2014), and limited resources require to make the right decision in choosing the right resources for the success of the business. Secondly, the research wants to validate and see the implication of Flamholtz framework on developing economy in sub-continent like Pakistan. The country has entrepreneurial roots dated back to 1857 after the arrival of British East India Company in India. In addition, neighboring manufacturing giant, China has significantly influence the SME structure in Pakistan. Therefore, there is need as well gap to research on the SME in the part of the world. The previous research emphasizes the importance of understanding entrepreneurship in emerging economies of the world (Burton, Ahlstrom, and Obloj, 2008). As we know, unique resources create sustainable competitive advantage and this stage determines the success or failure for most of the startup. SMEs must pose both resources and capabilities to achieve superior financial performance (Sok, O’cass, and Miles, 2016). Therefore, the study measures the trends, perceptions, and attitude of entrepreneurs in the SMEs industry of Pakistan regarding the development and acquisition of resources and their likely impact on business performance. The SMEs industry of Pakistan, especially the cluster of manufacturers in the city of Sialkot where the data is collected, rely heavily on the exports of sports goods, leather products, and surgical items. Foreign exports fuel the growth option for organizations

(Luo, 2002 & Beamish, 2001), and SMEs survival is connected with cross-border trade (Araújo & Gonnard, 2011; Gallup, 2007). In order to compete with international players across the globe, SMEs needs to acquire right set of resources and capabilities that provide the firms competitive advantage over competitors in the domestic market as well across the borders. Although many researchers in the past have identified multiple resources relevant for export performance (Dhanaraj & Beamish, 2003; Fahy,

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2002). However, it is still relevant to explore the current trends in resource development in SMEs industry of Pakistan. Resource-based views (RBS) of firm's states that rare and inimitable resources provide superior performance (Barney 1991; 1995). The resources are divided into either knowledge-based or property based (Miller and Shamsie 1996). The property base resources refer to the physical or tangible resource, whereas knowledge-based resources refer to organization ability to integrate and combine tangible resources into fashion that transform the input into valuable output (Galunic and Rodan, 1998). The Knowledge-based resources are difficult to copy, therefore provide a basis for differentiation and sustainable competitive advantage, (McEvily and Chakravarthy 2002). The research look at what kind of resources the SME are acquiring in Pakistan. This research more focus on what and why instead of how. Shane.S et.al (2000) argue that most studies on SME focus on resource acquisition and their impact on the success of the firm, yet ignoring the important element of how the resources are acquired. This research opens doors for qualitative research to explore why such and such resources were acquired and developed in a different period and how they help the business to grow in Pakistan. Previous researchers have highlighted the importance of various resources such as capital (Bygrave 1992), human resources (Cooper 1981; Dollinger 1995), and physical resources (Dollinger, 1995). However, it would be unjust to discount external factors affecting the performance of SMEs foreign export. Market factors such as analysis of customer, competitors and business environment play a crucial role in achieving export performance (Celec, R., & Globocnik, D, 2017). As we mentioned earlier, the research is based on Flamholtz (1995) model, which assume that companies have perfectly understood their needs and wants of their target market and offers rights product that satisfies the needs of the customer before acquiring resources. Identifying customer and developing product required an internal and environmental analysis. Yet the challenge remains for the managers and entrepreneurs to create a balance between resources development and adaptation for change. Acquiring and developing new resources in a turbulent business environment where firms are increasingly assuming the role of collaborator and network organization can lock the organization into its strategic burden. Despite this, resources play a critical role in the success of SMEs performance.

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Literature Review

The concept of sustainable competitive advantage is viewed from a different perspective- customers (Thompson, Strickland, Gamble, 2005), resource concept (Barney, 1991; Peteraf, M, 1993 & 2003), profit margin (Porter, 1985), competences and resources concept (Prahalad & Hamel, 1990). According to the resource-based view, organization success depends on the identification and development of organizational resources. Acquiring and developing organizational resources fulfill the present and anticipated future growth of the firm. Resources of organization can be broad categories into- financial resources- technological resources-physical resources, human resource and intellectual resources (Flamholtz, 1995). Resources are often defined as very broadly and encompass virtually anything that could prove advantageous for a given firm to conceive of and implement strategies (Wernerfelt, 1984, Barney, 1986) However, the definition of resources is very broad, and the focus is often narrowed down on typical resources such as financial, physical, human, technological, market, reputational and organizational resources (Grant, 1991). Physical resources refer to technology, equipment, production capacities, and access to supplies (Morgan et al., 2004). Human resource is also important to build organizational success. Values employees' skills, such as loyalty and motivation are difficult to imitate and, thereby, serve as a source of competitive advantage (Sok, O'cass, and Miles, 2016). Whereas capabilities dynamics perspective does not favor the idea of resources development and view resources necessary, but not sufficient to create a sustainable competitive advantage (Barney, 1991). He defined capabilities as the set of processes, which determine how the resources are deployed or integrated. Resource integration creates synergy in the organization and maximizes output. The dynamic capabilities allow the organization to reconfigure and adapt resources according to changes in the environment (Teece et al., 1997). As organizational resources and capabilities are subjects to a constant threat of imitation by competitors and therefore, it is difficult for SME firms to create an interplay of complex resources.

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1. Organizational Design and Structure

Network organization is growing phenomena and requires organization strategically design the structure of organization beyond acquiring and developing resources. Therefore many organizations focusing on their core competencies (Prahalad and Hamel, 1990), developing value chain with suppliers. In the capability dynamic perspective, a firm strongly networks with suppliers, delayer the organizational structure into fatten organization, downsizing, and focus on developing soft resources such marketing capabilities, and market intelligence (Itami, 1987). In the new startup, especially SMEs are more dependence on outsiders for production and less reliance on internal resources. Contingency theory states that there is no best way to design organizational structure, but rather, it depends on organizational factors such as size, nature, geography, and competition. Lawrence and Lorsch (1967) first coined the term “contingency theory” which suggested that design, management and control strategies should be deployed according to the need and situation of an organization in which it operates. Galbraith (1977) introduces the idea of “strategic choice” which enables the organization to manage the interplay between control, resources, and complexity of the environment. Lawrence and Dyer (1983) argue that appropriate organization design is related to the complexity of the environment and the scarcity of resources for the organization. Flamholtz (1995) presented a pyramid model for managing organizational growth. By using this pyramid, management can assess their organization development stage and identify what actions are required next to progress. All six steps are necessary for the healthy growth of organization but the scale and intensity of each task or level of the pyramid depend on the size of an organization. Flamholtz (1995) argue that the top four levels of the pyramid, which provide the basis of ‘firm infrastructure’, are difficult to copy and, thus gives the organization a long-term sustainable competitive advantage. However, firms compete at all levels but sustainable competitive advantage comes at the top three levels.

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Source: Flamholz (1995) Pyramid model for organizational development

Flamholz (1995) concluded that the building block of the pyramid model is consistent with previous studies as follows:

1. Identification and definition of a viable market niche (Aldrich, 1979; Brittain and Freeman, 1980; Freeman and Hannan, 1983)
2. Development of products or services for the chosen market niche (Burns and Stalker, 1961; Midgley, 1981)
3. Acquisition and development of resources required to operate the firm (Pfeffer and Salancik, 1978; Brittain and Freeman, 1980; Carroll and Yangchung, 1986)
4. Development of day-to-day operational systems (Starbuck, 1965)
5. Development of the management systems necessary for the long-term functioning of the organization (Child and Keiser, 1981; Tushman et al., 1985)
6. Development of the organizational culture that management feels necessary to guide the firm (Peters and Waterman, 1982; Walton, 1986).

All task in the pyramid are necessary for the success of an organization and they must be carried out in a systematic and coordinated fashion. The model does not imply that the independent task will lead to organization growth. Flamholz introduced "Growing pains" concept, which measures organization problems at one or more "levels" of this pyramid (Flamholtz, Eric G. and Hua, W, 2002A). Growing pains

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of employee need to be reduced and corrected in order to the successful growth of an organization. These are warning signs and may result in organization failures.

Research Methodology

This study selected a small but representative's sample size (21) of SMEs industry in the city of Sialkot which is a manufacturing hub for foreign export of sports, surgical and leather products. Companies were selected from the class of MBA executive student at UMT, Sialkot campus who were helping their family in running the business. Further, snowballing helped us to collect more data from the industry. Only those student were selected who were actively involved in running their family business and willing to share information for research purpose. They opted to respond to a survey form as a more convenient mode of data collection instead of interviews. After their willingness, the form was sent via email (Google forms) and the response rate was 70 % (21 response were submitted out of 30 circulated survey form). All the participants (entrepreneurs) were into the exports business. The measurement scale was adopted based on multiple variables identified in Flamholtz model using Likert-type scales from 1- 5 for all variables. The introductory statements inform the participant about scale value (1 as minimum and 5 as maximum). The resource measurement elements such as financial, physical, human resources and technical resource are taken from Flamholtz (1995) framework. Brand name and strength in the export market was captured with three items from Zou et al. (2003). Marketing Assets items include: 1) company name and reputation; 2) relationship with customers; 3) relationship with suppliers and distribution network; 4) market intelligence, knowledge, customer data; 5) strategic alliance and partnerships advantages e.g. shared technology and access to the market. Capabilities items include 1) identification of market and customer needs; 2) new product development and launching capability; 3) export management skills; 4) financial and cash management. The research aims to explore entrepreneurs thinking and attitudes towards the acquisition and development of different resources, capabilities and their perceived impact on company performance. The entrepreneur's behavior, perception, and attitudes towards resource development determine the structure of the organization and provide a source of competitive advantage. Therefore, the research method adopts a quantitative approach using customer survey forms. Data analysis tools use simple descriptive to explain the relative importance, role and likely acquisition of different resources in the SME sector of Pakistan.

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Results and Discussion

Sample Characteristics: The descriptive statistics shows the category percentage of participating SMEs includes leather industry (47%) on the highest followed by sports (28.6%), surgical (19.0%), and garments (4.8%). The position of the participant at company represents owner (57.1%), CEO (9.5%), director of the company (23.8%), and manager (9.5%). The startup was established 5 years ago (19%), 5-10 years ago (33.3%), 10-20 years ago (19%), more than 20 years before (28.6%). The total number of people employed by the startup represents as less than 14 people (23.8%), between 15-25 people (19%), between 26-50 people (23.8%), between 50-100 employees (33.3%). The average annual sales/exports turnover amount represents, up to 1 million PKR (38.1 %), between 10-30 million PKR (33.3%), 30-100 million PKR (14%), and above 100 Million (14%).

Reliability Test: The Cronbach's Alpha test was conducted on: a) Importance of resources and capabilities; b) role of resources type on organization success; c) assessment of company current resources; d) "company future plans to invest in resources type" and e) "resources effects on performance" of acquiring resources survey. It was found that the subscales (a), (c), (d) and (e) alpha level was .746, .919, .937 and .761 which indicate that the subscales have an adequate level of inter-item reliability. It was found that the subscale (b) alpha level was .426, which indicate the subscale did not have an adequate level of inter-item reliability. By deleting, any of the items would not significantly increase the alpha level.

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The average score for subscale has been computed by adding all the related items into each category through SPSS transform data function in order to find a correlation between different items.

Variable test and results

Table 1.1 shows the descriptive of four main organizational resources in the order of their significance. It is found that physical and technological resources are statistically highly significant ($M=4.24$), while, human resource ($M=4.10$) and financial resource ($M=3.86$) are less statistically significant.

Significance of resources on SMEs performance

	N	Minimum	Maximum	Mean	Std. Deviation
11.Role of physical resources	21	2	5	4.24	.889
13.Role of technological resources	21	3	5	4.24	.768
12.Role of human resources	21	2	5	4.10	.768
10.role of financial resource	21	1	5	3.86	1.062
Valid N (listwise)	21				

The results show that among four type of resources, financial resources are of least importance and provide a little source of competitive advantage to SEMs in Sialkot, Pakistan. The possible reasons for this could be easy access to loan & supplier, cheap labor and raw material. It has also a high degree of deviation from the mean, which is 1.062. Physical and technological resources have a similar level of significance. Human resource is low ranked low (at number three) in the success of SMEs. It suggests the startup is run by the owner himself and the role of professional management and HR is not seen critical in the success of the organization compared to physical and technological resources. Flamholtz (1995) model suggest that all the resources should be developed simultaneously to progress to the next level of organizational development. However, the analysis of variance and difference in the mean value within the group is not so high which means all the four items in resources gain a considerable amount of importance from the SMEs, instead of ignoring one and focusing on other too much. The computed average subscale “tangible resources” includes items: (physical, human, technological and financial) and “intangible resources” includes items: (brand name, relationships, market intelligence, alliances, and market identification and product development capabilities).

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The analysis of variance test (one way ANOVA) was conducted between subscale “industry type” and “significance of tangible resource”. It was found that the variability within each mean group is very low and not statistically significant. $f=.482$, $sig=.699$. Similar is the case independent variable “startup age”. Nevertheless, by performing a series of ANOVA test between three main independent variable (e.g industry type, the age of the company, annual export turnover) and subscale or items within tangible resources. It was found low variability of mean exists within the group. It clearly suggests that tangible resources items listed in-group have no relation with independent variables because of little heterogeneity and small sample size. Further, the items in table 1.2 indicate the significance level of various resources and capabilities in the success of the organization. The items are presented in the order of their relative significance shown as customer relationships ($M=4.90$); relation with supplier ($M=4.81$); market identification ($M=4.76$); market intelligence ($M=4.67$); new product development ($M=4.62$); company name ($M=4.24$); financial management skills ($M=4.38$); alliance and partnership ($M=4.33$); and export management skills ($M=4.33$).

SMEs relative importance of different resources and capabilities

	N	Mean	Std. Deviation
1.Company name importance	21	4.24	1.044
5.Strategic alliance importance	21	4.33	.658
8 Export management skills importance	21	4.33	.796
9.Financial management skills importance	21	4.38	.740
7.New Product development importance	21	4.62	.669
4.Market intelligence importance	21	4.67	.577
6.Market identification importance	21	4.76	.436
3.Supplier relation importance	21	4.81	.402
2.Customer relation importance	21	4.90	.301
Valid N (listwise)	21		

The factor analysis is not suitable with this sample size ($n=21$) because it should be at least between 100- 300 (Tabachnik & Fidell, 2000). Sample size 50 is considered very poor and it does not reflect the cohesiveness and load of factors connected to each other. However, we use both descriptive and inferential to analyse the data. As the table, 1.2 shows values in ascending order of organizational capabilities. First four items (e.g company name, strategic alliance, export management and financial management skills) are not significantly important in the success of SMEs with $M < 4.5$. The second group

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of items (new product development, market intelligence, and market identification) is moderately significant with mean values from 4.62 to 4.76. The third group of items includes supplier and customer relations ($M=4.81$ and $M=4.90$) as a more critical success factor in the success of SMEs in Pakistan. The significance of customer relationships as organizational resources is even much higher than items in the tangible resource with the highest mean value $M=4.24$ for physical and technical resources. It also indicates that tangible resources are less important than organizational capabilities. The lowest mean value ($M=4.24$) of an item “company name” in the intangible resource is equivalent to the highest mean value of an item in “tangible resources”. Hence, it is concluded that intangible resources or organizational capabilities are more important than acquiring and developing physical resources. These results are consistent with capability dynamic perspective, which states intangible resources, or capabilities provide the organization source of sustainable competitive advantage. The growing phenomena of network organization also reduce the importance of physical resources as a key success factor. ANOVA test of subscale “significance of intangible resources” with independent variable “industry type” found low variability of the mean within the group and statistically not significant. $f=1.079$, $sig=.385$. However, subscale “intangible resource” in relation to the independent variable “job position” found a high level of mean variability within the group with $f=.186$, $p<.05$ ($sig=.003$). It indicates positive correlation exists between “significance of intangible resources” and job positions. This means, executives at different position levels, perceive differently the relative significance of organizational capabilities. Therefore, the organizational structure and configuration of resources depend on who is taking the decision. This section briefly discusses the SMEs assessment of their tangible and intangible resources in term of strength and weakness as shown below in table 1.3

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SMEs assesment of their current resources and capabilities

	N	Minimum	Maximum	Mean	Std. Deviation
14. Assesment of Relationships capability	21	3	5	4.43	.598
14. Assesment of Financial Mng skills	21	2	5	3.95	.865
14. Assesment of Market intelligence capability	21	1	5	3.95	1.117
14. Assesment of Financial resources	21	2	5	3.95	.973
14. Assesment of Export Mng skills	21	1	5	3.90	1.136
14. Assesment of Manufacturing capability	21	2	5	3.90	1.091
14. Assesment of Product development capability	21	1	5	3.86	1.153
14. Assesment of Logistics Mng skills	21	1	5	3.81	1.030
14. Assesment of Physical resources	21	2	5	3.76	1.044
14. Assesment of Learning and innovation capability	21	1	5	3.71	1.146
14. Assesment of Human resources	21	2	5	3.71	1.007
14. Assesment of Marketing capability	21	1	5	3.67	.966
14. Assesment of strategic alliance capability	21	1	5	3.48	1.167
14. Assesment of Technological resources	21	2	5	3.33	1.017
Valid N (listwise)	21				

The key performing indicator is the “relationship capability” for SMEs and it was rated top in “intangible resources significance” list of items. The item mean difference to next item is wide with .48 mean-variance. It is clear from the findings that SMEs in Sialkot industry are sufficient in financial resources and have an adequate level of skills in market intelligence, financial management, manufacturing and export management($M=3.95$). To find the possible reason for each item requires further research. For example, SMEs sources of raising capital and funds, and how they gather market intelligence etc. Adequate sufficiency in manufacturing capability could be due to the number of reason, at first, job outsourcing option to thousands of small independent manufacturer in the city. Secondly, the know-how of manufacturing process gives the entrepreneurs a competitive advantage in this domain. The items like new product development, supply chain, innovation, and human resources are ranked low with means value between $M= 3.71$ to 3.86 . There could be two possible reasons behind this, first SMEs lacking behind these capabilities and secondly, the particular capability may be less critical to organizational success. The new product development is sports, leather, and surgical industry vary significantly. High degree of innovation is required in surgical items than other two categories. HR systems and professional management are not developed in SMEs; therefore, it is assessed as week resource. At last, marketing, strategic alliance and technological capabilities assessed lowest among the group with mean values between $M= 3.33$ to 3.67 . Lack of technological resources and marketing capabilities is one of the main

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reason for the poor performance of SMEs in Pakistan. It will be clear from the future resources acquisition plans of SME whether they intend to invest more in technological resources or not. The SME likelihood to invest and develop four kinds of tangible resources is shown in table 1.4.

SMEs likelihood of resources acquisition and development in future

	N	Minimum	Maximum	Mean	Std. Deviation
15. Future acquisition physical res	21	0	5	3.71	1.309
15. Future acquisition financial res	21	0	5	3.95	1.284
15. Future acquisition technological res	21	2	5	4.24	1.044
15. Future acquisition human resources	21	0	5	3.86	1.424
Valid N (listwise)	21				

The results clearly show that investing in the technological resource is the top priority of SMEs in Pakistan with the highest mean value ($M=4.24$) followed by financial resources ($M=3.95$), human resource ($M=3.86$) and physical resource ($M=3.71$). SMEs recognize the importance of professional management in order to grow. However, acquiring a physical resource (plant, machinery, land or equipment) is least likely which suggest physical resource do not play a critical role in the organizational success.

By forming correlation test, it was also found that the computed average subscale “tangible resources” is positively correlated with subscale “intangible resources” $r = (20) = .450$, $p < .05$. The correlation is significant at 0.05 level (2-tailed). The positive correlation between “tangible” and “intangible” resources means both types of resources complement each other and necessary for the success of an organization. For example, developing technology and professional management (tangible resources) and marketing capabilities, (intangible resources) complement each other and provide strong biases for sustainable competitive advantage. Further, it was found that the computed average subscale “future acquisition of resources” is not positively correlated with subscale “significance of tangible resources” $r = (20) = 3.92$, $p > .05$. It suggests that all items intangible resource(physical, technological, human, and financial) do not have the same importance for SMEs and their likelihood to acquire tangible resource is not dependent on the degree of importance but the need of SMEs. Hence, it is hard to established relation between the future acquisitions of tangible resources based on their level of significance. However, results indicate that subscale “significance of intangible resources” has a positive correlation with subscale “assessment of intangible resources” $r = (20) = .705$, $p < .05$.the correlation is significant at 0.01 level (2-tailed). The

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correlation between independent variable “industry type” and “perceived importance of intangible resources” has a negative correlation and not statistically significant. $r = (20) = -.396, p > .05$. Similarly, the independent subscale “industry type” do not have a positive correlation with subscale “tangible resource importance” “intangible resources importance”; “assessment of resources” and “future acquisition of resource”. In other words, the relationship does not exist between dependent and independent variables. We cannot predict the industry trends in the assessment of organizational resources, their relative importance, and future resource acquisition.

Conclusion

Resource acquisition and development is critical for the success of SMEs in Pakistan. Tangible resources seem to have less importance than intangible resources in the success of the organization. Among the set of four tangible resources (e.g physical, technological, human and financial), the technological and physical resources are of high importance followed by human resources. SMEs plans to acquire and develop future resources includes the top priority of technological and human resources as the key success factors for organizational growth. Nevertheless, the SMEs relative perceived importance and assessment of intangible resources is much higher than tangible resources. Customer and supplier relationships are considered one of the key success factors and source of sustainable competitive advantage to SMEs in Sialkot Pakistan. In fact, industry lack behind in technological resources, alliance& partnerships, marketing capabilities, and human resource management. With the given sample size and its characteristics, it is hard to predict any trends industry wise or based on the startup lifecycle in the assessment of organizational resources profile, their relative importance and plans to invest in the particular type of resource. However, the study presents an overall picture of the SMEs perception, attitude, and understanding of resources acquisition and development in the context of Pakistan. The research opens a new avenue for future research on how the SMEs in the export industry of Sialkot Pakistan raise capital, acquire and develop different resources and capabilities that provide them with a competitive advantage.

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