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Strategic Resources, Organizational Capabilities and Performance in Public Sector Setting: Literature Review

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Abstract:
Strategic resources give the foundation to create organization capacities that upgrade prevalent execution. Earlier reviews confirm that firms have assets that give the possibility to upper hand which in this manner prompt to predominant execution. However, a substantial portion of the reasonable and experimental work has concentrated on the qualities that assets must have keeping in mind the end goal to yield rents depicted as important, uncommon, matchless, and non-substitutable. This study meant to survey surviving hypothetical, reasonable and observational written works on linkage between Strategic resources, association abilities and execution; address rising concerns and propose a theoretical structure for connecting strategic resources, organizational capacities and execution. The study considered the theoretical review best practices as coherently researched on postulates of the resources based view (RBV) theory, resource dependence theory (RDT), agency theory, institutional theory and value chain analysis approach as most relevant. Empirical review concentrated on thematic areas of study, methodology, and context, research findings. Various studies were reviewed and critiqued to identify knowledge gaps. Conclusion was drawn and recommendations made.

Keywords: *Strategic resources, organizational capabilities, performance, public sector*

1. Introduction

1.1. Background to the Study

As argued by Pearce (2010) that in strategic management, organizational capabilities have been portrayed as basic achievement variables and every association endeavors to be seen as being capable to do extraordinary way. Further the proponent asserted that, to earn profits firms need to perfect processes that respond to increase in the size and number of competing firms; to the expanded role of government as buyer and seller, regulator and competitor in the free enterprise system; and to greater business involvement in the international trade.

According to Barney, (2011), key assets experience certain criteria-profitable, uncommon and incomparable, and advocated those resources are leveraged to generate competitive advantages, which in turn confer performance advantages. Significant assets add to enhancing the organizational performance, whereas rareness makes idealize rivalry since assets are controlled by fewer firms. Optimal assets are expensive to duplicate and non-substitutable, implying that there is no other option to satisfy similar capacity quickly (Arend & Levesque, 2010; Barney, 2011).

Barney and Hesterly (2010) thought of the contention that Value, Rareness, Imitability, Organization (VRIO) gives upper hand. An organization sets up strategies and procedures to encourage utilization of Value, Rareness, and Imitability and Non-substitutable (VRIN) assets. With expanding viability, the arrangement of assets accessible to the firm grades to swing out to be superior. It is through the synergistic mix and combination of sets of assets that upper hands are formed. Executive who wish to accomplish predominant execution ought to in this way put a premium on attempting to sustain and build up their association's elusive assets. Organizations utilize a wide assortment of assets physical, monetary, human, and scholarly and dishonor, and most will have some of each of these classes. Haberberg and Reiple (2008) describe an asset as anything that a firm has or has figured out how to do which empowers it to imagine and actualize systems that enhance its productivity and adequacy.

Barney (2011) asserts that physical assets incorporate the physical innovation utilized as a part of an organization, its geographic area, and crude materials. Fry *et al.* (2009) also contend that physical assets incorporate settled resources, (for example, land, building, and hardware), crude materials that will be utilized as a part of making items, and general supplies utilized as a part of the operation of the association. Physical assets are generally unyielding in that they are more specifically associated with the operation of an association and the accomplishment of authoritative objectives (Fry *et al.*, 2004).

Financial assets are essential assets that can be utilized to secure different assets, for example, buying gear, paying specialists, and purchasing publicizing (Fry *et al.*, 2004). Adequate subsidizing is key to give organizations the managerial and specialized ability to ensure that they accomplish statutory goals (Fernandez & Rainey, 2006). Money related assets help an organization gain the workers, specialized limit, very much looked after offices, thus on that can upgrade office's upper hands and enhance execution.

As indicated by Haberberg and Rieple (2008), the general population division is not a solitary, uniform substance. It incorporates government bureau of various diverse sorts, national, nearby and global; Agencies which are directly controlled by government at either national or neighborhood level. Government organizations are semi free as far as their administration and financing, and are controlled essentially by directions. There is additionally significant contrast in the way that distinctive countries set up structure and control these different bodies albeit one general component that they all rely on upon the state for subsidizing.
Organizational management face increasingly dynamic, complex and unpredictable environment where technology, globalization, knowledge and changing competitive approaches impact on overall performance. The degree and complexity of the current changing environment is driving firms, both large and small, public and private, to seek new ways of conducting business to create wealth (Wood & Bandura, 2009). Strategic resources provide the basis to create organization capacities that upgrade prevalent execution.

2. Review of Relevant Theories

The arguments of the paper are anchored on several theories that focus on firm resources and their administration to achieve superior performance. The study adopted a multidisciplinary perspective established on numerous theoretical streams. In the context of strategic resources, the Resources Based View (RBV) emphasizes firm resources as the essential determinants of upper hand and performance. It receives two presumptions in breaking down wellsprings of upper hand (Barney, 1991; Peteraf & Barney, 2003). In the first place, this model accepts that organizations inside an industry might be heterogeneous as for the heap of assets that they control. Second, it accepts that asset heterogeneity may continue after some time on the grounds that the assets used to execute firms' systems are not skillfully resourceful across over firms, that is, a portion of the assets cannot be exchanged component showcases and are hard to build up and reflect.
Further RBV argues that organizations cannot attain viable superior performance just by choosing the correct combinations of products and services, and locating them to petition to attractive target market segments. While these choices are dynamic portion of strategy, and may lead to desirable economies of scale and scope, they are not sufficient in themselves, because they are easy for competitors to notice and copy (Haberberg & Rieple, 2008). RBV of the firm consolidates two viewpoints: (1) the interior examination of wonders inside an organization and (2) an outer investigation of the business and its focused surroundings. It goes past the customary SWOT (qualities, shortcomings, opportunity, dangers) investigation by incorporating inside and outer viewpoint. To this extend RBV depicts weaknesses by seeking the external resources in order to achieve competitive advantage. It is an extremely valuable structure for picking up experiences on why a few contenders are more beneficial than others. According to Dess, Lumpkin and Taylor (2016) it is critical to note that Resources independent from anyone else regularly don't yield an upper hand.
Resource Dependence Theory (RDT) explores how the external assets of an organization influence the conduct of the organizations. The acquisition of external assets is a critical component of both the key and strategic administration of any organization. Pfeffer and salancik (1978) argued that an asset reliance hypothesis has suggestions in regards to the ideal divisional structure of associations, enrollment of Board individuals and representatives, generation methodologies, contract structure, external authoritative connections and numerous different parts of hierarchical system. The RDT suggests that on-screen characters ailing in fundamental assets will try to set up associations with others so as to get required assets. Meanwhile, Resource Based View and Resource Dependence Theory as they stand out now may perhaps don't contemplate over the utilization of key skills in creating uncommon, matchless procedures from regular and portable assets to make a wellspring of upper hand for the firm.
Institutional theory takes care of the more profound and stronger parts of social structure. It reflects the procedures by which structures; including blueprints, standards and schedules, get to be distinctly settled as legitimate rules for social conduct. Further, it explores how these components are made, diffused, received, and adjusted over space and time; and how they fall into decay and neglect. Despite the fact that the apparent subject is soundness and request in social life, understudies of foundations should essentially go to strife and change in social structures (Scott and Richard 2004).
The agency theory according to Pearson & Robinson (2011) characterized office hypothesis as an advantage of thoughts on hierarchical control in view of the conviction that the division of the possession from administration makes the potential for the desires of proprietors to be disregarded. They declare that at whatever point there is partition of the proprietors (principals) and the directors (operators) of a firm, the potential exists for the desires of the proprietors to be overlooked. This reality and the acknowledgment that the specialists are costly, settled the reason for an arrangement of complex however supportive thoughts known as office hypothesis. At whatever point proprietors (or Directors) assign basic leadership power to others, an office relationship exists between the two gatherings. Concurring to Pearson *et al.* (2011) an agency problem occurs in light of the fact that proprietors have admittance to just a moderately little bit of the data that is accessible to executives about the execution of the firm and can't bear to screen each official or activity, administrators are frequently to seek after their own particular advantages. This condition is known as that ethical peril issue. It is additionally called evading to present self-interest combined with grin.

2.1. Conceptualization of Key Constructs

2.1.1. Concept of Strategic Resources

Organizations need strategic resources in order for it to develop sources of superior performance. The resources incorporate all benefits, capacities, authoritative procedures, firm properties, data, learning, etc. controlled by a firm that empower the firm to think about and execute techniques. The RBT consented that resources are heterogeneously circulated among associations and that assets are not imitable or substitutable (Barney, 2011). Asset heterogeneity is a condition wherein associations have diverse packs of assets (Peteraf & Barnley 2013). Imperfect imitability is condition wherein assets are disconnected from impersonation. Blemished substitutability suggests that different assets are not accessible to specialty and execute methodologies as viably or proficiently (Barney, 2011). Due to asset heterogeneity, a few associations have more vital assets than others.

Further Barney (2011) indicated that when assets are significant, they create no less than a brief upper hand by decreasing expenses or summoning premium costs. At the point when assets are hard to impersonate, the favorable position is reasonable in light of the fact that contenders confront obstructions getting aggressive equality. Then again, assets that don't include esteem ought not demonstrate methodical execution impacts, and the impacts of significant assets that are effortlessly imitated ought to disperse rapidly.

The RBV accentuates the execution ramifications of key assets that are accessible to the firm. Notwithstanding, not all assets are deliberately essential for upper hand (Barney, 1991). An asset based way to deal with vital administration concentrates on exorbitant to-duplicate traits of the firm as wellsprings of monetary rents and, along these lines, as the principal drivers of execution and upper hand. The VRIN qualities (important, uncommon, supreme, and non-substitutable) of vital assets proposed by Barney (2011) are key and conspicuous. The assets must be profitable to empower a firm to imagine or execute systems that enhance its adequacy and effectiveness. On the off chance that assets are uncommon the firm can execute a one of a kind esteem making technique among its present and potential contenders. Besides, the assets must be hard to repeat, emulate, or substitute for contenders to support the favorable circumstances picked up in the esteem making systems. Ultimately, blemished portability alludes to the non-tradability and obstructions to move certain assets starting with one firm then onto the next, further upgrading the manageability of these favorable circumstances (Barney, 2011).

According to Dess, Lumpkin & Taylor (2016) categorically classify types of Strategic Resources as follows; (i) Tangible resources: Assets that are relatively easy to identify are called tangible resources. They include the physical and financial assets that an organization uses to create value for its customers. Among them are financial resources (example, cash and accounts receivables as well as its ability to borrow funds); physical resources (example, the company's plant, equipment, machinery as well as its proximity to customers and suppliers), organizational resources; (example, the company's strategic planning process; employee development, evaluation, and reward systems) and technological resources (example, trade secrets, patents and copy rights); (ii) Intangible resources**:** Much more difficult for competitors to account for or imitate intangible resources. They are typically embedded in unique routines and practices that have evolved and accumulated overtime. These include human resources (e.g. experiences and capability of employees, trust, effectiveness of work teams, managerial skills, innovation resources e.g. technical and scientific expertise, ideas, and reputation resources e.g. brand name, reputation with suppliers for fairness and with customers for reliability, and product quality). A firm's culture may also be resources that provide competitive advantage.

2.1.2. Conceptualization of Construct Organizational Capabilities

Organizational capabilities have been described as 'the most elusive of the organization's assets' (Tamer, 2007). From a vital administration see point, the route in which the endeavors of the venture are sorted out, might be a wellspring of (versatile) quality and upper hand (Barney, 1991). Authoritative capacities can be seen as the hierarchical setting in which association individuals' work keeping in mind the end goal to add to development, benefit or other hierarchical objectives. These authoritative objectives are thought to be caught in some primary concern execution measure at last (Van London, 2008).

According to Collis (2010), authoritative abilities are characterized as an association's ability to send its assets, substantial or impalpable, to play out an errand or action to enhance execution Collis (2010) characterize hierarchical capacity as 'the capacity of an association to play out a planned arrangement of errands, using authoritative assets, with the end goal of accomplishing a specific final product'. Authoritative capacities are major to firms' capacity to take care of their hierarchical issues adequately. Collis (2010) proposed four classifications of authoritative abilities. The first 'are those that reflect powerlessness to play out the essential utilitarian exercises of the firm'. The second class concerns dynamic enhancements to the exercises of the firm, for example, consistent change exercises. The third class is 'to perceive the natural estimation of different assets or to create novel techniques before competitors'(Collis, 2010). The fourth class is marked 'higher request' or 'meta-capacities', and it identifies with figuring out how to-learn abilities.

2.1.3. Conceptualization of Construct Organizational Performance

Organizational performance is the measure of standard or recommended pointers of adequacy, effectiveness and ecological duty, for example, process duration, efficiency, squander lessening, and administrative consistence. Execution additionally alludes to the measurements identifying with how a specific demand is taken care of or the demonstration performing: of accomplishing something effectively, utilizing learning as recognized from only having it. It is the result of the considerable number of associations operations and techniques. It is likewise the degree to which an individual meets the assumptions with respect to how he ought to work or carry on in a specific setting, circumstance, employment or situation. Noum (2007) is of the view that execution is the thing that individuals do in connection to authoritative parts.

Kaplan and Norton (2011) presented the adjusted score card as a more reasonable measure of execution. The adjust scorecard characterizes a system's circumstances and end results connections and gives a structure to sorting out key targets into the budgetary point of view in accordance with the vision and mission. Key things connected are financials, client administration and fulfillment file, learning and development inside the association and inner business forms. Inner business process is the way to accomplishing solid money related outcomes and unrivaled consumer loyalty.

2.1.4. Conceptualization of the Construct of Public Sector

As observed by Haberberg and Rieple (2008), Public sector is a set of departments or programs that can be seen as production units with one or several persons in charge that are defined as agents. These agents operate in a given institutional setting; they use a number of inputs and provide a number of outputs that correspond to the objectives assigned to them by the public authority that is defined as the principal. Further the proponents asserted that most measures of performance of the public sector are productive efficiency, effectiveness, stability, administrative and distribution. Performance in public sector is defined by the extent to which the agent(s) fulfill (s) the objectives assigned by the principal. The principal, that is the State taken as representing Society as a whole, has multiple objectives because of the many dimensions of social welfare. The performance-assessing issue in public sector is more complex than that of private firms where the profit level is the performance measurement. Multidimensional objectives are thus unavoidable when assessing public sector performance. Economists distinguish three main classes of objectives; which include allocative and comprises both technical and productive and price efficiency, macroeconomic consideration: growth and employment, and equity where public activity on income distribution has to be taken into account.

Systems and structures have to allow for efficient implementation of policies within political complex setting involving national and local party policies, as well as possible conflicts within an organization and between rival agencies. Managers must also be alert to the political implication of their organizations interactions within the public whether their public forms a good or a bad impression can affect the viability, not just of the organizations but of a government or local Administration. The culture in public sector vary widely; according to the type of department or agency and the country in which it operates. However, researchers have found a number of common traits. Public sector managers must manage a wide variety of stakeholders and it may be difficult to find a common goal around which they can all unite, in the way that profitability can unite different factors in private firms. They may often be no direct personal or organizational benefit from collaborating with colleagues in other department or agencies (Haberberg & Rieple, 2008).

2.2. Issues Arising from Conceptual Review

Organizations rely on upon multidimensional assets: work, capital, crude material, and so forth. Associations will most likely be unable to turn out with countervailing activities for all these various assets. Henceforth association ought to travel through the rule of criticality and guideline of shortage. As per Haberberg and Rieple (2008), firms utilize an extensive variety of assets: physical, money related, human, scholarly and reputational. However, every asset does not straightforwardly speak to a wellspring of economical upper hand. At the end of the day, all assets are not deliberately essential similarly. Vital assets are just those which give a noteworthy advantage to a company's key position. Keeping in mind the end goal to consider key, an asset needs to meet the VIRUS rule: profitable, incomparable, uncommon and substitutable.

The criterion was first set around Barney (2011), who utilized the acronyms VRIN (significant, uncommon, matchless, and non-substitutable) or VRIO. For an asset to give firm with potential to a practical upper hand it must have four traits. To start with, the asset must be profitable as in it misuses openings and/or kills dangers in the organizations' surroundings. Second, it must be troublesome for contenders to impersonate; third, the assets must have no deliberately comparable substitute (Dess, Lumpkin & Taylor, 2016).

3. Empirical Review

3.1. Strategic Resources, Organization Capabilities and Performance

The principle reason for study by Marc Gruber, Florian Heinemann, MalteBaltel and Stephan Hungeling (2010) sought to ‘’advance knowledge of the resources-performance link by investigating the effects of these different types of resources and capabilities on performance and also exploring bundles or configurations of these resources and capabilities’’. The authors purposed to improve understanding of resource – performance link in two key ways. First and foremost, based on careful measurement of resources and capabilities in the Sales and Distribution (S&D) function, the researchers analyzed how these resources and capabilities contribute to performance. The proponents explained that they chose their empirical context of their study as young technology firms because these types of firm’s extant research suggest that they vary significantly in their ability to perform sales and distribution activities, and that these activities have important effect on their performance

Gruber *et al.* (2010) observed that the study did not have well established method to identify causal relationship method in PLS setting. The authors recommended that future researchers should undertake further studies to enrich the researcher’s knowledge on how resources and capabilities influences firm performance, thereby adding to their understanding of the sources of competitive advantage. For example, an investigation of why firms with poor/good resources tend to have configurations in which most of their resources are poor/good would be valuable. The researchers recommended additional research need to be undertaken to understand why patterns exists, the abilities of the firm’s agent in charge of developing and deploying resources and capabilities. Also, further studies to enrich the researcher’s knowledge on how resources and capabilities influences firm performance, thereby adding to their understanding of the sources of competitive advantage

3.1.1. Strategic Resources and Performance

Hoodlum, Ketchen, Combs and Todd (2008) approached the concept of strategic resources with perspective of understanding why a few associations outdo others as a focal objective of vital administration examine. In the course of the analysis, asset based hypothesis, asset based view, execution, meta-examination and allotment based hypothesis have been developed as an exceptionally famous hypothetical point of view for clarifying execution (Newbert, 2007).

The aim for the review was to contribute a thoroughly determined gauge of how much assets impact execution; look at how much more grounded the key assets execution relationship is when studies examine assets that all the more firmly meet Barney's (1991) criteria; and offer preparatory proof with respect to how much the assets execution connect contrasts when execution measures reflect or don't reflect potential appropriation. The study was based on two speculations: Resource based theory and meta-diagnostic test hypothesis: meta-examination considers factual ancient rarities, for example, inspecting blunder that different ways to deal with evaluating an exploration stream are not well prepared to handle. Meta-investigation is a strategy that measurably totals observational discoveries to perceive whether connections exist and gives appraisals of their size can include esteem past Barney and Arikan (2001) and Newbert (2007) in no less than two essential ways: Meta-examination considers factual relics, for example, testing mistake furthermore offers a more exact evaluation of a relationship (Hunter and schmidt,1990).
The researcher's objective was to gather the numbers of inhabitants in articles that offer information on the execution ramifications of at least one asset that the review's writers contended was key, and that reported the insights required for directing a meta-examination (for the most part connection coefficients). The pursuit yielded 125 usable reviews with 127 examples, over portion of which show up in either the Strategic Management Journal (42 thinks about) or the Academy of Management Journal (28 contemplates). The reviews were coded autonomously by two of the article's writers. They concurred on 92 percent of beginning codes, and disparities were settled by means of dialogue.
The analyst found that, RBT's desire that assets and execution are connected has solid support, and that the level of support can be upgraded or debilitated by critical directing variables. The sizeable connection amongst assets and execution prompts to the conclusion that RBT is authoritatively important and deserving of analysts' consideration. Second outcome was that theory show that asset measures that meet RBT's criteria are more emphatically identified with execution than measures that don't meet the criteria. Finding is that the assets execution connection is moderately more grounded when scientists utilize execution measures that are unaffected by potential assignment.
Hypothesis proposes that allocation ought to influence RBT connections (Coff, 1999), however confirmation of genuine allotment has been restricted to examinations of insider exchanging (e.g., Coff & Lee, 2003) and proficient baseball groups (Moliterno & Wiersema, 2007). The review offers preparatory proof that assignment is methodically influencing RBT inquire about, and recommends that future specialists need to take load of its potential effect. The researchers suggest that one approach would be to purposively configuration studies to incorporate two sorts of performance. Systematic endeavors to examine that suitable financial esteem, the measure of allocation, and variables that shape the measure of appointment show up justified. The assets execution connection is moderately more grounded when specialists utilize execution measures that are unaffected by potential allotment might be enlightening as for a focal precept of RBT: The outcomes identified with the post hoc power tests shed some light into the condition of the writing. Vital assets in each of the esteem chain works and in addition human, substantial, and impalpable assets relate emphatically to execution, recommending the value of developing various sorts of resources (Barney, 1986).

3.1.2. Organizational Resources and Performance

Gakenia (2015) contended that an association's execution is a component of how well administrators manufacture the associations around the assets and abilities inside their scope. Resource Based View perceives a company's particular assets as the key wellspring of unrivaled execution. Assets must be profitable, uncommon, supreme, and absence of substitutes to give upper hand and thus prevalent execution. Observational reviews demonstrate that the cell phone organizations have been ruled by one player throughout the previous six years. In spite of procedures and exertion of different players, for example, bringing down levies, concocting less expensive cash exchange, other alluring offers like free calls and messages, they have not figured out how to get a focused edge prompting to one organization keeping on commanding the market. Consequently, homogeneity in execution for the organizations working in comparative focused conditions and modern environment has not been clarified.
The reason for the review was to explore the impact of authoritative assets on firms' execution of cell phone organizations in Kenya. The particular goals were to build up whether human capital influences execution of cell phone organizations in Kenya; set up whether innovation abilities influence execution of cell phone organizations in Kenya; break down the interceding impact of upper hand on the relationship between hierarchical assets and execution of cell phone organizations in Kenya, and to decide the directing impact of ecological elements on the relationship between hierarchical assets and execution of cell phone organizations in Kenya. The objective populace comprised of 381 respondents and the specimen size was 170 respondents from the four cell phone organizations in Kenya. The exploration received stratified irregular testing method. The review utilized primarily essential information which was gathered utilizing self-managed polls. Unwavering quality of the instrument was tried utilizing Cronbach's alpha dependability coefficient of 0.7 which was viewed as worthy, thus the instrument was solid.
The discoveries presented that human capital had a positive huge impact on execution of cell phone organizations. Innovation was observed to be noteworthy in clarifying the variety of execution of cell phone organizations. Upper hand had a fractional intervening impact on the impact of hierarchical assets on execution. Ecological component moderating affected the impact of hierarchical assets on execution. The review suggests that human capital is a key player in building up performance therefore; administrators ought to acquaint all the more preparing with enhance human capital abilities. The review reasoned that there is requirement for the organizations to put more in present day innovation to adapt to the progressions that are important to upgrade execution. At long last, the review prescribed that further research be carried out duplicating a similar review in different organizations or businesses like banks.

The invalid theory was rejected with a suggestion that human capital significantly affected execution of cell phone organizations in Kenya. This could be as an aftereffect of human asset being remarkable and for the most part non-incomparable. The four cell phone organizations demonstrated that the working knowledge of the representatives was not essential so far as execution was worried, since experience is particular to the firm and it can't be connected straightforwardly to another organization. The outcomes further demonstrated that personnel ability to tackle issues empowered better basic leadership. The second goal went for building up how innovative abilities influenced the execution of the cell phone organizations in Kenya. This is an area that requires further research to establish factors behind the need for multiple rebranding. In addition, an integrated study could be carried out on consumer behavior, pricing strategies and performance in the same industry.

3.1.3. Strategic Flexibility and Performance

A study by Nadkarni and Narayanan (2007) focusing on the impacts of psychological contrasts in fast and moderate paced enterprises and the vital and execution results of the match between procedure diagrams and rate of industry change (industry clock speed). The authors examined the moderating effect of industry clock speed on the relationship between strategic schemas, strategic flexibility and firm performance. They employed two important properties of strategic schemas: complexity and focus. The researchers used a sample of 225 from 14 industries. The creators inspect the directing impact of industry clock speed on the relationship between key diagrams, key adaptability and firm execution. Two key properties of key constructions: many-sided quality and core interest. An example of 225 firms from 14 ventures was utilized and displayed that the example of connections among the hypothetical develops is distinctive in quick and moderate clock speed businesses.

The review method utilized Sampling by Classification and distinguished these ventures in light of their four-digit Standard Industry Classification (SIC) codes and measure hierarchical clock speed. The specialists made a rundown of 14 corporate vital activities (e.g., mergers and acquisitions, change in TMT, authoritative upgrading, and business turn offs) in light of earlier writing on vital administration. The results revealed that the pattern of relationships among theoretical constructs is different in fast and slow clock speed industries. the results suggest that complexity of strategic schemas promotes strategic flexibility and success in fast clock speed industries, whereas focus of strategic schemas fosters strategic persistence, that is effective in slow- clock speed industries. The analysts suggested that future reviews embraced here will certify information triggers changes in the current causal attributions created by firms, inferring an execution – key relationship. In spite of the fact that looking at this specific relationship is past the extent of this paper, it is a vital bearing for future research. Particularly intriguing is the part of industry speed in how firms use past execution to change their outlines.

In spite of the significance of the rate of industry change, the writing here has been restricted in three ways. It has concentrated fundamentally on the fit among environment, structure, and aggressive activities as a key indicator of execution and has to a great extent overlooked the part of administrative outlines in adapting to industry change. Little is thought about the ramifications of the fit between intellectual qualities of key chiefs and rate of industry change for key activities and firm execution. At long last, there is some hypothetical strain with respect to the way of information required in quick paced enterprises. In conclusion, this review speaks to one of the primary exact works incorporating industry, discernment, key activities, and firm execution builds.

3.2. Summary of Research Gaps

The asset based view (RBV) of the firm has been around for more than 20 years—amid which time it has been both broadly taken up and subjected to extensive feedback. The creators audit and survey the vital investigates clear in the writing, contending they fall into eight classes. As their proposals for this work demonstrate, the creators feel the RBV people group has clung to an improperly contract neoclassical monetary objectivity, subsequently decreasing its chances for advance. The creators' proposals may help with forming the RBV into a more feasible hypothesis of upper hand, particularly on the off chance that it is moved into a really dynamic structure. One of the essential evaluates of Barney's (1991) articulation of RBV extra time has been its fairly static nature. Most prominently, Priem and Butler contend that in spite of the fact that the RBV started as a dynamic approach a lot of consequent writing has been static in idea' (Priem and Butler, 2001). They proceed by noticing that in Barney' translations of the RBV, the procedure through which specific assets give upper hand stay in discovery' (Barney, 2001:33).

The asset based view offers a valuable system to increase managed upper hand. Be that as it may, there are impediments on the asset based view. Firstly, the asset construct hypothesis is situated in light of the insufficiency to do an experimental review on measuring the execution. In light of the heterogeneity of firms, creating a homogeneous specimen is hard or even unimaginable (Locket *et al.*, 2001). Furthermore, the asset construct view is engaged in light of the inner association of a firm and it doesn't consider the outside variables like the request side of the market. So regardless of the possibility that a firm has the assets and the abilities to pick up an upper hand, it may be that there is no request, on the grounds that the model does not consider the "client". Thirdly, the asset based view has a restricted capacity to make solid forecasts (Priem & Butler, 2001). Nonetheless, Tywoniak (2007) states that "the convenience of RBV gives off an impression of being more noteworthy as far as producing comprehension and giving a structure to strategizing." Barney (2001) states "asset based rationale can help administrators all the more totally comprehend the sorts of assets that create managed vital points of interest, help them utilize this comprehension to assess the full scope of assets their firm may have, and after that adventure those assets that can possibly create supported key preferred standpoint".

At the point when organizations don't have assets and capacities required in building up a wellspring of focused predominance in all essential and bolster exercises important to contend then they can secure the same from outer suppliers. Outsourcing of these key abilities can make a wellspring of maintainable upper hand for the firm. The RBV and the RDT, be that as it may, don't mull over the utilization of key skills in creating uncommon, matchless procedures from regular and portable assets to make a wellspring of upper hand for the firm. The institutional hypothesis clarifies how firms create procedures and practices through hierarchical societies shaped after some time. The institutional hypothesis clarifies how a firm structures authoritative societies and practices after some time. As per Meyer and Rowan (1991), different gatherings and associations better secure their positions and authenticity by fitting in with the standards and guidelines of the institutional environment. These practices and societies are chronicled and troublesome for different associations to impersonate

According to Porter (1980), a firm can survey the appeal of an industry through an investigation of five strengths. The first of these powers is the quality of the risk of new participants to the business. Second is the risk of substitute items. Third is the force of purchasers or clients. Fourth is the force of providers and fifth is the degree and nature of competition among organizations in the business. Doorman (1985) contends that on the premise of investigation of these powers, Doorman (1985) contends that a firm should pick between a separation and cost initiative procedure. He contends that to be stuck in the center between the two is probably going to bring about disappointment. Nevertheless, firms can effectively create both ease and separated items for various market classifications and this can be their wellspring of upper hand. Mintzberg (1995) contends that minimal effort and low cost alone don't offer items and administrations. They should have qualities seen by clients as alluring and of esteem.

4. Conceptual Framework

The proposed theoretical model demonstrates a direct causal relationship between firm strategic resources and performance. However, the model illustrates that organizational capabilities such Management Capabilities, Marketing Capabilities and Technological Capabilities connect the relationship between firm strategic resources and superior performance. Further, environmental factors such as Political Aspects, Government Policies, Legal Aspects, Social Aspects and Cultural Aspects moderate the relationship between firms' strategic resources and superior performance they can significantly influence the organization performance.

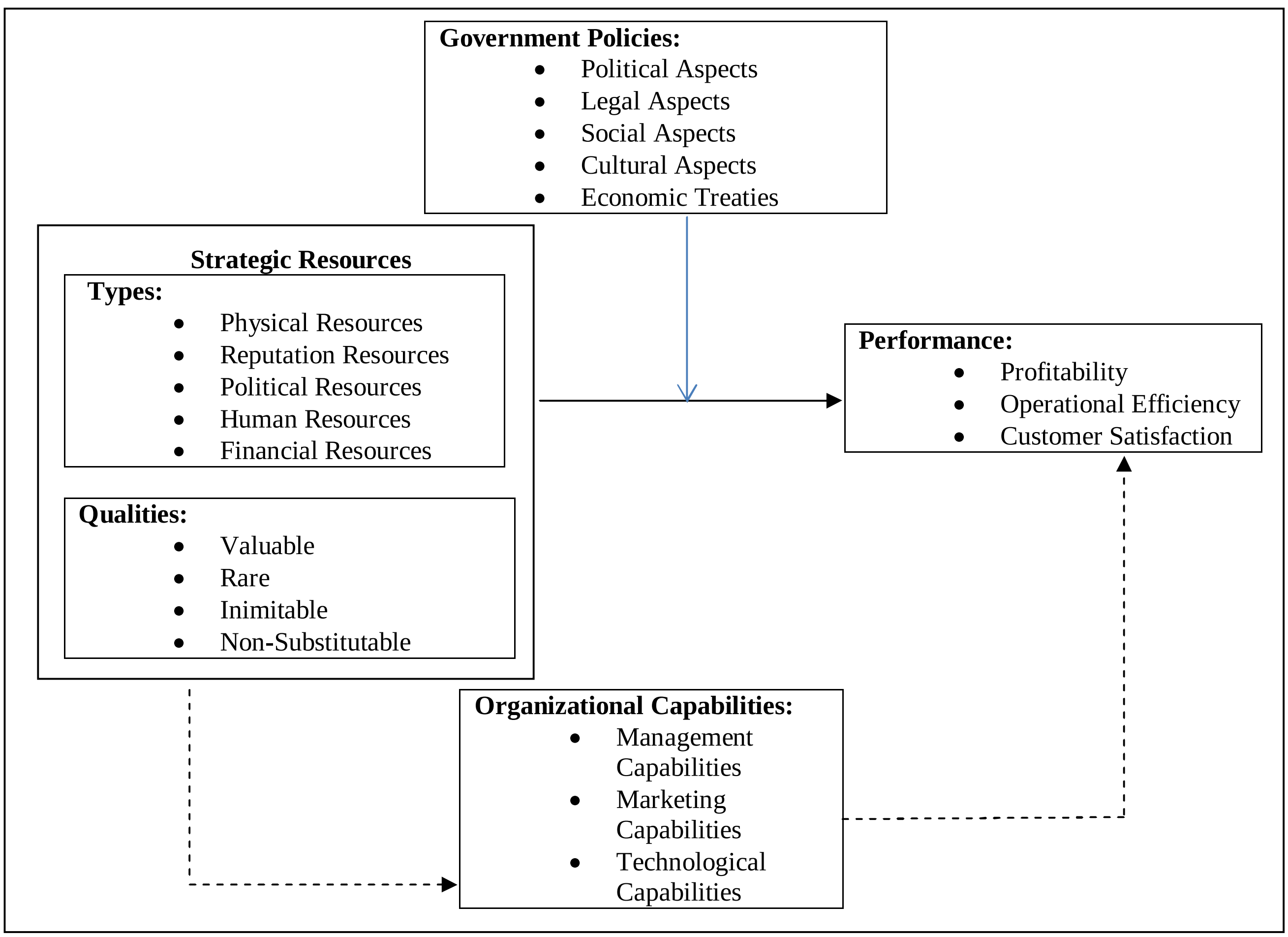

Figure 1: Conceptual Framework
Source: Author (2017)

4.1. Firm Strategic Resources and Performance

Barney (2007) proposes that upper hand prompt to unrivaled performance, given the way that organizations center their aggressive system towards improving their asset pool. The researcher has contended that a firm asset which incorporate every one of its advantages, abilities, authoritative procedures, the association's traits, data and learning that is claimed and controlled by the firm will in the end empower the firm to imagine and actualize techniques that will enhance its productivity and adequacy, giving it predominant execution.

Stir and Daellebach (2009) contended that for a firm to propel its execution, it must grasp and find out its primary assets that will enhance its aggressiveness and sustainability. Barney and Hesterly (2010) propelled that immaterial assets are more reasonable than substantial assets which can be obtained and copied by contenders. Likewise, Kenneth, Anderson and Eddy (2010) called attention to that a firm has a propelled performance when it has the capacity of keeping up VRIN assets for various years.

According to Wade (2010), firm performance prevalence is not from one source but rather from a bundle of assets both substantial and immaterial. Unmistakable assets, for example, physical building and land would just outcome to a worldly upper hand which is lacking over the long haul since the contenders are in a position to get critical assets through substitutes, henceforth dispensing with better than expected performance of a firm. Elusive assets are the main assets that can deliver unrivaled execution since they are profitable, uncommon, incomparable and non-substitutable (Gamero, Patricinio, Enrique & Jose, 2011; Costa, Cool & Dierick, 2013).

Resource Dependence Perspective Pfeffer and Salancik (1978), RDT lay on a few presumptions that this study envisions to assume that Organizations are thought to be involved interior and outer coalitions which rise up out of social trades that are shaped to impact and control behavior; the environment is accepted to contain rare and esteemed assets fundamental to hierarchical survival. Accordingly, the earth represents the issue of associations confronting instability in asset acquisition; organizations are expected to move in the direction of two related goals: obtaining control over assets that minimize their reliance on different associations and control over assets that expand the reliance of different associations on themselves. Accomplishing either goal is thought to influence the trade between associations, along these lines influencing an association's energy. Associations rely on upon multidimensional assets: work, capital, crude material. Associations will most likely be unable to turn out with countervailing activities for all these various assets. Subsequently association ought to travel through the rule of criticality and standard of shortage.

- Proposition 1–Firm Strategic Resources that demonstrate attributes of strategic assets will contribute to superior performance among firms that possess the resources.

4.1.1. Role of Organizational Capabilities

Organizational capabilities are the abilities that a firm has over its competitors, adding unique value for its customers. Organizational capabilities are developed by combining firm resources and can have a role in improving firms' performance. Competency is the ability of the firm to match firm specific capability and market needs. Enz (2008). observes that resources and capabilities only have potential if organizational systems exist that allow the realization of potential. The employment of organizational systems that are firm specific is the building of strong capabilities of the firm. In a homogenous industry employment of particular organizational capabilities by one firm may result to improvement of performance over the other firms. A firm can develop its capabilities over time and turn imitable resources into costly to imitate capabilities. Non-imitable capabilities are a source of competitive advantage for the firm. Competitor firms are not able to tell how the firm employs its capabilities as foundations for high performance. Workers are equipped for skill working in the association. Capability building especially in the areas of management, marketing and technology can make a wellspring of practical upper hand for the firm that lead to superior performance. At the point when a firm does not have the obliged assets to accomplish upper hand, one of the alternatives accessible to it is outsourcing. Outsourcing should be possible when a firm does not have abilities in the regions expected to succeed or when a firm does not have an asset nor has lacking aptitudes fundamental to effectively execute a methodology.

Consequently, Organizational capabilities are activities that a firm performs well relative to its competitors, adding unique value for its customers. In view of this observation, the future should consider these constructs and explains each so as to demonstrate how they fit in a phenomenon that is anchored on the postulates of the relevant theories. It is observed organizational capabilities can significantly influence the performance of an organization. Firms need to align capabilities and core competences that mediate categories of firm's strategic resources and yield superior performance. A firm uses its resources in combination with capabilities to achieve superior performance. It is also observed that a firm may not always have the strategic resources it requires to increase performance and must therefore, invent sustainable methods of acquiring these resources from other firms.

Therefore, firms ought to adapt to changes in its environment and ensure it builds dynamic capabilities that are capacity to learn, exploit knowledge and innovate. In addition, the management should possess the capacity in bundling resources to attain strategic resources with desirable characteristics of heterogeneity, inimitability and immobility that create economic and customer value. Firms in emerging markets possess a dynamic capability that when developed overtime, combined with strategic resources enhances to superior performance.

- Proposition 2- Configurations of dynamic capabilities intercedes categories of firm's strategic resources that yield superior performance.

Organizations rely upon multidimensional assets: work, capital, crude material, and so forth whereas associations are unable to turn out with countervailing activities for all these various assets. In future association ought to travel through the rule of criticality and guideline of scarcity in accordance to Haberberg et al (2008, p. 285, 317) who emphasize that firms utilize an extensive variety of assets: physical, money related, human, intellectual and reputational.

Use of intangible resources like knowledge and skills can help a firm convert its common and mobile resources into a set of competencies that will be difficult for the competition to imitate and therefore act as a source of superior performance for the firm. Hodgson (1998) in explaining the competence based perspective sees the existence, structure and boundaries of the firm as explained in some way by the associated existence of individual or team capabilities such as skills and tacit knowledge which are fostered and maintained by that organization. Skills and tacit knowledge are fundamental in development of core capabilities that a firm can employ in combining its resources and capabilities to gain sources of superior performance.

- Proposition 3– Organizational capabilities determine the strength of the relationship between firms' strategic resources and performance.

4.1.2. Influence of the Government Policies

In spite of the fact that assets are vital in enhancing execution for firms, the arrangements which govern the operations of the firm additionally assume a critical part. These policies can either be neighborhood or international. These variables are political and firms must think about them in the process of making key choices. There additionally exist overseeing bodies and associations and sets of laws inside which the firm must work. There are sure approach hones and legitimate situations that shape the firm and impact its exercises.

Expanded rivalry, bring down boundaries to passage, a substantial number of substitutes and expanded bartering power of customers and providers contrarily influences the capability of a firm to be fruitful. Watchman (1985) contends that on the basis of examination of these powers an association can build up a nonexclusive aggressive methodology of separation or cost leadership fit for conveying predominant execution through a fitting arrangement and co-appointment of its value chain exercises.

A cost initiative system requires a firm to end up distinctly the least cost maker of an item or administration so that above-normal benefits are earned despite the fact that the value charged is not over the business normal. A differentiation strategy then again includes making client recognition that an item or administration is better than that of other firms in view of brand, quality and execution so that a top-notch cost can be charged to clients. A focus strategy includes the utilization of either a separation or cost administration procedure in a thin market section.

- Proposition 4– The government policy within which the firm operates moderate the relationship between the firm's strategic resources and its level of performance.

4.2. Conclusion

The drive of this theoretical paper was to review both existent theoretical and empirical literature, on the linkage between firm strategic resources, organizational capabilities and performance. Further, the study also sought to identify emerging theoretical and empirical gaps on the linkages between constructs and finally propose a theoretical framework providing propositions for satisfying up the identified gaps. This paper focused on the concept of firm strategic resources and performance. Existent literature reviewed specifies that a firm must have resources in order for it to advance its performance. The theoretical reviews also reveal that organizational capabilities are used by firms in methods that competitors do not understand to act as a means of refining firms' performance.

Consequently, a firm uses its resources in combination with capabilities to achieve superior performance. It is also observed that a firm may not always have the strategic resources it requires to increase performance and must therefore, invent sustainable methods of acquiring these resources from other firms. The legal, political and socio-economic environmental factors also influence the firm and the strategic choices it is likely to make. Cultural and socio-economic practices inform firms in bundling of their resources which in effect leads to formation of unique capabilities.

In addition to contributing to literature on the linkage between firm strategic resources, organizational capabilities and performance, this paper also suggests areas for further research. The paper identifies a gap on literature in achieving high performance in an industry where firms share common, homogenous and mobile resources. Secondly the study also identifies a gap in literature on the role of organizational capabilities in bundling resources to attain resources with desirable characteristics of heterogeneity, inimitability and immobility.

4.3. Recommendations

From the above theoretical review, it has been noted that the performance in public sector varies adversely depending on the resources and its capabilities. Proper conceptualization is of essence to ensure the right strategic resources and proper organizational capabilities are adopted to enhance organizations' performance. Though the individual's activities of organizations may vary based on the business they are engaged, whereas strategic resources and organizational capabilities are important in achieving superior performance. Future researchers' needs to examine the complementarities between the RBV and the RDT in acquiring resources which are not controlled by the firm and that are key to improving the performance of the firm in need of them. Further studies may be conducted to in both public and private organization to compare the utilization of strategic resources and organizational capabilities. Also, another study can be done to determine challenges facing the public sector in acquisition and utilization of strategic resources and implementation of its capabilities.

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