



THE MODERATING ROLE OF VRIN AND MEDIATING ROLE OF
ICT ON THE RELATIONSHIP BETWEEN MANAGEMENT
COMPETENCIES, ENTREPRENEURIAL ORIENTATION AND SMES
PERFORMANCE

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Research Highlights

The study is informed by inconsistencies and controversies that characterised previous research on SMEs performance that made the findings to be inconclusive. Similarly, there is a dearth of studies and understanding of the moderating role of VRIN and the mediating role of ICT resources on the relationship between management competencies, entrepreneurial orientation and SMEs performance. Therefore, these have put limits to the researchers, academics, practitioners and other stakeholders in understanding the moderating and mediating role of VRIN and ICT resources on the relationship between management competencies and entrepreneurial orientation in achieving better SMEs performance. Consequently, this paper contributes to filling in the gaps identified in the literature by developing and proposing a conceptual framework for achieving better SMEs performance, and that could explain the relationships among the various SMEs resources and SMEs performance. Therefore, the study proposed twelve propositions. Consequently, the study contributed to knowledge by providing a framework that could be used to examine the relationship between the variables of this study empirically. It also provides a basis for further/ future studies. It is hoped it would lead the achieving better SMEs performance capable of providing employment, growth of GDP, enhancing exports and standard of living of the society.

Therefore, SMEs performance is defined as the abilities of the SMEs to harness, integrate and utilize various internal and external resources with timely and right reconfiguration to achieve targeted set of objectives and performance capable of providing employment opportunities, growth of GDP, export and to uplift the standard of living of the society (Pulka, 2019). Management competencies are defined as “effective performance of a task or activity in a job setting, due to the underlying characteristics of the individual: motives, traits, skills, self-image, social role, or knowledge and experience” (LeBrasseur, Blanco, & Dodge, 2002). Covin and Slevin (1991) defined entrepreneurial orientation as the process of development of specific behaviour that is targeted towards improving the SMEs propensity to take and absorb risks, to be creative, initiative, proactive and innovative toward achieving entrepreneurial success and a better SMEs performance. VRIN resources refer to the specific bundle of unique resources posses by the SMEs that are drivers of the SMEs’ better performance (Barney, Wright, & Ketchen, 2001). Bhakoo and Choi (2013) see ICT as “the technology-based infrastructure that acts as a conduit for facilitating transactions, sharing information with trading partners, coordinating activities and establishing governance structures between SMEs.

Research Objectives

The objectives of the study are to develop ad report a conceptual framework that would provide the basis for empirical research that answers the following research objectives; (1) examine the significant relationship between management competencies and SMEs performance. (2) examine the significant relationship between management competencies and VRIN resources. (3) examine the significant relationship between management competencies and ICT resources. (4) examine the significant relationship between entrepreneurial orientation and SMEs performance. (5) examine the significant relationship between entrepreneurial orientation and VRIN resources. (6) examine the significant relationship between entrepreneurial orientation and ICT resources. (7) examine the significant relationship between VRIN resources and SMEs performance. (8) examine the significant relationship between ICT resources and SMEs performance. (9) examine the moderating influence of VRIN resources on the relationship between management competencies and SMEs performance. (10) examine the moderating





influence of VRIN resources on the relationship between entrepreneurial orientation and SMEs performance. (11) examine the mediating influence of ICT resources on the relationship between management competencies and SMEs performance. (12) examine the mediating influence of ICT resources on the relationship between entrepreneurial orientation and SMEs performance.

Proposed Methodology

To measures of management competencies, the instrument by Man (2001) can be adopted or adapted. To measure EO, the instrument can be adopted or adapted from the work of Covin and Slevin, (1989). To measure VRIN resources items can be adopted or adapted from the work of Talaja (2012). To measure ICT, the instrument can be adopted or adapted from the work of Yusuf (2013). The measure SMEs performance, the instrument can be adopted or adapted from the work Suliyanto and Rahab, (2012) or Santos and Brito, (2012).

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