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The role of strategic firm Resources on organizational
performance: A case study in Brewery industry in Ethiopia

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Abstract

A firm's resources have a critical role in the firm's overall functionality and existence in the market competition. The research aims to investigate the effect of human capital and technological competence of companies on the organizational performance of selected Ethiopian Brewery companies. This study used quantitative and qualitative (mixed) approaches to investigate the firm's resource and performance association by taking 6 brewery companies in Ethiopia. The study used both primary data sources like structured questionnaires, observations, and secondary data sources like reports, online websites, journals, articles, and books. Pilot testing and different statistical validations are used to validate the result such as reliability, collinearity, linearity, and fit tests. The result indicated that the firm resources and organizational performance is associated well based on the current empirically study. Human capital has a significant positive effect on the company's performance. Similarly, companies' technology competency had a positive significant effect on the company's performance. The combined resources of this human capital and the technology of firms have an affirmative and significant influence on the firm performance in the case of Ethiopian brewery companies. Furthermore, The author of the current study recommend further future study by including other factors that affect organizational performance and also to investigate a better measurement method for the dependent variable(Organizational performance).

Key Words: Competitive Advantage, Resource based view, Organizational Performance, Technology competencies.

CHAPTER ONE

Introduction

1.1 Background of the Study

In the global market competition arena having higher performance will give a competitive advantage. The major potential for organizational performance is organization resources. An organization's superior performance construction process is mainly consisting of the Resource-Based View theory (Barney & Hesterly, 2019). According to the Resource-Based View, performance outcomes from competitive advantage originate from the possession of distinctive resources and capabilities that must fulfill the conditions of value-ability, rareness, inimitability, and non-substitutability. Valuable resources complemented to improving the firm's performance. Exceptionality generates perfect competition since resources are controlled by fewer firms. Inimitable resources are expensive to duplicate and non-substitutable, a sense that there is no alternative to accomplish the identical function immediately (Arend & Lévesque, 2010; COMBE, 2006). Barney and Hesterly (2019) raised the argument that strength of value, rareness, inimitability and the organization provide a competitive advantage. Organizational policies and processes should be put in place to facilitate the use of these resources. Superior performance and market leadership occur when a firm's competitive advantage overwhelms erosion by competitors' actions over time inimitability and non-substitutability (Anderson & Birrer, 2011). Company competitive advantage will prime to superior performance, agreed on the fact that firm's emphasis to their competitive strategy towards enhancing their resource pool.

According to Walker (2010), a firm's performance superiority is not from one source but from a bundle of resources both tangible and intangible. Tangible resources such as corporal building and land would only upshot a temporal competitive advantage which is inadequate in the long run since the competitors are in a position to obtain crucial resources through substitutes, hence eliminating the above-average profitability of a firm. Intangible resources are the primer resources that can produce superior performance meanwhile they are valuable, rare, inimitable, and non-substitutable (López-Gamero et al., 2011; Lu'Is Almeida et al., 2010).

Wernerfelt (2011) concluded that resources such as human capital and technology are a foundation for producing superior performance. In addition, the study distinguished that the relationship between an organization's resources and competitive advantage is reinforced by the VRIN (Valuable, Rare, Inimitable and Non-substitutable) factor. Learning through training and development practices in the firm changes human resources to be more specific and potentially not of much use to the competitor thus making it inimitable and hence leading to higher market shareholding than the rivals. Human resource is in form of experience, knowledge, ability, and skills rooted among employees of the organization. Tactical knowledge acquired by a firm cannot be easily duplicated by competitors, since it is entrenched in the human skills and experience of a firm which leads to profitability (Lazear & Lazear, 2003).

There are few beer companies in Ethiopia they are 12 in number (Kitaw et al., 2018). They have their manufacturing units, for instance, St. George Brewery has three, and Dashin Brewery has two manufacturing companies. They have more than thousands of employees in the company. For this study, the management (three levels) is only targeted.

1.2 Statement of the Problem

Based on the Resource-based View (RBV), the firm's sustainable competitive advantage could be achieved only if the firm secures resources and capabilities that can't be easily imitated by rival firms. Moreover, many prior studies on Sustainable Competitive Advantage (SCA) imply sustainable competitive advantage could be highly determined by the performance of the firm. So, in this study, we assessed SCA in terms of firm performance.

Despite having a Resource-based View of theoretical Knowledge, there is not a great deal of Empirical study on firm resource-performance association in Brewery companies located in Ethiopia. Due to that, the strategic direction of the Brewery companies in Ethiopia is not well studied in terms of firm resources which need to be secured to perform well in the rivalry of the business.

In addition to that, it is practically observed that some brewery companies in Ethiopia put a lot of effort into Firm resources and capability while others give little consideration to it. Not only that but also there is a big gap in the performance of the firms in the industry. **These actual lead to the question of what firm resources does the market leader applies to dominate performance that other companies are not able to apply?** The above stated problem initiates this Empirical study on the

Brewery companies in Ethiopia to establish the theoretical concept of a Resource-based view in terms of firm resources and the Performance of the firm. Moreover, this research paper could be a very good reference to make a replication study of the current case in different industries.

This study tried to establish the Empirical association between a firm's resources and performance from the Resource-based view perspective. So the current study supposed to help the brewery companies in Ethiopia to develop Manufacturing strategies from a resource-based view perspective. Based on prior Empirical studies on manufacturing industry in the field of Resource-Based View, a Firm's resources could be assessed by Human capital and Organization's Technology (Barney et al., 2001; J. B. Barney, 2001; Lazear & Lazear, 2003). Those studies implied firm's resource has a significant association with the company's performance. Similarly, similarly, the assessment of the organization's performance is executed by a firm's profit and market share.

To summarize, executing the current study provided plenty of implications for the brewery companies to improve their human capital and technology management to improve their performance. Since the brewery industry has a huge economic contribution on the nation's economy, the current study provides a positive contribution on the nation's economy by providing a valid empirical association between a firm's resources and performance.

1.4 Objectives of the Research

1.4.1 General Objective

The overall aim of this study is to explore and analyze the effect of firm resources on the organizational performance of Brewery Companies; by taking the selected Ethiopian Brewery Companies

1.4.2 Specific Objective

- To examine, whether Human capital affect the organizational performance of selected Ethiopian Brewery Companies.
- To examine whether technology competency affect the organizational performance of selected Ethiopian Brewery Companies.

1.5 Research Hypotheses

Based on the main objective stated, the following hypothesis was tested;

The hypotheses are on the relationship between organizational resources (Human capital and technology competency) and organizational performance.

H1: There is a significant relationship between Human capital and organizational performance of companies.

H2: There is a significant relationship between technology competency and organizational performance of companies.

Tuan & Yoshi, 2010 studied the company's resources and have strong relationships with the company's performance in Vietnam. The company's tangible, intangible and human resources have empirically significant evidence of impacting the on companies performance in Vietnam companies. In this study, the researcher conducted an empirical study to test whether Ethiopian Brewery companies evidenced the same result or not.

1.6 Significance of the Study

This study had academic and policy implications besides practical implications for Beer companies. The Beer companies can benefit a lot from the study output by contextualizing their particular scenario. This going to play a valuable role to understand the relationships between each variable (resources) and their individual as well as collective effect on the performance of the company.

The current study focusing the relationship between organizational resources and performance. The results have a great help to researchers and scholars, for it is anticipated to help them increase general knowledge on the subject in terms of how the variables should be related and may provide a useful reference to future studies as part of their literature. The research findings suggested recommendations for further studies that would be of importance to scholars and researchers. The research methods and approaches applied in this study may have importance in anticipating aiding future researchers who would wish to carry out a study related to a phenomenon in this area. The findings might help the organizations' management by providing them with information, like how activities make the human capital improve the company's performance. Moreover, the results may make the managers mindful of the importance of research, innovation, and development in helping develop new and unique products that are

highly competitive in the market and therefore improve the company's performance. The managers may use this knowledge to address the concerns of the consumers who want to use their services by making their services unique and available, hence improving performance. The findings of the study may also contribute to policymakers crafting policies that are appropriate to the industry, policies that will lead the Brewery Companies. Governments of other countries whose Brewery companies operate in a similar environment could also gain from the findings of this study by drafting policies that can improve the performance of the Brewery companies. The study findings can also benefit potential entrants into the industry since the results provide them with the knowledge of what is likely to affect the performance of a firm.

1.7 The Scope of the Study

This study concentrated on only registered, functional existing (in 2021) and operated for a minimum of 5 years Brewery Companies in Ethiopia. Those companies are Meta Abo brewery, Heineken Brewery, BGI Brewery, Dashen Brewery, Zebidar Brewery, and Habesha Brewery with a total of 382 respondents. The managers were categorized into three categories the respondents since they are involved in strategy making and implementation. The resources at the disposal of the researcher limited the scope of the study location to Ethiopia where managers are based at their head offices in the country. The scope of the study mainly focused on the following dependent and independent variables. In the independent variable organizational resources (Human capital and technology) and the dependent variable performance (profitability and market share) are included.

1.8 Limitations of the Study

As far as reviewing recent research relevant to the scope of this study, there is a very limited study conducted RBV approach in the case of Ethiopian Beer Companies. Due to lack of related study for reference and further understanding, it only considered fewer variables and parameters. However, other numerous unconsidered parameters (variables) may avail that can influence the firm's performance. Future research works may include additional variables under their study. Therefore, this research has used studies conducted in developing countries and other African countries and considered Ethiopia's context. The other limitation was that companies were not willing to provide relevant (sales data) and sufficient data on the performance of companies. As

a result, this study has used secondary data or indirect reports specifically on scale (range) values performance measures.

Some respondents were uncertain to release some information, particularly on profitability due to the confidentiality and security associated with the information. As a result, the researcher guaranteed the respondents about data security and awareness about the need for the information as it is only for academic research use.

CHAPTER TWO

Literature Review

2.1 Introduction

This chapter reviews the theoretical and empirical studies on the firm's performance, human capital, and technology competencies. The conceptual framework of this study was settled after studying relevant literature.

2.2 Resource-Based View

The dispersion of the Resource-based view (RBV) dominantly from 1991 -2001, in strategic management and related studies, was both dramatic and controversial. It also involved extensive theoretical advance and empirical testing well. Intrinsically, it looked opportune to establish a new different matter that goes to appraise the earlier efforts of the RBV and upcoming extensions (J. Barney, 2001). According to the assumption considered resource means all assets, organizational processes, capabilities, firm information, attributes, knowledge, and others managed by a firm. It also takes Firm resources as empowering the firm to apprehend and devise strategies that advance companies effectiveness and efficiency.

Barney and Wright distinguished that each firm owns various outlines of tangible and intangible resources (Barney et al., 2001). Barney is one of the big contributors to RBV which investigate and established the presence of key firm resources for superior performance. The theory of RBV undertakes those individuals are inspired to bring maximum resources utilization of available and rational choices that makes a firm which is formed by economic frameworks (Barney & Hesterly, 2019).

Resource-based view theory play a part in evaluating and explaining of firm's resources and capability that can create and maintain a firm's competitive advantage and thus higher organizational performance among the Brewery companies in Ethiopia.

In strategic management literature, resources are clear as stocks of available things that are controlled by the firm. Competencies are the firm's strengths that enable it to better differentiate its products or service quality by building technological systems to respond to customers'

requirements, later making the firm compete more efficiently and successfully than competitors (Arend & Levesque, 2010, & Anderson, 2011).

The resource-Based View has contributed to strategic management through its emphasis on firm-specific resources as a bona fide source of CA and high performance (Mckelvie & Davidsson, 2009). Complex sets of skills found in knowledge, ability, and experience that enable the company to manage actions of the firm and use of resources to generate performance through coordinating and hitting resources into appropriate production practice are what define capability (Nyberg et al., 2014)..

The theory of RBV contributes to enabling the firm managers to check whether factors relevant to superior performance exist or not. This enables them to be in a place of exploiting market imperfection to develop the performance of the company. That way, managers are assigning where they can association resources to sustain their performance advantage. Resource-based view theory offers an advantage to the company by explicitly stressing factors that produce superior performance for the company (Lockett & Morgenstern, 2009). Resource-Based View allows executives of the organization to choose the most important strategic factors to invest in from a given range of probable strategic factors in the brewery industry.

Inimitable resources are expensive to duplicate and non-substitutable, which means that there is no alternative to accomplishing an equivalent function instantly available to competitors (J. B. Barney & Hesterly, 2019). One of the criticisms of RBV is that it oversimplifies organizational reality and it tends to assume a linear non-problematic relationship. Further, the theory does not take into account the aspect of environmental factors which affect a firm's performance.

Tangible resources are physical matters that an organization possesses such as raw materials, facilities, and equipment. It includes also items in the forms of cash, machinery, inventory, land, or buildings that can be straightforwardly paid and have a set value in the market. In accounting, tangible resources are very serious since a company knows its financial standing on the financial statements and the balance sheets. Tangible resources have two types fixed and currently based on how easily can be transformed into cash and how treated throughout the accounting process.

Intangible resources include corporate brand names, organizational values, networks, and processes that are not included in normal managerial accounting information. Intangible

resources are more probable to create a competitive advantage and superior performance than tangible resources (Armstrong & Shimizu, 2007). Moreover, intangible resources are pretty tough to touch, realize, quantify, or see. It includes the skills and knowledge of employees, a firm's reputation, an image in the customer's mind and a firm's culture, Intellectual property, research findings, and theories.

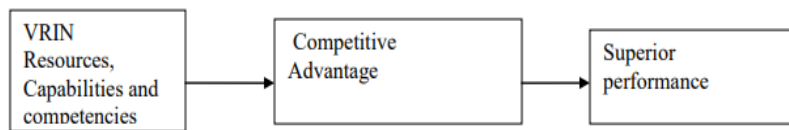


Figure 1: Resources, Capabilities and Competencies, CA and performance

2.3 Firm's Resource and Performance

2.3.1 Firm's Performance

A survey conducted in Chinese firms by Ren et al., (2010) noted that superior performance in companies is achieved when products consistently suit the main condition of the customers' requirements (Ren et al., 2010).

J. B. Barney & Hesterly, 2019) also concluded that profit of a retail firm organization could be significantly raised by utilizing technologies which helps them to collect, monitor , analyze and utilize customers' inputs.

Ren et al., (2010) views are firms can upsurge customers, it is serving market share and profitability by implying differentiation by making their products and cost special to the firm and by implementing the concept of casual ambiguity to them. The study used secondary data which has a major weakness, but the current study used both primary data and secondary data to have sufficient current. Furthermore, the study used profitability and market share as a financial measurement for performance, which was also applied to the current study. Ren et al., (2010) used a descriptive survey and analyzed the data using factor analysis, whereas the current study adopted a descriptive survey but the analysis was done using multiple regression.

Previous studies on performance in most cases have conceptualized performance using non-financial and financial approaches, such as customer satisfaction, market share, and profitability which were used in the current study.

Hoang et al. (2018) concluded that human capital and social capital are strongly linked to firm performance when a study using data from 319 Vietnamese information communication technology (ICT) firms.

Taun and Yoshi's (2010) analysis studies result got that there is a significant relationship between organizational capabilities and performance and which is also positive (Tuan & Yoshi, 2010). Further, the study suggested that performance could be founded on a broader perception than just on financial performance dimensions such as shareholder-based performance, customer-focused performance, overall performance, and employee-based performance. The study measures performance in relation to market share and profitability, the approach that was adopted for the current study. However, the study used organizational capabilities as an independent variable, whereas the current study used organizational resources in addition, multiple regression analysis is adopted.

2.3.2 Human Capital and Performance

Companies to be unique and have higher performance, need to invest efforts in their workers in the forms of time and money over training and development, and education. Human resources found from opponents suit some of its competitors, although it must go through a phase of vibrant alterations in terms of cost while suited to the needs of the moving environment (Kong, 2009).

A firm's knowledge, skills, and experience can create superior performance in the firm if they are fruitfully used to add value in enabling learning and are applied to making decisions that are superior to those of competitors (Lazear & Lazear, 2003). Though the study was analyzed using multiple regression which was adopted for the current study, the studies applied RBV theory only, which was applied in the current study together with organizational learning theory.

Guthrie, Flood, Liu, and McCurtain (2009) in a survey done in Ireland on work systems show that for a firm to continue its high performance (Guthrie et al., 2009). It demands labor must be heterogeneous, inferring that the firm to have different jobs that will involve different skills, and so the supply of labor must also be heterogeneous in that individuals will continuously differ in both the type and level of their skills, experiences, and knowledge. The study concluded that high-quality human resources with high ability are defined to be rare and it is tested through cognitive ability which has been repetitively demonstrated to have a strong positive correlation

with individual job performance. The arrangement of Unger, Rauch, Frese, and Rosenbusch (2011) claims that cognitive ability has been frequently applied to test the value selection in the organizational usefulness in the research on the entrepreneurial success and human capital relationship.

Michael and zaid, 2014 investigated the impact of human capital development on organizational performance in the Nigerian banking sector, with a particular to the state of Osun. They based their study on questionnaire as a research tool instrument using judgmental and simple random sampling techniques. The study found that there is significant relationship between human capital development and organizational performance in the banking sector. The study also discovered that Nigerian financial sector has the best workforce, in terms of knowledge, skills, attitude, competence and ability to be able to meet the challenges of dynamics in the economy (Michael & Zaid, 2014).

Nor Abdulle Afrah, 2016 finding also support the same which stated that S. The findings discovered that the role of human capital on organizational performance is an important for progressing the organization's profitability. This study actualy utilize only human capital as a factor for organizational performance.

Nguyen (2020) studied the impact of human capital, capital structure choice and firm profitability of 48,673 Vietnamese construction firms in 2016. Findings from this study indicate that human capital exhibits a positive relationship with firm's wealth. However, empirical studies on examining the impact of human capital on firm performance, with a particular emphasis on human capital across sectors, have been largely ignored in the current literature.

Furthermore, those human capital effects were found to have an effect on social capital, and other related abilities. Such as an experience and cognitive ability that affect individual relations and complicity. Besides, human capital has a strong effect on organizational performance over the cognitive ability and skills of the manager. Though, the researchers tested for a direct relationship between the independent and the dependent variables, whereas the current study tested for an indirect relationship through moderating and mediating variables.

2.3.3 Organization Technology and Performance

Technology has unexpectedly grown into a main strategic issue in different sectors. Now a day computer technology and information management users are progressively increasing in number. Employees and companies are intensively using computer technology to execute their daily routine which can be expressed as the whole thing. Even if assessing the worth of technology has never been easy, currently, it becomes difficult to think about companies running without computer technology and other key technologies in their business process effectively. Recent expansions in technology, predominantly in micro-electronics and computer systems make the attachment more strong and complex. Better productivity has got a focal point and big issue for several organizations, both private and public organizations. Similarly, technology is evolving with extraordinary swiftness and is becoming the main tool for meeting issues and problems.

New product development and technological enhancement create a competitive advantage over the competitors of manufacturing firms of fast moving consumer goods product (Abid & Gulzar, 2018). This explains why many municipalities are investing large amounts of money in implementing information systems. However, the advantages offered by technologies, especially in terms of enhancing productivity, depend upon how these technologies are integrated into an organization. This study also supported by Abid & Gulzar, 2018, Which stated continues Research and development directed by strategic planning provides a better market share over the rival firms in the industry.

Research done on technology-based companies in Kenya (Kiplangat, 2017) showed that investment in research and development has in a straight line contributed to the higher performance of a firm. However, Kiplangat, 2017 analyzed only a direct relationship between performance and technology without considering any other variable, which is a gap that the current study attempted to fill by mediating the relationship with a competitive advantage while maintaining technology as an independent variable in the current study.

Mu, et al., (2020) emphasized the spirit of creating a novel business out of continuing practices for the evaluability of a product and reinvigorating sluggish companies which often accomplish their objectives through the introduction of breakthrough innovation to create it hard for competitors to copy, making a firm's performance greater than the contenders' (Mu et al., 2020).

The study used both descriptive statistics and regression analysis, which were adopted by the current study.

Table 1: Some parameters considered in different works of literature for Resource-Based-View Researches

Parameter	Reference/s
Company Performance	
Profit after tax	(J. B. Barney & Hesterly, 2019; David, 2011)
Market share	(Armstrong & Shimizu, 2007; Ren et al., 2010; Saunders et al., 2007)
Market growth	(Gleißner et al., 2013)
Organizational resource	
Human Capital	
Ability	(Arend & Lévesque, 2010; Arifin et al., 2015)
Experience	(J. B. Barney & Hesterly, 2019; COMBE, 2006; Edward, 2009; Saunders et al., 2007; Wernerfelt, 1984)
Knowledge	(J. B. Barney & Hesterly, 2019; David, 2011; Edward, 2009; Greener, 2008; Saunders et al., 2007; Wernerfelt, 1984)
Organizations Technology	
IT system for feedback or evaluation of our services	(Chen et al., 2014; Guthrie et al., 2009)
New products development	(Abid & Gulzar, 2018)
Innovate a product	(J. B. Barney & Hesterly, 2019; Grahovac & Miller, 2009)
Technology changes	(Arifin et al., 2015; Edward, 2009)
Technology adoption	(Arifin et al., 2015)
Higher IT and other technology	(Anand & Delios, 2002; Chen et al., 2014; Lockett & Thompson, 2001)
research and development	(Abid & Gulzar, 2018; Lisboa et al., 2011; Ren et al., 2010)
Invest in innovation	(Lisboa et al., 2011; Lu'Is Almeida et al., 2010; Ndegwa et al., 2018; Paladino, 2009; Teguh et al., 2021)
Using the most recent technology	(Arifin et al., 2015; J. B. Barney & Hesterly, 2019)

2.4.5 Research Gap

Several studies present a summary of the empirical literature review about the main variables of the current study on organizational resources, Competitive Advantage (CA), and organization performance (Grahovac & Miller, 2009; Lu Ts Almeida et al., 2010; Rhee et al., 2010; Unger et al., 2011), and other researches. Grahovac & Miller, 2009 studied comparative advantage (CA) as a direct effecting factor in this study the researcher studied. Almeida et al., 2010 stated that firms' resources develop unique competitive advantages as the study targets, while the researcher comes with resources. As far as investigated till new (by the researcher). There is no literature done on the case of Ethiopian brewery companies on this issue. The contribution of this paper showed how organizational resources are treated, and their relation with organizational the Ethiopian brewery industry's performance.

2.4 Theoretical Framework

The study directly studied the relationship between firm resources and performance in Ethiopian brewery companies. The hypothesis testing focused on how the firm's resources are affecting the firm's performance

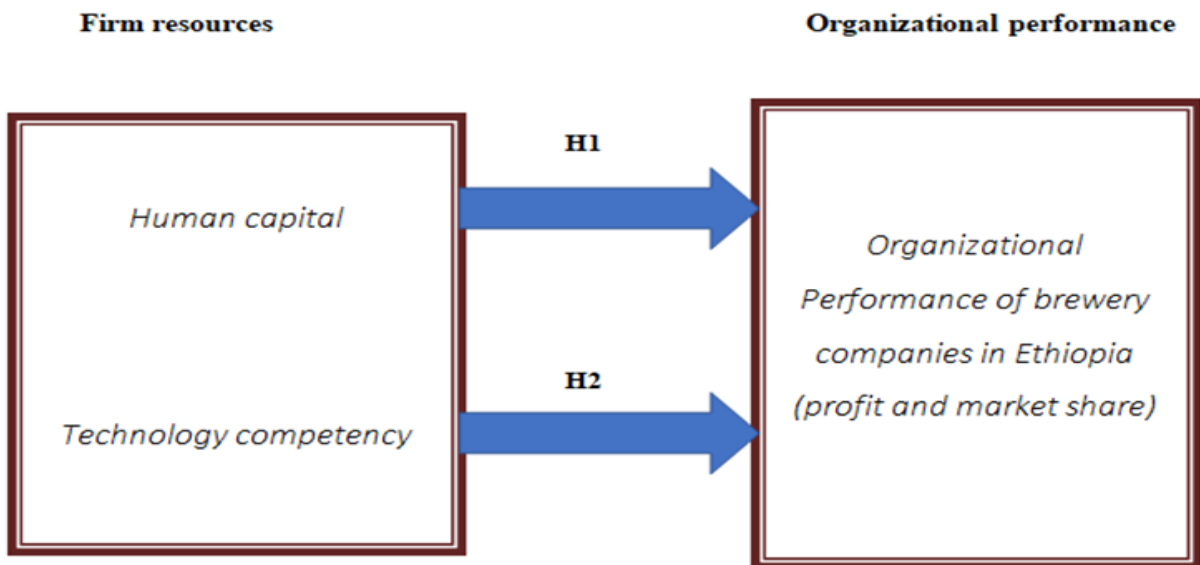


Figure 2: Theoretical Framework

In the study, Organizational Resources are used as independent variables corresponding to be measured using two constants, namely the Human Capital variable, and Technology variables, whereas the dependent variable is the Organization's performance. The dependent variables are expressed in companies' profit and market share increment.

CHAPTER THREE

Research design and Methodology

3.1 Introduction

This chapter includes research philosophy, research design, target population, sampling and sample size determination, data collection instruments and procedure, validity and reliability of the research instruments, operationalization and measurement of variables and data analysis.

3.2 Research Philosophy

The research adopted positivist research philosophies since the literature upon which the study was characterized by testing hypotheses from existing theories through measurement of observable social realities, using originally collected data (Saunders et al., 2007). The philosophy is based upon values of reason, truth, and validity and there is a focus purely on facts measured empirically using quantitative methods survey, and the data were statistically analyzed (Eriksson & Kovalainen, 2008). Saunders *et al.* (2009) explained positivism philosophy is commonly used in natural sciences because it is an objective-based method and it is used in the testing of hypotheses. The study is based on testing hypotheses, the theories of the study are already existing, and primary quantitative data are collected after statistical analysis, hence the reason the study adopted the positivism philosophy.

3.3 Research Approach and Design

According to Saunders *et al.* (2007), there is no single perfect design; therefore, the study employed a descriptive survey design which was cross-sectional and an explanatory design to achieve the best results. The descriptive survey method focuses on finding out who, what, where, when, and how much. It was found suitable because it helps to produce an accurate profile of factors, events, and situations (Greener, 2008). According to Eriksson and Kovalainen (2008), descriptive research involves producing data that is holistic, contextual, and with rich details to test hypotheses or answer questions concerning the current status of the subject of the study (Eriksson & Kovalainen, 2008).

Explanatory research tries to clarify why and how a relationship between two or more aspects of a situation or phenomenon occurred. The explanatory research design was the best to explain the characteristics of the variables and, at the same time, examine the cause-effect relationship between variables. The cross-sectional design allowed the collection of quantitative data from a population in an economical way (Saunders et al., 2009).

Several models can be used in analyzing quantitative data, which include Probit, Logit, and Regression models (Bliss–Holtz, 2008; Strand, 2006). Probit and Logit are used in the research when the dependent variable is dichotomous. Since the dependent variable in the current study is continuous, the regression model is the most suitable for this study. Multiple linear regression is used to assess the combined effects of all independent variables (Organizational Resource) on the dependent variable (performance).

3.3.1 Sampling Design and Procedure

The study used a proportionate stratified random sampling technique to select the required sample from the target population of 382 respondents, drawn from the three strata of top, middle, and lower-level managers of the brewery companies in Ethiopia. Based on the total population of 382 managers, a sample of 172 was determined using Saunders *et al.* (2009) sample size determination table at a 95% confidence level. This was then distributed proportionally in the strata as per Pedhazur and Schmelkin's (1991) (Approach & Pedhazur, 1992) formula below:

$$r = \frac{c * s}{p}$$

Where r is respondent required from a stratum,

c is stratum population (category),

s is the anticipated size (172),

p is the total population (382)

Through the above formula, the sample size is as per the table below.

Table 2: The sample size and distribution

	Name of the beer company	Management level strata	Stratum Population Size (r=c/s)/p	Sample size
1	Meta Abo brewery	Top management	4	2
		Middle level	10	5
		Lower level	20	9
	Sub Totals			16
2	Heineken brewery Ethiopia (Walia, Bedele, & Harar breweries)	Top management	4	2
		Middle level	40	18
		Lower level	60	27
	Sub Totals			47
3	B.G.I brewery Ethiopia (St. George, Zebidar)	Top management	4	2
		Middle level	40	18
		Lower level	60	27
	Sub Totals			47
4	Dashen brewery	Top management	4	2
		Middle level	20	9
		Lower level	30	13
	Sub Totals			24
5	Raya brewery	Top management	4	2
		Middle level	10	5
		Lower level	18	8
				15
6	Habesha brewery	Top management	4	2
		Middle level	20	8
		Lower level	30	13
	Sub Totals			23
			382	172

Structured questionnaires were used in this study since they enabled the researcher to gather quantitative data. The questionnaire was developed after a detailed literature review.

3.3.2 Data Collection Procedure

An introductory letter granting the researcher the authority to collect data from the target companies was obtained from the University. Permission to conduct the research was obtained from the AAU office before contacting the sampled respondents. The researcher then sent the request letters to the sampled companies for permission to carry out the research there. Since the unit of analysis was the brewery companies, the respondents were the managers of the companies selected. The questionnaire was administered using a drop-and-pick method and collected after two weeks (then collected in the second round after two weeks for late respondents).

3.3.3 Validity Test of Research Instruments

The research validity followed a pilot test carried out with 20 respondents. The test result is used to adjust and ensure the instrument measures what it planned to measure (Saunders et al., 2007). The pilot study test shows there were no big difficulties in understanding items. However, a few questions were omitted and modified. The time estimated for the respondents took to complete the instrument was 30 minutes and it gave the signal in the field study as it was enough. Construct validity by reviewing empirical and theoretical literature such as RBV and organizational learning to understand the relevant concept and by constructing the instrument items based on previous studies' results. The research tools of this study were guided by the supervisor and other experts. Several researchers examined the reliability of variables by testing through software and evaluating for their Cronbach alpha value. For this research, the same reliability test and Cronbach alpha value evaluation is considered. Furthermore, the study investigated the characteristics of the independent and dependent variables that influence the application of conventional ordinary least squares estimators. These include normality, linearity, and multicollinearity tests as pre-estimation diagnostics.

A. Reliability of Research Instrument

Internal consistency assessed reliability by grouping questions in a questionnaire that measured the same concept. The reliability of the instrument in the study was tested using Cronbach's alpha reliability coefficient. Baker & Sinkula, (2009), Rhee et al., (2010), and Greener, (2008) also used Cronbach's alpha value for evaluation (Baker & Sinkula, 2009; Rhee et al., 2010) and

(Greener, 2008). Therefore, the researcher considered a coefficient alpha greater than 0.5 to indicate the reliability of the research instrument as presented in Table 2.

Table 3: Reliability Test

	Cronbach's Alpha	Comment	Samples (N)
Human Capital	0.893	Reliable	20
Technology	0.886	Reliable	20
Performance	0.857	Reliable	20

Source: Pilot data (2021)

Table 3 above shows that organizational performance had reliability of (0.857), human capital (0.893), and technological (0.886). In conclusion, all the variables attained the acceptable and recommended level of alpha 0.5 (Daniel Arkkelin, 2014) and (Saunders et al., 2009). The overall research instrument was highly reliable, with a Cronbach alpha value of 0.857 and above.

B. Normality Test

The researcher used the rule of thumb that a variable is reasonably close to normal if its skewness and kurtosis have values between -1 and + 1 as recommended by Daniel Arkkelin, (2014). The normality test is important because regression model estimation methods are based on an assumption of normality. Moreover, normally distributed data ensures that the data is fit for further statistical analysis and does not result in inflated statistics and underestimated standard errors Field (2009).

Table 4: Normality test

		Statistic
Firm Performance	Skewness	-0.48
	Kurtosis	-0.45
Human Capital	Skewness	-0.57
	Kurtosis	-0.40
Technology	Skewness	-0.25
	Kurtosis	-1.00

The above results show skewness statistics for all the independent and dependent variables were between +/- 1 bounds as recommended by (Daniel Arkkelin, 2014). This implies that on average the distribution for performance, human capital, and technology mimics the normal distribution. Therefore, traditional ordinary least squares and post-estimation diagnostic tests requiring normality of the data can be used. It's worth noting that the central limit theorem states that the traditional least square is consistent whenever the number of observations is sufficiently large (greater than 30) as per Field (2009). Given that the study has 163 observations, the data set is considered large enough to allow for regression.

To test for normality, statistics estimating measures of shape, including skewness and kurtosis, were obtained and presented in Table 3. The rule of thumb is that a variable is reasonably close to normal if its skewness and kurtosis have values between -1.0 and + 1.0 as recommended by (Daniel Arkkelin, 2014). The normality of the variables is shown in Table 3 below.

C. Linearity Test

Pearson's correlation coefficient was used to test the linearity of the relationship between the variables as recommended by Kumari & Yadav, (2018) (Kumari & Yadav, 2018). More correlation coefficient shows the strength and the direction refers to the linear relationship; a negative correlation indicates an inverse relationship where an increase in one variable caused a decrease in the other, whereas a positive correlation indicates a direct influence, where an increase in one variable causes an increase in the other variable (Strand, 2006). The P-P plot indicates the linearity of the data.

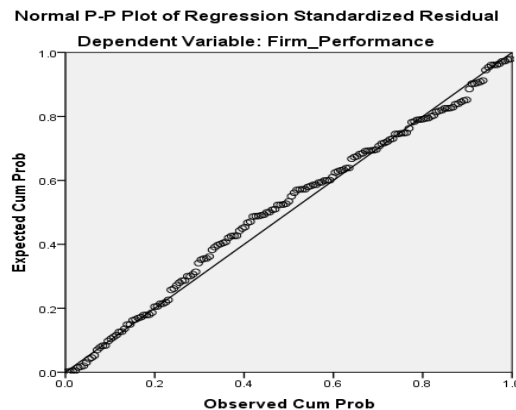


Figure 3: Normal P-P plot of firm performance

Pearson's correlation coefficient was used to test for linearity between performance,

human capital, and technology. The results are presented in Table 4 below.

Table 5: Results of Partial Correlation Linearity Test

		Human Capital	Technology
Firm Performance	Pearson Correlation	.598**	.448**
	Sig. (2-tailed)	.000	.000
	N	163	163
Human Capital	Pearson Correlation		.296**
	Sig. (2-tailed)		.000
	N		163

Note: **. Correlation is significant at the 0.01 level (2-tailed).

Table 5 shows that there is a significant positive linear relationship between performance and human capital and performance and technology at 5%, Human capital (R= 0. 598, $p \leq 0.000$) and technology (R=0. 448, $P=0.00$). The results imply that it is co-movement in the variables and the same direction. The correlation between human capital and Technology is low (R= 0. 296, $p \leq 0.000$). However, it's critical to note that correlation does not necessarily mean that there is a causal relationship (Kumari & Yadav, 2018). Causal relationships between the independent variables and the dependent variable are analyzed in the succeeding section.

c) Multicollinearity Test

To check for correlated variables, multi-collinearity was tested using the variance inflation factor (VIF). Multicollinearity creates a problem for multiple regression models, given that as collinearity rises, the standard error of coefficients also rises, making them less reliable. A mean VIF above 2 indicates there is no evidence of the presence of multicollinearity, hence it should be of concern Joseph F. et al., (2010). In addition, multi-collinearity was done to enable the identification of variables with a high correlation among themselves. Hypotheses were tested to determine whether the influence of the independent variable would be significant or not. When $P \leq 0.05$, then null hypotheses were rejected and vice-versa. IBM-SPSS version 23 was used to aid in data analysis. Tables were used to summarize, organize and present the data collected and

analyzed. The results and discussions were provided in chapter four. Multicollinearity testing used a variance inflation factor (VIF), the results are presented in Table 5.

Table 6: Multicollinearity Tests

Model	VIF
Human Capital	1.096
Technology	1.096

Table 6 shows that the Human Capital mean VIF for the regression is 1.096, while the mean VIF for Technology mean VIF is 1.096. Hence, with less than 2, the level of multicollinearity can be tolerated and does not influence the validity of the result's performance (Joseph F. et al., 2010).

3.4 Data Analysis Methods

After the questionnaire's collocation from the field, data cleaning continued the purification of any error that might occur during data collection, and eventually, the data was coded, and ready for analysis. Descriptive and inferential statistics were used to analyze the quantitative data of the study. Descriptive statistics are used to summarize and describe the data. Descriptive statistics of mean and standard deviation are used to access data characteristics and thus make it possible to interpret the information. The inferential statistic was carried out using multiple and step-by-step regression models. Multiple linear regressions were used to determine which variables influence the dependent variable most and to determine the nature of the influence. The adjusted coefficient of determination (R-squared) was used to indicate the percentage of variability of the variables that were accounted for by the factors under study. This is followed by testing the determination of standardization beta (coefficient) which indicated the direction (+ or -) and the magnitude of the influence. It also compared the relative contribution of each independent variable to the firm's performance (Joseph F. et al., 2010). Furthermore, the relationship between independent and dependent variables, normality (skewness and kurtosis), Linearity (Pearson's correlation coefficient), and Multicollinearity (variance inflation factor (VIF)), were tested. IBM SPSS version 23 was used to analyze the quantitative data collected. Field, 2009 recommended that when checking for the relationship between the independent and dependent variable, normality, Linearity, and Multicollinearity should be tested (Strand, 2006).

The model was presented in a linear equation form. Using multiple linear regression

analysis, it is possible to calculate the values of the constant coefficient (B_0) and the slope coefficients (B) from data already collected. The overall equation of the effect of independent variables on performance:

$$Y_i = \beta_0 + \beta_1 HC + \beta_2 TC + \varepsilon \quad (3.1)$$

Where,

β_0 = Constant

β_1 to β_2 = The slope

HC = Human Capital

TC = Technology Competencies

ε = Error term

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the study findings and is organized as follows: First, descriptive statistics showing the respondents profiles and characteristics are presented to show the degree to which data represents the population of interest. Secondly, pre-estimation diagnostic tests are presented and, finally, testing of hypotheses is presented.

4.2 Descriptive Statistics

4.2.1 Response Rate

The study used a total of 163 questionnaires, it was administered with a response rate of 100.00%, 95.74%, 93.33%, 91.67%, 95.74%, and 91.30% in Meta Abo Brewery, Heineken Brewery, Zebidar Brewery, Dashen Brewery, BGI Brewery (St. Georg) and Habesha Brewery respectively. From the total of 172 questionnaires that were distributed, 163 were correctly filled and returned at an average response rate of 94.63%. The remained questionnaires were unreturned by the respondents. Even if all are distributed and few are left, the response rate of 94.63% is very good and hence acceptable for concluding the current study, according to Saunders, *et al.*, (2007). They claimed a response rate of 50% is adequate, 60% is good, and 70% is very good. Therefore the study considered an acceptable number of responses collected from the targeted population in the brewery companies. The results are presented in Table 7 below.

Table 7: Response rate

Company Name	Target Respondents	Successful Respondents	Response Rate (%)
Meta Abo Brewery	16	16	100.00%
Heineken Brewery	47	45	95.74%
Zebidar Brewery	15	14	93.33%
Dashen Brewery	24	22	91.67%
BGI Brewery	47	45	95.74%

Habesha Brewery	23	21	91.30%
Total	172	163	94.63%

Table 7 shows that there was a total of 163 respondents. The data also shows the responses from each company are relatively balanced (their response gap is less than 5% from company to company). Therefore, the data collected is consistent with the population and can be relied on for unbiased results.

4.2.2 The Respondent's Demographic Profile

This section presented the respondent's demographic characteristics on job category, level of education, and length of service

Table 8: The demographic profiles of respondents

Descriptions		
Job Category	Frequency	Percentage
Supervisor	111	68%
Manager	46	28%
Executive	6	4%
Total	163	100%
Education level	Frequency	Percentage
High school	14	9%
College Diploma	67	41%
Bachelor Degree	60	37%
Masters	22	13%
Total	163	100%
Experience	Frequency	Percentage
Less than 5 years	7	4%
between 5-10years	8	5%
over 10 years	148	91%
Total	163	100%

The findings in Table 8 indicate that (4%) of executives were least when compared with supervisors (68%) of the respondents of the sample. However, out of the 143 respondents, (28%) were part of the management team but were from other job categories. This is a reliable ratio with the population under study having fewer top-level managers (executives). There were more middle-level managers, but the majority are lower-level managers (supervisors). Table 7, shows that 9% of the respondents had high school as the highest level of education. This is consistent with the demands of the industry under study as one requires post-secondary school qualifications to understand its operations. Major of the respondents had a college diploma (41%), and a degree level (37%) education. Further, shows that 13% of the respondents had a postgraduate level of education. This shows that the brewery industry in Ethiopia is managed by skilled individuals. These assurances are reliable responses and therefore reliable findings by the study.

The data shows that out of the 163 sampled respondents fewer (5%) had served the company for a length of 5-10 years. Further, 91 % of the respondents had served for over (10) years and (4%) of the respondents had served for less than five years. Therefore, the respondents' responses can be relied upon for analysis of the effect of organizational resources, and competitive positioning on a firm's performance.

4.4.3 Performance of Brewery Companies in Ethiopia

The respondents were asked to give based on a 5-scale Likert for their yearly profit after tax was paid. The responses were leveled 1= zero profit or loss, 2= Less than a million USD, 3= 1 million-20 million USD, 4= 21 million-40 million USD, and 5= Above 40 million USD. The result's summary is presented in Table 8. Most respondent assumes their company profit after tax was more than 21 million USD. 6.1-6.7% of respondents are assuming their company is losing over the years. In the year 2019, 20% of respondents considered their company is losing its profit in the year. The researcher estimated their expectation may rise due to the COVID-19 influence.

Similarly, The respondents were asked to give based on a 5-scale Likert for their yearly market share increase and the responses were leveled: 1= 0%, 2=1-25%, 3=26-50%, 4=51-75%, 5=above 75%.

Table 9: Response to Profitability and Market Share of Firms

Profitability

Year	Measurement	Mean	Std. Deviation
2016	Frequency	3.63	1.366
2017	Frequency	3.73	1.370
2018	Frequency	3.53	1.283
2019	Frequency	3.36	1.527
2020	Frequency	3.52	1.224
		3.554	1.354

Market Share of Firms

Year	Measurement	Mean	Std. Deviation
2016	Frequency	3.73	1.343
2017	Frequency	3.94	1.239
2018	Frequency	3.78	1.282
2019	Frequency	3.91	1.276
2020	Frequency	3.74	1.331
	Average	3.82	1.2942

The respondent's reflection shows their company was increasing in the last years (2016-2020). The result summary indicates that 14% - 19% of respondents considered their company market widening by 1%-25%. Few respondents, 3.1-6.1% of total respondents indicated their market share was not grown (0%).

The aggregate score for profitability after tax was $M= 3.687$; $SD =1.3241$ this implies that on average the respondents affirmed that they made profits of between 21 to 40 million birrs over the last five years. Different managers of different companies had divergent views on the profitability of their firms with a standard deviation of 1.3241 since some companies were new and others were well established. A mean of 3.26 indicated that the profit after tax of above 1 - 20 million was achieved in the year 2019 only, while the remaining years were more.

4.4.4 Human Capital

The respondents were asked to give a score based on a 5-scale Likert. The responses were leveled 1= strongly disagree, 2= disagree, 3= undecided, 4= agree, and 5= strongly agree. The respondents indicated that in most cases human capital is affirmative and supports the performance of the company. To mention a few, from the total respondents 34.4 % agreed and 26.4% strongly agreed on no one knows the company's job better than the company's employees. This can be taken as the employees have the potential to boost the performance of the company more than anyone. The summary of the results is given in Table 9.

Table 10: Human capital factors

Knowledge	Mean	Std. Deviation
Education to fulfill their jobs	3.74	1.304
Encourages to learn continuously	3.47	1.584
Carry out training frequently	3.39	1.353
Employees turnover affects production/services	3.37	1.486
Acquiring skills through job rotation	3.23	1.492
Share the knowledge within the organization	3.48	1.517
Facilitate knowledge exchange	3.36	1.409
Employee knowledge in all areas of the organization	3.53	1.480
Employees know their job better	3.51	1.298
Time to advance employee's education	3.88	1.328
Average	3.496	1.425

Ability	Mean	Std. Deviation
An employee makes the right decision	3.91	1.335
Employees can learn and improve from the previous mistake	4.02	1.252
Employees can solve the company's problems	3.93	1.390
Identify the gap for future success	3.94	1.325
Employees address short-lived problems	3.70	1.370
Employees addressed departmental problems	3.87	1.296
Average	3.496	1.33

Experience	Mean	Std. Deviation
Learned more from interacting with colleagues	3.47	1.517
An inefficient learning opportunity for experienced employees	3.49	1.425
Employee work experience is very important	3.52	1.349
Experience in their areas of specialization	3.62	1.375
Prefer fresh graduates to gain the company's specific experience	3.46	1.488
The experience gained help in other organizations	3.80	1.337
Average	3.597	1.395

Table 10 indicates that the aggregate mean is $M = 3.597$; $SD = 1.395$, implying that the respondents agree that human capital results in higher levels of performance. This is supported by the standard deviation which indicates some levels of agreement on the outcome of human capital on performance. The respondents agreed that there were insufficient learning

opportunities for experienced employees, with a mean of 3.49. A mean of 3.62 was agreed in that their organization employs people who have experience in their area of specialization. A mean of 3.80 agreed that the organization's management can identify the gap for future success. The respondents had different views some employees felt like the opportunities were efficient others felt that the opportunities were not effective depending on the organization, they worked for this was supported by an aggregate standard deviation of higher than 1.0.

4.4.5 Technology

The responses were on the level of agreement or disagreement on statements based on technology. The results are given in the appendixes Table 10.

Table 11: Technology competence factors

Technology	Mean	Std. Deviation
System for feedback or evaluation of services	3.39	1.446
New and innovative products are a result of customer analysis	3.26	1.518
Customer's innovation opinion matter	3.40	1.620
Innovate a product when are very sure to satisfy customers	3.23	1.417
Methods of offering products &/ services do change easily due to technological changes	3.51	1.496
Continuously generate new ideas	3.28	1.479
The company always copies what is being done by competitors without developing it	3.43	1.461
Always sensitive to competitor's research and development actions	3.63	1.370
Require a highly technological machine	3.66	1.372
Technology is capable of changing customer tests & lifestyle	3.26	1.478
Research & development department in most activities	3.47	1.450
The organization supports and invests in innovation	3.36	1.551

Always keep the ICT department up to date	3.36	1.465
Use the most recent technology	3.32	1.550
Average	3.40	1.48

The aggregate score in Table 11 shows that the $M = 3.40$; $SD = 1.48$. This is an indication that the respondents were neutral that technology influenced performance. The result is supported by the high standard deviation, showing that employees vary in their opinions. However, a mean of 3.66 agrees that most of the design of our services requires a highly technological machine which we make use of very sure. In addition, the extent to which respondents were neutral that organizational support and investing in innovation, is with a mean of 3.36, while there was a mean of 3.63 when it came to those who agree that we are always sensitive to our competitor's research and development actions. A mean of 3.26 they are not sure that most of our new and innovative products are a result of customer analysis. Respondents answer with a standard deviation of 1.37 - 1.62 the respondents had divergent views; this could be a result of other companies being more innovative than others.

4.5 Regression Analysis

The hypotheses test were conducted using regression analysis: However, before the test was carried out, it was significant to carry out quite a lot of diagnostic tests to confirm whether the data fitted the model. This is in line with Joseph F. et al., (2010) recommendations.

4.6 Testing of Hypotheses

This section presented the findings based on the research hypotheses. Results are presented as follows:

H1: There is a significant relationship between Human capital and organizational performance of companies.

H2: There is a significant relationship between Technology competency and organizational performance of companies.

Table 12: Regression Results for organizational resources and performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.662 ^a	.438	.431	.55312	.438	62.410	2	160	.000

a. Predictors: (Constant), Human Capital, Technology

b. Dependent Variable: Firm Performance

The adjusted R square shows that 43.1% of performance (the dependent variable) is explained by human capital and technology (the independent dependent variables).

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.045	.249		4.195	.000	.553	1.537
Technology	.240	.050	.296	4.777	.000	.141	.339
Human Capital	.528	.064	.511	8.230	.000	.401	.654

a. Dependent Variable: Firm Performance

The findings are statistically significant since $p < 0.05$.

Summary								
Model	Unstandardized Coefficients		Standardized Coefficients	T	P	Adjusted R Square	F	
	B	Std. Error	Beta					
(Constant)	1.045	.249		4.195	.000			
Technology	.240	.050	.296	4.777	.000		62.410	
Human Capital	.528	.064	.511	8.230	.000	.431		
a. Dependent Variable: Firm Performance								

Both technology and Human capital have a statistically significant influence on the performance of the company since $p < 0.05$ ($P = 0.000$ for both independent variables). Therefore, Both Hypotheses stated **above are accepted**.

Both technology and human capital are positively affecting performance. When technology variables increased by 1 standard deviation the performance will increase by 0.296 units. Similarly, when Human capital increased by 1 standard deviation the performance will increase by 0.511 units.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	.662	.438	.431	.55312
a. Predictors: (Constant), Technology, Human Capital				

Coefficients									
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	1.045	.249		4.195	.000	.553	1.537		
Human Capital	.528	.064	.511	8.230	.000	.401	.654	.912	1.096
Technology	.240	.050	.296	4.777	.000	.141	.339	.912	1.096

a. Dependent Variable: Firm Performance

$$\text{Firm Performance} = 1.045 + 0.511 \cdot \text{Human Capital} + 0.296 \cdot \text{Technology} + \text{error}$$

$$Y = 1.045 + 0.511HC + 0.296TC + \varepsilon$$

Results

Table 11 shows that the adjusted R-squared is 43.1%, meaning that the independent variables jointly explain approximately 43% of variations in the dependent variable, while the rest are explained by other variables not included in the model. Therefore, the model can reliably be used to test the influence of human capital on performance to some extent. The F statistic is 62.41, with a P-value of 0.000, which implies that the independent variable is significant in explaining variations in brewery firms' performance.

Hence, human capital is significant in explaining variations in performance. The human capital coefficient is positive and significant at 0.511 and P value = 0.000 < 0.05. The regression results indicated that an increase of human capital by one unit (If others remain constant) would have a

corresponding increase in performance by 0.511 units. Similarly, technological competence is significant in explaining variations in performance. The technological competence coefficient is positive and significant at 0.296 and P value = 0.000 < 0.05. The regression results indicated that an increase of technological competence by one unit (If others remain constant) would have a corresponding increase in performance by 0. 296 units.

Discussions

Therefore, at a 95.0% Confidence Interval, the result is implying that human capital has a significant effect on the performance of brewery companies in Ethiopia. Since the coefficient for human capital is positive and significant, it can be inferred that human capital has a positive effect on the performance of brewery companies in Ethiopia.and that implies that **the first hypothesis is accepted**. This agrees with Teguh et al (2021) findings that human capital creates performance in a firm if it is fruitfully used (Teguh et al., 2021). The findings were also in line with Guthrie, Flood, Liu, and Mccurtain (2009) that human capital leads to better performance. In addition, the finding is similar to the findings of Raharjo et al., 2018 of a firm's human resources have a significant effect on employees' performance (Ahmadi & Al-Ahmadi, 2014). The findings are in line also with the findings of Nyberg *et al.* (2014) that human capital results in superior performance (Nyberg et al., 2014). The RBV theory by (Barney & Hesterly, 2019) heavily supports the findings in that human capital are unique and costly to copy, hence it directly relates to superior performance as shown in table 11. The findings also support Raharjo et al., 2018 Organizational Culture has a significant direct effect on Job Commitment then will lead to company performance. Likewise, the effect of Organizational Culture and Job Commitment on Human Resource Performance is also significant. However, (Raharjo et al., 2018)

The second hypothesis sought to establish whether a technological competencies affect organizational performance in the brewery industry in Ethiopia. A hypothesis was formulated with the assumption that there is a relationship between technological competencies and the firm's performance in the brewery industry in Ethiopia. Thus, **the study accepted the**

hypothesis at a 1% level of significance. Therefore, for the Ethiopian brewery industry, technology competencies have a significant effect on organizational performance. This is in line with Arifin et al., (2012) findings which indicated that investment in technology, specifically research and innovation, and development, directly contributed to the higher performance of a firm as also cited by Abid & Gulzar, (2018) (Abid & Gulzar, 2018; Arifin et al., 2015)(Arifin et al., 2015). Mu et al.’s (2020) findings agree with the current findings that technology through innovation brings out new products which contribute to high performance (Mu et al., 2020). Furthermore, the findings of Lisboa *et al.*, (2011) support the current study’s findings in concluding that technology and performance have a positive and significant relationship (Lisboa et al., 2011).

Reason for company profitability

There might be several reasons for the performance of the companies in different dimensions. The majority of respondents agreed that the company's profitability increased when the customer's income increased, new product introduction, and product differentiation. Furthermore, respondents strongly agreed and agreed companies’ profitability can be reduced by the high cost of operation.

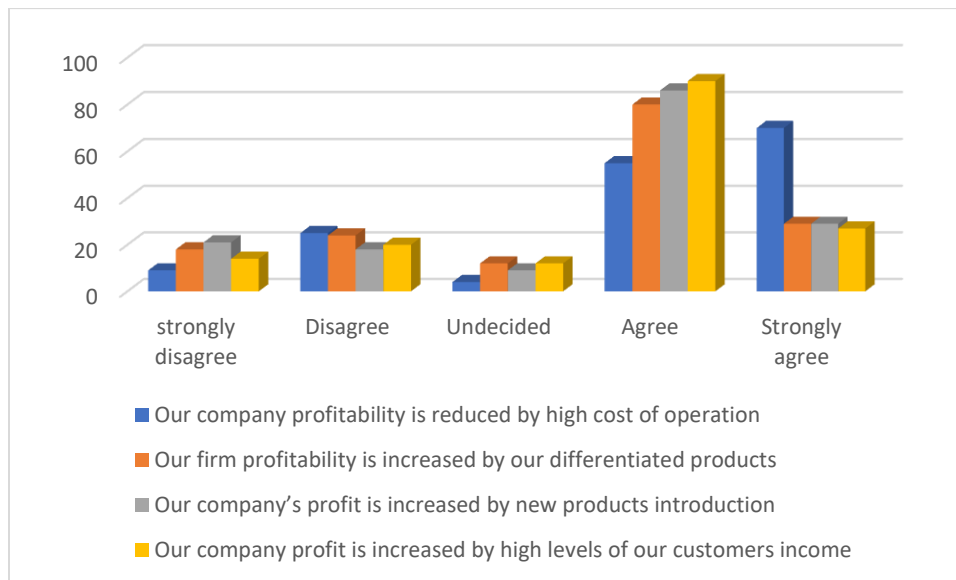


Figure 4: Reason for company profitability

Rank the reasons for the company’s market share increase in the order of performance. The respondents are requested to give their ranking based on a 5-point Likert scale. The responses are leveled at 1 for not

important, 2 for less Important, 3 for Important, 4 for Slightly Important, and 5 for Most Important. Results are presented in the following chart. Respondents give their agreement for advertisement and promotion can play a role in market share increment a little higher than others. But the number of respondents who disagreed and strongly disagreed is also significant. These might be due to the current Ethiopian government restriction on the advertisement of any alcohol content products on mainstream media. More than an average number of respondents support frequent offers of products/services in brewery companies in Ethiopia can increase market share. The respondent also gives higher support (agreement) importance of easy access to products/services that can increase market share in brewery companies in Ethiopia. The majority of respondents emphasized the high importance of providing a variety of products/services for market share increment. More than half of the respondents supported the quality of the product and services of brewery companies in Ethiopia as important for the company's market share enhancement. The last question was on the importance of a clear and strong supply network for a company's market share increment. The majority of respondents supported the importance of a clear and strong supply network for the company's market share increment.



Figure 5: Reasons for market share increment

Different Researchers discussed many important factors that are available affecting the performance of the companies such as technology, human resource, finance, managerial skill, national policy, geographical, and other natural factors.

Technological development theatres a vital part to impact the of business productivity and effectiveness. The application of communication technology and mechanical advances to the process of manufacture takes faster the industrialisation to an extraordinary grade. Technology has also given the visualization of the massive and uncharted boundaries that lie forward against others. The technological aspects contain the grade of mechanisation, product design, technical know-how, etc.

The Workforce plays a momentous part in floating industrial production in the utmost of industries. If the labor power is not effectively capable and/or is not appropriately inspired, all the stages engaged to rise the business yield will have no outcome on the employees and the company's performance. Qualified and skilled managers are essential to building and sustaining systems and achieving technological development. Now a day, companies are collaborating on a large scale, and the managers must mind, be motivated, and be ready for complex system handling. The administrators must be dedicated to their occupation and know their social responsibilities to the suppliers, customers, workers, business, government, and society. This is critical for managers to manage their organizations successfully well. Furthermore, managers need to have good human relations, conceptual understanding, and technical skills to upsurge the productivity of the company.

External factors like national policy, natural factors, and incidents also have a key effect on the company's performance. The national industrial policies of the Government have an imperative influence on the company's productivity. Because the Government policy frame and implement how to conduct business in general and create favorable conditions for investment, saving, and drift of capital from one sector to the other. It includes both domestic and international scenarios and the protection of national resources. In practice, governments were granting protection, and providing incentives to certain industries and leaving the others from those benefits for development because of the national interest. Governments also follow different taxation policies which promote some industries and sectors to encourage the further expansion of business. The Government aims to assure the benefits of their enterprises so that the interest of the consumers and the workers, are not jeopardized inside the country. All incentives and protections will also have an influence on the performance of industries.

Similarly, natural factors such as geographical, natural incidents, and climatic practices have a substantial influence on the business output of firms. The comparative standing of these factors is contingent upon the nature of the business (industry), products and services provided, and the extent to which conditions are well controlled. The geological location and proximity also have an overriding role in defining the productivity of particular industries. For example, the topography of the district and the quality of raw materials available determine the output. In other industries, geographical, geological, and physical factors also influence the productivity of manufacturing units.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This research investigated the effect of a firm's resources on the performance of Ethiopian brewery companies. The main objective was to establish whether firm resources (human capital and technology) affect the performance of brewery companies in Ethiopia or not. The hypothesis was accepted since the finding shows there is significant evidence for the effect of a firm's resources on the company's performance.

Therefore, the conclusion can be there is an implication that the human capital and technology resources of firms had a significant effect on the performance of brewery companies in Ethiopia. This could be a result of the human resource being exclusive and non-replicable. The companies indicated that the working experience including experience in various specializations of the employees was important. Since experience is valuable in the firm and can be applied to another company. Regular training and development of human resources were shown to be vital since they can reduce turnover and increase organization exclusivity. In the organization, continuous learning which influences performance allowed human capital to have up-to-date knowledge. Employees' ability to solve problems that enabled better decision-making was indicated in the results. The result was also similar to the findings of Raharjo et al., 2018 of a firm's resources have a significant effect on employee performance (Ahmadi & Al-Ahmadi, 2014).

The second specific objective aimed at establishing how technological competencies affected the performance of the brewery companies in Ethiopia. Based on the fact (in this study) that technological competencies had a significant effect on the performance of the brewery companies in Ethiopia. This would have resulted from the technical ability to produce new products. As far as technology was concerned, research and development were found to be the main elements of new technology. The result also supports the study by Parker, 2011 findings of technology has an effect on the company's performance, learning, and leadership (Parker, 2011). Innovation was also found to be a key requirement as it led to new ideas, products, and services, and it enabled complex production processes and technology can contribute meaningfully. The

findings showed that if a company kept on changing the method, they used in giving services, performance would improve, hence the reason why the recent technology had strongly influenced the performance of brewery companies in Ethiopia. The other objective sought to investigate human capital and technological competencies cumulatively had whether significant effect on influencing the performance of brewery companies in Ethiopia. The findings proved that the combination has had a positive significant effect on the influence of the organizational performance of brewery companies in Ethiopia. Lastly, the human capital factor had more effect than technology on the firm performance in the case of brewery companies in Ethiopia.

In conclusion, firm performance is the main consideration in all organizations. This study examined how organizational resources affected the performance of brewery companies in Ethiopia based on the empirical findings of the study. Human capital was found to be statistically significant in influencing the performance of brewery companies in Ethiopia. Consequently, managers need to give enough emphasis to motivate human resources for better performance in the company. Besides, more training and development in the companies are required to enhance the knowledge and skills of employees. The study shows also, that technology had a significant effect on the performance of brewery companies in Ethiopia. So, technology is a vital resource in prompting the performance of brewery companies in Ethiopia. Companies should retain their systems to technological updates to cope with the dynamic customer needs.

5.2 Recommendations

These findings confirm the conceptual model and recommend some managerial implications. First, human capital, among other organizational resources, should be considered to be unique as one of the major contributors to performance, since it was found to be positive and significant. Then, the human resource executives need to set more energy by investing in people over training and development to enhance knowledge and skills that will enable them to identify factors that improve performance in the brewery companies in Ethiopia. Management has to pay enough attention to technological changes. In addition, the management should put more emphasis and pay additional attention to innovations since they are essential instruments in giving a competitive advantage, which leads to high organizational performance. Furthermore, research and development appear to be critical drivers for organizational performance. It is supported as a connection of positive effect on the performance of the organization. Moreover,

information technology managers should focus and capitalize on critical advanced systems to attain good results.

The company's management needs to demand the government through an organized and systematic way, to address the issues on industry policy and regulations which will assist them in efficiently serving the market and hence improve the organizational performance. The organizations need to the porch the government enhances a conducive economic operating environment through fair price control and better taxation that will guard the market.

5.3 Further Research

The researcher recommends that more research needs to be conducted in other industries and companies in Ethiopia. This research can be replicated then had better use of a longitudinal approach by including other variables/parameters. Since performance is a process that occurs over time, inferring that a longitudinal approach would have been suitable. In brewery companies, multi-branding has been done by different companies, which is major anxiety. This is an area that requires further research to establish factors behind the need for multiple rebranding. Furthermore, a combined study could be passed on pricing strategies consumer behavior, and performance in the same business. Finally, the researcher recommends that future searchers study by using the qualitative method to have more detail and reasons for how the performance can be influenced by a firm's resources and include more indirect relations. The study also used Human capital and technology as the firm's resources but other researchers need to consider other intangible and tangible variables like capital, Intellectual Property, and other several variables. Furthermore, the researcher recommend further study with a better measurement method of the dependent variable (Organizational performance).

Ethical Issues

Consent to undertake the research ensured, that the study is obtained from the relevant authority and respondents. The issue of confidentiality was addressed by assuring respondents that the information they provided was used specifically for research only. The respondents had not forced to fill out the questionnaire if they were not willing. The researcher assured that there was no gain or loss for failing to participate in the research.

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APPENDIX 1

Table 13: Response to Profitability and Market Share of Firms

		Profit after tax did					Total		Mean	Std. Deviation
Year		None or loss	Less than a million USD	1million-20million USD	21milli on-40 million USD	Above 40 million USD				
2016	Frequency	11	36	19	34	63	163	3.63	1.366	
	Percent	6.7	22.1	11.7	20.9	38.7	100.0			
2017	Frequency	10	38	6	41	68	163	3.73	1.370	
	Percent	6.1	23.3	3.7	25.2	41.7	100.0			
2018	Frequency	11	33	24	48	47	163	3.53	1.283	
	Percent	6.7	20.2	14.7	29.4	28.8	100.0			
2019	Frequency	33	18	22	37	53	163	3.36	1.527	
	Percent	20.2	11.0	13.5	22.7	32.5	100.0			
2020	Frequency	10	26	41	41	45	163	3.52	1.224	
	Percent	6.1	16.0	25.2	25.2	27.6	100.0			
							Average	3.554	1.354	

The rate of market share increase

		0%	1-25%	26-50%	51-75%	above 75%	Total	Mean	Std. Deviation
2016	Frequency	10	31	21	32	69	163	3.73	1.343
	Percent	6.1	19.0	12.9	19.6	42.3	100.0		
2017	Frequency	5	28	15	38	77	163	3.94	1.239
	Percent	3.1	17.2	9.2	23.3	47.2	100.0		
2018	Frequency	10	23	26	38	66	163	3.78	1.282
	Percent	6.1	14.1	16.0	23.3	40.5	100.0		
2019	Frequency	9	30	26	27	71	163	3.91	1.276
	Percent	5.5	18.4	16.0	16.6	43.6	100.0		
2020	Frequency	9	30	26	27	71	163	3.74	1.331
	Percent	5.5	18.4	16.0	16.6	43.6	100.0		
							Average	3.82	1.2942

APPENDIX 2

QUESTIONNAIRE

Part A: Personal Data

1) Kindly indicate your job category (tick where appropriate: If you are using a soft copy please click on the tick box of your selection and to unselect it click on it again)

Executive Manager Supervisor Others (Specify).....

2) Please tick Length of your service (tick where applicable)

Less than 5 years between 5-10years over 10 years

3) Please indicate the highest level of education that you have completed

High school College Diploma Bachelor Degree Masters PhD

Part B: Organizational Bio data

4) Please tick the name of your company

Meta Abo brewery Heineken Brewery BGI Brewery

Dashen Brewery Raya Brewery Habesha Brewery

5) Year of incorporation (Tick where appropriate)

Before 1980 Between 1981-1990 Between 1991-2000

Between 2001-2010 After 2011

6) Ownership structure (tick as appropriate)

Privately owned (local) Government owned Both government and privately owned

Foreign owned Both foreign and locally owned

Other (please specify _____)

Part C: Performance of the brewery companies in Ethiopia

7) How much profit after tax did you get from your company in the last five years? Use the key below as appropriate.

Profit(USD)	None or loss	Less than a million	1million-10million	11million-20 million	Above 20 million
Year					
2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8) To what extent do you agree with the following statements concerning you company profitability? Please tick where appropriate.

1=strongly disagree 2=Disagree 3= Neutral 4= Agree 5=strongly agree

Statements	1	2	3	4	5
Our company profitability is reduced by high cost of operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our firm profitability is increased by our differentiated products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company’s profit is increased by new products introduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company profit is increased by high levels of our customers income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9) Is the market share of your company market share increased in last five years?

Yes No

If the answer is yes. Please distribute the rate of market share increase per year for the last five years.

Tick appropriately.

Rate of market share increase	0%	1-25%	26-50%	51-75%	above 75%
Year					
2020	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2017	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10) Is your company market share is increasing in the last 5 years

Yes No

If the Answer is yes, please Rank the reasons for your market share increase in order of performance

1= not important 2= less Important 3=Important 4=Slightly Important 5= Most Important

Description	1	2	3	4	5
Advertisement and promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Frequent offers of our products &/ services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low short messages service cost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Easy access of our products &/ services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variety of products &/ services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of products &/ services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clear and strong supply network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part D: Human Capital

11) To what extent do you agree or disagree with the following statements regarding the human capital.

Use the key below to tick as appropriate.

1=strongly disagree 2=Disagree 3= Neutral 4=Agree 5=strongly agree

Description	1	2	3	4	5
Knowledge					
Our employees have the suitable education to fulfill their jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company encourages us to learn continuously	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company carry out training frequently	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Highly skilled employees turnover does affect our production or customer services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Acquiring skills in our company is through job rotation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We freely share the knowledge within the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We have mentorship programs to facilitate knowledge exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
As employees we are knowledgeable in all areas of our organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No one knows the company's job better than company's employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company creates time for our employees to advance their education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability					
When the company is faced by challenges every employee is in a position to make the right decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our employees are able to learn and improve from previous mistake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our employees are able to solve our company's problems without exposing them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our management is able to identify the gap for future success	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our employees do not quit job because short lived problems instead they address them	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our employees in different departments have always addressed departmental problems accordingly without difficulties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Experience					
I have learnt more from interacting with my colleagues than theory on how to operate our process effectively	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel that there is an inefficient learning opportunities from experienced employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of years an employee has worked for are very important	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

We employ people with who have experience in their areas of specialization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We prefer fresh graduates without experience so as to gain company's specific experience.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The experience gained in our company by employees help them in other organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Part E: Technology

12) Please indicate the level of agreement or disagreement with the following aspects relating to your company technology and Sustainability of competitive advantage.

1= Strongly Disagree 2= Disagree 3= Indifferent 4= Agree 5= Strongly Agree

Description	1	2	3	4	5
Technology					
We always ask our customers about our IT system for feedback or evaluation of our services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most of our new and innovated products are as a result of customer analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers innovation opinion matter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We innovate a product when we are very sure that it will satisfy our customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our methods of offering products &/ services do change easily due to technology changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We continuously generate new ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our company always copy what is being done by our competitors without developing it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We are always sensitive to our competitors research and development actions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Most of design of our services require high technological machine which we make use of	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our technology is capable of changing with our customer test & lifestyle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

We always involve our research and development department in most of our activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our organization supports and invest in innovation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We always keep our ICT department up to date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We use most recent technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU!!!

APPENDIX 3

QUESTIONNAIRE LETTER

Endale Zerga

Addis Ababa, Ethiopia

[Email:- endale.zerga18@gmail.com](mailto:endale.zerga18@gmail.com)

Dear Respondent,

I am MBA student at Addis Ababa University. Currently am conducting a research to investigate effects of organizational resources on firm's performance of the brewery companies in Ethiopia. The results of the study will form a basis for formulating ways of enhancing firm better performance through generated components of organizational resources of Brewery industry in Ethiopia by resource based view perspective.

In answering your questions please be assured that your responses will be treated with utmost confidentiality and answers will be used for this research purpose only. Kindly read each question and please tick or write as necessary.

If you have a query regarding this research please feel free to contact me through my mobile phone number +251 913 127296 or via my email (endale.zerga18@gmail.com)

Thank you for your cooperation.

Yours Faithfully

Endale Zerga