Impact of resource management on MNCs for survival and growth in a dynamic/consolidating market: Case studies on Telecom MNC
"Impact of resource management on Multinational corporations for survival and growth in a dynamic/consolidating market: Case studies on Telecom Multinational corporation"

Abstract

International emerging markets, being a matter of interest for Multinational Corporations (MNCs), is regularly researched by scholars for better future understanding. In this regard Resource Base View (RBV) and Resource Management theories are regularly matched and further developed. However, this research paper takes the boundaries from emerging markets to consolidating yet dynamic high-tech markets where research efforts could not be traced to adequate level.

This paper has taken theories of RBV, RBV on International Business(IB) and Resource Management. It compared its validation with empirical evidences derived from case study of two mobile telecom MNCs cases which started operating in Pakistan when industry was emerging but soon entered in consolidation stage as high-tech industries are dynamic in nature. An extended evaluation was made by analyzing impact of environmental dynamic factors on these specific MNCs in light of 'Resource Management Process & Distinctions' which lead us to the following findings:

Possessing good resource base is essential for MNCs during international ventures but the resource as core capabilities may not develop into competitive advantage if these resources are not structured, bundled and leveraged adequately as per industry dynamism, especially when industry is moving into consolidation phase. It is also learnt that MNCs may advantage from its headquarter's past set of experience. Yet at the same time subsidiary's locally controlled customization also benefits over all resource management process. Empirical findings of these cases gives us a good reason to consider 'shareholder's long-term vision/intensions' as well, being an important element in sustenance or success of such high tech MNCs. The research work opens further arenas for future studies such as comparison of conclusion and their generalization with other industries in same country or same industry in other countries with similar environmental dynamics.

Key words: RBV, Resource Management process, emerging market, Telecom Industry.
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In addition we thank our families for enormous emotional and financial support to accomplish our goals. We are thankful to our friends for cheering up when intense study pressure grasps us with boredom.

Finally, we hereby confirming that our master’s thesis had been conducted and written by ourselves. All contribution and quotation cited in the text and acknowledgements.

Thank you!

Halmstad 2018-05-22

Muhammad Babur Khan Durrani and Rahenul Islam
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1.0 Introduction

Growing International markets has always been a mark of interest for foreign firms. Especially when their own markets are not large enough to offer rewarding ample growth opportunities (Bell, McNaughton, & Young, 2001). Another reason for these firm's continuous search for foreign markets is their own or peripheral ‘mature markets’ in the area they operate. The proposal enhances attraction for MNCs when industries in emerging market are deregulated since they possess strong competitive advantages compared to local actors. Thus, not surprisingly, such industries get dominated by MNCs soon after deregulation (Prahalad, 1998).

However, unlike generic product markets, high tech industry has tendency to reach market maturity swiftly. One characteristic of these industries is that they are very dynamic and change quickly due to new technological innovations (Martín-de Castro, 2015). This together with the fact that the country’s institutional set-up (laws etc.) and infrastructure are developing fast, makes these industries a very vibrant business landscape.

Very often, these industries reach a stage of saturation, where players only can grow through consolidation activities such as M&As. This situation is especially true for telecommunication industry where industry life cycle reaches maturity in same fashion. It’s then, when firms frantically fight for market share from each other as no untapped space is left for any player to capitalize upon. This cut-throat competition becomes one reason for directing industry towards consolidation in form of either mergers or acquisitions for some industrial players (Johnson, Whittington, Choles, Angwin, & Patrick, 2017). And some survive and fightback keeping their identity and entity intact. Firms when expanding in foreign markets do face challenges in regard to cultural, legal, political or social framework (Denk, Kaufmann, & Roeach, 2012). Some manage the challenges through their resources in better way converting the situation in a competitive advantage. Others do not. Some firms play it well and others fail to profit on it.

This issue of result variation in high tech industry within same foreign environment possessing almost same resource leaves us inquisitive and forces us to investigate further in the nature of problem.
1.1 Problem:

The international business literature has for a long time emphasized on potential challenges and hindrances that foreign MNCs experience when entering a new market. Among others as stated, few hindrances are Liability of Foreignness (LOF) and institutional challenges (Institutional Void).

LOF originated from Hymer, (1976) is stated as ‘the Cost of Doing Business Abroad’ (CDBA). Concept as, lack of environmental familiarity comes from cultural, political, and economical differences in the geographically distant foreign markets can incur significant additional cost of doing business for the Multinational Enterprise(MNE) (Gaur, Kumar, & Sarathy, 2011).

Explaining Institutional Void; institutions are the basic building block in social, political, and organizational life as they shape the behavior, perception, and preferences. Institution includes governance structure, social arrangements, norms, rules, and ways of thinking of an organization (Meyer & Rowan, 1977; Scott, 1987). ‘Institutional Voids’ is referred as absence of such institution or institutions with weak management, such as poor governance mechanism which can have a serious impact on development of effective market and economic growth (Peng, 2003; Khanna & Palepu, 1997).

However, such research commonly focuses on the initial entry of an MNC in an (emerging) market. Presumably, we still lack studies that concentrates on the do’s and don’ts leading to success/failure of organizations while operating in foreign markets considering the management of resources and capabilities. Further expanding, ‘survival’ in a foreign market that is consolidating or/and changing rapidly due to the dynamism and fast evolution may be deeply discussed. It can reasonably be assumed that firms that successfully entered such markets initially, may or may not enable themselves to develop and manage the resources and capabilities in order to successfully maintain their positions, survive or succeed.

Based on the above, we ask the following research question:

How do Multinational Corporation manage their resources in order to prosper/survive in a dynamic/consolidating emerging market?
1.2 Purpose:

The problem identified comes under umbrella of ‘applied business research’ where the aim is to create a comprehension and understanding of a specific problem/phenomenon that occurs within organizations (Sekaran & Bougie, 2016). One of the main purpose of this thesis is to make theoretical contribution to the Resource Base view (RBV) and Resource management literature with empirical evidence by exploring with two in-depth case studies in MNC’s resource management practice to survive/prosper in a dynamic/consolidated emerging market.

Keeping ‘Resource Base View’ (RBV) and ‘Resource Management’ theory in perspective, the research work will help in understanding phenomena related to high tech foreign firms’ internationalization process in Pakistan’s Market. The study will certainly help firms already operating in Pakistan’s environment to understand issues of appropriate utilization of resources in hand (A Resource Management) or will help firms that has future intensions to enter Pakistan’s high tech consolidated market.

Companies having adequate resources in similar environment may generate different results. This brings us to look into strategies such as internal adaptation in result of environmental dynamism and we, as author, feel that this has not been adequately studied yet. Adding, as we interpret most existing literature is about entrance into foreign emerging markets, however we need to explore more on companies who already are operating in such markets facing environmental changes.
2.0 Theory

Understanding initial phenomenon while entering emerging markets we have already briefly touched Liabilities of Foreignness and Institutional Void. However, to probe into the research question, Resourced Based View perspective is analyzed initially. We are further probing into the theory of Resource Management as well which will not only give us perspective of resources in hand but also how important it is to make use of these resources for successful operations during emerging and consolidating dynamic industry.

2.1 Resource based view perspective (RBV):

International firm may look into resource-based view perspective for further strengthening its grounds. Achieving Sustained competitive advantage has been major thrive for most of the organization. Extensive research and direction for firm’s sustainable competitive advantage has been done in strategic management field (Barney, 1991; Porter, 1991; Rumelt, 1982). Porter (1991) suggested that firms should gain sustainable competitive advantage by analyzing external environment for opportunities and threats. Whereas, Penrose (1959) proposed firms should sustain competitive advantage by focusing internal resources, such as; strength and weakness to grab the opportunities and neutralizing threats. Later Barney (1991) proposed a framework to firm’s sustainable competitive advantage by development of valuable, rare, imperfectly imitable and non-substitutable resources. Firm’s resources can be addressed by three distinctive categories, such as: Physical capital resources (Barney, 1991; Williamson, 1975) includes firm’s plant and equipment, geographical location, raw material source; Human capital resources (Barney, 1991; Becker, 1985) such as experience, judgement and knowledge of firm’s managers and workers; and Organizational capital resources (Barney 1991; Tomer, 1987) which includes firm’s “formal and informal planning, controlling and coordinating systems, as well as informal relations among groups within a firm and between a firm and it’s environment” (Barney, 1991, p. 101). In Barney’s (1991) study, Human resource, specifically the Managers has a central emphasis as manager’s skills are essential to identify and analyze the firm’s valuable, rare, imperfectly imitable and non-substitutable resources.
Here Peng enhances our vision by looking at RBV in perspective of international market’s dynamism. Accordingly, Peng (2001) suggests that firm’s strategy should align with external environment dynamics during their internationalization process, since internationalization cannot be seen isolated from external environmental change. Firm must acquire required resources and capabilities to sustain in a foreign market (Johanson & Vahlne, 1977; Penrose, 1959). To acquire this resource and capabilities, Uppsala Model includes firm’s learning process and experiential knowledge development during their internationalization process as resource-based development that can impact firms’ growth in foreign market (Johanson & Vahlne, 1977). Teece et al. (1999) also emphasized on learning and skills development as central strategic resource-based development for economic profit with scarce resources.

In response to RBV’s limitation to explain the phenomena about ‘how and why’ certain firms successfully maintaining competitive advantage in a dynamic environment with RBV’s less concentration on management skills and knowledge in coordinating process, strategy researchers Teece et al. (1997) extend the RBV literature by introducing the dynamic capabilities as acquiring resources. With manager’s adequate knowledge to build and re-configure this resource in a constantly changing environment (Doh, 2005), RBV’s contribution with dynamic capabilities can help MNCs to understand and response with specific resource configuration in face of intense pressure from competition and rapidly changing environment.

2.2 RBV on International Business(IB)

RBV has significant contribution to the international business research. Peng (2001) pointed that RBV enhanced the research area based on MNCs management, market entry, international entrepreneurship and emerging market strategies. Most of IB researchers agreed that MNC face substantial LOF in foreign market specially in emerging market economies. To overcome this Peng (2001) suggested that MNC need to equip the firm-specific advantage such as administrative heritage, organizational practice and bargaining power.

RBV helped to connect strategic research on product diversification with international diversification by pointing that managerial capabilities can derive from product diversification
experience that will enhance the managerial efficiency for international diversification (Hitt, Hoskisson, & Kim, 1997). MNCs' capabilities to effectively transfer and exploit knowledge within firm's different subsidiaries in different markets give them extra edge for long-term existence in the market, and most of the research focus on how MNC's headquarter transfer knowledge and capabilities to subsidiaries in different region (Peng, 2001). However, Birkinshaw (1996) noted that subsidiaries' success and growth depend on their own distinctive capabilities coming from their own efforts of subsidiary management locally rather than directives from parent company. But, Luo and Peng (1999) stated that if subsidiary firms only concentrate on locally centered distinctive capabilities without global motivation and direction, parent MNCs cannot develop any firm-specific advantage from this subsidiary. However, MNCs and its subsidiaries both can be benefitted if subsidiaries' capabilities and knowledge can outflow to the parent MNC with associated incentive structure and at the same time headquarter have to develop motivation to learn from subsidiary (Peng, 2001).

RBV also explains that top manager's significant international experience can lead to firm's competitive advantage as firm's 'tacit knowledge' and this advantage positively is related to firm's higher performance over the firms whose manager do not possess that knowledge. Lee and Miller (1999) also found that MNCs' higher performance is related to firm's perception about employees as a competitive advantage. Meyer (2001) noted that MNCs usually have significant LOF in emerging economies due to different institutional settings, but Luo and Peng (1999) found that MNC can capture early mover advantage with higher resource commitment in emerging economies and they can also get significant gain by learning from diverse local setting experience (Peng, 2001). Usually large Global company or Multinational Enterprises possess the capabilities to enter in multiple market or industry and achieve sustainable competitive advantage simultaneously. But, early research shows that highly performing business group in developed country mostly failed in emerging market (Peng, 2001). Khanna and Palepu (2000) pointed that global companies take poorly performing institutions of emerging economies for granted with unrelated diversification, but when competition get intense on those economies, they start to regulate properly. As a result, benefit from unrelated diversification becomes more difficult, and firm's rare and inimitable resource advantage start to fade out (Peng, 2001).
However, knowledge of RBV may behave as an asset of a firm but how to create sustainable competitive advantages and capitalizing on knowledge and resources considering environmental dynamism, is entirely different ball of game. For that matter, we will step up our theoretical references to ‘Resource Management’.

2.3 Resource Management

As stated by Conner, creating and maintaining value is primary focus of any business (Conner, 1991). Resource base view specially suggests that possessing valuable and rare resources that are not imitable and has lacks substitution may be turned into competitive advantage (Barney, 1991). Nevertheless, such resources do not guarantee value creation or creating competitive advantages (Sirmon & Hitt, 2003). At this juncture, RBV needs to be connected with resource management and value creation. Understanding of this linkage is based on examining the effects of firm’s external environment on managing resources. (Bettis & Hitt, 1995). Thus, we probe into Resource Management literature further on.

As defined by Sirmon, Hitt, and Ireland (2007), “Resource management is the comprehensive process of structuring the firm’s resource portfolio, bundling the resources to build capabilities, and leveraging those capabilities with purpose of creating and maintaining value for customers and owners. Structuring the resource portfolio involves using processes (i.e. acquiring, accumulating and divesting) to obtain the sources that firm will use for bundling and leveraging purposes. Bundling refers to processes (i.e. stabilizing, enriching and pioneering) used to integrate resources to form capabilities. Leveraging involves the set of processes (i.e. mobilizing, coordinating and developing) used to exploit capabilities to take advantage of specific market opportunities. Thus, through an external orientation, the purpose of leveraging is to use capabilities to create solutions for current and new customers” (p. 273).

When a firm surpasses its competitors in terms of provision of solutions to customers and at the same time sustains or enhance profit margins, value is created. Value creation enhances when firm coordinate in and between every single part of resource management, so that difference between cost of firm and price paid by customer is enhanced (Sirmon, Hitt, & Ireland, 2007). Moreover,
environment in which the firm operate effect these resources managing processes (Lichtenstein & Brush, 2001). High environmental uncertainty and large environmental arena makes it really difficult to sustain a competitive advantage which resultantly makes a firm to develop series of temporary competitive advantage (Morrow, Sirmon, & Holcomb, 2007). While maintaining value (created previously) and simultaneously creating series of temporary competitive advantages allows the firm to create new value. Ultimately firm’s amount of value generation and maintenance overtime depends upon effective and efficient resource management within environmental context (Ireland & Webb, 2007).

Now that we have a basic concept of resource management, below the process of resource management is elaborated to enhance reader’s theoretical base.

2.4 Resource Management Process:

Having similar resources and environmental contingencies, firms resource management process can result in different outcomes (Zott, 2003). Thus, choices made during structuring, building and leveraging of resources with same identical conditions may create non-uniformity in firm’s outcomes (Sirmon, Hitt, & Ireland, 2007).

Causal flow of resource management model is depicted in Figure 1 representing a sequential dimension.
2.4.1 Structuring the Resource Portfolio:

The price paid for resource acquisition enormously impact the resource’s contribution to firms’ capability for value creation in terms of owner wealth. Internal development of resources is referred as ‘Accumulating’ which is necessary because of lack of capability of strategic factor market to provide all resources to firm (Sirmon, Hitt, & Ireland, 2007). As firms have limited resources, it is essential to evaluate and ‘divest’ resources that are less valued and generate wealth to acquire higher value resources (Uhlenbruck, Meyer, & Hitt, 2003).

2.4.2 Bundling Resources:

Capabilities are formed by the process called ‘Bundling’. ‘Stabilizing’ the bundling process is
intended to pitch in small incremental improvement in existing capabilities which ultimately contribute to value creation. ‘Enriching’ (capability extensions) bundling process is like grafting which synchs new acquired resources in existing capability (Puranam, Singh, & Zollo, 2003). Maintaining competitive advantage requires ‘pioneering’ as enriching can be imitable. Bundling of this type is based on Schumpeterian logic of innovative disruption. In high environmental uncertainty and dynamism, firms must choose continuous enriching and pioneering. On the contrary, stabilizing bundling process is not effective in high environmental uncertainty conditions (Sirmon, Hitt, & Ireland, 2007).

2.4.3 Leveraging Capabilities:

Then comes the ‘leveraging’ of capabilities which involves mobilizing, coordinating and deploying processes to create value. To win over market opportunities and gain competitive advantage, identification of capabilities and configuration is required (Prahalad & Hamel, 1994). Three leveraging strategies are identified which needs certain capability configuration, i.e. resource advantage strategy (using resources that outsmarts competitors), exploiting market opportunities (market opportunities for which firms has capabilities) and creating entrepreneurial opportunities (developing capability configuration producing new goods/services requiring new/existing market) (Sirmon, Hitt, & Ireland, 2007). Integration of mobilized capabilities in effective and efficient way to create capability configuration is ‘coordination’. This is followed by ‘deploying’ where capability configuration is utilized physically to support the chosen leveraging strategy. Under high uncertain/dynamic of environment, the resource advantage strategy is less likely to sustain competitive advantage. Market opportunity leveraging strategy will rather be more effective. (Sirmon, Hitt, & Ireland, 2007).

Ability of making swift, quality decisions by a firm in regarding to leveraging its capabilities highly effects the amount of value it creates for customers in highly uncertain competitive environment (Robert Baum & Wally, 2003).
2.4.4 Environmental Contingencies:

Industry uncertainty or competitors action affects the form and quantity of resources required in resource portfolio, the capabilities and leveraging strategies to gain and maintain competitive advantage. Dynamism is change regularity in the environment. Thus, industry structure change, market demand stability and environmental shocks are factors creating environmental uncertainty (Sirmon, Hitt, & Ireland, 2007). With blurring of industry boundaries in competitive setting, industry recipes become less well defined (Wan & Hoskisson, 2003). Thus, increased demand provides ample opportunity to all competing firms creating environment having reduced rivalry. As the demand neutralizes with market maturity rivalry gets intense.

Introduction of new technologies is affected by market demand. In high demand market, firms are willing to invest in innovation in expectations of positive returns. Such innovations effect consumer expectations and thus effects the consumer behavior (Sirmon, Hitt, & Ireland, 2007). Discontinuity in industry is created by unexpected events called market shocks (Tushman & Anderson, 1986). With occurrence of shocks, such as disruptive technology creation, industry recipes decline or may vanish.

Table 1: Resource Management process and distinction (Sirmon et al., 2007, p. 277)

<table>
<thead>
<tr>
<th>Components/Subprocesses</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structuring</td>
<td>Refers to the management of the firm’s resource portfolio</td>
</tr>
<tr>
<td>Acquiring</td>
<td>The process of purchasing resources from strategic factor markets</td>
</tr>
<tr>
<td>Accumulating</td>
<td>The process of developing resources internally</td>
</tr>
<tr>
<td>Divesting</td>
<td>The process of shedding firm-controlled resources</td>
</tr>
<tr>
<td>Bundling</td>
<td>Refers to the combining of firm resources to construct or alter capabilities</td>
</tr>
<tr>
<td>Stabilizing</td>
<td>The process of making minor incremental improvements to existing capabilities</td>
</tr>
<tr>
<td>Enriching</td>
<td>The process of extending current capabilities; although the degree of enrichment can vary, it extends beyond keeping skills up to date</td>
</tr>
<tr>
<td>Pioneering</td>
<td>The process of creating new capabilities with which to address the firm’s competitive context</td>
</tr>
<tr>
<td>Leveraging</td>
<td>Refers to the application of a firm’s capabilities to create value for customers and wealth for owners</td>
</tr>
<tr>
<td>Mobilizing</td>
<td>The process of identifying the capabilities needed to support capability configurations necessary to exploit opportunities in the market</td>
</tr>
<tr>
<td>Coordinating</td>
<td>The process of integrating identified capabilities into effective yet efficient capability configurations</td>
</tr>
<tr>
<td>Deploying</td>
<td>The process of physically using capability configurations to support a chosen leveraging strategy, which includes the resource advantage strategy, market opportunity strategy, or entrepreneurial strategy</td>
</tr>
</tbody>
</table>

Table 1: Resource Management process and distinction (Sirmon et al., 2007, p. 277)
3.0 Method

3.1 Research Approach:

Given the nature of research question we opt for 'Case Study' approach. As defined by Yin (1994), “a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when boundaries between phenomenon and context are not clearly evident”. Case Study is helpful when questions like ‘how’ or ‘why’ needs to be answered (Yin, 1994). It is well suited where the type of work is complimenting the incremental theory building from normal research science (Eisenhardt, 1989). Case Study method works excellent for researchers and respondents for checking their comprehension and thus keep asking questions until sufficient comprehension level is achieved. In-depth interviews are specifically applied when behavior of decision makers needs to be understood in different cultures. Thus, case study deepens understanding of research phenomenon because of access to longitudinal approach which involves repeated observations of same variables over a period of time (Ghauri, 2004). Since, our research objective is to understand the ‘how’ MNCs manage their resources to prosper/survive in a dynamic/consolidating emerging market, we did case study with qualitative analysis that gave us scope to dive deeper into two MNCs resource management process and practices with in-depth empirical data collection. Given the nature of our sample MNCs evolution, experience and performance in the industry, case study approach helped us to better understand the phenomena of both MNC’s resource-based capabilities with resource management process in an emerging market.

3.2 Choice of Case:

The choice of case study depends on the purpose of the study and thus can draw the possible conclusion from this case study (Merriam, 1998). For our thesis, we chose two MNC from telecommunication industry in Pakistan - an emerging market. By choosing, Two Telecom players from Pakistan as in 2005 when the companies started operations, telecom industry of Pakistan was among emerging market (Sargana, 2005) standing as a good example in regard to the research question in perspective. Telecom industry has a highly dynamic nature as it is a high-tech industry with constant technological advancement and rapid technological change. For our case settings,
we believed that high-tech dynamic telecommunication industry was perfect to find and understand the MNCs resource management process and strategy to survive/prosper in a dynamic environment. Keeping in mind of our theoretical framework, we have seen telecom industry showed the perfect life cycle from inception to maturity, which we found most interesting and appropriate to see MNC’s response and resource management aligned with the life cycle. It supports ‘Theoretical Sampling’ method where research begins with initial sample chosen for its relevance to the problem area and data then leads researcher to next sample as in per incremental development of empirical data and emerging theory (Merriam, 1998).

The case is chosen from Pakistan as emerging market, because one of the researcher is from Pakistan giving ease of geographical access, language leverage and economy. Telecom industry is selected because one of the researcher has worked for ten years in the industry. These facts reaffirming ‘convenience sampling’ (Merriam, 1998). The two companies, Warid Telecom and Telenor were chosen as both launched at the same time in similar environment. Also, one of the researcher has worked for Warid Telecom for 6 years giving advantage of convenience, data access and access to interviewees. Again consolidating ‘purposeful convenience sampling’ view (Merriam, 1998). Also, both companies show ‘maximum variation sampling’ as per market shares figures of 2018 (Statista, 2018); one company seemingly performing very well with 29.2% market share and the other with 7.59%.

3.3 Data Collection:

Primary data is collected through detailed interviews and transcription of 6 interviews. Interviews are conducted in English and Urdu language. Interviews are conducted both with existing and resigned employees of Warid Telecom and Telenor from mid managerial level to senior managers. Interviewees also involves an X Vendor employee, i.e. Ericsson, the hardware manufacturer of telecom equipment. Also, for data triangulation, empirical data is collected from Pakistan Telecommunication Authority annual reports, newspaper articles, websites and research articles. Data triangulation is collection of data through different sources regarding same phenomenon (Ghauri, 2004). This is also done to defuse post rationalization impact.
3.4 Interviewees:

To probe into the case, we interviewed past and present employees of both organizations and as well few of the vendors. We have extracted information and displayed in sequential manner which starts with factors which created changes in environment and industry followed by both organizations resource base (RB) and resource management(RM) separately. Analysis part compares Environmental dynamics with RB and RM to ascertain factors of influence. The interviews conducted were in ‘semi-structured format’, its begun as more like a conversation but with few predefined questions based on our research aim and guided by RBV and Resource management theoretical framework. Then more Questions also generated further depending on the answers of interviewees. Detailed interview guide is attached in the Annexure A.

<table>
<thead>
<tr>
<th>Interviewees name</th>
<th>Company &amp; Job Duration</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Asjad Khattak</td>
<td>Ericsson: 2004-</td>
<td>Manager support service.</td>
</tr>
<tr>
<td>Mr. John (name changed on request of interviewee)</td>
<td>Warid: Confidential</td>
<td>Confidential (Mid-level management).</td>
</tr>
<tr>
<td>Syed Tariq</td>
<td>Warid - 2004 to 2013</td>
<td>Zonal Sales manager.</td>
</tr>
</tbody>
</table>

Table 3: Interviewees name and designation
Riwan Zaidi was part of launching team in Warid, worked for 5 years in commercial division training department. Joined Telenor in 2010 as Head of Training Unit for commercial division. Hence forward it was two years in learning and development for Telenor Group having head office in Fornebo, Oslo, representing them in Pakistan.

Mr. John (name changed on request of interviewee) was also part of launching team in Warid since 2005. Designation: Confidential on interviewee request (Midlevel Management Position.)

Third interviewee was Mr. Asjad Khattak who was part of Ericsson (Telecom Infrastructure Vendor of Warid). He was leading administrative parts of Ericsson during launch period as Manager Support Services. We decided to take his interview to get a perspective from outside of the company but closely connected to overall Pakistan telecom sector and Warid’s resource management.

Shehzad Azam joined Mobilink in year 1996 as Customer Services Executive and then Warid as Regional Manager Customer Operations in year 2007 and served there till 2009. Presently he is General Manager, Quality Assurance and Training in Ufone.

Syed Zain Shah worked for Telenor for 11 years. Started carrier in customer operations department as part of launching team. Moved to Training & development and headed Sind and Baluchistan provinces. Further moved to Trade Marketing and ultimately in core Sales & Distribution Department.

Syed Tariq was part of launch team in Sales department of Warid Telecom as Zonal Sales manager from 2004 to 2013 with 20 years of sales experience. His job responsibility was to establish and promote franchise network in entire province of Baluchistan. He joined Ufone in 2013 as Regional Manager Sales.

3.5 Research Process:

In a scientific research, we are usually guided by two methods for our research. One is deductive reasoning to test the hypothesis derived from general theory in a topic of our interest, and then narrow down that theory into specific hypothesis we can test. Moving ahead, empirical data is
collected to further narrow down and test specific hypothesis to confirm theory (Sekaran & Bougie, 2016, p. 26). On the other hand, in inductive reasoning we start our process in opposite direction compared to deductive process. We observed the specific phenomena first, then we want to draw a general conclusion or generate a theory based on this observed evidence. So, we can say that deductive is more about testing the theory and inductive method is applied to generate the theory.

Another research process is also being popular in recent trend of social science research considering limitations associated with deductive and inductive process, is abductive process. Abductive research is considered, when there is not enough theory to leading to hypothesis for testing or there is limitation of empirical data to generate the theory and generalize the conclusion. Abductive process starts with the ‘surprising facts’ that existed theory cannot explain (Bryman & Bell, 2015). Abductive process is useful for researchers to follow the best explanation from many alternatives to explain the surprising facts combining both numerical and cognitive reasoning.

In our thesis, we will follow the abductive process to better understand and explain our research aim. Since we are doing multiple case studies to fulfill our aim and answer the research question, it has limitation to generalize the conclusion and we do not intend to do that. We want to understand the nature of MNCs resource management capabilities to survive and succeed in a dynamic developing market, and this we have explained by our deeper understanding from two companies case studies. However, our theoretical framework gives us a background and knowledge about ‘what’ an MNC should do in a dynamic market environment and their resource management capabilities. Here ultimately, we intended to see how our sample MNCs reacted to the market environment and how they managed their resources and capabilities to survive in this market. we also wanted to visualize the similarities and dissimilarities between the theory and empirical data. Finally, we wanted to explain the case cognitively to draw a conclusion in abductive manner.

3.6 Empirical Data presentation and Analysis:

Our empirical data presentation is in chronological order, guided through evolution and overview of Pakistan telecom industry to our two sample MNCs, and then findings of both companies’ specific resources and resource management strategies. At first, we have given an overview for
of Pakistan telecom sector. Further, we present factors of environment and industry dynamics. Moving forward both companies resource-based factors are explored which are categorized as culture, process and top management, Network and hardware, customer relation management software. Additionally, we have exhibited the findings of both companies’ resource management process as strategies, innovation, network expansion, 3G era and internationalization.

Since our research aims to understand ‘how do MNCs manage their resources to prosper/survive in a dynamic environment, we carefully thus identified the appropriate unit of analysis to draw the conclusion with fulfillment of our research question. We have chosen our unit of analysis as MNC’s resource management process in face of rapidly changing environment. Our analysis will be qualitative case study based on RBV theory and resource management theory. More emphasis is given on resource management and designed our analysis in light of “resource management and distinction” table by Sirmon, Hitt and Ireland (2007). Finally, Culminating, RBV and Resource Management perspectives of both companies will be cross analyzed with ‘factors of environment & industry dynamics’ to reach final conclusion.

3.7 Quality of research:

In a qualitative research, it is important to ensure that research conclusion has derived from plausible, reliable, and valid qualitative data.

3.7.1 Validity:

Validity can be ensured in two dimensions namely internal and external validity. Both dimensions can influence the quality of research. In a qualitative paradigm, validity concerns with whether researchers obtain the data from right source with right question, and how this data represents the reality.

Internal validity examines whether the collected data accurately represents the reality. But in a qualitative research, it is impossible to come up with single conclusive reality in a dynamic, multi-dimensional social context. So here, validity explains whether our/researchers interpretations of reality congruent with someone else’s interpretation of reality (Merriam, 1998). We follow the ‘triangulation’ strategy to ensure the internal validity for strengthening our thesis.
Triangulation refers to use of multiple investigators, sources of data, and multiple methods to check the findings (Merriam, 1998). For multiple sourcing, we collected data from secondary sources such as Pakistan Telecom Authority (PTA), National newspaper, previous research within the telecom industry in Pakistan to understand the market environment and match this understanding with collected data from interview. We also interviewed the different level of manager from these two companies to cross-check the information from different angle. Moreover, one of the authors of this thesis had more than ten years experiences on this telecom sector, which help us to interpret the data with actual reality by the help of researcher’s experiences and assumptions.

External reliability concerns with the generalizability of the findings, and whether these findings can be applied to another situation. Since we are doing case studies for our thesis which has some limitation to generalize the conclusion for overall population. However, our purposive sample represents the perfect nature of the situation of the overall population within telecom industry. These two cases perfectly explained the situation how resource management capabilities can be a source of success factors in a dynamic environment. We provided a thick description of the context which may help readers to correlate their situation with our findings.

3.7.2 Reliability:

Reliability is concerned with the extent to which research findings can be replicable. In social sciences, reliability is problematic, because human behavior/observation is not static (Merriam, 1998). Since qualitative research is focused to understand the nature through perspective with many possible interpretations, so the important question is not whether findings will be found again but whether the results are consistent with the data collected.

For our thesis, we ensured reliability by following triangulation strategy that we discussed above as suggested by Merriam (1998) for greater consistency. We also described; how empirical evidence was collected, what categories of data sources and reasoning behind to select them. Here, we also explained the theory and our assumptions behind the research thus ensuring result consistency through process replication.
3.7.3 Trustworthiness

According to Guba (1998 (Guba, 1981)) there are four aspects to ensure the research trustworthiness, such as 1) **Truth value** that decide researcher’s confidence to finding the truth for the subject in which study had been undertaken, 2) **Applicability** that refers the findings can be applicable to other context, 3) **Consistency** ensure whether findings could be consistent in similar inquiries with similar context, and finally 4) **Neutrality**, by which research can be free from any kind of biases (Krefting, 1990). Neutrality ensures the research findings solely based on information and context of research and free from other biases and motivation.

This paper ensures the all four aspects of trustworthiness by carefully conducting the research. Though one of the researchers are experienced in the industry, but at the same time second author, being not from same industry and environment, balances biasness by analyzing and evaluating the empirical data from neutral perspective, ensuring ‘Neutrality’. Moreover, few interviewees being researcher’s ex-colleague, provided an open and frank environment which enabled more reality based information to be exchanged. This contributed to ‘Truthfulness and Consistency’. Authors carefully and purposively choose these interviewees to obtain best possible information guided by theoretical framework to fulfill our thesis purpose. Authors used previous work experience to Judge from whom we can get our best possible authentic desired data contributing to ‘Applicability’.
4.0 Empirical Data

4.1 Pakistan Telecom Industry, Historical Background:

A typical example of such an industry is ‘Pakistan Telecommunication Industry’, which had a humble start from a ‘Telephone and Telegraph Department’ in 1947 (PTCL, 2018) inheriting 14000 land lines from their British predecessors after being liberated. For long no significant investment was made in industry expansion until 1980 which eventually resulted in formation of ‘Pakistan Telecommunication Corporation Limited’. This was followed by introduction of cellular mobile services in 1990s. The dawn of telecom industry made its first mark in 1990 with launch (Krefting L. (.-2., 1990)(Sikander, 2009) and Paktel ('Advanced Mobile phone System'(AMPS) technology). In 1992 another license was issued to Mobilink ('Global System for Mobile Communication' (GSM) technology) initially, partially owned by Motorola. Publication of Telecommunication Act 1996 proved to be a milestone providing legal framework for deregulation. In 2000, another GSM license was issued to incumbent Pakistan Telecommunication Corporation Ltd. (PTCL) for formation of its subsidiary Ufone. To further expand, Pakistan Telecom Authority issued two licenses in 2004 to Warid Telecom (Abu Dhabi Group) and Telenor (Norway) under 2003 deregulation policy which triggered exponential growth in the sector (PTA, Industry Analysis Report, 2004). Initially, in bidding process, two companies won the bid. One was Telenor and the other’s name was not disclosed publicly as it eventually backed out of license acquisition process. In presence of already three existing companies why Pakistan allowed two more licenses? It was to attract foreign investment (license Fee alone $80Mn), facilitating consumer and to some extent benefiting from foreign skilled human resource, foreign methods and policies (John, 2018). This reduced market shares of Paktel and Instaphone with respective market shares of 3% and 1% resulting in Paktel acquisition in 2007 by China Mobile Ltd. and closure of Instaphone. Pak China Ltd. rebranded the company as Zong. In total 6 industrial players led the market towards intense competition and market maturity under licensed technology use. (Goa & Rafiq, 2009).
4.2 Warid Telecom (Pvt. Ltd.):

Abu Dhabi Group, a UAE based firm chaired by Shiekh Nahayan Mubarak Al Nahayan (University, 2009), acquired telecom license in 2004 and established Warid Telecom as its business unit. Warid was Abu Dhabi Group's second major venture in Pakistan after Bank Alfalah. Abu Dhabi Group presence was already in Pakistan in shape of Bank Alfalah (Alfalah, 2018). Warid was third highest in bidding which was given license on bases of meeting the price of second highest bidder. (John, 2018). This was Abu Dhabi Group’s first venture in telecom industry.

4.3 Telenor Pakistan:

Telenor Pakistan is 100% owned by Telenor Group. Telenor Group is one of world largest mobile operators with 120 Mn subscribers around 12 markets including Scandinavia, Central Eastern Europe and Asia. The Group is in business for more than 160 years. The group won license to operate in Pakistan in year 2004 and commenced operations in 2005. Telenor Pakistan was Telenor’s first venture of any sort of business activity in Pakistan (Telenor, 2017).
4.4 Post Warid/Telenor Industry:

Mobilink was market leader with 64% Market Share followed by PTML having 15.95% market share at juncture of June 2004. In 2005, Warid Telecom and Telenor started operations. In June 2007, Warid and Telenor stood neck to neck with market share of 16.82% and 16.94% respectively. However, situation afterwards started changing gradually and by June 2017 Warid was left with 7.59% of market share and Telenor stood much ahead with 29.2% second after market leader Mobilink which stood at 37.54% at that point (Statista, 2018).

<table>
<thead>
<tr>
<th>Year</th>
<th>Telenor</th>
<th>Warid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>16.94</td>
<td>16.82</td>
</tr>
<tr>
<td>2017</td>
<td>29.2</td>
<td>7.59</td>
</tr>
</tbody>
</table>

Chart 1: Telenor and Warid Market share comparison. (Source: PTA)

Warid was familiar with local environment in terms of psychic distance as Pakistan and UAE enjoy decades of recent past correlation in terms of culture, language and religion. Also, the close geographic distance and in prior existence of a sister company ‘Bank Alfalah’ gave an edge in terms of covering the understanding of cultural, social, and legal gapes. Telenor also had experience of Asian markets such as Bangladesh which gave an edge to settle down quickly in Pakistan's market. Bangladesh has plenty of similarities in terms of working culture, lower psychic distance, social set ups, etc.
Telenor surpassed Warid way ahead despite of the fact both companies were given licenses at the same point of time, given the same external environment possessing equal threats and opportunities. Warid had seemingly an edge of low psychic and geographic distance in terms of LoF (Hutzschenreuter, Kleindienst, & and Lange, 2014).

In this research work we determine the contrast performance of both organizations in a dynamic environment and consolidating industry in specific to market share. It’s to acknowledge that both organizations started its internationalization venture at a point when industry growth rate was 181.6%, i.e. 2005 (Sargana, 2005). Warid ended up being acquired by Mobilink in 2017 yet Telenor emerged as runner up with 29.2% of overall market share in mature life cycle of telecom industry in Pakistan.

4.5 Factors of Environment and Industry Dynamics

4.5.1 AMPS vs GSM Technology:

AMPS (Advanced Mobile Phone System) was first generation (1G) analogue technology-based system introduced in 1980. Thus, provided poor communication quality. Additionally, 1G network system was expensive to build (Haug, 2002). Mid 1980's digital signal processing came up as useful technology thus introducing GSM as 2nd Generation (2G) network. It was created to establish pan-European mobile infrastructure allowing users to have roaming facility while crossing borders. Since then, GSM proved to be a big success (Gao & Rafiq, 2009). Additionally, AMPS mobile sets were much bigger in size being called brick. On the contrary, GSM mobile sets were smaller with features such as colored screens, polyphonic ringtones, etc. (Gao & Rafiq, 2009)

As commented by Mr. Shehryar on market dynamics, "Before Warid and Telenor's entrance in Pakistan market in 2005, GSM was newly introduced, 3G was not yet introduced, the mobile high-speed internet was an awaited concept, DSL was a new concept in the market. 2G was there but market was spilt into AMPS (Paktel & Instaphone) and GSM (Mobilink & Ufone) with limited market coverage leaving pretty much of room for new technology such as GSM which was popular at that time". 
Commenting on AMPS vs GSM technology, Tariq responded, “GSM was established as Ufone and Mobilink already had deputed the technology. AMPS was already a past in 2004”.

4.5.2 Network Expansion:

Network Expansion during entrance of Warid Telecom and Telenor in 2005 was one of the major industry change all had to embrace to gain competitive advantage. As Syed Zain Shah commented, ‘In year 2005, 06 and 07, telecom industry was experiencing high growth, i.e. 167%. Government was also investing heavily in the sector” (Shah, 2018). Also contributed by Mr. Sheheryar, "The bigger and faster network expansion, better and bigger customer base you will have” (Sheheryar, 2018). Mr. Tariq talking on industry dynamics commented, “Telecom industry is high capital-intensive market”. He further said,” Most challenging part was the network expansion at the time. The theme was to expand network rapidly in Pakistan. So, it was not only the technology but expansion of services in minimum time. Mobilink’s acquisition of Warid is part of same strategy i.e. expansion. Same is being tried by Zong trying to acquire Ufone presently” (Tariq, 2018).

The below table data of (Gao & Rafiq, 2009) also establishes the comments as year 2005, 06 and 07 have experienced growth rate of 170.2%, 80.7% & 39.4 and Mobile Tele Density of 22.21%, 39.94% and 54.7% respectively.

Table 3: Pakistan’s mobile telecommunications sector (200-2007). (Source: PTA)
4.5.3 Product Innovation:

Telenor was first to launch Easy Load. This meant no purchasing a fix rate scratch card but a user could recharge prepaid balance with amount of his/her own convenience. Mobile Financial Services was a break through concept in Pakistan which changed industry dynamics in terms of product diversification which later was becoming main stream business of telecom players as quoted by Syed Zain Shah (2018). Described by Mr. Shehryar, “Now things are driving towards digitalization of which Mobile Financial Services (MSF) is a part. Everything moving towards application-based services” (Sheheryar, 2018).

4.5.4 Entrance of China Telecom (Zong):

In summer of 2007, China Telecom (world’s largest Telecom Operator) acquired Paktel for US $460Mn with plans to invest additional US $400Mn for service improvement and network expansion. This not only enhanced foreign investors trust on Pakistan’s market but also enhanced further growth capacity signals in Pakistan mobile market (PTA, Pakistan Teleom Authority, 2008) (Gao & Rafiq, 2009). Also, the fact was reaffirmed by Syed Tariq as he stated during interview, “China Telecom entrance in Pakistan market was also a game changer. China Telecom acquired Paktel and reintroduced itself as Zong further intensifying the market competition.”.

4.5.5 3rd Generation (3G) Licensing:

In April 2014 3G was launched in Pakistan raising US $1.1Bn from licensing fee by PTA. This created expectations for industry revolution the way subscriber will keep connectivity in future (Bhutti, 2014). 3G launch changed game dynamics. The expansion strategy which was focused towards rural areas reverted back to Urban areas. This was because of data revenues share grasping as voice revenue competition was intensely competitive. So, it was a shift of focus from ‘blanket cover strategy’ back to main cities. Major chunk of data users is from Urban areas (Tariq, 2018). Voice market was already developed but data market was now moving from 2G and then escalated to 3G later on (Sheheryar, 2018).
4.5.6 Entrance of Telecom Hardware Companies of China (ZTE & Huawei):

Another game changer was entrance of ZTE and Huawei, the Telecom hardware providers competing Ericson and Nokia Siemens. These new competitors gained edge due to low cost and attaining all contracts of China Tel(Zong). This helped companies wanted blanket coverage (Tariq, 2018).

After discussing environment and industry dynamics factors, MNCs resource base is discussed separately.

4.6 Warid Telecom & Resource Base:

Warid when came to Pakistan, were not new to the environment. Owners were Arabs, but top management was locally hired who were well familiar with Pakistan's environment giving no issues in terms of understanding local dynamics and systems (Khattak, 2018). Below are strengths and weaknesses presented.

4.6.1 Culture:

Warid was more of a bureaucratic organization just like most of them in Pakistan. In Warid meeting secretary of CEO was a one heck of a task (Rizwan, 2018). Warid CEO was behind the walls and guards. If you had to see the CEO in Warid, you need to take appointment and you may get it after 30 or 40 days where he could spare 2 to 3 minutes hardly. More influenced by bureaucratic culture or rather say ‘royalty culture’. Even getting an appointment from GM HR was a tough task (Khattak, 2018).

4.6.2 Processes & Top Management:

Warid had over all edge in human resources. It brought in experts of the industry, the best human resource available at the time. More of local hiring was done even to the top level (Rizwan, 2018). Simultaneously, in Warid, Entire upper management were their own people and 'FNF'(friends and family) terminology was used for Warid and the fact became an open secret (Khattak, 2018).

In terms of hiring Warid was more of a contact and connection based mostly at the top level. Warid culture was a friends and family based, where merit was bypassed while awarding franchises
As noted by Mr. John, a major mistake started in 2008 when one of members, Board of Directors (BoD) started bringing friends and relatives in business opportunities arising during general operations. For example, printing company Excel Cards owned by a fast friend of Member BoD, had contract of all printing material of Warid Telecom. In hiring this attitude was less evident but still some part of total hiring was nepotism based. Shehzad Rauf, an incompetent individual, was GM procurement, logistics and Strategic Planning and nephew of one of influential member of BoD (John, 2018).

4.6.3 Network Hardware:

Warid acquired the best network infrastructure i.e. Ericsson (Ericsson, 2004). It had their own LDI (Long Distance and International Fiber Optic network) backbone in place which became a separate business unit as ‘Wateen’ in year 2005 (Rizwan, 2018).

4.6.4 Customer Relationship Management (CRM) Software:

Warid acquired top of the line oracle-based CRM system, namely TABS. It provided good postpaid billing system for postpaid subscribers; (Rizwan, 2018). Warid had the best CRM system without any doubts (Tariq, 2018). “TABS was also used in Bank Alfalah when I was employed there. TABS was much better and fast. Billing system was accurate and efficient” (Shah, 2018).

4.7 Resource Management (Warid):

4.7.1 Strategy:

Rizwan, commenting on Warid said, ‘Warid played a local role while starting operations. Ads were more locally inspired. Creating a good impact, Warid started its launch from 28 cities. Its strategy was to capture urban market. Their sales strategy was starting a new city with all the channels working simultaneously such as direct sales, Service Centres, corporate sales, affinity, franchise and distributors. It had revolutionized postpaid industry with excellent services, zero-line rent package, solid footprint (Rizwan, 2018). Mr. John added that launching team had a very different sort of connection with the company. Especially customer services department of Warid was hired on pure merit at launch and performed outstandingly throughout the tenure which remained a core competitive advantage of Warid Telecom for a long time. It was to an extent that
other stakeholders followed Warid Telecom customer service as industry standards. This played an important role in initial growth of Warid (John, 2018).

Warid was focused on local talent from Pakistan which gave an edge towards market intelligence. The company had more below the line marketing approach such as door to door selling approach via affinity partners development; a push strategy approach. Corporate sector was a differentiating factor as Warid was able to silently grasp substantial market of postpaid customer which is higher ARPU (Average User per User) client. Warid focus was on postpaid (Sheheryar, 2018).

Talking on Franchise business strategy, Mr. Tariq developed, “Franchising is a business model based on profitability. The drive comes in the model if model is profitable and commissions are paid in time. If delays are observed or issue resolution are not effectively handled the channel starts getting demoralized and starts inclination towards other business channels. Warid had problems at this end. It had better commission structure but during implementation they couldn’t benefit the franchisee to its optimum. Due to delays and payment dispute resolution delays Warid franchise channels got frustrated and started looking for other channels for better and in time profitability. For example, as an entrepreneur, on scratch card supply in the market profit was upfront whereas on easy load company used to calculate and transfer the commission amount which was delayed or disputed. So, entrepreneur will pick and choose between the company products and thus can be damaging for the company. In this case inclination of franchisee to avoid easy load was damaging for company because scratch card was more costly process as physical cards needed to be printed, loaded and supplied. This also lead franchises to buy competitors franchises which were more profitable but damaging to Warid business. This was a major resource mismanagement set back to Warid (Tariq, 2018). At the launch time Franchise channel of Warid was made responsible to sale new connections and an alternate distribution channels was devised to sell scratch cards. Now the idea is absurd that new connections were sold from one channel and its reload from another; not practical indeed. This arrangement was circumstantial. Warid was interested to launch Wimax, an internet data service. The price was so high that after preliminary market survey they had to drop the idea, but human resource was already hired. So, to adjust extra hiring, they had to create distribution channel and adjusted it with responsibility of scratch card sales, which was supposed to be via franchise channel. It should have been under one channel, i.e. franchise. Though, they corrected the flaw later on (Tariq, 2018).
The company awarded many franchises in a small area which competed with each other. The statement is confirmed with the fact that at time of launch there were 4 franchises in Quetta city only in addition to direct sales channels such as Service Centers, affinity partners such as Bank Alfalah, etc. Later on, in 2016 and 17 Warid and Ufone did follow the same strategy of abolishing Service Centre which were then Business Centers (Rizwan, 2018).

4.7.2 Innovation:

Talking about innovative products such as easy load, easy paisa and now mobile valet (branchless banking concept), Tariq contributed, “easy load, I remember very well that Warid had the capability to launch with easy load technology but got stuck during implementation phase. Warid had no out of the box thinking. They only relied on postpaid (Tariq, 2018).

CRM utilization was enhanced with passage of time and became sales weapon. After 2010, Ufone made major innovation on it. Distribution of scratch card was difficult for distributors and retailers’ analysis. When easy load technology was inducted in the market, the financial transaction was started recording along with distributors ID numbers in CRM. This gave a deep analysis of retailers’ performance enabling pointing out of non-performing retailers. One could reactivate such retailers. Telenor followed the lead. Warid didn’t pursue the change because of being out of competition (Tariq, 2018).

4.7.3 Network Expansion:

Asking a query regarding Warid’s lack of concentration on expansion in Baluchistan province despite of the fact that existing setup was over saturated and high demand still existed, Mr. Tariq replied “That is attributed to internal issues of the company. Resources were affected by corruption which was, may be more in Warid Telecom. That was one of the factors. Secondly there was another factor which is being ignored. Owner Sheikh Nahyan Al Mubarak’s son Sheikh Saeed was actually the brain behind this whole idea of investing in Telecom Industry and initiated from Warid Telecom. Unfortunately, he died in May 2007 in a car accident. Pakistan, Bangladesh, Congo, Uganda was his part of interest. So, it was not only that it was corruption that made Sheikh Nahyan to withdraw investments but also that his interest was lost after his son’s death. Thus, they sold other international concerns. Pakistan may have been retained due to political reasons. So the
policy could be to retain the venture for some time and then merger or acquisition option could be weighed. Also, as far as corruption is concerned they knew the environment and level of corruption in the system so they were mentally ready for that and thus cannot be treated as sole reason for the damage. During the same time, they had another agreement with PTA which allowed them to upgrade technology to 3G or 4G without paying any license fee to the government. This was also one of the main reason of Warid’s acquisition by Mobilink” (Tariq, 2018).

4.7.4 3G Era:

Industry competition parameter was switching from Voice to Data and Warid was no more a competitor as by that time the company had stopped competing because of small coverage network arising from financial constraint. Their interest was just to sustain to a bare minimum level for a smooth viable acquisition. (Tariq, 2018)

4.7.5 Shares Sale to Singtel:

“Warid took bad decisions in hurry. One of the bad decision was selling shares to Singtel, Singapore Telcom company. It was bad because other things were involved; such as personal financial gains. For example, the amount or expense which were shown to Singtel, they were extremely overpriced. I, fortunately or unfortunately, was the first person who was approached by Singtel for audit of these values as he was stationed at NOC (Network Operation Centre, a central system which controls entire country operations). When Singtel came to know about actual prices, they were furious. The moment Singtel left, downfall starts for Warid. Drastic measures were taken by board but were not effective. Senior management started leaving such as CEO Mardan Zawadeh. The reason were decisions based on financial gains of Board and some of related friends and family” (Khattak, 2018).

4.7.6 Internationalization:

Warid Board internationalized towards countries such as Congo, Bangladesh, Georgia, etc. with intentions of not doing a serious business. The expansion was at ten times more cost than what things has been costed in Pakistan. The higher management made good business out of that and shut the operations gradually on through away prices. When owner, Shiekh Nahyaan came to know about the facts, he started firing all the people, but the damage was done. Commenting on Sheikhs
untimely steps of withdrawal of capital gains generated by Singtel and other Warid sources, Asjad blamed “the 'breach of trust' by Board members” as the cause. As that was the way to reduce the damaged incurred. Board members are still facing legal cases (Khattak, 2018).

4.8 Telenor & Resource Base:

Though Telenor came in business with top team from the headquarters and were not local but they covered the gap by hiring local midlevel and upper middle level management. Besides it had an edge to work in Asian markets such as Bangladesh. Below are strength and weaknesses from resource base perspective.

4.8.1 Culture:

Telenor did take local support in marketing but mostly they did not let their systems to be affected by local professional culture (John, 2018). Telenor culture is very powerful culture in which people feel secure. ‘Whistle Blowing’ system was present. It had empowerment on each level and a culture which was more resilient. In Telenor CEO may be sitting next to you at some desk as no specific office was assigned to none of employee (Rizwan, 2018) (Khattak, 2018). The top management of Telenor operated in same fashion as it was in their own country (Khattak, 2018).

4.8.2 Processes & Top Management:

The system pursuit in its essence was another critical aspect Telenor achieved which was religiously followed by top management. "Telenor shifted already implemented and settled telecom back bone equipment of Nokia Siemens, an edge of being from the same industry (John, 2018). Telenor in Asjad's opinion is still number one company in Pakistan as far as processes and policies are concerned.

Telenor had better HR system, policies, vision and values (Rizwan, 2018). Shehryar added, the entity was processed based organization since it was an old establishment with strong industry knowledge. Telenor already had experience in working in Asia such as Bangladesh which is more or less like Pakistan. They already had a flavor of the market thus processes were accordingly developed (Sheheryar, 2018).
Telenor had top management from Norway (Rizwan, 2018). The company wanted to do everything on their own and thus brought their own foreign management. Their way of working was more mature. There policies were very good. Hiring was highly professional (Khattak, 2018). Telenor probably did not hire the best resources locally, but the process of hiring was mostly merit based (Shah, 2018). Also, young teams were hired. Set of people were brought from different industry with mix of various skill set. This was a Unique Selling Preposition (USP) which was a strength not easily imitable (Shah, 2018).

Telenor had an additional strategy. They deputed CEO as per phase requirement. Tore Johnson the first CEO was launching expert. Similarly, they brought banking industry expert for commercial banking ideas such as ‘easy paisa’. Third CEO was social media expert (Tariq, 2018).

4.8.3 Network Hardware Selection:

The organization chose infrastructure of Nokia-Siemens. Choice of Nokia-Siemens made sense for Telenor which may not compete Ericsson in terms of quality but could surely make sense for capturing prepaid market of rural areas where people are less educated and less quality conscious in comparison to big cities (Rizwan, 2018).

4.8.4 Customer Relationship Management (CRM) Software:

Talking of CRM System (Customer Relationship Management), Zain commented “Telenor CRM was SIEBEL which was a strong brand but initially it had a lot of problems. Process time was lengthy and complicated. For example, while creating postpaid number four to five windows needed to be opened and it took 10 to 15 minutes to activate. Billing system had problems. IT took nearly 5 years to streamline the software as per industry requirement (Shah, 2018). Commenting on CRM, Tariq said “Telenor was faced with problems in CRM which were rectified later on” (Tariq, 2018).
4.9 Resource Management (Telenor):

4.9.1 Strategy:

Telenor had a launch with 5 cities with strategy to capture rural market. Its sales strategy was different in approach regarding retail networking which became their major strength. Norwegian did not know anyone here mostly and to great extent had a transparent criterion for awarding franchises. Telenor launched franchise first with no presence of parallel retail channels in a particular area such as Customer Service Centers, direct sales teams or any other parallel competitor within the company. Ads had more foreign impression difficult for people to connect with. (Rizwan, 2018). Since Telenor used a single channel, i.e. franchise to capitalize on a huge area, this gave a highly incentivized business opportunity to an entrepreneur maximizing business interest (Rizwan, 2018).

Telenor had more above the line marketing approach such as emphases on branding, advertisement, etc., pull strategy approach having wide focus on individual customers (Sheheryar, 2018). Telenor devised data and voice packages as per age segmentation targeting youth (Tariq, 2018) (Shah, 2018).

Telenor embraced some additional shocks as well in addition to common market dynamics. For example, cartoon characterization of Prophet Muhammad by Charlie Hebdo, a French satirical weekly, had an intense inverse effect on Telenor. Franchises were burnt, and SIM usage of Telenor was declared un-Islamic. They gradually neutralized impact by talking it out with people across. The market relationship was strong and helped” (Tariq, 2018).

4.9.2 Innovation:

Telenor was more innovative in terms of using telecommunication for being pioneer in devising services such as financial like easy paisa (money transfer service) and utility bill payments with having an edge of buying its own bank. By that time Warid was already in financial mess (Rizwan, 2018).

Telenor had long term plan such as financial services for which geographically remote base
presence was necessary. Branchless banking was long term goal of Telenor. An alternate stream of revenue source. And they did well (Khattak, 2018). Mobile banking was a new concept introduced by Telenor which facilitated services such as money transfer and utility bill payments. Other competitors followed the concept (Sheheryar, 2018).

Innovation was a strong hold aspect of Telenor. As Tariq explains, “That’s where Telenor was different. They did not wait for voice market saturation and brought innovative products filling gaps (As an Institutional Void, Pakistan Postal Services was the only institution offering small amount of money transfer which used to take usually a week). Whereas Telenor easy paisa provided the convenience of within seconds transaction. Similarly, for utility bills people used to stand in lines. Easy paisa was an out of the box thinking (Tariq, 2018). Easy paisa retailer had the capability to accept utility bill that avoided wastage of time). Balance Share was another product as VAS (Value Added Services) which was balance sharing between Telenor users. At that time (2010) brains of Telenor started investing more on data services and branchless banking as Easy Paisa was doing very well, and Voice revenues were expected to be reduced gradually (intense existing competition and entrance of China Tel). And in couple of years mainstream business was Mobile Financial Services (MFS)” (Shah, 2018).

4.9.3 Network Expansion:

Telenor was not in hurry to capture the market unlike Warid. They took their time to expand. Telenor equally concentrated on remote areas where competition was absent along with concentrating in competitive major cities (Khattak, 2018).

Telenor had bigger financial muscle, so they consistently invested into expansion and infrastructure as compared to Warid. Telenor changed its focus with passage of time and realized there is a lot of untapped potential at rural side of the country such as deeper Punjab, Northern areas etc. Telenor was the first to launch in areas where even Mobilink and Ufone were not present. This rural area expansion made a positive influence on Telenor’s urban share as well, a catalytic effect. This brought a gradual growth and solid foot print of consumer base for Telenor (Shah, 2018).

Asking impact on industry environment in 2010-11 of a change when telecom hardware and
service provider such as Nokia Siemens and Ericson was replaced by low cost Chinese companies ZTE and Huawei, Zain answered, “Telenor did move towards cost cuttings such as closing Customer Service Centers. Also made agreement with ZTE. This did compromise the quality of network for a year but was tackled later on. Number of Base Transceiver Stations (BTS) were enhanced to cover quality gaps though not sufficient but was a best effort keeping industry dynamics in perspective (Shah, 2018).

These new competitors (ZTE & Huawei) gained edge due to low cost. This helped companies wanted blanket coverage. Quality compromise was attached, and impact was same on Warid and Telenor. Telenor exploited again due to good financial strength (Tariq, 2018).

4.9.4 3G Era:

Telenor, and Mobilink responded quickly but Ufone lost its pace. Zong lagged behind a bit during 3G launch but covered the gap during 4G launch. They made it sure that all back-bone equipment is installed swiftly with huge coverage. Resultantly now major 4G market share is being held by Zong. Ufone was again left behind in 4G race due to lack of financial strength (Tariq, 2018).

4.9.5 China Tel(Zong) Entrance:

How China Telecom entrance stirred the environment from Telnor’s perspective, Zain answered, “China Tel came by acquiring Paktel, rebranded itself as ‘Zong’ and with strong financial muscles. Here Telenor emphasis on MFS may have given space to Zong to grab subscriber base share (Shah, 2018).
5.0 Analysis

To analyze the case, we have discussed below the already existing resources briefly in light of RBV. Moving forward empirical data is analyzed in light of Table “Resource Management and Distinction” (Sirmon, Hitt, & Ireland, 2007) stepwise. Culminating, RBV and Resource Management perspectives of both companies is cross analyzed with ‘factors of environment & industry dynamics’ to reach final conclusion.

5.1 Resource Base View:

Penrose in (1959) and Barney (1991) kept firms resources pivotal for ‘sustainable competitive advantage’. The distinctive categories include physical capital resource (equipment, raw material, human resource), human capital resources (experience, judgment, knowledge) and organizational capital resources (planning, controlling, coordinating, informal relationship among groups within and with environment).

Abu Dhabi Group experience through its corporate umbrella was in local market but not in telecom sector. All physical resources had to be built from the scratch for Warid Telecom. They did bring quite some human resource from sister concern Bank Alfalah. However, the initial resources acquisition was top of the line such as Ericsson hardware equipment and TABS CRM system. Telenor had an edge from this perspective. They brought in top management from Telenor headquarters who were core experts of the business. They transferred already well-tried Nokia Siemen equipment. SEIBAL CRM system was already established to the general requirement however it had to be toned in with passage of time. Telenor CRM development and HR policies flexibility appears to be in line with Birkinshaw (1996) which suggests that subsidiaries success and growth depend on their own distinctive capabilities coming from their own efforts of subsidiary management locally rather directives from parent company. As Rizwan adds, “Telenor is in telecom business for last couple of centuries whereas for Warid it was its first venture.” These all resource base aspects of Telenor are quite comfortably in line with knowledge transfer capacity of MNC’s headquarter and capabilities to subsidiaries in different region (Peng, 2001).
In hand ‘human capital resource’ were effective for Warid in terms of handling LoF when evaluating experience, knowledge and judgment but again when it comes to industry specific knowledge, it seems a bit meek as the resource was not from core telecom industry as far as top management was concerned. However, Mid-higher level to all the way down and technical hiring was from core industry and was strong. Telenor, on the contrary had brought management which was well conversant with the industry’s knowledge, experience and judgment as well suggested by Becker (1985). Telenor already had command on critical aspects of industry operations whereas Warid had to learn everything from the scratch (John, 2018).

Discussing ‘organizational capital resource’ (Tomer, 1987), Warid was again new to process formulation for the specific business such as planning, controlling and coordinating. However, they did have an edge in regard to informal relationship among groups within and with environment because of the management being completely local. Telenor managed these aspects as well, as their processes were very mature built on decades of experience. For international business, MNC’s headquarter transfer knowledge and capabilities to subsidiaries in different region and thus Such administrative resource base, plays as firm's specific advantage as Peng (2001) suggests. Nordic values which was brought along was talking about transparency, equality, diversity and that is something Warid missed out on” (Rizwan, 2018). Telenor due to its policies became such an established market player (Tariq, 2018). Shah reaffirms, “Telenor is a process driven company with strict compliance which was a core capability. Employees are kept happy when it comes to benefits and perks. Employees are kept motivated and surveys in Pakistan suggest that Telenor has been the best employer” (Shah, 2018).

Organizational Culture was a strength Telenor brought along as a resource. Culture, values and transparency made Telenor stand out (Rizwan, 2018). This was a distinct weakness at Warid’s end from the perspective of empirical evidences gained during interviews.

5.2 Resource Management:

Resource Management aspects will be now discussed in light of Sirmon et al (2007) table of “Resource Management process and Distinction”
5.2.1 Structuring:

As per Sirmon et al (2007), structuring refers to firm’s resources management which comprises of acquiring, accumulating and divesting.

a. Acquiring: Acquiring is the process of resource acquisition for strategic factor markets. Warid and Telenor were distinct in many aspects as far as acquiring the resources are concerned. Warid picked human resource experts from core telecom industry. The reason may be the company’s telecom venture being first one. Telenor brought top management from its own previous ventures, but all lower hierarchy was a mix from Fast Moving Consumer Goods Industry (FMCG) and existing telecom. Picking human resources from different FMCGs brought mix of skills (Shah, 2018). Again, for Telenor, the hiring strategy made sense because they already had industry experts at top level but lacked general environment knowledge strength (Bettis & Hitt, 1995; Peng, 2001; Johanson & Vahlne, 1977; Penrose, 1959). The strategy aligns with the thought of Lee and Miller (1999) who explain that that top manager’s significant international experience can lead to firm’s competitive advantage as firm’s ‘tacit knowledge’ and this advantage positively is related to firm’s higher performance over the firms whose manager do not possess that knowledge.

While selecting telecom hardware back bone, Warid selected Ericsson. Ericsson was a market leader at that time and equipment was of no match to Nokia Siemens. It was far better (Khattak, 2018). Ericsson and Nokia Siemens both were stronger European network providers however Ericsson always had an edge in global standing. Ericsson was a stronger network partner (Sheheryar, 2018). Telenor selection of Nokia Siemens can be based on its past experience and comfort level such as Bangladesh where Nokia deployed same vendor. (Point, n.d.)

Warid acquired top of the line CRM system as unanimously agreed by all interviewees. Telenor choice of SEIBAL may have worked in previous experiences but in Pakistan, it’s effectiveness had to be addressed with the passage of time (Shah, 2018). Here by analyzing, Warid had a slight edge in terms of resource allocation over Telenor.
b. **Accumulating:** is the internal development of resources of a firm. Factors such as good customer services base and corporate sales covered Warid financial anomalies impact (John, 2018). Warid managed to develop admirable customer services which can be termed as its core capability not easily imitable. Combination of TABS CRM, quality Ericsson hardware and hiring of industry specific professionals played significant role. Telenor couldn’t build equal impression, among other factors, due to not comparable CRM, a bit weaker hardware vendor and not industry specific human resource. On the other hand, Telenor had strong processes such as ERP (Enterprise Resource Planning) which had no signs in Warid for first couple of years (Khattak, 2018). Since clearly Telecom industry was new for Warid, process development had to take time. Asking, if corruption was foreseeable in this environment then Telenor took a wise decision to bring their own top management. This means they managed their existing human resources wisely by deputing trustworthy individuals for Pakistan launch. To this Syed Tariq agreed (Tariq, 2018).

c. **Divesting:** It is shedding off firm-controlled resources. No such empirical evidence was found confirming divesting of resources by both firms altogether however, a partial sale of shares for funds realization was noticed in Warid. 30% shares of Warid were sold to Singtel. Though, Warid could not benefit upon cash proceedings as it was retracted back by Abu Dhabi Group. As Mr. John identified, "Another main reason in failure of Warid was selling deliberately orchestrated overpriced 30% shares to Singtel in 2007. Administrative participation of Singtel was limited to visibility but nothing in decision making as Singtel was presented by only two individuals i.e. Thomas Yu as CCO and Ming Yee as Deputy GM Engineering (John, 2018). Warid shares were sold back to Abu Dhabi management on very low rates (Capacity, 2013). This whole amount was, rather being brought in cycle because of intensive growth requirement, was withdrawn back by Sheikh. The trend of extraction money from system got continued by Sheikh and never stopped till its end" (John, 2018).
5.2.2 Bundling:

It is combining firm’s resources to further develop or bring alteration in capabilities.

a. **Stabilizing:** Stabilizing is the process of minor incremental improvements to existing capabilities. Though Telenor has stringent processes and policies, but it was flexible with Pakistan’s environment as well. Such as one of Telenor policies was not to rehire an employee once an employee has resigned. But it changed as Pakistan being a low context society has high churn rate. But if a good human resource can add value he/she can be rehired. Rest of the competition also learnt and implemented conducive HR policies which may have attracted human resource for a churn. At the same time Telenor was flexible in amending policies as per environment (Shah, 2018). Telenor showed the trend in hardware equipment vendor change by switching to ZTE as low-cost suppliers were necessary to gain blanket coverage. The trend was also evident while tackling CRM issues. Warid was seen to some extent comparable as it also did turn to low cost vendor Huawei. CRM was already up to the mark with gradual improvements (as one of the authors himself experienced such developments during his job tenure in Warid). However, empirical information depicts negligence on part of resource development such as processes, policies and culture.

b. **Enriching:** It’s the process of current capabilities extension (extent can vary). An example can be strengthening of franchise network by Telenor. Six to eight Thousand retail channels cannot be managed by the company as it requires huge resources but front-line fighter which is Franchisee has the capability. If you need to sustain and grow in the market, Franchise network needs to be consolidated. This element was missing in Warid but Telenor kept strengthening its Franchise channels” (Tariq, 2018).

c. **Pioneering:** Pioneering is process of new capability creation with which firm’s competitive context can be addressed. Warid brought different layers of sales channels within same geographical area. It had franchise channel, distributors, affinity partners, corporate sales, etc. all working for overlapped market segments. This strategy creation back fired in the long run. As described by Mr. Tariq, “Third negative impact which may be was fruitful in a short run but proved extremely harmful in the long run was multiple alternate sales channels. Developing self-competitors such as Affinity Partners (examples
Bank Alfalah, Chimera, etc.). This is organizational fear factor which compels creating alternate plans which were launched at the same time in Warid. Short term benefit was achieved but in long term sustainable effective channel could not be materialized” (Tariq, 2018). Similarly, CRM in later years was developed to manage distributors data by Ufone which Telenor copied. Warid could not achieve it may be due to the reason that it was already out of competition. (Tariq, 2018).

5.2.3 Leveraging:

It is the application of firms’ capabilities to create value for customers and wealth for shareholders/owners.

a. Mobilizing: The concept identifies process of capability identification required to support capability configurations required to exploit market opportunities. Warid seemed weak during mobilizing process. In Warid case, when market was moving towards consolidation phase, an engineering back ground CEO Marwan Zwadeh was deputed. Rather here a commercial CEO was required whereas Telenor deputed CEOs exactly as per industry phase requirement (Tariq, 2018).

b. Coordinating: is process of identified capabilities integration into effective and efficient capability configuration. One of the examples is Telenor's franchise network "Telenor wanted to be a mass market brand not a niche brand connected to vision” (Rizwan, 2018). In addition to this Telenor empowered their franchise network much in advance than Warid (2009-10) (that too with intentions to decrease load from Service Centers) whereas Telenor core aim was to empower retail network to such an extent that service center need not to be there. This had increased Telenor’s franchisee loyalty and interest in the business unit motivating to perform more on one hand and reduced direct cost of doing business for Telenor (Rizwan, 2018). Though Warid had an advantage of its own fiber optic (LDI) back bone. LDI back bone (which later became Warid's sister concern by the name of Wateen) were sharing MSCs, BSCs, BTS of Warid creating a synergy effect for both
organization. It was not a bad decision" (Khattak, 2018). This can be taken as example of coordination for Warid. Similarly Bank acquisition by Telenor (Alam, 2016) enabled it to function more in Mobile Financial Services providing a coordination with already existing cellular services.

c. **Deploying:** Deploying is physically using capability configuration to support selected leveraging strategy including resource advantage strategy, market opportunity strategy or entrepreneurial strategy. Telenor sales strategy using capability of resource advantage was effective such as franchise channel strengthening and empowerment. It also gained blanket coverage through low cost vendor ZTE. CRM was developed to control distributor effectiveness and efficiency. Telenor sale strategy of capturing untapped areas of KPK, Southern Punjab, Sind targeting prepaid customers was one of leading aspects as well (Rizwan, 2018). Warid on the other hand got stuck due to financial lacking, untimely internationalization and lack of internal teams’ coordination. Abu Dhabi Group was earning money in Pakistan and investing it in international expansion like Congo, Georgia, etc. rather consolidating their presence at home first. And it didn’t work out (Rizwan, 2018). In 2007 Warid started internationalization towards Bangladesh, Congo, Ivory Coast and Georgia simultaneously. This effected cash flows adversely (John, 2018).In Warid Sales was running its own show, technical team was running their own show, procurement was running their own show and top management was not able to capitalize as they were busy in something else. Priorities were different (Khattak, 2018).

The above elaborated sequential resource management processes and distinction has been tabulated further for reader’s convenience.
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<th>Structuring: firm’s resources management which comprises of acquiring, accumulating and divesting.</th>
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<td>Telecom Hardware Backbone</td>
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<th>Leveraging: Application of firms’ capabilities to create value for customers and wealth for shareholders/owners.</th>
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<td>Mobilizing: process of capability identification required to support capability configurations required to exploit market opportunities</td>
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<td>Coordinating: process of identified capabilities integration into effective and efficient capability configuration.</td>
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<td>Franchise Empowerment</td>
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<td>LDI Backbone sharing</td>
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Deploying: physically using capability configuration to support selected leveraging strategy including resource advantage strategy, market opportunity strategy or entrepreneurial strategy.

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<th>Sales Strategy</th>
<th>Creating multiple channels</th>
<th>Franchise Channel Strengthening</th>
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<tr>
<td>Blanket Coverage Effort</td>
<td>Through Huawei but lacked adequate finances</td>
<td>Through ZTE covering untapped markets of Southern Punjab and KPK province.</td>
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<tr>
<td>Financial Proceedings Management</td>
<td>Profits and share sales revenues either invested in international expansion or retrieved by owners.</td>
<td>Reinvested in same market.</td>
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Table 4: Both MNC’s Comparative resource management highlights.

Now that we have well grasped the process of resource management and its comparatives with both firms in perspective, the study has been increased to correlate competitive advantages (if any) created through resource management with environmental contingencies and dynamism.

5.3 Comparison of Warid & Telenor in Relation to Factors of Environmental Contingency and industry Dynamics:

As commented by Sirmon, et al. (2007), Dynamism is change regularity in the environment. Thus, industry structure change, market demand stability and environmental shocks are factors creating environmental uncertainty. Also, innovations effect consumer expectations and thus effects the consumer behavior (Sirmon, et al., 2007). Adding up by Tushman and Anderson, with occurrence of shocks, such as disruptive technology creation, industry recipes decline or may vanish (Tushman & Anderson, 1986). Thus, we further compare now noted environmental contingencies and dynamism enhancement factors gathered from empirical data and compare it with empirical evidences of RBV and resource management.

5.3.1 AMPS vs GSM Technology:

Since both Warid and Telenor entered in Pakistan market with GSM technology, which was
already a competitive edge in terms of technological advancement (Gao & Rafiq, 2009), the impact was indifferent (Tariq, 2018).

5.3.2 Network Expansion:

Warid lost in this most important industry competitive aspect as revenues were not pumped in by Abu Dhabi Group’s sources. Even Singtel share sales proceedings were retracted. revenue attained by selling shares to Singtel not being invested back into expansion could have led to the situation of being knocked out of market. Others kept on investing and upgrading in market. Ultimately competitors eat away your market share (Sheheryar, 2018). Reasons from empirical data gathered were lack of trust by owners towards Warid top management and losing interest after demise of owner’s son, whose baby was this telecom venture (Tariq, 2018). Coming to corruption part, Asjad remarked, “I have heard, seen and experienced dozens of such cases in Warid” (Khattak, 2018) (John, 2018). Personal financial gains by individuals lead to bad decisions which destroyed Warid (Khattak, 2018). Ultimately Warid could not compete because of non-availability of funds for blanked coverage requirement and thus was ousted from competition. Tariq recons at this point, "holding back of money from Abu Dhabi Group may be because of change of industry dynamics as the industry was becoming highly competitive. Consolidation was taking place as industry was moving towards maturity with drop of growth rate and high price competition. This industry situation can be Abu Dhabi Group’s reason of holding back, divesting and exiting the Pakistani market. Abu Dhabi Group’s lack of trust on market may be more to do with divesting intentions of Warid than lack of trust on Warid’s top Management (Tariq, 2018). Overall on one hand there was slow expansion and on the other hand franchise channel gradually got demoralized (Tariq, 2018). Rizwan described the phenomenon differently. He replied "Warid down fall reasons mostly attribute to corruption, heavy bank loan, nepotism (friends & family culture). Adding up; hiring, contracts and all other investigations lead to the top management, which made competent people leave the firm (Rizwan, 2018).

Telenor since having excellent processes, controls and possessing financial backing of the Telenor Group kept on investing and retained itself in business competition. Corruption was reported negligible factor via empirical data. Never heard of single corruption case in Telenor. Because Telenor has very strong system for that (Khattak, 2018).
5.3.3 Product Innovation:

Innovation part seemed to be not prominent in Warid. However, Telenor led the way to the distance in this aspect. Pioneer in launch of easy load, easy paisa and branchless banking were few of the examples that kept Telenor revenues boosted from sources other than voice and data. It’s pursuit of CRM upgradation to dealers’ management (though copied after Ufone) is also one of the evidences.

5.3.4 Entrance of China Telecom (Zong):

China Telecom entrance in Pakistan market was also a game changer intensifying competition. Tariq informed that with Telenor and Warid it was a commitment that no additional license will be given for next 10 years. Thus, China Tel played technically and acquired Paktel and rebranded it as Zong. Warid was again a looser due to network expansion issues and lack of intentions to stay in the market. Warid invested to a certain limit but then it stopped and was lead on self-finance bases. Whereas Telenor countered the threat by its financial muscles and intentions to play long term (Tariq, 2018). Here again, it can be safely assumed that financial constraints of Warid was the reason of not adequate handling the industry dynamic created due to new entrant.

5.3.5 3rd Generation (3G) Licensing:

This technological dynamic change converted competition from Voice revenue to Data revenue. Of course, equipment needed to be upgraded. Despite of the fact Warid got 3G license (Tariq, 2018) with no cost, it did not activate competitive stance due to the reasons aforementioned, i.e. lack of interest of owners and financial resources. Telenor not only got licensed paid equaling US $147.5 million on 10th May 2014 (Propakistani, 2014) but followed the system upgradation immediately and launched commercial 3G on 1st June, 2014 (Telenor T., 2014). Short span of 20 days during license acquisition and commercial launch depicts Telenor’s dedicated vision and commitment to compete and grow in this intense dynamic consolidating industry.

5.3.6 Entrance of Telecom Hardware Companies of China (ZTE & Huawei):

Low cost Chinese telecom hardware providers also was a change in industry market dynamics from suppliers’ side. New inexpensive Chinese network providers entered such as Huawei and
ZTE which were highly competitive in rates in comparison to Ericsson and Nokia Siemens forcing telecom service providers to switch to these vendors. With ZTE & Huawei, quality compromise was attached, and impact was same on Warid and Telenor (Tariq, 2018).

Keeping above all theoretical frame and empirical evidence analysis we have moved to the following conclusion.

6.0 Conclusion:

Aim of this thesis was to identify, understand and explain ‘how’ MNCs manage their resources in order to prosper/survive in a dynamic/consolidating emerging market. In order to fulfill our thesis aim, and answer the research question, we have taken resource-based view and resource management theoretical perspective to guide us analyzing this two MNC’s case, based on their market entry, operation, growth, and success/failure in emerging market of Pakistan. Success factors is a broad, complex and hypothetical issue to describe in a single viewpoint. Firm’s success can be determined by profit margin or market growth or market share, or even by long-term market presence. Our interpretation of success for this thesis is considerable market growth in terms of market share and visible strategy for long-term market presence. In introduction part, we briefly discussed about institutional elements, LoF, external industry dynamics and their influence on firm’s survival and prosperity in a dynamic/consolidating market. However, since both companies encountered almost same adversity from market environment, Warid ended up in a merger with comparatively low market share (7.59%) whereas Telenor managed to sustain and prosper with existing 29.2% market share. As a result, we dive deeper into MNE’s internal resource management strategies and how they reacted the external dynamics with their internal resources. We have found that Telenor’s Knowledge-based resource transfer by bringing experienced and professional top managers from parent company, delivered them a distinctive resource capability for sustainable competitive advantage for long-term prosperity. Though Telenor’s strategy of knowledge transfer from headquarter, not only gave them market edge but also brought direction from the headquarter through top management. Adding, our explanation by understanding the case referred that hiring local mid-management from core industry expert are crucial resource acquiring strategy, which gave them a balance between international experience-based knowledge of top management and local industry expertise from business unit level by mid-management. It’s also
learnt that Telenor’s headquarter was open and motivated to learn from local subsidiary experts for accommodating changes in policies as per subsidiary requirement, which is aligned with Peng’s (2001) view that MNCs could be benefitted through motivation to intra-knowledge transfer between by headquarter and subsidiaries.

Moving further, we can safely assume that MNCs sustenance/success in dynamic market starts with proper structuring of resources which encompasses appropriate acquisition of resources, internal development of resources and shedding of those resources which are not required by MNCs or are burden. But this is just a start. In our cases, we saw ample evidence of appropriate acquisition by both firms. Rather we can say Warid seemed to have a slight edge on that. Better CRM, Telecom Hardware, LDI back bone, are few examples.

Bundling is the next step which wants MNCs to bring incremental improvements in existing resource base, extending the current capabilities and pioneering to match industry competition. Thus, it can be safely stated that MNCs who may have excellent structuring may face hard time if appropriate bundling is not carried on. Here, Warid, despite of having an edge in regard to acquisition, seemed a bit lagging behind when compared to Telenor. Policies and procedures were not developed by Warid with gradual passage of time. Instead Telenor, despite of having already established policy structure kept on improving upon as per local dynamics. Similarly, weak area such as CRM was not only gradually improved but was enhanced for distribution management keeping pace up with industry practices.

Last but not the least, all managers want to create value to shareholder's wealth by applying capabilities developed, i.e. leveraging. Now here, appropriate mobility of right capability, coordinating and effective deployment is pivotal. Telenor had distinct examples like right type of CEO selection, attaining effective capability configuration by developing empowered franchise channels and MFS product launch after bank acquisition. Deployment phase followed by effective strategy of making strong franchise channels, attaining blanket coverage via low cost ZTE and continuous reinvestment. However, Warid did manage some of the leveraging aspects well such as LDI synergy achievement and low-cost Huawei telecom equipment allocation. But lost the effect as it could not leverage on financial proceedings. This leads us to more observations in addition to Simon's framework.
Adding to above comparison, we have observed that shareholder's motivation of doing business and their level of trust on top management also carries considerable impact in success or failures of such MNCs in consolidating dynamic markets.

In our thesis, Warid, despite of having some good aspects of resource management capabilities, had been affected by shareholder's intentions as well. The shareholders seem to close venture anyway. Whatever the primary reason may be, whether loss of trust on BoDs due to corruption or demise of Abu Dhabi's Group owner's son but it did take the long-term commitment away from Warid.

Concluding, it is safe to say that for MNCs, resource base needs appropriate resource management to sustain and grow in dynamic yet consolidating markets. However, it can also be added that long term vision of shareholders is equally important as in the end, it's all about shareholders and their wealth maximization.

6.1 Theoretical Contribution:

RBV and Resource Management theories work is mostly done in perspective of internationalizing MNCs in emerging markets. Little work to our knowledge has been done by cross analyzing such ventures in consolidating environment and dynamic industries. Our purpose of thesis is centered by correlating existing theoretical contribution of Resource management literature with firms internationalized by operating in consolidating yet dynamic foreign markets.

We observed resource management activities suggested by Sirmon et. al. (2007) is important for perceived value enhancement in a dynamic market and this value enhancement is depending on firm’s coordination in and between every single part of resource management. Moreover, MNC’s resource management may produce different outcomes while having same environmental contingencies and similar resources (Zott, 2003). Adding to this, According to Sirmon et. al. (2007), MNC’s choice during resource management process in terms of structuring, bundling and leveraging with same external environmental pressure may deliver diverse results. Our thesis results also strongly affirm this proposition and helps in broadening the understanding of resource
management literature with empirical evidence gathered. So, our research contributed RBV literature by extending Sirmon et al. (2007) proposition of resource management process with empirical evidence that under similar environmental dynamism, firm’s resource management process plays crucial role for firm survivability and prosperity in the particular market. Sirmon et al. (2007) proposition of resource management process theoretically filled the void by explaining how firms use their resource and capabilities to create sustainable competitive advantage in a consolidating and dynamic environment. Our thesis added a valuable contribution to RBV and Resource management literature by examining resource management proposition empirically for better understanding of the process.

Our research also contributed to the international business literature by including emerging market context of Pakistan. We have seen a lot of research on emerging market has been conducted in international business research, but those research mostly based on MNC’s market entry mode strategy or beginning of the internationalization phase. There is no significant research based on MNC’s survival and growth performance on emerging market. Even whatever research we have on emerging market, are mostly based on China, India, Brazil and Russia, but those countries institutional context are significantly different to most of the other emerging economies. Even those research are mostly concentrated on external institutional perspective rather internal resource-based perspective. Our thesis gives a valuable contribution to the international business literature by adding two in-depth case studies focusing on emerging market settings, as well as we have connected resource management literature into international business. By focusing firm’s internal resource-based capabilities and resource management process in a highly dynamic/consolidating emerging market, our analysis will give significant theoretical insight for further research on RBV and resource management process in developing countries context.

6.2 Analytical generalization:
In a qualitative case study research, it is important and preferred to ensure generalizability by analytical or theoretical generalization rather numerical or statistical generalization. There is a limitation of case studies in terms of generalizing the results by doing statistical generalization, so theoretical or analytical generalization would be appropriate method, in which previous theory can be worked as frame to compare the empirical findings, and provide an explanation based on evaluated initiative. If this theoretical frame work supports two or more cases then one can justify the replication or generalizability (Yin, 1994).

In our thesis, we developed our theoretical framework based on resource-based view and resource management theory for guiding us to interpret our empirical results from multiple case studies. To ensure the analytical generalizability, we carefully chose the theories to compare and explain how resource management capabilities can impact on MNCs survival on dynamic consolidating markets based on empirical findings from two different company cases. Our interpretation or explanation can be used as a theoretical perspective for further studies.

6.3 Limitations and Future Research direction:

This thesis findings, understanding and explanation is based on two in-depth case study of two Telecom MNCs in Pakistan. So, application of the thesis findings for other scenario or cases may be carefully evaluated before application. Our suggestions for better understanding of the nature of MNC’s resources management process in consolidating markets, need more in-depth longitudinal case studies in High-tech Telecom industry. More future research in similar research will give more empirical evidence with comparison that can strengthening our understanding from broader angel as how MNC’s resource structuring, bundling and leveraging process can lead them to long term prosperity.

Among others, few limitations were interviewing more managers which were not available due to time constraints, risk aversiveness of managers and financial constraints as approaching them needed to visit different cities. Also, the study was analyzed from 'market share' perspective ignoring financial performance. These figures are mostly kept secret by organizations and are very
difficult to access. Though, analyzing the same problem with financial performance perspective can be an interesting recommendation for future studies as well.

Moreover, we conducted our research based on emerging country's institutional settings of Pakistan. Though we focused on MNC’s internal resources and resource management process by keeping external institutional forces neutral as both companies endure the same institutional adversity. But, there could be argument to generalize our results to other company situation excluding country-based institutional influence. So, it could be interesting to see in-depth longitudinal single-case study including country’s institutional settings in same industry or other industry, or in another emerging country (such as Bangladesh, Congo, etc.) and how MNCs respond with their resources in face of diverse institutional challenges.

In our thesis, we tried to understand and answer the question ‘how’ MNCs manage their resources by referring MNC’s resource structuring, bundling and leveraging process in light of Sirmon et. al. (2007) Resource management process and distinction framework. We have seen Telenor was better in resource structuring in terms of acquiring top management from core telecom industry, while Warid was far better comparing with Telenor in accumulating resources by providing superior customer service. But, in all other aspects in building and leveraging, Telenor outperformed Warid, which clearly indicated that Warid failed to bring alteration in capabilities to create value for customer and shareholders in face environmental dynamism, while Telenor did that successfully. However, our thesis clearly answered to the question “how”, but future research can focus deep down to answer the question ‘why’ some MNCs focus more in one aspects than others (Structuring, Bundling, Leveraging). This ‘why’ question can bring significant managerial contribution to MNC’s resource management strategy in uncertain emerging market environment, as well as it could also enhance the international business literature by contributing into resource management literature in international business.

Furthermore, impact of shareholder's intentions or vision regarding a subsidiary is also an arena that can be investigated in light of resource management theory for consolidating and dynamic markets. Thus, this aspect linkage may provide some addition to existing resource management theory.
6.4 Managerial Implications:

Our thesis findings have significant contribution to the high-tech/Telecom industry in terms of how MNCs within the industry can utilise their resources and manage these resources to create value for long-term prosperity in a dynamic emerging market. MNCs success is a broader term and must considers every dynamic market element. But we have seen many MNCs when enter into an emerging market, they take emerging institutional settings for granted with abrupt resource diversification and unsystematic resource management process. So, later on when those emerging markets becoming mature, such MNC’s may head towards failure. Our argument is when a MNC enters and starts operation in an emerging market, they should always keep in mind that international operation is not an isolated process. Firm’s success in international market is interlocked with resource-based development and resource management process to create value in response of fast changing market. Our suggestion for international manager is to give more emphasis into resource management process and distinction that we discussed on the thesis. While MNCs international managers are thinking of structuring the resources, they should think to bring top management from core industry in an emerging market operation. While bundling the resources, management should adequately be trained to combine resources for further development of bringing alteration in capabilities align with market forecasting.

In emerging market operation, distribution channels are crucial for MNC’s expansion in different region and long-term market growth in overall market. So, in terms of leveraging firm’s resources, MNCs should focus on empowerment of franchise and should concentrate on strengthening the one franchise channel rather creating multiple channels and complex multiple channel management in emerging market. International manager also should consider deploying their resources in untapped market area with market opportunity strategy or entrepreneurial strategy rather battle only in urban area in emerging market. One more valuable suggestion for international managers is not to divest resources in many markets at the time the MNC itself is in growth phase in its country of inception, especially when industry is of dynamic nature.


The interviews conducted were in ‘semi-structured format’, its begun as more like a conversation but with few predefined questions based on our research aim and guided by RBV and Resource management theoretical framework. Then more Questions also generated further depending on the answers of interviewees.

Here are basic questions asked during interviews with sequence:

1. Questions regarding tenure of job, position, responsibilities, company.
2. Historical back ground development questions such as what launching steps both companies took before and during launch?
3. Understanding industry and environmental dynamics during growth period.
4. What lead industry in maturity phase and reason identification in detail?
5. How industry players responded to certain environmental factor in general?
6. How Warid and Telenor responded to these environmental dynamics in specific?
7. What resources were acquired and developed during launch phase the time?
9. How resources were turned into capabilities and onwards in competitive advantage by managing the resources acknowledge during interviews?
10. And if a company could not convert the resources into competitive advantage through resource management process of structuring, bundling and leveraging, questions must lead to probing reasons.
11. Comparing reasons of successful or unsuccessful resource management and further question should lead into finding root causes.
12. What closing remarks interviewer can further add? A free option to talk on any aspect keeping subject in perspective.
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