# MEDIATING ROLE OF STRATEGIC CHANGE ON THE RELATIONSHIP BETWEEN FIRM RESOURCES AND SMEs PERFORMANCE: A CONCEPTUAL REVIEW

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**Abstract**

*Today's organizations are facing emerging challenges in the form of Competitive advantage. Firm resources are the assets for an organisation. These assets play a major role towards enhancing the performance of a company. Firm resources practices facilitate the development of completeness among the company employees that are specific to an organisation. Strategic change focuses on the setting up of a causal link between the overall strategic objectives of an organisation and its firm resources strategy and its implementation. This research concludes that there exists a positive relationship between good firm resources and SMEs performance. This paper emphasises the concept of firm resources important source of competitive advantage. Strategic change is considered the most significant determinant of any type of organization and a vital determinant of organizational success, it plays an important role in an organization's survival in the market as performance is dependent upon the strategic of the organization, since it is a clear indicator of the survival of the business. Thereafter, strategic change plays a good mediating role on the relationship between firm resources and SMEs performance. To this end, SMEs performance, Firm resources, and strategic change are defined. Specific examples from academic researchers have been considered to emphasise the influence of firm resources and strategic change on the performance of the SMEs. The conclusion reached is that the way an organisation manages, and sustains its Firm resources and strategic change has a remarkable relationship with its performance and achievements.*

**Keywords:** *SMEs Performance, Competitive Advantage, Firm Resources, Strategic Change.*

## 1.1 Introduction

Small and medium-scale ventures (SMEs) assume a vital part in public economies all over the planet, producing business, esteem and adding to development (OECD, 2021). According to the OECD, small and medium-sized enterprises (SMEs) play crucial roles in achieving the Sustainable Development Goals (SDGs) at all levels of development worldwide. SMEs set out work open doors across geographic regions and areas, utilizing expansive fragments of the workforce, including low-gifted specialists, and giving open doors to abilities improvement (OECD 2023a). According to the OECD (2021), small and medium-sized businesses (SMEs) are a significant means of reducing poverty and promoting inclusion, particularly in low-income and emerging economies. The 2019 SME Finance Forum Report shows that the quantity of SMEs in 176 nations depended on 90% of the whole organization and offered over half of the worldwide GDP (Gross domestic product). SMEs likewise assimilated over 66% of the labor force or 2/3 of the all-out work.

According to OECD (2023b), small and medium-sized enterprises (SMEs) make up 34% of U.S. export revenue, employ over 50% of private sector workers, and represent 99% of all US businesses. According to Tahir, Razak, & Rentah (2021), small and medium-sized enterprises (SMEs) make up 99.2% of all businesses in Malaysia. Moreover, SMEs contribute 32% of the GDP, 59% of employment, and 19% of all exports. According to Tian, & Lin, (2019), small and medium-sized enterprises (SMEs) account for approximately 97% of all businesses in China. They also contribute nearly 58% of the GDP and 68% of exports. SMEs contribute up to 60% of absolute work and up to 40% of public pay (Gross Domestic Product) in emerging economies (World Bank 2018). As a result, in recent decades, numerous nations have placed an emphasis on the growth of small and medium-sized enterprises (SMEs) in order to accelerate economic growth (Imran & Aldaas, 2020).

Small and medium-sized businesses (SMEs) play a crucial role in employment creation, poverty alleviation, and economic growth in Nigeria. As a result, creating an environment that supports the expansion and development of SMEs in the nation is critical. As per the National Bureau of Statistics (NBS), SMEs represent more than 84% of the all-out number of organizations in Nigeria and contribute around 48% to the nation's GDP (Gross Domestic Product), utilizing north of 60 million individuals (Abubakar, et al., 2023). In spite of their commitment in Nigeria, the latest information shows that around 20% of SMEs bomb in their most memorable year, and half of private companies flop in their fifth year (McIntyre 2018). Management systems are to blame for these failures; failure to establish and communicate company goals, lack of financial planning and review, and a lack of vision, purpose, or principles (Onehi, et al., 2017).

At the same time, organizational resources allow the company to interact and compete in the international market with fewer restrictions. Organizational resources also play a proactive role in promoting SME growth (Nason & Wiklund, 2018). A number of researches suggest that a company's internal relationships can have a significant impact on its performance (Chandra, Paul, & Chavan, 2020). From an external perspective, a good relationship with business partners such as suppliers, distributors and customers is closely related to the performance of the central company. Company resources that are essential to SME performance include technological resources, human resources, and financial resources. The performance of SMEs is influenced by the strategies and resources used in a given operating environment. Firm resources are defined as assets, processes and knowledge that allow managers to design and implement efficient and effective strategies (Winckler, et al., 2022).

Empirical studies have shown that firms often transfer technology and process innovations to their subsidiaries in foreign markets, leading to superior subsidiary performance because such technology transfer allows subsidiaries to provide innovative products and high-quality services in the host country (Winckler, et al., 2022). Financial resources are essential because they give companies a greater degree of freedom to consider large-scale expansion opportunities without necessarily jeopardizing opportunities and make the expansion process smoother and less problematic (Acikdilli, et al., 2020). Therefore, failure to maintain a sufficient level of financial resources can lead to the decline of the company's international presence behind its competitors in the race to achieve global leadership. However, the financial resources possessed by the company are drawn from various sources, which are linked to desperate cost concerns and the commitments required to meet resource deployment obligations (Acikdilli, et al., 2020). As a result, the company must synchronize the pace of its global expansion with the expectations of various resource providers.

Strategic change thinking is essential for an organization's survival and sustainability in the rapidly changing global economic, social, political, and technological environment (Ketemaw, & Amente, 2023). A distinctive feature of the modern world is its rapid change. It has important implications for society, governments and companies. Companies must be aware of changes in their internal and external environments in order to succeed or prevail in competition. Every organization experiences change every day, but since most companies and people see change as unusual or bad, they may or may not be aware of it (Ketemaw, & Amente, 2023). Change is an essential element of success if it is implemented purposefully and adapted correctly. A change in an organization's strategy can impact its operations, affecting everything from organizational structure to employees' daily activities (Bubenik et al., 2022). However, when poorly managed and implemented, change becomes difficult to adopt and increases employee resistance, causing significant costs and risks to potential profits and goal achievement (Tang, 2019). Some authors also explain that strategic change significantly affects organizational performance (Makina & Kengara, 2018; Kim & Choi, 2022, Le & Kroll, 2017, Machimbi1 & Kilika, 2022). The internal and external environment is crucial to developing a sound plan for change. (Kujala, 2022; Dutta, 2018).

In today's fast-paced and highly competitive market, companies that do not grow and adapt risk falling behind or going out of business (Rossi & Sengupta, 2022, McKenna & Kingara, 2018; Kapsa et al., 2022). Organizational managers face a number of challenges when implementing change, including employee resistance, potential loss of resources and profits, dissatisfaction and lack of understanding of the importance of strategic change and the adaptation process within the company. However, it is certain that the study of strategic management contributes significantly to the organization's ability to understand the weaknesses of strategic change and the ability to adapt. To determine the empirical mediating role of strategic change in the relationship between firm resources and SME performance, a comprehensive literature review was conducted.

## 2.1 Statement of the Problem

Today's continuous change is caused by the explosion of technology and information, which requires new useful and necessary strategies for individuals, businesses and society as a whole to adapt to the new trends (Mehedintu & Munteanu, 2016). Organizations today must have a positive mindset towards continuous innovation if they want to thrive in a world characterized by disruptive change and fierce competition (Ketemaw, & Amente, 2023). For a number of reasons, including technological advances, the expansion of global information networks, sustainability and changes in international law, companies, in particular, must adapt and implement change (Mehedintu & Munteanu, 2016). Therefore, organizations must be aware of changes in their internal and external environments in order to be able to compete and often succeed in competition. Strategic change is beneficial to the extent that it can foster constructive learning and new knowledge, which are themselves outcomes of time-based processes, and has become a prominent topic in a number of areas of organization and management research in recent years (Greshnik et. al., 2020). A company usually needs to change or reorganize some elements of its strategy, organization or culture while keeping other elements in place for the change to be effective (Dutta, 2018). As a result, implementing successful change is a process that requires a high level of skills and abilities and is essential for maintaining organizational competitiveness. Such as predictability, keeping an open mind, adaptability and giving others the freedom to make strategic changes when required (Covin & Slevin, 2008).

However, the organization faces many problems and faces challenges in implementing and adapting strategic changes within the organization. One of the major challenges of strategic change and adaptation is setting measurable short-term goals in strategy formulation, improving the effectiveness of communication throughout the organization, and engaging employees in strategic change to increase motivation (Feldberg, 2014). Moreover, as Halkos (2012), points out, one of the main challenges that many organizations face when implementing strategic changes is employees' perception of and resistance to change. Key challenges for change include differences in leaders, management styles, change mechanisms, change indicators, effectiveness of strategic actions, and employees' careers (Rudnev, 2020).

Based on the above empirical data, the research concludes that achieving organizational goals requires comprehensive understanding, implementation, and adaptation to change. However, organizations do not realize how important strategic changes and adaptations are. The most difficult job is the job of strategic change and adaptation to it. To understand, develop and improve knowledge in this area, it is necessary to understand how strategic change mediates the relationship between SME performances in the area of firm resources.

2.3 Objectives

The objectives of this research paper are as follows:

i. To review the relationship between firm resources and the SMEs performance.
ii. To review the relationship between strategic change and the SMEs performance.
iii. To review the relationship between firm resources and the strategic change.
iv. To review if strategic change can play a mediating role on the relationship between firm resources and SMEs performance.

2.0 Conceptual Review

2.1 SMEs Performance

Small and medium enterprises (SMEs) are essential for the economic growth of any country. The supply and development of small and medium-sized enterprises (SMEs) are important drivers and profiles for the degree of industrialization; To update; Urbanization, useful and important work for every able-bodied individual, neutral wage distribution, government assistance, wage per capital and personal satisfaction with which the population is happy (Aremu & Adeyemi, 2011), on the basis that SMEs add to business development at a higher rate than larger companies (Farouk and Saleh, 2011). In both developed and developing economies, small and medium enterprises are gaining importance in expanding the economy, reducing poverty, increasing employment, production, technological innovation and improving social status and standards. Known all over the world. According to the World Bank (2013), SMEs are characterized in light of the volume of activity in terms of the total number of workers as well as the value of available resources. According to Stork and Eselaar (2006), many African countries offer different definitions of SMEs. Small and medium enterprises in Ghana refer to companies with not more than six to ninety employees and not more than 2.5 billion Ghana cedis in fixed assets (excluding land and buildings). In South Africa, for instance, SMEs are distinct and separate business entities, including for-profit endeavors and independent non-legislative associations by one or more owners, which include their subsidiaries or subsidiary companies, if any. SMEs in Cameroon are those with a turnover of not less than 1 billion Cameroonian francs (CFA), outstanding investments of not more than 500 million CFA francs, short-term loans of not more than 200 million CFA francs, ownership of not less than 5 percent equity, and Cameroonian managers. In Nigeria, SMEs are described as companies employing less than 200 representatives.

### 2.1.1 Measures of SMEs Performance

The process of developing measurable indicators that are systematically tracked to evaluate progress towards achieving pre-set objectives and using these indicators to evaluate progress towards achieving these objectives is known as performance measurement. According to Esuh (2012), performance measurements are important for SMEs because they provide criteria by which success or failure can be evaluated. The extent to which goals have been achieved can be assessed through monetary and non-monetary measures (Sadik, 2012). Abu Jarad, Youssef, and Nikpen (2010) confirm that monetary productivity measures are considered the best indicators for distinguishing between whether or not an association is achieving its goals or doing things right. Regardless of this, as O'Regan and Gobadian (2007) argue that, integrating non-monetary measures with monetary measures works by considering implementation in several areas at the same time. This reinforces the aversion to personal readiness associated with monetary measures (Fatoki, 2011) while helping supervisors and owners in SMEs to determine the progress of the work as well as the overall implementation and achievements of the company (Esuh, 2012).

## 2.2 Firm Resources

Resources are the firm's tangible and intangible assets (Wernerfelt, 1984), internal, shared, or accessible. These assets are the basis of the RBV theoretical approach, in which firms' individual resources and their inherent characteristics (Kraaijenbrink, Spender, & Groen, 2010) are connected to their strategy (Grant, 1991). Thus, firms' distinct results can be explained by the attributes of their resources (Prévot, Brulhart, & Guieu, 2010), especially when they cannot be assigned to differences in the conditions of their sector of activity (Peteraf, 1993). A resource must be valuable because it exploits opportunities or neutralizes threats in the firm's environment; it is rare among the firm's current and potential competitors; and it is imperfectly imitable, and without strategically equivalent substitutes (Barney, 1991).

In addition, other factors are relevant to its competitive advantages, such as the resource's durability, the speed with which other firms can imitate it, its lower capacity of transfer and replication, or a firm's difficulty in imitating the success of another firm's resource (Grant, 1991). Classical strategy authors propose different classifications for resources (Penrose, 1959; Wernerfelt, 1984; Barney, 1991) and agree upon the importance of heterogeneity in generating returns for the firm through competitive advantage. Penrose's (1959) classification was the basis for subsequent categorizations. For the author, resources are assets available to the firm for use according to a management decision and comprise two types: physical and human.

## 2.3 Strategic Change

Strategic change is conceptualized as the change in the content of a firm's strategy to enable alignment with its external environment (Hofer & Schendel, 1978; Rajagopalan & Spreitzer, 1997). Because a firm's performance and competitive advantage depend on its strategic fit with the external environment (Rajagopalan &

Spreitzer, 1997; Helfat et al., 2007), emerging opportunities and threats often influence the firm to change its strategy in its scope as well as resource deployments to gain competitive advantage and increased synergy (Hofer & Schendel, 1978; Rajagopalan & Spreitzer, 1997). Strategic change is essential to organizational performance because it enables organizations to remain current and competitive in an ever-changing marketplace. Organizations risk being left behind or becoming obsolete in today's fast-paced and intensely competitive marketplace if they do not adapt and change (Rosi & Sengupta, 2022; McKenna & Kingara, 2018; Kapsa et al., 2022).

In addition, strategic management organizations must continually evaluate their strategies and make adjustments as necessary to remain competitive. This means the ability to anticipate changes in the market, customer needs and emerging technologies, and to respond quickly and effectively to these changes (Le & Kroll, 2017; Atieno & Kyongo, 2020). Plant management can use the process of strategic change to improve organizational performance, especially in business process reengineering, business process restructuring, and business innovation (Atieno & Kyongo, 2020). In addition, effective management follows and evaluates selected processes in accordance with the realization of the company's chosen strategy, which strongly supports the systematic introduction of changes in processes and the maintenance of business performance (Bubenik et al., 2022).

Moreover, low-reputation firms that currently use a closed innovation approach may benefit if their innovation process is opened to moderate or high rates of change. For companies with a poor reputation, involving customers in the innovation process may not be beneficial. (Morgan et al., 2021). AS findings (Leick, 2019) indicate that the two most important adaptable business strategies are market leadership and market expansion. In conclusion, strategic change is essential for organizational performance in today's fast-paced business world. Long-term success and prosperity will be more likely for organizations that can regularly evaluate and review their strategies.

## 3.0 Methodology

To obtain the research objectives, the study applies a systematic review of literature review from various research articles. Thus, this study is a desk research rather than a survey.

## 4.0 Discussion of Findings

### 4.1 Firm Resources and SMEs Performance

For new ventures, resources are important for survival and growth (Barney, 1991). The strategic management literature suggests that firms' competitive advantages are the result of possessing internal resources that their competitors lack (Peteraf, 1993; Teece, 2007). A positive relationship between firm resources and small enterprise growth is well documented in the literature (Jadin and Sharma, 2009). Vicente, Abrantes, Seabra, and Teixeira (2015) investigate the effect of firm resources on firm growth. Using RBV theory, the study aims to understand how a combination of three innovation resources and capabilities influence dynamic capabilities and performance in export markets. The study discovers that innovation, technological capabilities, and innovation strategy have a positive and direct impact on dynamic capabilities. They realize that dynamic capabilities positively affect the market performance of exporting firms.

Rasmussen (2014) examines the relationship between firm resources and SME growth by analyzing the influence of internal resources as drivers of high growth in 345 Gazelle SMEs and 135 non-Gazelle SMEs in Norway. They reveal that high-growth SMEs scored higher on innovation, learning and creative climate. This observation supports the idea that there is no single indicator that determines growth. Bakr and Ahmed (2010) also seek to answer which of the company's resources contribute most to performance. Their findings indicate that in Malaysia, intangible resources are the main driver of performance. Moreover, tangible resources have a significant positive relationship with the performance of Malaysian SMEs.

### 4.2 Firm Resources and Strategic Change

Literatures show that resource capacity is one of the most important factors influencing strategic change and adaptation (Harikkala-Laihinen, 2022, Makina & Kengara, 2018 et al., 2021, Capssa et al., 2022, Kujala, 2022 and Capssa et al., 2022). Employees' ability, commitment and awareness also have a significant impact on strategic change (Richard, 2019, Yang, 2019, Triana et al., 2019, Harikkala-Laihinen, 2022 & Rossi & Sengupta, 2022b). Others also find that there is a strong relationship between CEO EO and strategic change practice (Wang et al., 2021). A central executive's tenure is widely associated with a direct relationship with strategic change (Le & Kroll, 2017). Longer tenures of CEOs and top management teams, as well as a higher level of diversity in positions, are associated with higher levels of strategic change (Mulegwa & Imbambi, 2019). The COE five-factor model (FFM) of personality, some traits positively influence the implantation of strategic change and others do not (Kujala, 2022).

### 4.3 Strategic Change and SMEs Performance

Strategic change and adaptation have a significant impact on organizational performance. Many authors also find from the results of the studies that strategic change and its adaptation or implementation have a significant impact on organizational performance (Makina & Kengara, 2018, Kim & Choi, 2022, Le & Kroll, 2017, Machimbi1 & Kilika, 2022 , Atieno & Kyongo, 2020, Le & Kroll, 2017 & (Kraatz & Zajac, 2015) In addition, findings from other authors showed a positive relationship between performance improvement and implementation of strategies and a negative relationship between resistance to change and participation in resistance to change (Makina & Kengara, 2018). Strategic change and firm performance benefited from time spent abroad, and these effects are positively moderated by the number of countries and cultural distance (Le & Kroll, 2017). organizational is market leadership and market expansion (Leick, 2019).Organizational performance is improved through positive strategic change (Junjie Wu, et al., 2021). Organizational performance is significantly related to change management and wise leadership (Bundi et al., 2016). Strategic change is evident in employee behavioral attitudes, corporate performance, and its levels of importance (Rosi & Sengupta, 2022).

### 4.4 Mediating Role of Strategic Change

#### 4.4.1 Financial Capital Availability, Strategic Change and SMEs Performance

Availability of financial capital and strategic change and performance of SMEs FCA refers to the most important and flexible resource of the firm, which can be attractive in times of crisis. Finance reflects a current liquid asset that can be easily converted into other forms of resources and protects against resource constraints in critical operational areas. Wiklund and Shepherd (2005) state that financial capital can, to an extent, accelerate business operations along with strong support to expand business operations. Memon, Yong-An and Memon (2020), argue that SMEs still rely on informal sources to arrange financing for business operations because commercial banks have high security concerns for long-term loans and require time-consuming procedures. These preconditions discourage SME owners from borrowing from the bank. The second most important discouraging factor is the interest rate that limits the business owner to choose financing from commercial banks and financial institutions (Zafar, A., & Mustafa, 2017; Nkuah, et al., 2013). Therefore, SMEs have just limited overdraft facilities, short-term financing and letters of credit. Many researchers find that limited access to financial resources is the main constraint to the growth of SMEs and can become the reason for failure (Raza, et al., 2020; Memon, et al., 2020; Adomako, & Ahsan, 2022). Similarly, Mishra and Yadav (2021) observe that products have a short lifespan to survive in the competitive market in the current business environment. Consequently, SMEs are not relying solely on the future profits of existing operations, and the business must constantly seek new opportunities for long-term survival. Therefore, SMEs can use SC in the firm to gain a competitive advantage over competitors. Zhang (2006) explains SC as an overall change in the firm based on a 360-degree level, which includes the allocation of resources to many key strategies. SC is predominant because it entitles footing in their advantages to achieve firm performance. SC instigates new innovative ideas which have the desired results to reach SMEs’ optimum level of performance (Kirtley, & Mahony, 2020).

Furthermore, strategy can be found as an action plan to achieve the firm's goals (Aslan, et al., 2011). SMEs are more financially constrained than large firms because they are opaque (Brown, & Lee, 2019). Therefore, access to financial resources facilitates the pursuit of strategic goals in times of economic crisis, and firms with adequate financial capital may be able to strengthen their strategic orientations (Beliaeva, et al., 2020). Some studies identify that financial capital could easily acquire tangible and intangible assets to exploit new opportunities in the firm. It ultimately leads to a SC, such as product line expansion and new cost-effective methods, which provide the desired outcome from innovative strategies (Fairoz, et al., 2010; Rauch, et al., 2009). A lack of research can be observed examining the relationship between FCA and SC in the context of SMEs.

Therefore, the lack of research encourages researchers to further investigate the relationship. Thus, study hypothesizes that FCA has a positive impact on SC. Researchers have analyzed the effect of resource flexibility on performance, such as financial performance and innovation. Performance can be achieved when firms exploit new opportunities such as corporate diversification, product innovation or entering new international markets, which are the specified dimensions of SC (Khan, et al., 2021; Sun, et al., 2021; Matloob, et al., 2021). A significant conclusion is that resource flexibility increases performance. For example, resource flexibility has been argued to enhance the firm's ability to transform resources effortlessly, respond quickly to the changing environment, and exploit change in the firm (Dubey, et al., 2020).

Indeed, when resource flexibility and access to finance improve, firms will be better able to adopt change in production methods, marketing strategies, and innovation to promote a unique set of capabilities (Fatoki, 2011; Tian, & Lin, 2019). Therefore, the direct hypothesis between FCA and SC is proposed. Furthermore, the relationship between FCA, SC and SME performance remains largely unexplored; next, the mediating role that SC plays between FCA and SME performance can be studied.

### 4.4.2 Innovative Work Behavior, Strategic Change and SMEs' Performance

IWB can be defined as individual action (within a work role, group, and organization) aimed at exploring new innovative ideas, procedures, and production methods (Scott, & Bruce, 1994; De Jong, & Hartog, 2010). Jansen (2010), defines IWB as "initiating and applying new ideas within a work role, with colleagues and peers in the organization, to benefit the performance of the role, group, or organization." IWB has a broader definition that can be used to create, promote and implement new ideas that benefit the overall performance of the company. Innovation deals with everyone working in a company and not with those who are limited to innovative or innovation-oriented jobs. Moreover, Fayolle and Basu (2010) find that innovation has an important role in SMEs to accelerate core capabilities and transform them into optimal levels of performance outcomes. Since there is no literature on the relationship between IWB and SC in the SME sector of Pakistan, this study investigates the relationship between IWB and SC in SMEs.

Researchers extensively investigate that innovative products are positively associated with strategic change. Ultimately, it affects the ability of SMEs to survive in the dynamic market, increasing the overall performance and long-term survival of SMEs (Stoffers, & Heijden, 2018; Devloo, et al., 2016). Shanker, et al., (2017) argue that creative and innovative work behavior supports this belief in their research and assert that cognitive and creative behavior are adopted when personal traits are combined with work environments, resulting in contribution to company enhancement. To renew its strategic policies. An empirical study found that IWB attempts to promote strategic renewal while seeking crises in the domestic market of developing countries (Pucciarelli, & Kaplan, 2016).

Furthermore, innovation directly or indirectly affects small business values through strategic changes at the level of operation of SMEs (Qureshi, et al., 2020). Similarly, Shanker et al. (2017) argued that IWB between owners and managers of a company is essential for improving company performance. Rothwell, et al., (2012), identify that a focus on SC will more easily achieve a company's goals and objectives, suggesting that the necessity translates into a greater need for continuous innovation of internal products, processes and behaviors. RBV theory also asserts that companies need talent, funds and technology to develop a new innovative strategy that will be impossible for competitors to imitate and enables SMEs to gain superior performance and long-term competitive advantages (Saunila, 2020; Ejdys, 2014; Böhmer, & Galajas, 2004). Therefore, the direct hypothesis between IWB and SC is proposed. Furthermore, the relationship between IWB, SC and SME performance remains largely unexplored; next, the mediating role that SC plays between IWB and SME performance can be studied.

**4.5 Conceptual Framework**

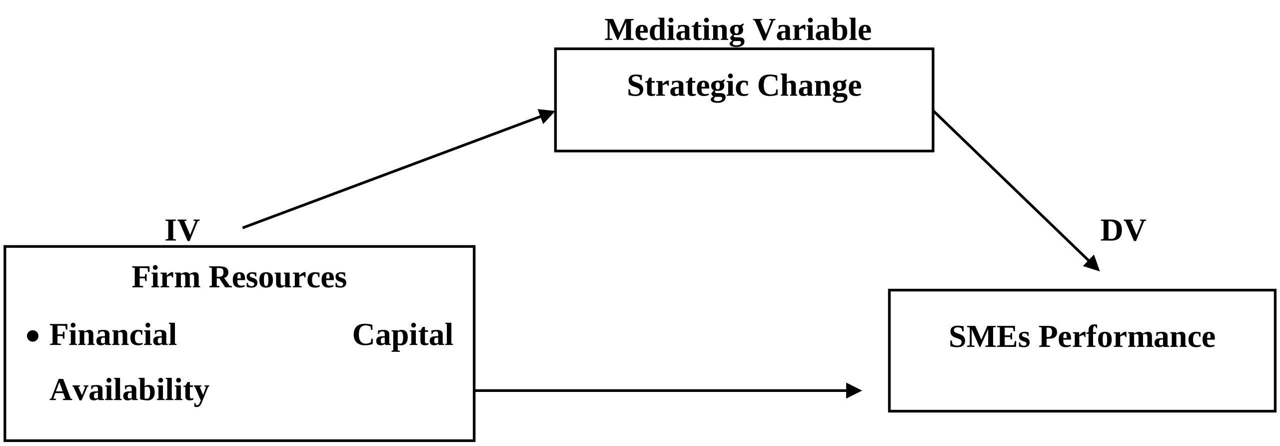


***Figure 1: Conceptual Framework***

**5.0 Conclusion and Recommendation**

This research concludes that there exists a positive relationship between good firm resources and SMEs performance. In this paper, the concept that firm resources are an important source of competitive advantages has been emphasized. Strategic change is considered the most significant determinant of any type of organization and a vital determinant of organizational success, it plays an important role in an organization's survival in the market as performance is dependent upon the strategic of the organization, since it is a clear indicator of the survival of the business. Thereafter, strategic change played a good mediating role on the relationship between firm resources and SMEs performance. To this end, SMEs performance, Firm resources, and strategic change are defined. Specific examples from academic researchers have been considered to emphasise the influence of firm resources and strategic change on the performance of the SMEs. The paper concludes that the way an organisation manages, and sustains its Firm resources and strategic change has a remarkable relationship with its performance and achievements. It is suggested that future studies to apply the proposed conceptual framework so as to find an empirical evidences.

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