



Impact of Financial Resources Utilization on Firm Performance: A Case of SMEs Working in Pakistan

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Abstract

The paper aims at finding the impact of financial resource utilization on firm performance with team leadership as moderating effects. The purpose of the paper is to provide the team leadership concept between the financial resource utilization and firm performance. The article focused on the SMEs working in Pakistan and the sample is drawn from the SMEs working in Pakistan. The registered SMEs, data list is obtained from the SECP Pakistan. Questionnaire technique is adopted for the data collection. The data are collected from 225 respondents belongs to the SMEs working in Pakistan. The data collected belongs to the different categories of the SMEs which include restaurants, bakeries, medical stores, book shops, pesticide companies, fertilizer companies etc. Sampling technique used in the paper is convincing sampling method. The demographic statistics are analyzed using the SPSS software. The conceptual model is analyzed by the PLS SEM partial least square equation model. It is concluded from the paper that team leadership plays a positive role in the relationship of the financial resource utilization and firm performance. Team leadership plays a key role in the SMEs to get the organization's goals.

Keywords: SECP security and exchange commission of Pakistan, SMEs Small and Medium Enterprises, Team Leadership, Firm Performance

1. Introduction

The paper focused on the impact of financial resource utilization on the firm performance. Financial resources are the backbone of the business and organizations. The utilization of the financial resources is also very much important to get the desired results. Many of the firms can fail as they cannot properly utilize the financial resources and ultimately face solvency issues due to the loss in the financial resources. Financial resources utilization is termed as the resources management in the organizations such as the company financial resources funds, human resources, managing organizations tangible as well as non-tangible resources utilization. Proper utilization of the financial resources can increase the productivity, market share, sales, and turnover on the investments. Financial resources are very much important in the day to day investments and decision making process. Financial resources may include cash, loans, debt funds, equity funds, bonds, T bills, securities, shares, small loans from friends and families, short term and long term loan (Dibrova, 2016). All the business operations are based on the financial resources utilization to use the financial resources to get the efficient work. If the financial resources are better utilized much of the operations get smooth and organization grows in a best way. All the investments of the business that where to invest and when to invest is based on the financial resources utilization. (Kopsch et al, 2015). If the financial resources are not managed well it leads to the Complexity of the work and problems for the organization's employees to work in a rich environment. Financial resources utilization leads the organizations to the profit side so that it impacts on the overall performance of the business (Xiang & Worthington, 2017).

Firm performance is the measurements of the results or outputs of the business by utilizing the financial resources (Lamberton & Lapeyre, 2011). The firm performance not only focuses on the efficiency of the business but on the market place where it works. The measure of the performance in the finance language is based on the different terms as Return on assets ROA, Return on equity ROE, Profit margin, liquidity ratios, stock prices, sales volume and other like items. Firm performance can be improved and can provide better results when team leadership is implemented. Team Leadership can provide professionals and intelligent ones who can lead by their expertise, all the team members can put their efforts to win the situations. In the paper use of the Team leadership style plays an important role as a mediator between the financial resources and firm performance (Chin, 2015). Leadership is very much necessary to lead the organizations in the working environment. Team Leadership can provide professionals and intelligent ones who can lead by their expertise, all the team members can put their efforts to win the situations. But in the some situations all the members are not fruitful which is to be governed in the paper (Eling & Schnell, 2016).

Problem statement for the paper is that much of the attention is given to the financial resources utilization and firm performance, but the idea of team leadership is not focused. In the paper financial resource utilization and firm performance in moderation of the Team leadership is focused. In the previous studies the concept of team leadership is ignored, so team leadership is specifically discussed in the paper. There is lack of the Team leadership as moderator in the context of the financial resource utilization and firm performance.

The paper aims at finding the impact of the financial resource utilization as how the firms get utilized their financial resources and its impact on the firm performance in the terms of increase in firm sales, increase in salary of employees and increase in market share, and equity.

Research Objectives

- To find the impact of team leadership as moderator in the relationship between financial resource utilization and firm performance.
- To find the impact of financial resource utilization on the firm performance?

Research Questions

- What is the impact of financial resource utilization on firm performance?
- What is the impact of team leadership as moderator in the relationship between financial resources utilization and firm performance?

The present study provides a wide range of significance that there is a lot of research work is done on the financial resources and firm performance. The study of the mentioned article focused the financial resource utilization and its impact on the security of local context various steps and methods are followed to get the desired outcomes. The article is a case study of the developed country China, which is becoming now the world power. Article studied focuses on how China managed the financial resources mobilization for the power needs. The specificity of the paper lies in the moderator effect of the team leadership that which role team leadership plays in both the variables financial resources utilization and firm performance. (De Bruyn & Kuddus, 2005).

2. LITERATURE REVIEW

2.1 Financial Resources Utilization:

The study of the mentioned article focused the financial resources utilization and its impact on the security of local context various steps and methods are followed to get the desired outcomes. Financial resources management concerns with the effective and efficient utilization of the organization funds to get the goals of the organization (Al-Najjar & Al-Najjar, 2017). The article specifically focused the largest city in the Slovak Republic utilize resources for the security of the city with the collaboration with the municipal or local government. The method of DEA choose the suitable data for the environment analysis, the method needs to process the data in the two phases as one is the Input and the other is the Output of the data (Lamberton & Lapeyre, 2011).

2.2. Handling Financial Resources Mobilization in technological innovation system

The paper aims at the very serious issue of the world which is the energy needs of the world. As the climate conditions of the environment got a change in a rapid time and for coping with such situations there is need of entrepreneurial innovations in technology to overcome and face the current situation of power needs. The article is a case study of the developed country China which is becoming now the world power. Paper focused on how China managed the financial resources mobilization for the power needs (Hasan & Habib, 2017). The discussed case tells that there is need of a complete knowledge about the power generation through the wind power, there must be require a proper attention to get the desired results. The renewable energy sources are destroying day by day in China as well as all over the world and in the coming decades will be crucial for the environment and also the economic system in China and all over the world will face a big energy crisis (Finance & Network, 2013). As China is working on the wind energy sector so it effects on the other industries of the China. The study has clear future directions for the power sector generation of electricity by the wind power (Petersen, 2009).

2.3 Financial resources and corporate reputation

The article discussed in the research says that if a person is appointed as the Chief Financial Officer of the company then he or she may have the specific abilities belong to the financial activities and he or she may lack the abilities like CEO, as a CEO have broad range of abilities to use the financial resources utilization and the handle the organizations people and how to move the organization to the successful heights. As in the case of the Marketing director he or she have a specialized in the marketing related activities and can never do on the place of the Chief Financial officer (Siano et al., 2010). At the end of the specializations in the different fields it is understood that a man with the multi task abilities can get the globalizing concept that he or she have the knowledge of the different contexts and fields will work in more effective and efficient way. As per definition of the small business or sole business the small business are those handled by the single members, owner of the business is manager and sometime run all the business can purchase disburse and make profits for the business (Tran & Le, 2017). In the large organizations all the work is specified and works are performed by the specialized personals as director of the different departments. Director of finance, director Humans resources management, director Information technology, director production, director administration, director procurement and purchase works in collaboration to achieve the organization goals, all the directors of the organization meets and communicate to each other while making decisions for the organization. These learning are then having effect on the industry and organizations evaluation with the designed goals and target (Collins, 2005).

2.4 SMEs (Small and Medium Enterprises)

Our study defined the SMEs according to the specific institute working in collaboration of Pakistan Government under the Ministry of Industries and production for the handling of the small and medium sized enterprises which are named as SMEDA abbreviated as Small and Medium sized Enterprises development authority. It came into being on October 1998.

2.5 SMEDA Definition (SME)

SMEDA defined the small and medium enterprises as the on the having numbers of employee from 01 up to 250 employees, paid up capital up to 25 Million and have annual sales up to 250 Million. (smeda.org, 2017).

2.6 Team Leadership

A team chief is someone who offers steering, coaching, course and leadership to a set of other individuals (the group) for the reason of attaining a key result or institution of aligned consequences. The team leader reports to a manager overseeing several groups. In a team all the work is done by the association of all the members with a subordinate relationship Team leadership is defined as the individual who provides best instructions, guidance, ways, and direction to the group or some time to the groups so, that organization goals can be achieved (Wing, 2005).

2.7 Leadership Team Tool for better meaning making

Team structures in organizations are frequently primarily based at the idea that corporations can improve performance via teamwork. Organizational getting to know is dependent on how its groups examine. In questions of organizational overall performance and adaptability to a changing environment, pupils regularly point out the key position that management teams play inside the destiny of a corporation. Leadership groups regularly function on the very pinnacle of the enterprise, and their selections have lengthy-lasting strategic and operational implications for the enterprise (Graça & Passos, 2015). To make smart selections in

communication, one has to develop recognition of the connections of 1's non-public actions and the cultural discourses shared inside the agency. The questions used inside the Leadership Team Tool are supposed to allow the management crew participants to make reflexive connections between their communication conduct, relationships, group and organization, which similarly builds the groups' potential to assemble reflexive kinds of verbal exchange (Chin, 2015).

2.8 Team leadership across contexts: a qualitative study

Recently, proposed a model of purposeful team leadership integrating those management features with the dynamic aspects of the literature on teams. They advised that leaders perform precise capabilities to satisfy their teams' desires. However, these wishes differ in keeping with whether or not a crew's performance cycle is either in a transition or an action segment. To our knowledge, this model has by no means been studied in one of a kind context (Graça & Passos, 2015).

2.9 Leadership in high-performance teams: a model for superior team performance

Understanding the needs of humans for connection and belonging is an important principle of powerful high performing group leadership. People stroll via the door to do the right factor every day. Individuals on the team have a vast or less substantial degree of need for human interplay and involvement. Understanding the team contributors and their wishes for involvement, contribution and average social interplay of the crew is of crucial importance. It is my revel in that high acting work teams like to have possibilities for verbal exchange and communicate (Hedman, 2016). As leader of the crew, you've got an obligation to pull the crew collectively at ordinary durations for widespread interaction. (Hedman, 2016).

2.10 Firm Performance

Firm performance is the important measure of the firm profitability, firm increase in assets, firm good will etc. but it is not only the measure of the efficiency of the organization but it also depends on the market environment where it works (Ukaegbu, 2014). There is a lot of research work happen on the firm performance the discussed study aims at the importance of the Prestigious CEO in the organization and its relation with outside or the external directors. The study also focused on the importance of the CEO and the firm available resources on the firm performance (Pollitt & Bouckaert, 2017).

2.11 Definitions of Business Performance

Business is defined as trade of the individual for the sake of getting profit. It is the activity of the production, buying and selling of commodities, and providing goods and service. A business is an organization which produces and sells the products and services (Park & Irwin, 2007).

An overall performance dimension machine is the information machine that's at the heart of the performance control procedure and it is of vital importance to the effective and efficient functioning of the overall performance control machine (Franco-Santos, 2007). The paper also determines the conditions when the agency costs and resources are high and at which point at minimum point. The study finds the positive relationship between the CEO and the firm performance. (Kajalo & Lindblom, 2015). This is the main gap of the study and work is done using the new theories to define how Prestigious CEO affects the firm performance. To find the relation we have to clarify the concept of both the positive and negative side of the CEO Liang, 2017.

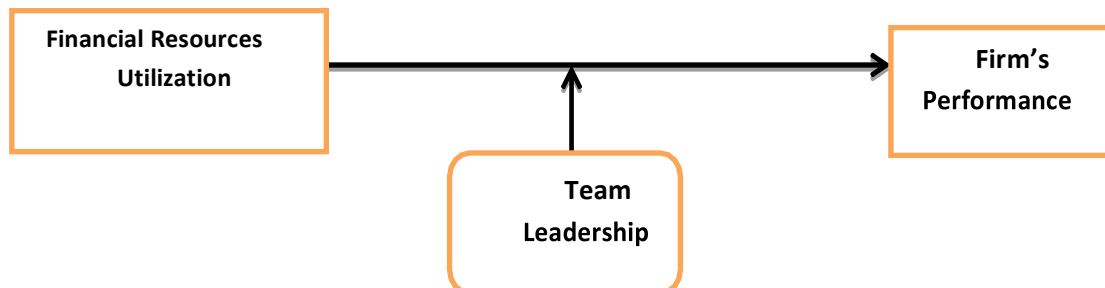
2.12 Equity Performance

According to the definition of equity performance it is seemed that many investors at a time buy and sell the stocks. The organizations and business sell the share to generate a large amount of capital. The process of selling share is known as the company is publically trading in the stock market. Each piece of share is based on the ownership of the firm(Khandelwal & Khanapuri, 2015).The paper focuses on the performance of the equity in the different trusts in the country like South Africa working in the different market environments like, recovery period, introduction, recession etc. for the period of 10 years from 2006-16. (Zhu, 2014).The performance is evaluated on the basis of the managerial abilities to test the sample of the given model, the model indicate that the there is no evidence of stock selection and various marketing sectors and conditions. The investments and completion of the projects need to select a financial resource to fulfill it and selection of funds needs an intellectual mind and skills. The managerial skills help us to evaluate the short term and the long term plans and benefits (Morrison & Teixeira, 2004).

2.13 Return on Assets / Increase in Asset value:

The paper focus on the asset value of the agriculture in relation to the financial stress of the debt in sector of US agriculture farms. The author considered the stress of the debt as the financial stress of the farms in the context of the debt position. The paper concluded that the stress faced by the farmers in the debt is of much great value than the asset value of the farm agriculture (Reboredo & Ugolini, 2015).The debt stress in the agriculture farms develops a hypothesis that there is risk balancing position for the financial debt. It is examined by the hypothesis that agriculture farm operators focus on the Return on assets and the interest rate for the debt which are risky factors for the agriculture farms (Roxas & Chadee,2012).

3. CONCEPTUAL FRAMEWORK



Research Hypotheses

H₁: Financial resources utilization has significant impact on the firm's performance.

H₂: Team leadership has a significant impact as moderator in the relationship between financial resources and firm performance.

4. METHODOLOGY

4.1 Research Data Collection:

The paper data collection design is based on the population and sample size of the study. The population of the study is unknown and includes all the managers, owners, workers of the SMEs in the Pakistan. The list of the registered SMEs is obtained from the SECP (Security exchange commission of Pakistan). The 225 questionnaire got filled from the respondents by convenience sampling from total sample which are analyzed by the Smart PLS software (Leguina, 2015) and Statistical Package for social Sciences SPSS software. All the operational

variables are analyzed by the Smart PLS and demographic analysis is done through the Statistical Package for social Sciences SPSS software (Arkkelin, 2014).

4.2 Sample size/ Sampling technique

In the non-probability sampling all the respondents are not provided with the equal chance of being selected for the sample. The sampling technique for the data collection is questionnaire data is collected from 225 respondents on the basis of 10 times to the total numbers of the questions in the questionnaire. According to the reference of (Hair, Sarstedt, Ringle, & Mena, 2012) suggested that it is ten times to the numbers of the questions. As the data is quantitative so we have to use the two basic types of sampling that are the random sampling method and the other is convenience sampling method.

4.3 Demographic Statistics

Demographic statistics are termed as the control variable. In the questionnaire respondent age, marital status, Education level, Business ownership type, Category of business, Company asset value are asked.

4.4 Questionnaire Construction and Pretest

The questionnaire technique is adopted for the collection of data. Financial resource utilization has 6 items which are adapted, after conduction interviews with the business analysts. From total 6 questions a single question is removed from questionnaire due to low factor loading value. Team leadership questions are adopted. It consists of total 8 questions out of which 3 questions are removed due to low factor loading.

Table 4.1

Variable	Questions	Questions development	Source
Financial Resources Utilization	6	Self-administered	Interviews
Team Leadership	8	Adopted	(Assessment,2016)
Firm Performance	7	Self-administered	Interviews

4.5 Data Analysis Strategies

In the start of the chapter PLS path models and all the procedural applications are introduced. Then after different models like path model is used. The PLS models gives us a practical implications in the corporate reputation which aid in the evaluation of the criteria of the models (Leguina, 2015).SEM is used in many international research articles for the data analysis. Therefore the aim of the article is provide the guidelines and appropriate methods used for the accounting researches (di Nascimento & da Silva Macedo, 2016).

4.6 Measurement Model

It is evaluated using the following measures.

- Internal Consistency Reliability (Cronbach Alpha)
- Convergent Validity (Average Variance Extracted AVE)
- Discernment Validity (Fornel-Larcker Criterion)

· **Internal Consistency Reliability**

It is basic and initial criteria for the evaluation of the measurement model. Traditionally the internal consistency reliability is measured through the Cronbach alpha which evaluates the reliability based on the inter correlations of the indicators used in the study. The criteria for the composite reliability have values lies between 0 and 1 and reliability is high for the high values. (Leguina, 2015).

· **Convergent Validity**

Convergent validity is used to find the measures of the correlations between the constructs that it is either positively correlated for the same construct. To evaluate the results of the convergent validity researcher’s work on the outer loadings with the AVE average variance extracted. If the outer loadings show a high value it means that the constructs have much in common with the indicators. (Leguina, 2015).The criteria developed for the outer loadings explain that each latent variable must explain at least 50% of the indicator’s variance.

· **Average Variance Extracted (AVE)**

A basic method used for finding the convergent validity on the establish constructs is the average variance extracted model. The average value of the AVE is equal to the common value of a construct. As the logic applied for the individual construct same is applied for the AVE. The value of the AVE is standardized as 0.50 or above is average which explains the half of the value of the construct indicator. But on other hand if the value of AVE is below than 0.50 there is some error in the construct (Leguina, 2015).

· **Discriminate Validity**

Discriminate validity measures the extent to which a construct is actually different from other constructs by developed standards. It gives the unique value for the construct and provides a value for the construct which is never repeated in the model. (Leguina, 2015).

· **Fornell-Larcker Criterion**

It is the second common method used for the measurement of the discriminate validity. The method used for this approach is to compare of the square root of the values obtained from the AVE value of the construct and latent variables correlations. The idea behind this method is based on the construct that gives more variance with the related indicator than for any construct value (Leguina, 2015).

Table 4.2

Criterion	Standard Rule	Reference
1) Internal Consistency Reliability	Composite reliability varies between 0 and 1. Acceptable at 0.60 to 0.70 Best Values 0.70 to 0.90	(Hair, 2014)
2) Convergent Validity	For individual AVE value of 0.50 or higher indicates on average	(Hair, 2014)
3) Discriminate Validity FornellLarcker	The AVE value for any construct should be greater than Square of correlation than other constructs.	(Hair, 2014)
4) Indicator Reliability	Outer Loading value is equal to 0.708 or higher	(Hair, 2014)
5) Cross Loadings	Value of each loading must be higher than the other construct to measure	(Hair, 2014)

5. RESULTS AND DISCUSSIONS

5.1 Demographic Statistic Analysis

Table 5.1 Gender Wise Study

		Frequency	Percent
Valid	Male	218	96.9
	Female	7	3.1
	Total	225	100.0

Table 5.1 gives the results of the respondents according to the age which shows that 96.9% of the questionnaires got filled from the male respondents, and 3.1% of the questionnaire got filled from the female respondents. As in the Pakistani Employee culture mostly male works in the different organizations and female mostly remains at home or do the jobs related to the teaching and other.

Table 5.2 Ages of the Respondents

		Frequency	Percent
Valid	Less than 25 Years or 25 years	7	3.1
	25 to 30 years	46	20.4
	31 to 35 years	87	38.7
	36 to 40 years	59	26.2
	Age is 40 years or above	26	11.6
	Total	225	100.0

Table 5.2 show the results of the age of the respondents as in the above table the maximum respondents belongs to the age between 31-35 years which shows high percentage of 38.7% due to the persons belongs to this ages are mostly married and needs to work in the organizations and may develop own business to run the expenses of the life.

5.2 Structure Equation Modeling (PLS-SEM approach)

The paper aims on the evaluation of the widely used measurement models in the statistics for analysis and critics. The review about the PLS SEM focuses on the following issues.

- Why we use the PLS SEM for the data analysis
- Characteristics of the data
- Features of the Research Model
- Evaluation of the both Inner models and outer models of the study
- Provides the guidelines about the best processes for the future works.

5.3 Evaluation Measurement Model

Evaluation of the measurement model is based on the outer model relationship with the construct and observable variable. The operationalization of the variable shows the effects of the constructs and the relationship of the latent variable with other indicators. The measurement model is based on either reflective or formative and sometimes the composition of the both reflective and formative models. The selection criteria are based on the theoretical work that either to apply the formative or the reflective model (Leguina, 2015).

5.4 Reflective Measurement Model

According to the research article discussed for the reflective measurement model shows that it is operational zed reflectively, each construct indicator represents error associated with the measurements. The error arises in the reflective model is divided into the two steps which are named as the random error and the systematic error. (Leguina, 2015).

5.5 Factor Loading

Table 5.6 Factor Loading

	FP	FRU	TL
FRU1		0.812	
FRU2		0.847	
FRU3		0.843	
FRU5		0.753	
FRU6		0.744	
FP1	0.754		
FP2	0.845		
FP3	0.761		
FP4	0.845		
FP5	0.751		
TL1			0.766
TL2			0.757
TL5			0.737
TL6			0.803
TL8			0.821

FRU= Financial Resources Utilization, FP = Firm Performance, TL= Team Leadership

Table 5.6 shows the entire items factor loading values which are higher than the standard value of 0.6. Some of the items are remove from the factor loading due have factor loading values lower than 0.6 therefore removed from the study.

Table 5.7 Construct Validity and Reliability

Variables	Cronbach's Alpha	Composite Reliability
FP	0.851	0.894
FRU	0.860	0.899
TL	0.836	0.884

FRU = Financial Resources Utilization, FP = Firm Performance, TL = Team Leadership

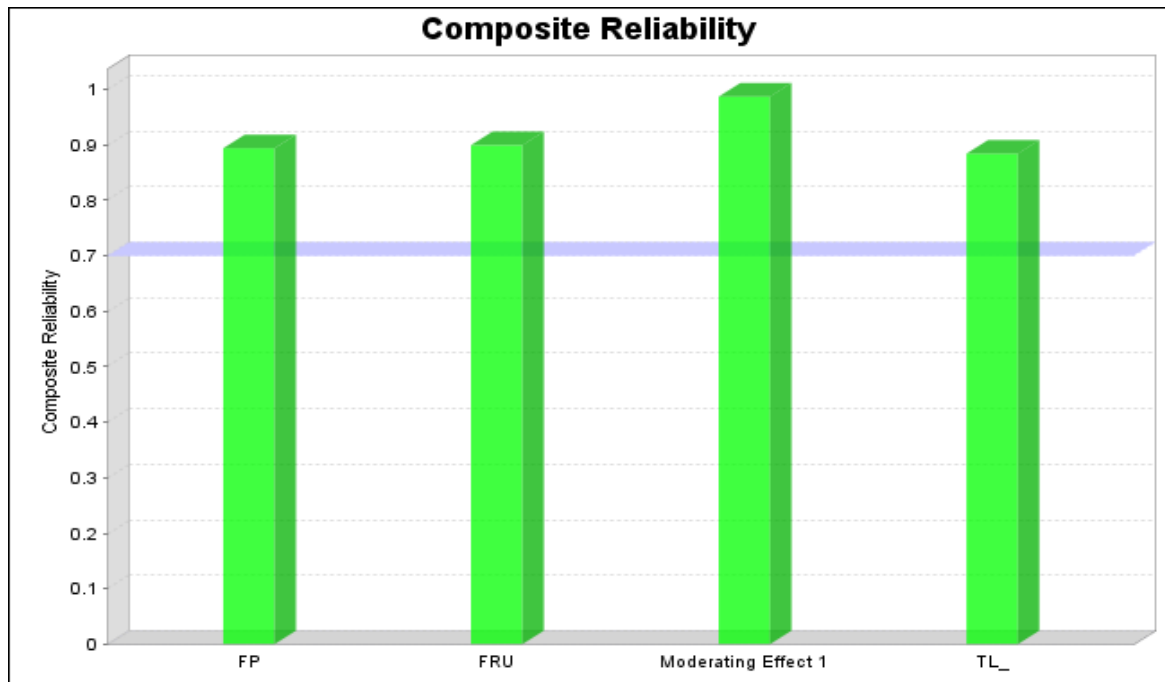


Figure 5.1

Table 5.8 AVE

	Average Variance Extracted (AVE)
FP	0.628
FRU	0.642
Moderating Effect 1	0.752
TL	0.605

FP = Firm Performance; FRU = Financial resources Utilization; TL = Team Leadership

Table 5.8 indicates the AVE values for the discriminate validity for the Firm performance 0.628, AVE value for the FRU Financial resources utilization 0.642 and AVE value for the moderator team leadership is 0.605.

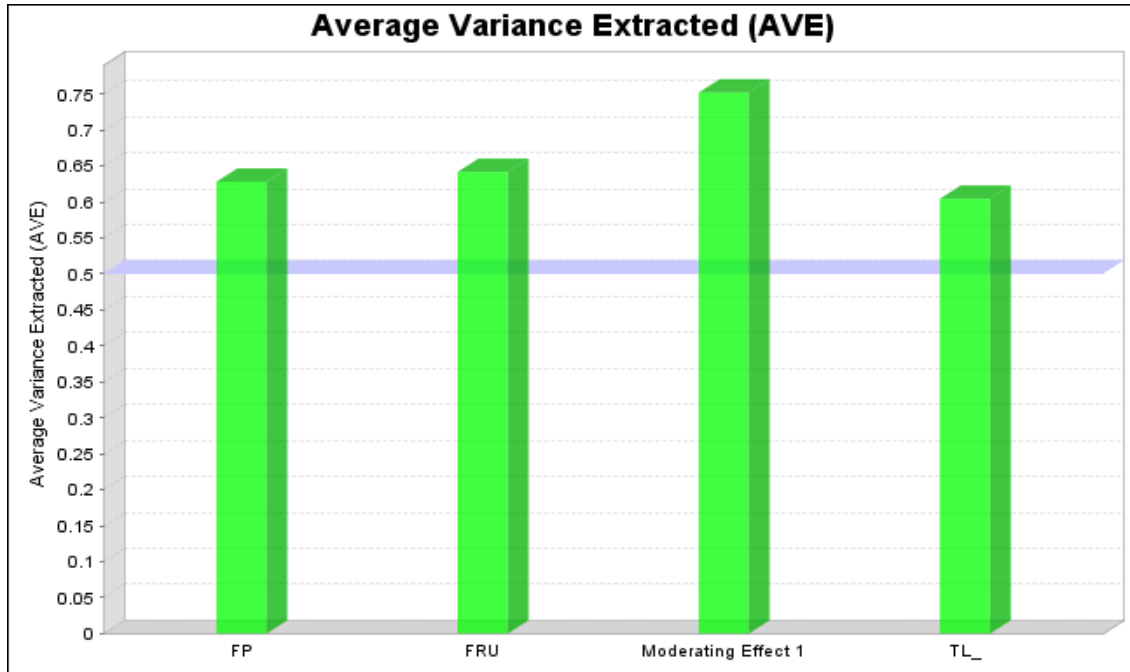


Figure 5.2

5.6 Cross Loading

Table 5.9 Cross Loading

	FP	FRU	TL
FRU1	0.443	0.812	0.573
FRU2	0.505	0.847	0.634
FRU3	0.545	0.843	0.725
FRU5	0.407	0.753	0.660
FRU6	0.435	0.744	0.663
FP1	0.754	0.415	0.544
FP2	0.845	0.507	0.514
FP3	0.761	0.372	0.457
FP4	0.845	0.509	0.477
FP5	0.751	0.507	0.512
TL1	0.470	0.674	0.766
TL2	0.462	0.686	0.757
TL5	0.509	0.611	0.737
TL6	0.442	0.579	0.803
TL8	0.564	0.613	0.821

FRU = Financial Resources Utilization, FP = Firm Performance, TL = Team Leadership

Table 5.9 Indicates the values for Financial Resources Utilization shows the values for the five constructs table is showing that all the constructs in the data have values above 0.708. All the constructs in the table are bold and shows a value of above 0.708.

5.7 FornellLarcker Criterion

Discriminant validity is proven according to the FornellLarcker if the value of the latent

variable AVE is higher than the common variances of the squared correlations, which is related with the latent variable of the construct (Hair et al., 2012).

Table 5.10 Fornell-Larcker Criterion

Variables	FP	FRU	Moderating Effect 1	TL
FP	0.793			
FRU	0.588	0.801		
Moderating Effect 1	-0.380	-0.647	0.867	
TL	0.634	0.710	-0.696	0.778

Table 5.10 indicates the vales obtained after the FornellLarcker measurements, the values are bold in the table which shows the criteria set for the correlations that squared value of each AVE of the construct is greater than the other construct value.

5.8 Evaluation of Structure Model

The evaluation model focuses on the checking of the hypothesis developed in the study. The latent variable used in the study only predicts the more latent variables in the study are called as the exogenous variables. The structural model can be checked by the following two measures (Leguina, 2015).

Outer loading criteria is as follow

- Path Coefficient
- Coefficient of Determination (R^2)

5.9 Path Coefficient

Path coefficient is used to determine the standardized hypothesis of the study that which is the criteria for the path coefficient path coefficient can be checked through the p value and t value tables. The errors in the bootstrapping allow calculating the t values for the data. The closer the value toward a zero the Weak is the relationship and ultimately the value is non-significant. For the evaluation of the t value the standard criteria is that it has value greater than 1.96 which shows a 95% confidence level(Leguina, 2015).

Table 5.11 Path Coefficient

	B	T Value	P Values	97.5%
FRU -> FP	0.251	2.664	0.008	0.435
Moderating Effect 1-> FP	0.087	2.156	0.031	0.154
TL -> FP	0.541	5.236	0.000	0.751

FRU = Financial Resources Utilization, TL = Team Leadership, FP = Firm Performance

From table 5.11 it is clear that all the t values for the hypothesis are above 1.96 the relationship

of Financial Resources Utilization and Firm performance has t value of 2.664. The moderator effect of team leadership is 2.156.

5.10 Coefficient of Determination

The coefficient of determination (R^2) is the part of the inner model assessment scheme, which defines the amount of the explained variance of the endogenous variable (Hair et al., 2012). In the paper studied the coefficient of determination model is reviewed in the 275 models and verified that all the values of the coefficient of the determination are correct according to the criteria. (Leguina, 2015).

Table 5.12 R Square

Latent Variable	R Square	R Square Adjusted	Assessment
FP	0.430	0.423	Moderate

Table 5.12 shows that R square value of 0.423 which shows that it has a moderate value of the coefficient of determination.

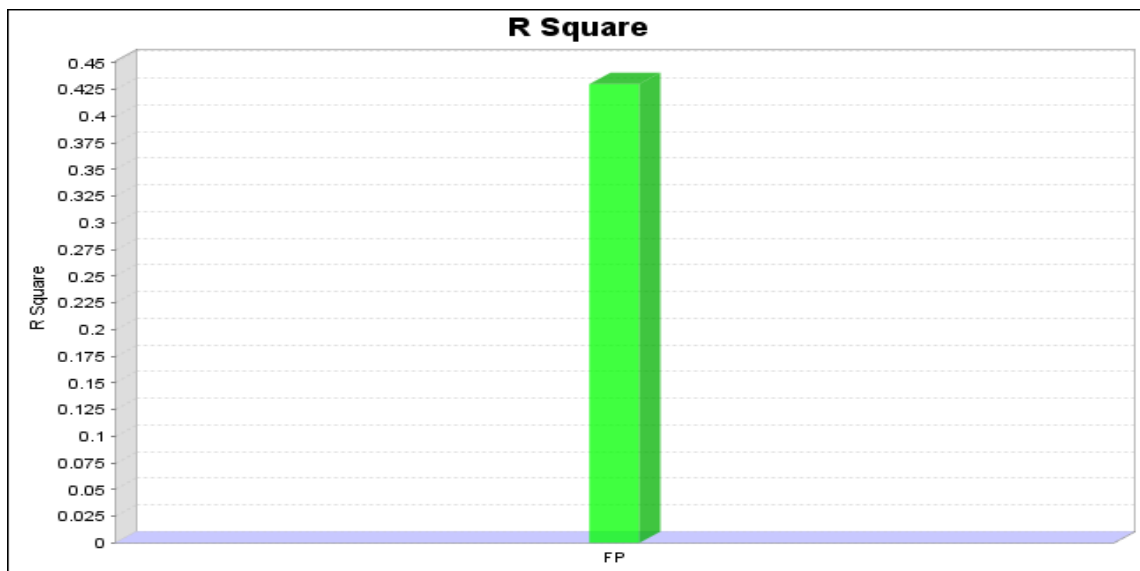


Figure 5.3

Figure 5.3 shows the value for the Coefficient of determination which has value 0.430 shows a moderate relationship. It indicates the moderate value of the moderator used in the study which is team leadership. The study concludes the positive significant effect of the moderator

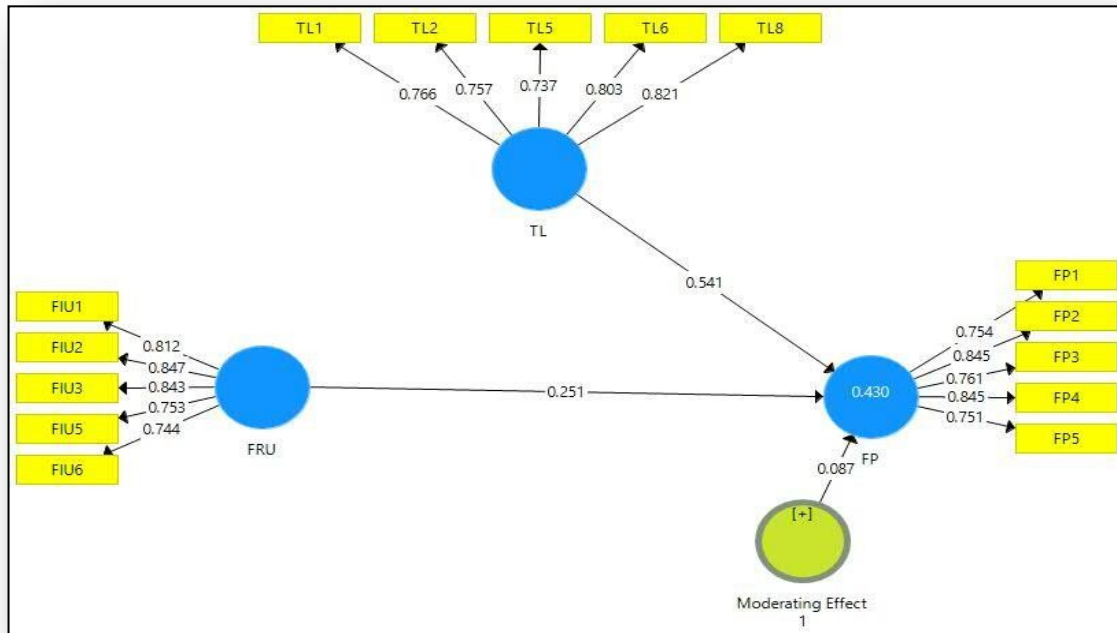


Figure 5.4

5.11 Structure Model

5.12 Hypothesis Assessment Summary

Hypothesis	Result	Sig. Value
H1: Financial resources utilization has significant impact on firm's Performance.	Accepted	0.008
H2: Team leadership has a significant impact as moderator in the relationship between financial resources utilization and firm performance.	Accepted	0.000

6. CONCLUSION

The study focused on the impact of the financial resource utilization and firm performance with a moderator of team leadership. In the study different statistical techniques have applied to find the evaluation and the results showed that data is valid, reliable, and consistent. Various models of studies like cross loading, factor loadings are applied on the models and constructs which are all according to the standards devised. From the statistical analysis, it is concluded that the moderator of study team leadership has a positive effect on the relationship of financial resource utilization and firm performance.

The hypothesis developed in the study have accepted having significant impact on the financial resource utilization and firm performance. Team leadership as moderator in the study has a moderate impact on the relationship of the financial resource utilization and firm performance. Previous studies have focused on the financial resources and firm performance in the different areas in the development of the electricity sector, local government and financial resource utilization and financial resource mobilization in the development of the society. From the previous articles it is seemed that financial resource utilization can enhance the firm performance. Previous papers also revealed that team leadership to have significant impact on the firm performance. The present study reveals that due to team leadership concept in the SMEs of Pakistan has positive impact on the form performance. Team leadership provides the organizations a proper way of getting the work done in the efficient way. Organizations in Pakistan have lack of the leadership qualities due which the firm performance standards are not well achieved. The study clearly indicated that the presence of the team leadership can enhance the way of working in the organizations; team leadership provides a way to get work done from the employees effectively and efficiently. The article focuses on the new ventures to develop the mechanisms of the team leadership in the organizations to achieve the organization's goals. Now it is the duty of the Human resource department and managers to implement the team leadership concept in the SMEs working in Pakistan to get the maximum output from the employees. Team Leadership in the organizations plays an important role for the betterment of the organization. Leading a team may have a lot of advantages a team leader can give a lot of ways to the followers. Leading a team may have benefits other than a group of people working. Team leader have clear vision in the mind to achieve the organization goals. So, a team leader guides the whole followers accordingly with the vision in his or her mind. Many organizations and brands in the worlds which are recognized internationally are successful are due to the team leadership and the visions of the leadership. From the results of the study analysis it is found that team leadership as moderator has positive impact on the relationship of financial resources utilization and firm performance. It is recommended that using team leadership concept in the organizations to get the better results for the firm performance in terms of the increase in sales volume, profitability, high market shares, and increase in the number of the employees. Team leadership is the management concept which can moderate the impact of the financial resources utilization and firm performance. In the SMEs working in the Pakistan as well as in the Pakistan needs team leadership for the competitive difference from the other organizations. The organizations in which the team leadership concept is followed are mostly the market leaders. The findings of the current study provide the best ways for the managerial posts to implement in the organizations about the proper utilization of the financial resources of the organization to get the best output for the organizations.

Practical Implications / Contribution of Research

The research plays a key role in the organizations by applying team leadership concept to get the better results for the firm performance in terms of the increase in sales volume, profitability, high market shares, and increase in the number of the employees. Team leadership concept is not observed in the SMEs so after applying the team leadership concept in the organizations can better utilize the financial resource utilization and firm performance. A team leader can enhance the group activities and focus on the organizations goals. Human resource departments in the organizations can implement the team leadership concepts in the organizations to get the best performance for the organization. Managers can develop the teams in the SMEs to get the work done effectively and efficiently by coaching the team members.

Limitations and Future Directions

The present study has some limitations and future directions for the researchers to do work on the limitations of the current study. The future directions if followed may lead to the best results for the business in the Pakistan as well as all over the world. In the first the current study has focused on the South Punjab region due to lack of resources which is biggest limitation the same study may be conducted in the future in the other cities of Pakistan and also may be conducted in the scenario of other countries of the world. Secondly, in the perspective of the gender wise study the data are not equally collected from both the major genders as equal from the male respondents and female respondents. In the future the data may be collected from the respondents on the equality base from both the major genders. In the third option the sample size is also the limitation of the study in the present study the questionnaire got filled from the 225 respondents which may be increased in the future, so as to get the response of the large number of respondents.

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