ORGANIZATIONAL RESOURCES AND DECISION-MAKING EFFECTIVENESS: EVIDENCE FROM SECURITIES FIRMS IN CHINA

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(Received 10th February 2026; revised 05th April 2026; accepted 20th April 2026)

Abstract. This study investigates the relationship between organizational resources and decision-making effectiveness in securities firms operating in China. Drawing on the Resource-Based View (RBV), organizational resources are conceptualized as a multidimensional capability composed of physical capital resources, human capital resources, and organizational capital resources. Data were collected through a survey of 270 managerial respondents from nine state-owned securities companies located in Zhejiang Province, and the proposed research model was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that organizational resources have a positive and statistically significant effect on decision-making effectiveness, explaining a meaningful proportion of variance in decision outcomes. The findings suggest that firms possessing stronger technological infrastructure, managerial expertise, and organizational coordination mechanisms are better positioned to process complex information and implement effective managerial decisions. This study contributes to the literature by extending the application of the Resource-Based View to the domain of managerial decision-making and by providing empirical evidence from the financial services sector in an emerging market context. The results also offer practical implications for managers by emphasizing the importance of developing integrated organizational resource capabilities to support effective decision-making in securities firms.
Keywords: *organizational resources, decision-making effectiveness, resource-based view, securities firms, PLS-SEM, China*

Introduction

Effective decision-making serves as a cornerstone capability for organizations navigating complex, highly regulated environments, particularly those defined by high uncertainty and rapid environmental shifts (Elbanna, 2006; Eisenhardt, 1989). In the specific context of financial institutions like securities firms, managerial choices carry immense weight, directly impacting risk exposure, market performance, regulatory compliance, and long-term sustainability. Because modern financial markets demand the processing of vast information volumes and seamless coordination across units, decision-making effectiveness, defined as the degree to which decisions achieve intended objectives and bolster performance (Jansen, 2011) has become a primary focus of organizational research (Elbanna, 2006; Dean and Sharfman, 1996). Understanding the specific internal conditions that facilitate these outcomes is essential, especially within knowledge-intensive sectors where the margin for error is slim. The Resource-Based View (RBV) offers a robust theoretical lens through which to analyze these organizational variations. RBV posits that a firm's performance and capabilities are fundamentally shaped by its possession and deployment of resources (Barney, 1991; Wernerfelt, 1984). Superior performance is achieved when an organization leverages resources that are valuable, rare, inimitable, and non-substitutable (VRIN). These assets

include both tangible and intangible elements, such as managerial expertise, institutional knowledge, and embedded organizational processes (Barney et al., 2011; Grant, 1996). Within this framework, resources are not just static assets; they actively influence how information is filtered, how departments communicate, and how strategic alternatives are weighed.

Research increasingly highlights the link between these internal resources and specific decision-making outcomes. Firms with well-developed capabilities are better equipped to collect relevant data, synchronize processes, and pivot in response to environmental volatility, thereby elevating the quality of managerial choices (Eisenhardt and Martin, 2017; Teece et al., 1997). Specifically, resources like communication structures and institutionalized procedures reduce uncertainty and foster the integration of diverse perspectives. Despite this theoretical grounding, empirical evidence remains sparse regarding financial institutions. Most existing literature focuses on manufacturing or general corporate settings (Elbanna, 2006; Dean and Sharfman, 1996), leaving a gap in our understanding of how resources function within the high-pressure, strictly regulated world of securities firms, where managers must constantly balance investment opportunities against rigorous compliance mandates. The Chinese securities industry presents a uniquely fertile ground for addressing this gap. Over the last twenty years, China's financial markets have undergone explosive growth and institutional maturation, marked by tightening regulatory oversight and fierce competition. To succeed, Chinese firms must rely heavily on internal mechanisms, such as governance structures and coordination capabilities, to navigate evolving policies and technological shifts. Consequently, investigating the organizational determinants of decision-making within these firms offers critical insights into how emerging financial markets function and how internal assets translate into strategic success.

Building upon RBV, this study conceptualizes organizational resources as a multidimensional construct that enables firms to support complex managerial processes. These resources are modeled as a second-order reflective–formative construct, representing strategic assets that drive information processing and evaluation. Decision-making effectiveness is measured using established scales that track the attainment of intended outcomes (Jansen, 2011). To test these relationships, the study utilizes a quantitative design, gathering survey data from managers within Chinese securities firms. The analysis employs Partial Least Squares Structural Equation Modeling (PLS-SEM), an approach favored for its ability to handle complex latent constructs and predictive modeling in management research (Sarstedt et al., 2021). This research contributes to the field in three primary ways. First, it shifts the application of RBV from traditional performance metrics, like profitability, to the specific process of decision-making effectiveness. Second, it provides rare empirical data from the financial services sector. Finally, it enriches the literature on emerging markets by focusing on the unique institutional landscape of China. The results aim to provide both a theoretical foundation for decision-making research and practical guidance for financial managers striving to improve decision quality in volatile markets.

Literature review and theoretical framework

Resource-Based View (RBV)

The Resource-Based View emphasizes that firms achieve sustained competitive advantage when they possess valuable, rare, inimitable, and non-substitutable resources

(Barney, 1991; Wernerfelt, 1984). The Resource-Based View (RBV) provides an important theoretical framework for understanding how internal organizational resources contribute to firm performance and strategic outcomes. RBV posits that firms achieve sustained competitive advantage when they possess resources that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). These resources include both tangible assets and intangible capabilities embedded within organizational structures, processes, and managerial practices. Unlike traditional industry-based perspectives that emphasize external market conditions, RBV focuses on the internal characteristics of organizations as the primary determinants of organizational effectiveness and strategic success (Grant, 1996). Later studies further developed RBV by highlighting the dynamic nature of organizational capabilities and the role of resource integration in shaping firm performance (Teece, 2007; Helfat and Peteraf, 2003; Teece et al., 1997).

Within the RBV framework, organizational resources are not limited to physical assets but also encompass knowledge, managerial capabilities, organizational processes, and institutionalized routines that shape how firms operate and make decisions (Barney, 1991; Wernerfelt, 1984). These resources influence how organizations gather and process information, coordinate activities across functional units, and implement strategic actions. Consequently, the availability and configuration of organizational resources play a crucial role in shaping managerial decision processes and outcomes. Prior research suggests that organizations possessing well-developed internal resources are better positioned to analyse complex information, evaluate strategic alternatives, and implement decisions effectively (Teece et al., 1997). In this regard, RBV provides a useful theoretical lens for examining how organizational resources influence decision-making effectiveness within firms.

Organizational resources in firms

From a Resource-Based View (RBV) perspective, organizational resources are the internal assets and capabilities, embedded in structures, managerial competencies, and institutionalized processes, that guide behaviour and performance (Grant, 1996; Barney, 1991). These resources collectively form the organizational capabilities necessary for executing key managerial activities, particularly in complex environments where effective coordination and information processing are mandatory for strategic success (Barney et al., 2011; Grant, 1996). Prior research conceptualizes these resources as multidimensional constructs; for instance, managerial capabilities allow firms to interpret environmental signals, while organizational processes and structural arrangements facilitate the communication, coordination, and knowledge integration required to evaluate and implement decisions systematically (Eisenhardt and Martin, 2017; Teece et al., 1997). In the high-stakes context of financial institutions, these resources are especially critical. Securities firms operate amid high uncertainty and rapid market fluctuations, requiring sophisticated internal coordination to manage complex financial data, risk, and regulatory mandates. Consequently, this study conceptualizes organizational resources as a higher-order construct. This model reflects multiple underlying dimensions of internal capabilities that work in tandem to support and enhance managerial decision processes within the volatile securities industry. By viewing these assets as a unified strategic force, we can better understand how they facilitate sound, effective decision-making in regulated markets.

Decision-making effectiveness

Decision-making effectiveness represents the degree to which managerial choices yield successful organizational outcomes and resolve underlying problems (Elbanna and Child, 2007; Dean and Sharfman, 1996). This multifaceted construct encompasses not only the selection of optimal strategic paths but also the implementation of those actions to enhance overall performance (Elbanna, 2006). Research underscores that high-quality decisions are fundamentally shaped by the availability of comprehensive information and the application of deep managerial expertise (Sharfman and Dean, 1997; Eisenhardt, 1989). When organizations leverage robust resources to support information processing and cross-unit coordination, managers can conduct more rigorous evaluations of strategic alternatives, leading to superior results (Eisenhardt, 1989). To operationalize this concept, scholars often utilize an outcome-oriented perspective rather than focusing solely on procedural mechanics. This approach evaluates effectiveness based on managerial assessments of whether decisions achieved intended objectives and contributed to the firm's broader success (Jansen, 2011). Following this established logic, the present study adopts measurement items derived from Jansen (2011) to evaluate decision outcomes within the specific context of securities firms. By focusing on these tangible results, the research captures the practical utility of the decision-making process in navigating complex financial environments, ensuring that the metrics align with both theoretical standards and industry realities.

Organizational resources and decision-making effectiveness

From a Resource-Based View (RBV) perspective, organizational resources are the primary drivers of firm outcomes because they shape the capabilities required to perform critical managerial activities, such as decision-making (Barney, 1991). Organizations possessing robust internal resources are better equipped to collect relevant information, evaluate strategic alternatives, and coordinate actions across functional units, thereby increasing the likelihood of successful outcomes (Eisenhardt and Martin, 2017; Teece et al., 1997). These internal assets specifically enhance a firm's capacity to process information and maintain coordination, allowing for more effective responses to environmental uncertainty and complex strategic challenges (Teece, 2007; Winter, 2003). These resources contribute to decision-making effectiveness through several distinct mechanisms. First, managerial capabilities and institutional knowledge allow firms to interpret complex environmental signals. Second, well-developed organizational processes facilitate a systematic evaluation of alternatives, which significantly reduces uncertainty. Finally, effective structural arrangements and communication channels ensure that decisions are coordinated and implemented efficiently across all departments. Empirical evidence suggests that firms with these strong internal capabilities perform better in strategic tasks because they successfully integrate diverse information sources while aligning outcomes with organizational objectives (Eisenhardt and Martin, 2017; Teece et al., 1997). In highly regulated sectors like financial services, where errors carry severe regulatory and financial consequences, this reliance on internal capabilities to manage risk and compliance makes the strength of organizational resources a critical predictor of overall decision-making effectiveness.

Hypothesis development

According to the Resource-Based View (RBV), organizational resources are strategic assets that enable firms to perform managerial activities effectively and achieve

desirable outcomes (Barney, 1991). These resources shape the capabilities used to process information, coordinate internal activities, and implement strategic decisions. Firms with superior internal resources are better positioned to interpret environmental signals and evaluate alternatives that align with organizational objectives. Consequently, the specific configuration and deployment of these assets play a decisive role in determining the overall effectiveness of managerial decision-making. Barney (1991) classifies these firm resources into three distinct yet interdependent categories: physical capital (technological infrastructure and information systems), human capital (the knowledge and expertise of employees), and organizational capital (structures, coordination mechanisms, and management systems). While conceptually separate, these categories typically operate in tandem to support strategic processes. In highly regulated sectors like financial services, decision-making involves navigating uncertain markets and complex risk profiles. Such environments demand robust technological support, high-level managerial expertise, and seamless departmental coordination to integrate diverse knowledge sources and ensure regulatory compliance. Within this study, organizational resources are conceptualized as a multidimensional capability formed by these three capital types. Collectively, they constitute the broader organizational infrastructure that supports the decision-making cycle. When a firm possesses a strong combination of these internal assets, managers gain better access to relevant data and are more likely to implement decisions that contribute to organizational success. Based on these theoretical foundations derived from RBV, it is expected that the strength of these resources directly shapes decision outcomes within the securities industry. Therefore, the following hypothesis is proposed:

H1: Organizational resources positively influence decision-making effectiveness in securities firms.

Materials and Methods

Research design

This study adopts a quantitative, survey-based research design to examine the nexus between organizational resources and decision-making effectiveness within the Chinese securities sector. Rooted in the Resource-Based View (RBV), the research conceptualizes organizational resources as a multidimensional capability that underpins managerial decision processes and drives successful outcomes (Barney, 1991). To empirically test these relationships, a structured questionnaire was administered to managerial personnel. This survey-based approach is a standard methodology in management research for capturing perceptions of latent constructs, such as organizational capabilities and decision outcomes (Podsakoff et al., 2003). Given that both primary constructs in this study reflect internal organizational conditions and subjective assessments of effectiveness, the survey method provides an appropriate and robust empirical foundation. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM). This technique is particularly well-suited for complex models involving hierarchical constructs and predictive research objectives (Sarstedt et al., 2021; Hair et al., 2011). In this study, organizational resources are modeled as a second-order reflective–formative construct, a hierarchical structure that PLS-SEM is uniquely equipped to handle. This methodological choice allows for the simultaneous estimation of relationships between latent variables while rigorously

evaluating measurement reliability and validity (Sarstedt et al., 2021). By utilizing PLS-SEM, the study ensures a precise analysis of how various dimensions of internal resources collectively influence the effectiveness of strategic choices in the high-pressure environment of financial services.

Research context: Chinese securities firms

The securities industry is a cornerstone of China's financial system, providing vital services such as investment banking, brokerage, and wealth management. Over the past twenty years, this sector has expanded rapidly alongside the national capital market. However, this growth has been accompanied by intensified regulatory supervision aimed at maintaining market stability and mitigating systemic risks. Consequently, securities firms operate in a high-pressure, dynamic environment that necessitates constant organizational adaptation and precise managerial decision-making to survive and thrive. Managers in these firms face the complex task of evaluating investment opportunities while balancing market risks and strict regulatory compliance. These responsibilities require the processing of intricate financial data and seamless coordination across specialized units, including risk management and compliance departments. In this high-stakes setting, internal organizational resources, specifically managerial expertise, robust processes, and coordination mechanisms, are essential for supporting effective choices. This study focuses empirically on state-owned securities companies and provincial branches in Zhejiang Province, one of China's most economically advanced regions. Given that state ownership significantly influences governance and decision-making structures, these organizations provide an ideal context for examining how internal resources determine decision-making effectiveness within the Chinese financial landscape.

Sample and data collection

Data for this study were collected from managers working in securities firms located in Zhejiang Province. All participating firms are state-owned securities companies or branches of national state-owned securities institutions, either directly owned by the provincial government or operating as regional branches of centrally managed securities firms. The respondents in the survey consist of managerial personnel occupying different organizational roles and hierarchical levels within these firms. These respondents include branch managers, department managers, and other managerial staff responsible for supervising operational and strategic activities within their respective units as shown in *Figure 1*. Managers were selected as respondents because they are directly involved in organizational decision processes and therefore possess relevant knowledge regarding organizational resources and decision-making effectiveness.

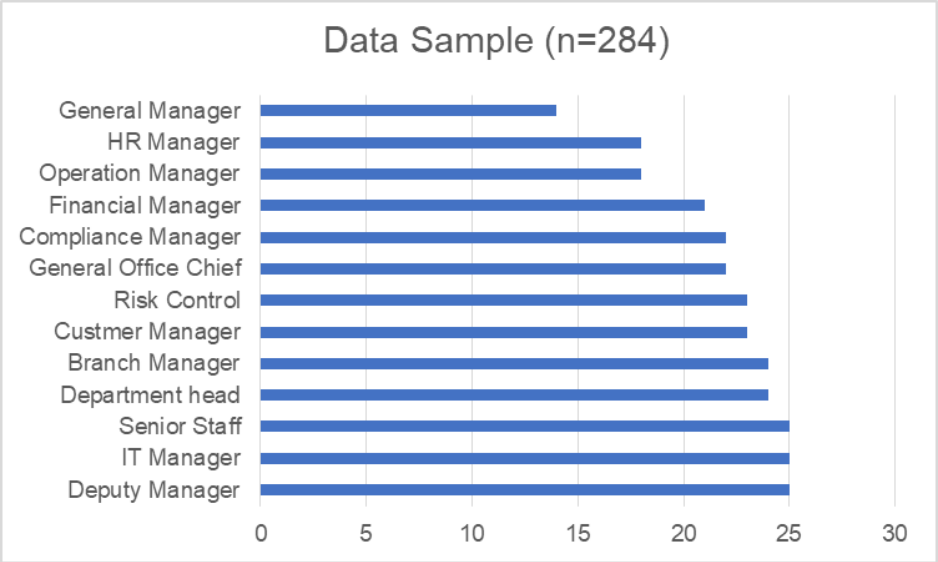

Figure 1. *Composition of personnel of the sample.*

The survey was administered using Wenjuan.com, a widely used online survey platform for academic and market research in China. Online survey platforms provide efficient access to respondents across multiple organizations and geographical locations while ensuring standardized data collection procedures. The questionnaire was distributed electronically to managers within the participating firms, and respondents were asked to evaluate organizational conditions and decision outcomes based on their managerial experience within their respective organizations. A total of 284 valid responses were obtained and retained for analysis after data screening. The final sample size meets recommended guidelines for PLS-SEM analysis, which indicate that the method is appropriate for studies with relatively moderate sample sizes and complex models involving latent constructs (Sarstedt et al., 2021). The diversity of managerial positions represented in the sample also enhances the reliability of the data by capturing perspectives from multiple organizational levels and functional areas within the securities firms.

Measurement of constructs

To ensure empirical rigor and theoretical consistency, all constructs in this study were operationalized using multi-item scales adapted from established literature. Utilizing measurement items derived from peer-reviewed studies enhances content validity and facilitates comparability with existing management research (Sarstedt et al., 2021). Each survey item was evaluated by participants using a five-point Likert scale, ranging from 1 ("strongly disagree") to 5 ("strongly agree"), providing a standardized method for capturing managerial perceptions of internal organizational conditions and outcomes.

The RBV framework for organizational resources

The conceptualization of organizational attributes (OA) is firmly grounded in the Resource-Based View (RBV), which posits that performance variations between firms stem from resource heterogeneity (Barney, 1991). According to RBV, organizations achieve a competitive edge when they possess resources that are valuable, rare,

inimitable, and non-substitutable. Barney (1991) distinguishes three fundamental categories: physical capital resources (technological infrastructure and equipment), human capital resources (experience, expertise, and managerial capabilities), and organizational capital resources (structure, processes, coordination mechanisms, and culture). This tripartite framework is particularly salient for Chinese securities firms, as these institutions operate in a high-stakes, technology-intensive environment where professional expertise and effective coordination are the primary drivers of managerial decision processes.

Modelling organizational resources as a higher-order construct

From a methodological standpoint, organizational attributes are modelled as a second-order formative construct composed of three reflective first-order dimensions. At the first-order level, each dimension (e.g., human capital) is specified reflectively because the indicators represent manifestations of the underlying resource; for instance, higher human capital should naturally be reflected in greater expertise and skill levels, leading these indicators to covary. However, at the higher-order level, the dimensions are specified formatively. This is because physical, human, and organizational capital represent distinct, non-interchangeable components of the firm's resource base (Jarvis et al., 2003) (*Table 1*). A firm may have superior technology but poor routines; thus, the higher-order construct is "formed" by the unique combination of these parts rather than being "reflected" by them.

***Table 1**. Organizational resources construct.*

Second-order	Type	First-order	Type
Organizational Resources	Formative	Physical capital resources	Reflective
-	-	Human capital resources	Reflective
-	-	Organizational capital resources	Reflective

Validity and measurement tradition

To maintain measurement validity, the items for each dimension were adapted from validated peer-reviewed traditions rather than being newly created. Indicators for physical capital align with established research on IT infrastructure and technological capability (e.g., Bharadwaj, 2000). Human capital measures draw from the intellectual capital literature, focusing on organizational knowledge and expertise (Subramaniam and Youndt, 2005). Similarly, organizational capital indicators reflect validated measures of coordination mechanisms and institutionalized processes (Subramaniam and Youndt, 2005). Grounding these items in recognized constructs ensures theoretical continuity with RBV while providing a robust empirical foundation (Measurement scale shown in *Table 2*).

***Table 2**. Organizational references instrument.*

Measure	Item
Physical Capital Resources	PCR1: Our firm possesses state-of-the-art trading and execution technology compared to our primary competitors. PCR2: Our digital infrastructure (e.g., servers, cloud computing) is robust enough to handle high-volume market fluctuations without latency. PCR3: We have access to comprehensive, high-quality proprietary and third-party data feeds (e.g., Bloomberg, Wind, Reuters). PCR4: Our firm consistently invests in the latest financial software and cybersecurity protocols.
Human Capital Resources	HCR1: Our employees possess high levels of specialized professional expertise (e.g., CFA, FRM, or advanced quantitative skills). HCR2: Our management team has extensive years of experience navigating diverse market cycles in the

	securities industry. HCR3: Our staff demonstrates a superior ability to adapt to new financial regulations and market shifts. HCR4: Our firm provides industry-leading training programs that significantly enhance the technical skills of our brokers and analysts.
Organizational Capital Resources	OCR1: Our internal reporting lines and communication channels allow for the rapid distribution of market research to the trading floor. OCR2: Our firm has a strong, well-defined corporate culture that prioritizes rigorous risk management. OCR3: We utilize proprietary business processes (e.g., unique valuation models or internal scoring systems) that are difficult for competitors to replicate. OCR4: There is a high level of collaborative synergy between our front-office (sales/trading) and back-office (compliance/IT) functions.

Source: Subramaniam and Youndt (2005); Bharadwaj (2000); Grant (1996); Barney (1991).

Measuring decision-making effectiveness

Finally, decision-making effectiveness was assessed using a scale derived from Jansen (2011). This outcome-oriented instrument evaluates the degree to which managerial decisions successfully resolve organizational issues and meet intended objectives. This scale is a staple in management research for assessing both strategic and operational decisions. By applying these items to the securities industry, the study captures a precise managerial assessment of how effectively internal resources translate into successful organizational actions. (Measurement scale shown in *Table 3*).

***Table 3**. Decision-making effectiveness instrument.*

Category	Item
Decision Making Effectiveness	DME1: These decisions have contributed to the revenue growth of our company. DME2: These decisions have contributed to the profitability improvement of our company. DME3: These decisions have achieved their intended objectives DME4: Overall, these decisions can be considered successful.

Source: Jansen (2011).

Data analysis method

The empirical analysis utilized Partial Least Squares Structural Equation Modelling (PLS-SEM) via SmartPLS, adhering to established guidelines for evaluating measurement and structural models (Sarstedt et al., 2021). The analysis proceeded in two distinct stages: first, the measurement model was assessed to ensure the reliability and validity of the constructs. Reflective constructs were evaluated based on indicator reliability, internal consistency, and convergent validity using outer loadings, composite reliability, and average variance extracted (AVE), while discriminant validity was confirmed via the heterotrait–monotrait (HTMT) ratio. For the formative higher-order organizational resources construct, collinearity was scrutinized using variance inflation factors (VIF), and formative weights were validated through bootstrapping procedures. In the second stage, the structural model was evaluated to test the relationship between organizational resources and decision-making effectiveness. This involved assessing path coefficients, coefficients of determination (R2), and effect sizes (f2) to establish the model's explanatory power. Resampling-based bootstrapping confirmed the statistical significance of hypothesized paths. Beyond the second-order analysis, supplementary tests examined the individual effects of the first-order dimensions, human resources, organizational processes, and structural resources, to identify which specific capabilities most significantly drive effective managerial decision-making within the securities sector.

Results and Discussion

Measurement model assessment

Before evaluating the structural relationships among the constructs, the measurement model was assessed to ensure the reliability and validity of the reflective indicators. Following established procedures in Partial Least Squares Structural Equation Modelling (PLS-SEM), the evaluation focused on indicator reliability, internal consistency reliability, convergent validity, and discriminant validity (Hair et al., 2022). In this study, organizational resources were conceptualized as a hierarchical construct consisting of three first-order reflective dimensions: physical capital resources (PCR), human capital resources (HCR), and organizational capital resources (OCR). These dimensions were subsequently used as formative indicators of the second-order organizational resources construct. Indicator reliability was first examined through the outer loadings of the measurement items as shown in *Table 4*. The results show that all indicators load strongly on their respective constructs. The indicators measuring human capital resources exhibit loadings ranging from 0.729 to 0.849, while the indicators for organizational capital resources range from 0.750 to 0.852. Similarly, the indicators measuring physical capital resources show loadings between 0.718 and 0.878. These values exceed commonly recommended thresholds, indicating that the indicators adequately represent their corresponding constructs.

Table 4. *Outer loadings.*

Indicators	HCR	OCR	PCR
HCR1	0.776		
HCR2	0.849		
HCR3	0.767		
HCR4	0.729		
OCR1		0.81	
OCR2		0.75	
OCR3		0.841	
OCR4		0.852	
PCR1			0.718
PCR2			0.878
PCR3			0.841
PCR4			0.835

Internal consistency reliability was then assessed using Cronbach's alpha, rho_A, and composite reliability. The reliability statistics indicate satisfactory levels of internal consistency for all three constructs. For human capital resources, Cronbach's alpha is 0.789, rho_A is 0.804, and composite reliability is 0.862. For organizational capital resources, Cronbach's alpha is 0.833, rho_A is 0.858, and composite reliability is 0.887. For physical capital resources, Cronbach's alpha is 0.839, rho_A is 0.868, and composite reliability is 0.891. All values exceed the recommended threshold of 0.70, demonstrating acceptable internal consistency reliability across the constructs. Convergent validity was evaluated by examining the average variance extracted (AVE) for each construct. The AVE values are 0.610 for human capital resources, 0.663 for organizational capital resources, and 0.673 for physical capital resources, all of which exceed the recommended threshold of 0.50. These results (*Table 5*) indicate that each construct explains more than half of the variance of its indicators, thereby supporting

the convergent validity of the measurement model. Discriminant validity was further examined by analysing the correlations among the three first-order constructs as shown in *Table 6*. The correlations between the constructs are relatively high, with values of 0.975 between human capital resources and organizational capital resources, 0.948 between human capital resources and physical capital resources, and 0.938 between organizational capital resources and physical capital resources.

Table 5. *Construct reliability and validity.*

Dimensions	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
HCR	0.789	0.804	0.862	0.61
OCR	0.833	0.858	0.887	0.663
PCR	0.839	0.868	0.891	0.673

Table 6. *Discriminant validity.*

Category	DME4	HCR	OCR	PCR
HCR	0.543			
OCR	0.532	0.975		
PCR	0.509	0.948	0.938	

Although these correlations exceed commonly suggested thresholds for discriminant validity, this pattern is theoretically consistent with the conceptualization of organizational resources within the Resource-Based View. According to RBV, physical capital resources, human capital resources, and organizational capital resources represent closely related categories of firm resources that jointly contribute to organizational capabilities (Barney, 1991). Because these resource categories are typically deployed together in organizational processes, empirical studies often observe strong associations among them. Moreover, in hierarchical component models, high correlations among first-order constructs are expected when the constructs represent different facets of a broader higher-order capability (Sarstedt et al., 2021). In this study, the three resource categories were therefore modelled as formative indicators of the second-order organizational resources construct. The strong correlations among the dimensions thus support the interpretation that they collectively represent a unified organizational capability rather than independent constructs. Finally, multicollinearity among the indicators was examined using variance inflation factors (VIF). The VIF values range from approximately 1.45 to 2.26 across the measurement items, remaining well below commonly accepted thresholds. This indicates that multicollinearity does not pose a concern for the reflective measurement model. Overall, the results demonstrate that the three first-order constructs: physical capital resources, human capital resources, and organizational capital resources, exhibit satisfactory reliability and validity, providing a solid foundation for evaluating the higher-order organizational resources construct.

Second-order construct validation

After establishing the reliability and validity of the first-order constructs, the second-order organizational resources construct was evaluated using the two-stage approach commonly recommended for hierarchical component models in PLS-SEM (Sarstedt et al., 2021). In the second stage, the latent variable scores of the three first-order constructs, physical capital resources, human capital resources, and organizational capital resources, were used as formative indicators of the higher-order construct

representing overall organizational resources. The relationships between the first-order constructs and the higher-order organizational resources construct were first assessed through their outer loadings. The results indicate strong associations between each dimension and the higher-order construct, with loadings of 0.901 for physical capital resources, 0.924 for human capital resources, and 0.938 for organizational capital resources as shown in *Table 7*. These values suggest that each dimension contributes substantially to the conceptualization of organizational resources.

***Table 7**. Formative construct outer loadings.*

Category	Organizational attributes
Latent variable scores - HCR	0.924
Latent variable scores - OCR	0.938
Latent variable scores - PCR	0.901

The formative indicator weights were then examined to evaluate the relative contributions of the three dimensions to the higher-order construct. The weights are 0.272 for physical capital resources, 0.388 for human capital resources, and 0.423 for organizational capital resources, indicating that organizational capital resources contribute most strongly to the formation of the overall organizational resources construct, followed by human capital resources and physical capital resources. Bootstrapping results indicate that the formative indicator weights are not statistically significant at conventional levels (physical capital resources: $t = 1.441$, $p = 0.150$; human capital resources: $t = 1.417$, $p = 0.157$; organizational capital resources: $t = 1.304$, $p = 0.192$). However, in formative measurement models, indicators may be retained when they demonstrate strong outer loadings and strong theoretical justification, even when their weights are not individually significant (Sarstedt et al., 2021). Given the strong theoretical grounding of the three resource categories in the Resource-Based View, all three dimensions were retained as formative components of the higher-order organizational resources construct. Potential multicollinearity among the formative indicators was also examined using variance inflation factors. The VIF values are 3.106 for physical capital resources, 2.973 for human capital resources, and 3.270 for organizational capital resources. These values remain below commonly recommended thresholds, indicating that collinearity among the formative indicators does not pose a concern for the estimation of the higher-order construct. Taken together, these results support the validity of the hierarchical construct specification and confirm that physical capital resources, human capital resources, and organizational capital resources collectively form the higher-order construct of organizational resources.

Structural model results

After confirming the reliability and validity of the measurement model and the hierarchical construct specification, the structural model was evaluated to examine the hypothesized relationship between organizational resources and decision-making effectiveness. The evaluation of the structural model followed the standard procedures recommended in PLS-SEM research, including the assessment of path coefficients, the coefficient of determination (R^2), and the significance of the hypothesized relationship through bootstrapping (Sarstedt et al., 2021). The results indicate that organizational resources have a positive and statistically significant effect on decision-making effectiveness. As shown in *Table 8*, the estimated path coefficient from organizational

resources to decision-making effectiveness is β = 0.544, indicating a moderate to strong positive relationship between the two constructs.

Table 8. *Path coefficients from OR to DME*.

Category	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
OR -> DME	0.544	0.557	0.052	10.427	0

Bootstrapping results further confirm the statistical significance of this relationship. The path coefficient is associated with a t-value of 10.427 and a p-value below 0.001, demonstrating that the relationship is highly significant. These results provide strong empirical support for the proposed hypothesis that organizational resources positively influence decision-making effectiveness in securities firms. The explanatory power of the structural model was assessed using the coefficient of determination (R^2). The results indicate that organizational resources explain 29.6% of the variance in decision-making effectiveness (R^2 = 0.296; adjusted R^2 = 0.293). According to commonly accepted guidelines for evaluating structural models in PLS-SEM, this value suggests a moderate level of explanatory power, indicating that organizational resources represent an important determinant of decision-making effectiveness within securities firms. Overall, the structural model results support the theoretical argument derived from the Resource-Based View that internal organizational resources play a significant role in shaping managerial decision outcomes. Firms possessing stronger internal resources, including physical capital resources, human capital resources, and organizational capital resources, are more likely to achieve higher levels of decision-making effectiveness. The Structural model is shown in *Figure 2*. In addition to evaluating the explanatory power of the structural model, its predictive relevance was also assessed using the Stone–Geisser Q^2 statistic obtained through the blindfolding procedure (Hair et al., 2022). A Q^2 value greater than zero indicates that the model has predictive relevance for the endogenous construct. The results show that the Q^2 value for decision-making effectiveness is 0.252, indicating that the model demonstrates moderate predictive relevance. This finding suggests that organizational resources contribute meaningfully to predicting decision-making effectiveness in securities firms. Together with the coefficient of determination (R^2) and the statistically significant path coefficient between organizational resources and decision-making effectiveness, these results provide additional support for the explanatory and predictive capability of the proposed structural model.

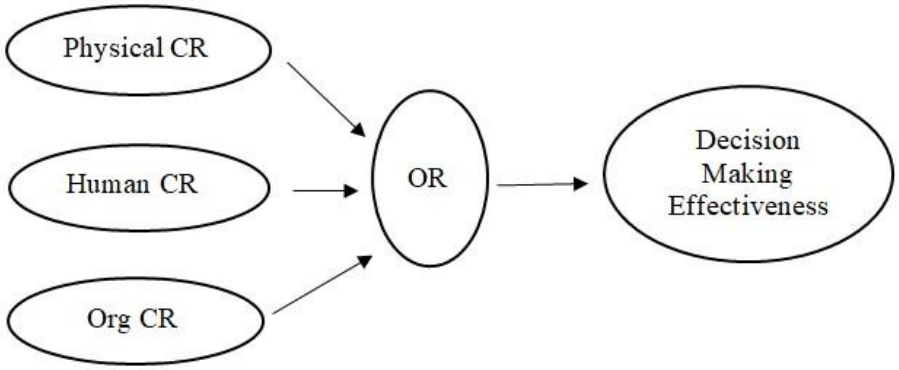

Figure 2. *Predictive relevance of the structural model.*

This study examined the relationship between organizational resources and decision-making effectiveness within the Chinese securities industry. Drawing upon the Resource-Based View (RBV), organizational resources were conceptualized as a multidimensional capability comprising physical, human, and organizational capital. By analysing survey data from managers across nine securities companies in Zhejiang Province using Partial Least Squares Structural Equation Modelling (PLS-SEM), the research provides robust empirical support for the link between a firm's internal resource configuration and its decision-making outcomes. These findings align with foundational RBV tenets, which posit that internal resources are the primary determinants of organizational capabilities and strategic success (Grant, 1996; Barney, 1991).

Empirical findings and statistical significance

The structural model results confirm that organizational resources exert a positive and statistically significant influence on decision-making effectiveness in Chinese securities companies. With an estimated path coefficient of 0.544, the data indicates that firms possessing superior internal resources consistently achieve more effective managerial outcomes.

Resources as an integrated capability

A primary implication of this research is that organizational resources function as an integrated, complementary bundle rather than as isolated assets. In the volatile environment of securities firms, managers must synthesize complex financial data, respond to market shifts, and maintain strict regulatory compliance. Such high-stakes processes require more than just raw information; they necessitate the ability to coordinate expertise across various units. Firms that successfully combine advanced technological infrastructure with skilled personnel and efficient organizational systems are significantly better equipped to process information and implement strategic choices. This supports the RBV perspective that resources act as "bundles" that form broader, more potent organizational capabilities (Barney et al., 2011; Priem and Butler, 2001).

The synergy of capital categories

The results further highlight the synergistic roles of physical, human, and organizational capital. The empirical analysis confirms that all three categories contribute strongly to the higher-order organizational resources construct, validating Barney (1991) classical categorization. Physical capital provides the necessary digital and informational infrastructure to manage massive volumes of financial data. Human capital supplies the professional expertise and analytical depth required to interpret complex market signals. Finally, organizational capital, including formal coordination mechanisms and internal systems, facilitates the cross-departmental collaboration essential for integrating diverse knowledge sources. The integration of these three pillars creates a specialized "decision-support" capability, explaining why these categories are highly correlated and collectively form a coherent higher-order construct.

Relevance in regulated and emerging markets

Finally, the study underscores the importance of these resources within highly regulated, information-intensive industries. Securities firms face constant pressure from regulatory oversight and financial innovation. In such environments, effective outcomes depend on systems capable of ensuring compliance while coordinating rapid-fire information. This is particularly salient for financial institutions in emerging markets like China, where regulatory frameworks are in a state of continuous evolution. These findings are consistent with dynamic capability theory, which emphasizes the necessity of integrating resources to support strategic decisions under shifting environmental conditions (Teece, 2007; Teece et al., 1997). By shifting the focus from traditional performance metrics to decision-making effectiveness, this study extends the application of RBV. It provides clear empirical evidence from the financial sector, establishing internal organizational resources as a fundamental driver of how well managers navigate the complexities of modern finance.

Theoretical implications

This study advances the management literature by extending the Resource-Based View (RBV) into the domain of managerial decision-making. While RBV traditionally addresses competitive advantage and firm performance, this research demonstrates that internal resource configurations are fundamental determinants of decision-making effectiveness. By shifting the focus from traditional performance metrics to decision capabilities, the study highlights that organizational resources should be viewed as integrated capabilities rather than isolated factors (Helfat and Peteraf, 2003; Barney, 1991). This reinforces the perspective that the environment in which decisions occur, specifically the availability of technological infrastructure, managerial expertise, and coordination mechanisms, is just as vital as the decision process itself. Furthermore, the study contributes a multidimensional conceptualization of organizational resources, integrating physical, human, and organizational capital into a single hierarchical construct. Although these categories were established by Barney (1991), empirical research often examines them in isolation. This study's results support the view that these resources function as complementary bundles, where their combined deployment is essential for enabling effective organizational activities. This hierarchical approach provides a more holistic understanding of how diverse resource types converge to support complex managerial tasks. Finally, the research offers critical empirical evidence from the financial services sector within an emerging market. By focusing on securities firms in China, an information-intensive and highly regulated context—the study bridges a gap in RBV literature, which has predominantly cantered on manufacturing or developed economies. The findings suggest that in such volatile environments, integrated organizational resources are indispensable for navigating complexity and regulatory demands. Ultimately, this research broadens the applicability of RBV and provides a foundation for future studies exploring organizational-level determinants of decision effectiveness in global financial markets.

Managerial implications

The findings offer actionable insights for managers and policymakers, suggesting that superior decision-making transcends individual competence; it requires the cultivation of robust internal organizational resources. To enhance decision quality, firms must adopt a holistic approach, focusing on the synergy between different capital

categories rather than treating them as isolated assets. Strengthening these underlying capabilities creates a structured environment where strategic choices are consistently supported by organizational infrastructure. First, firms must prioritize investment in physical capital resources, specifically technological and informational infrastructure. In a data-driven industry, sophisticated financial systems and analytical tools are essential for monitoring market shifts. Such infrastructure ensures managers have access to the timely, accurate information necessary for rigorous analysis. Second, the study underscores the necessity of human capital resources. Given the complexity of financial risk assessment, firms should institutionalize continuous training and knowledge-sharing practices to sharpen the specialized expertise of their personnel. Finally, the results highlight the importance of organizational capital resources. Effective decision-making in regulated sectors necessitates the integration of diverse insights from investment, risk management, and compliance departments. By establishing formal coordination mechanisms and clear communication channels, firms ensure that cross-functional knowledge is successfully incorporated into strategic outcomes. Ultimately, a balanced combination of technological power, human expertise, and integrated systems provides the most effective foundation for navigating the uncertainties of the securities market.

Limitations and future research

While this study offers valuable insights, several limitations provide a roadmap for future inquiry. First, the cross-sectional design captures managerial perceptions at a single point in time, limiting the ability to draw definitive causal inferences. Since organizational resources and decision outcomes are inherently dynamic, evolving alongside technological and regulatory shifts, future studies should employ longitudinal designs to better track the development of these capabilities over time. Second, the empirical focus on Zhejiang Province may limit generalizability. Given that institutional environments and regulatory frameworks vary across regions and countries, future research could enhance these findings through cross-regional or cross-country comparisons. Third, the reliance on subjective survey data from managers may introduce individual biases. Complementing these perceptions with objective performance indicators or archival data would provide a more robust understanding of how resources function in practice. Furthermore, while this study utilizes Barney (1991) three resource categories, future models should incorporate additional variables such as leadership style, organizational culture, or external environmental volatility to capture a more holistic view of the decision-making landscape. Finally, the analysis focused on the overall effect of resources; subsequent research could explore complex mediating or moderating mechanisms, such as how artificial intelligence might mediate the resource-outcome relationship or how regulatory pressure might moderate it. Addressing these areas will significantly refine our understanding of the organizational determinants of decision-making effectiveness in financial institutions.

Conclusion

Grounded in the Resource-Based View (RBV), this study examined the relationship between organizational resources and decision-making effectiveness within nine Chinese securities firms in Zhejiang Province. Analysing survey data from 270 managers via Partial Least Squares Structural Equation Modelling (PLS-SEM), the

research conceptualized organizational resources as a multidimensional capability comprising physical, human, and organizational capital resources. The results provide robust empirical evidence that these internal resource configurations exert a positive and statistically significant impact on managerial decision outcomes. The findings suggest that firms with superior technological infrastructure, managerial expertise, and coordination mechanisms are better equipped to process complex information and integrate diverse knowledge sources. This reinforces the central RBV proposition that internal resource deployment is a critical determinant of organizational capabilities (Barney, 1991). Ultimately, this study contributes to the literature by extending RBV applications to the domain of decision-making within the highly regulated financial services sector of an emerging market. It underscores the strategic necessity for firms to develop integrated resource capabilities to navigate the complexities of the modern securities industry.

Acknowledgement

The authors would like to express their sincere appreciation to the participating securities firms and respondents for their time and valuable insights, without which this study would not have been possible. We are also grateful to colleagues and academic peers who provided constructive feedback during the development of the measurement instrument and the refinement of the research design. Any remaining errors or omissions are the sole responsibility of the authors.

Conflict of interest

The authors confirm that there is no conflict of interest involve with any parties in this research study.

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