

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE**

**ORGANIZATIONAL CAPABILITIES AND PERFORMANCE OF
SELECTED PRIVATE HIGH SCHOOLS
(A Case Study on Hlaing Tharyar Township)**

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**ORGANIZATIONAL CAPABILITIES AND PERFORMANCE OF SELECTED
PRIVATE HIGH SCHOOLS**

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This Thesis is Submitted to the Board of Examiners in Partial Fulfillment of the
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ABSTRACT

This study focuses on the organizational capabilities and performance of selected private high schools in Hlaing Tharyar Township. This study conducts three private high schools. They are Goon Htoo U Maung Maung, PyinNyar Myo Sat and ICEC (San Me) private high schools. It aims to compare the organizational capabilities and performance of selected private high schools and to analyze which factors are most influencing on school performance of selected private high schools in Hlaing Tharyar Township. The sample size of 150 students' parents in selected private high schools in Hlaing Tharyar Township was interviewed with structured questionnaires and face-to-face interview. Descriptive research method is applied in this study. To analyze the collected data, correlation and multiple regression analysis and the statistical analysis of Statistical Package for Social Science were applied. The findings show that PyinNyar Myo Sat has the highest physical infrastructure scores than Goon Htoo U Maung Maung and ICEC (San Me). Goon Htoo U Maung Maung has the highest human resources scores and financial resources scores than the ICEC (San Me) and PyinNyar Myo Sat. According to result on overall organizational capabilities and performance, Goon Htoo U Maung Maung has the highest organizational capabilities scores than PyinNyar Myo Sat and ICEC (San Me) private high schools. Human resources are the most influencing factor to achieve school performance and followed by physical infrastructure and financial resources. Therefore, there should be greater emphasis on human resources of private high schools. Moreover, private high school should develop their capabilities by ensuring that they have sufficient infrastructures, human resources and financial resources to enhance their school performance.

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LIST OF ABBREVIATIONS

RDT	Resource Dependence Theory
RVB	Resource Based Theory
VRIN	Valuable, Rare, Inimitable, Non-substitutable
SCA	Strategic Competitive Advantage
HRM	Human Resource Management
SMES	Small and Medium Enterprises
KG	Kinder garden
ICEC	Ideal Class Education Centre

CHAPTER 1

INTRODUCTION

In today's world, education is a very important role in our lives. The people strongly believe that the development or the declination of a society is primarily based on quality of individuals which is input by education. Consequently, education is regarded as an instrument because it serves to produce quality production of services and it supports the necessary skills to the human who will generate the production of goods. Thus, the people pay attention to invest in education for human resource development and they try their best to uplift the education system that can give more benefit to the country development. Education refers to the process of learning and acquiring information. Generally education is important for learning basic skills, and advanced skills that can make a person more efficient in their all choices. Education of Myanmar is mainly under the responsibility of the Ministry of Education. The tasks of Ministry of Education are carried out through the Basic Education Sector and the Higher Education Sector. The Ministry of Education is implementing its tasks, in accordance with the laws of education. The implementation of the education development plan not only brings about the enhancement of the quality of higher education and promotes diversity but it has also markedly increased accessibility to higher education.

The union of education supplies the qualified manpower to manage the business and to create an educated society. In Myanmar, the education system is based on the United Kingdom's system, due to nearly a century of British presence. Nearly all schools are government-operated, but recently, there has been an increase in privately funded schools. In order to have a better education environment, not only public schools but also private and religious-run schools are playing in an active role. In the private sector, this type of education was accepted from 1948 to 1962. But private institutions were eliminated in the Socialist era between 1962 and 1988. Again since 1990s, those schools have developed. In 2011, the Private School Law was published to enhance the private participation in education sector.

In today, organizational capabilities are very important for every organization especially for business providing service to be successful in dynamic business environment. In today's circumstances, service role has become much faster day by

day. Education service is necessary for the national competitiveness and acceleration of socio-economic progress. Quality education may become a center of attention, attracting income for the investor. It will also give entrepreneurs and managers of private school the ability to deal with external threats from competitors and maximize on opportunities. As today's business environment becomes increasingly more complex and competitive, owner of private schools are forced to engage in development of various capabilities that will enhance service delivery to their customer. With such kind of competition, it is not just about providing education but being unique and setting up structures that will not only attract but also retain learners. Private schools that have developed capabilities will be in a better position to understand customer needs and how to continuously design products that will meet customer satisfaction (Wernerfelt, 1984). In order to maintain market share and achieve more market share, investors need to adapt with the right organizational capabilities in competitive environment.

1.1 Rationale of the Study

In Myanmar, private education is governed by the Private School Registration Act which was adopted on December 2, 2011 since the private education sector has been taking part in the education system. As private high schools are also businesses, they provide the value and customized services mainly for students and their parents. In Myanmar, private high schools are opened to fulfill the requirements of the education system. The attraction of private high schools for parents mainly lies in the fact that there is an unbalanced student teacher ratio in government schools and private schools often have better teaching aids and materials for students. Private high schools not only persuade parents but also they are trying to be convenient for students. And many private high schools intend to offer better educational services and facilities for students with different grades who can become further professionals or leaders for our nation. Gradually, private high schools can attract parent's participation. Therefore, private high schools are becoming a better choice for parents who want to invest in education in order to fulfill the needs of their children. If the institution wants to give a positive image to increase students' quantity and quality, the educational institution must develop better organizational capabilities.

Private high schools need to build better organizational capabilities than its competitors. Private high schools have better physical infrastructure when it tries to

meet customer needs and wants. Private high schools must have qualified teachers and efficient financial resources. To get great success in this competitive market, possessing and retaining right performance are crucially important for private high schools. To get high performance, private high school's owners plan better organizational capabilities over competitors. The reason to study is to find out which factors make to achieve high performance based on organizational capabilities which are physical infrastructure, human resources and financial resources. Therefore, this study mainly emphasizes the organizational capabilities and school performance of private high schools.

1.2 Objectives of the Study

The specific objectives of this study are;

1. To compare the organizational capabilities and performance of selected private high schools in Hlaing Tharyar Township.
2. To analyze which factors are most influencing on school performance of selected private high schools in Hlaing Tharyar Township.

1.3 Scope and Method of the Study

This study mainly focuses on organizational capabilities and performance of selected private high schools in Hlaing Tharyar Township. According to the data of Township Education Office, there are twenty-three private schools in Hlaing Tharyar Township. Among them, three private high schools were selected by simple random sampling method. They are Goon Htoo U Maung Maung, PyinNyar Myo Sat and ICEC (San Me).

The data of the study were collected through questionnaires survey that was conducted in July and August, 2018. Descriptive research method is applied in this study. A sample of 150 customers who are only parents was asked about their satisfaction on organizational capabilities and performance of selected private high schools using structured questionnaires. This research also uses both primary and secondary data. Primary and secondary data are used to identify the organizational capabilities and performance of selected private high schools in Hlaing Tharyar Township. The primary data was collected from founders, principals, and responsible personnel by conducting face to face interviews. The secondary data are obtained from previous research paper, text book, internet website and other available resources.

1.4 Organization of the Study

This study is organized by five chapters. Chapter (1) includes introduction with four subtitles of rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter (2) includes theoretical background which consists definition of organizational capabilities and related theories; Resource Based Theory, Resource Dependency Theory, and Contingency Theory. Chapter (3) describes the profile of selected private high schools in Hlaing Tharyar Township. Chapter (4) describes the data analysis and the exploration of primary data gathered from the survey of selected private high schools in Hlaing Tharyar Township. Finally the finding, recommendations and needs for further study are shown in chapter (5).

CHAPTER 2

THEORETICAL BACKGROUND

This chapter discusses the theories and concepts that form theoretical framework of the study. First, it includes definitions of organizational capabilities, importance of organizational capabilities and role of organizational capabilities on a firm's performance are described. Third, Resource Based View Theory, Resource Dependency Theory, and Contingency Theory are reviewed.

2.1 Definitions of Organizational Capabilities

Organizational capability is a broad concept with many elements and attributes. An early generic description by Nelson and Winter (1982) categorizes capabilities as lower-order organizational knowledge and skills, and higher-order co-coordinating mechanisms. Madhok (1997) refers to capabilities as a combination of resources that creates higher-order competencies while Fiol (2001) defined organizational capabilities as a firm's collective physical facilities and skills of employees, and in particular, the abilities and expertise of the top management layers.

Organizational capabilities can also be defined as a firm's capacity to deploy its assets, tangible or intangible, to perform a task or activity to improve performance (Lorenzoni and Lipparini, 1999). An organization's resources- including its assets and skills- represent the source of its foundation for sustainable competitive advantage (Bowman and Ambrosini, 2003). According to Pandza and Thorpe (2009) strategists should seek to shape, transform, and combine these resources into strategic capabilities, which in turn drive strategic success. Organizational capabilities are therefore key factors in optimizing the strategic course of the company's future. An Organization's capability needs to be assessed relative to its competitors, since a sustained competitive advantage, the aim of strategy, entails gaining and sustaining a competitive position over competitors.

Capabilities are the building block for core competencies (Coulter, 2002) and are usually embedded in the firm and require both time and significant resources to change. Ljungquist (2008) suggests that capabilities are important because they may help firms to avoid path dependencies imposed by their current lower-order competences. Therefore, a firm has to develop capabilities to learn and redefine its

resource base in order to overcome the trap laid by their existing competences and create new sources of competitive advantage. Bowman and Ambrosini, (2003) highlighted organizational capabilities, to include: selective or strategic capabilities which enable companies to adapt to a rapidly changing environment and to hold their own in a globalizing economy, in which innovation becomes the key competition criterion; organizational or integrative capabilities, technical or functional capabilities, capabilities and understanding of market and demand characteristics and ability to learn, absorb, transform and reflect on acquired information and experiences, integrating and cutting through all these.

2.1.1 Importance of Organizational Capability

An organizational capability is a company's ability to manage resources, such as employees, effectively to gain an advantage over competitors. The company's organizational capabilities must focus on the business's ability to meet customer demand. In addition, organizational capabilities must be unique to the organization to prevent replication by competitors. Organizational capabilities are anything a company does well that improves business and differentiates the business in the market. Developing and cultivating organizational capabilities can help small business owners gain an advantage in a competitive environment by focusing on the areas where they excel.

Organizational capabilities provide a company with an advantage in the marketplace. When an organization continues to create new capabilities and develops existing ones, it will maintain the advantage over its competitors. Capabilities that provide a competitive advantage include knowledge, product licenses and innovative designs.

2.1.2 Role of Organizational Capabilities on a Firm's Performance

Scholars who adhere to a resource-based view of the firm believe that resources contribute to right performance but only when a firm possesses valuable, scarce, inimitable and irreplaceable resources. According Teece et al., (1997) the ability to build effective capabilities is a significant driver of performance. Capabilities are nurtured and developed within a firm in order to enhance its performance and also react or anticipate market movements. An effective performance measurement system ought to cover all aspects of performance that are relevant for the existence of an organization and the means by which it achieves success and growth. As a result any performance measurement system ought to include more than just financial measures.

Andersen et al (2001) suggested the linking of strategic objectives with performance helps with the articulation of causality and state that this approach has clear advantages such as helping small- and medium-sized organizations to gain a thorough understanding of strategy by raising the awareness of strategy throughout the entire organization and by providing a focus to enhance the achievement of the strategic objectives.

Walker *et al.* (2002) state that to achieve desired performance levels, a firm's capabilities and the resources available to it must interact positively with the requirements of the firm's markets. Both capabilities and market requirements need to be clearly defined and explicit. Arguably, both need active consideration during the strategy formulation stage. A key concern in the emerging strategic performance management in the current business environment is the need for organizations to implement system and frameworks that not only deliver performance improvements, but also the ability to control them against top level targets. This remains the case for both commercial and regulated public sector companies. In addition, firms may not have the capacity to utilize these resources in the right combination even if they were accessed in an appropriate manner. On his part, Oliver (1997) argues that both resources and institutional capital are indispensable to creating an SCA. The capability-based view of the firm also moves a step closer to understanding how enterprises develop and maintain their sources of right performance.

Barnard (1998) did observe that it has long been considered important to have a strong interconnection of interactions within an organization. This therefore reinforces the importance of organizational audits in the performance management and organizational studies, and that employee participation is a strong predictor of organizational performance. Thus the concern of an executive team is not to review the effectiveness of operations, but to gain an understanding of how activities at an operational level play their parts in the success of strategy at an operational level. In consideration of the need of people development and development, observed that there is need: "implement the organization's policies, strategies, objectives and plans to recruit and develop their people to match these competencies and actively and positively support them throughout to realize and unlock their full potential and prepare people to meet and adapt to the changes required of them both in terms of operational changes and personal capabilities.

According to Prahalad and Hamel (1990), risk is manageable if core competencies are used to develop core products (in the form of firm-specific expertise and resources) that can serve unrelated markets. These core areas are managed through core competencies, which they define as the abilities of employees to learn how to develop and manage the integration of technologies through cross-functional management and collaborative working. Stalk (1992), did note how Japanese firms have had a long history of collaborative forms of cross-functional management as part of hoshin kanri philosophy. Hoshin kanri, in a resource-based view sense, is a dynamic capability for the management and configuration of core competences over time. However, it has been noted by stalk (1992), most of the commentary on the Prahalad and Hamel work misses the point that it is not the core products and core competencies that provide the strategic capability, but a higher order dynamic capability.

While much is said about the need to ensure that staff develop themselves and to align their capabilities with the organization's top-down policies, there is no allowance for top management to learn how these competency shortfalls should be adjusted for in their formation of strategy (back at the top level). This is a key component in the resource-based view of strategy, where human capital is seen as an important strategic resource of the organization in its achievement of competitive advantage (Barney, 1991). Further, noted that the literature on general team management has equally overlooked the important relationship of internal dynamics to organizational performance and their effective use for team performance management.

According to Ray, G. (2004), firm performance is not always the ideal dependent variable due to the fact that firms can have other competitive disadvantages, which reduce the return. On the contrary, strategic resources are generally knowledge-based and the trade-off often concerns non-monetary factors. A company can, for example, make heavy investments and direct most of its attention and HRM activities on their customer service department. This will most likely result in a competitive advantage in terms of customer care, fast response times for customer inquiries, and so on. However, these monetary and non-monetary investments will obviously result in abandoned investments in other key areas.

2.2 Definitions of Organizational Performance

Didier Noisy (2002) believes that the performance consists in “achieving the goals that were given to you in convergence of enterprise orientations”. In his opinion, performance e considers is not a mere finding of an outcome, but rather it is the result of a comparison between the outcome and the objective. Unlike other authors, Didier Noisy considers that this concept is actually a comparison of the outcome and the objective. The author’s definition is far from clear, as both outcomes and objectives vary, most often, from one field of activity to another.

Author Michel lebas (1995) characterizes the performance as future-oriented, designed to reflect particularities of each organization/ individual and is based on a causal model linking components and products. He defines a “successful” business as one that will achieve the goals set by the management coalition, not necessary one that achieved them. Thus, performance is dependent as much of capability and future. Unlike other authors, Michel Lebas noted the difference between “a performance”, “performance” and “being performance”. “A performance” is subject generally to a measured result, higher than that provided for or arising from the previous results. “A performance” thus indicates always a positive connotation. “Performance” can be both positive and negative and relates to past result.

For Wholey (1996), performance is not an objective reality, waiting somewhere to be measured and assessed, but a socially constructed reality that exist in people’s minds, if it exists somewhere. According to the author, performance may include: components, products, consequences, impact and can also be linked to economy, efficiency, effectiveness, cost effectiveness or equity. Both Lebas (1995) and Whooley (1996) consider performance as subjective and interpretative, not least, being related to the cost lines, which emphasizes the ambiguous nature of the concept.

Neely (2002) believes that performance should consider quantifying the efficiency and effectiveness of actions. This quantification can be expressed both quantitatively and qualitatively. According to the definition of Neely and other authors, performance is closely related to efficiency and effectiveness. Bernadin (1995) points out that “performance should be defined as the sum of the effects of work, because they provide the strongest relationship with the organization’s strategic objectives, the customer’s satisfaction and the economic contributions”.

2.3 Related Theories of the Study

The study focuses on applying Resource Based Theory, Resource Dependency Theory and Contingency Theory to explain how organizational capabilities impact on performance.

2.3.1 Resource Based Theory

According to the resource-based view, in order to develop a competitive advantage the firm must have resources and capabilities that are superior to those of its competitors. Without this superiority, the competitors simply could replicate what the firm was doing and any advantage quickly would disappear. The resource-based view stipulates that in strategic management, the fundamental sources and drivers of firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities, which are both valuable and costly-to-copy.

The resource-based view (RBV) of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage, which eventually leads to superior organizational performance. Resources are the foundation for attaining and sustaining competitive and eventually superior organizational performance. Resources are what a firm draws upon to create value-its assets- and valuable resources are embedded and difficult to trade in markets. Resources are inputs into a firm's production process such as intellectual properties, capital equipment, skills, brands, organizational routines, access to financial capital, talented managers, etc. Resources are the firm-specific assets useful for creating a cost or differentiation advantage and that few competitors can acquire easily.

This is a theory that gives more emphasis on resources as key to superior firm performance. The supporters of this view argue that organizations should be more concerned with what happens in the company than the external environment. This theory was the work of Schumpeter (1934), Penrose (1959), Wearnerfelt (1984), Barney (1991) and Prahalad & Hamel (1990). There are two types of resources: tangible assets and intangible assets. Tangible are physical resources such as machinery land and equipment, while intangible resources are those assets that are not seen physically, but their performance is felt. They include Brand reputation, trademarks and intellectual property. They are the main source of sustainable competitive advantages (Barney & Arian, 2001).

For an asset to qualify to be called a resource, it must be valuable i.e the use of such resource must enable the company to outperform its competitors or reduce its own weaknesses (Mahoney & Pandians, 1997). It must be rare, only few organisations can acquire it (Barney, 1986), it must be inimitable, which is hard for the competitors to imitate (Peteraf, 1993). It must also be non-substitutable (Dierick and Cool, 1989). These quantities are summarized as VRIN. This is what constitutes “resource necessity” perspective. Wernerfelt (1984) gives a general definition of resources as anything which would be thought of as strength or weakness of a given firm. He further argues that Resources can achieve high profits if a company manages to set up resource position barriers, which restrict the duplication of resources by competitors.

Barney (1986) defined firm resource as all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc that a firm controls and enables the firm to improve its efficiency and effectiveness. Amit and Schoemaker (1993) define resources as stocks of available factors that are owned or controlled by the firm. According to Barney (1991) only resources which meet the criterion of VRIN have the potential to create sustainable competitive advantage. Resources which appear common will be very easy for the competitors to imitate or substitute; hence the rent generation potential of this resource will decrease (Grant, 1991).

2.3.2 Resource Dependence Theory

Whereas resource-based view is about internal resources which form the basis of the competitive advantage, Resource Dependence Theory (RDT) is concerned with how the organizational behavior is shaped by the external resources which the organization utilizes. The theory originated in 1970s with the publication of the external control of organizations, (Jeffrey & Salancik 1990). According to Pfeffer and Salancick, organizations modify their boundary so as to manage disturbances in the external environment. The firm’s central goal is effectiveness in a context or environment. This is different from Organizational Learning where internal efficiency and improvement is the focus.

Resource dependency theory is primarily focused on relations with the external environment, rather than on ones within the firm. As such, resource dependency theory views organizational conditions in a particular way. It presumes there is environmental determinism. This means an organization’s behavior can be explained by looking at its context, such as external constraints and controls. It assumes an organization’s specific goals are contingent on dependence relations keeping it alive. Within the context, the

firm's general goals are to find greater certainty and autonomy. From this it follows that organizations respond to resource dependencies in at least two ways: they comply and adapt to dependencies or they avoid and manage them.

The main observation of this theory is that resources are key to organizational success and that access and control over resources is the basis of power. The basic argument of this theory can be summarized thus: Organizations depend on resources. These resources originate from the external environment, the external environment also consist of other organizations. The resources an organization needs are in the hands of the other organization.

A fundamental assumption of Resource Dependence theory is that dependence on "critical" and important resources influence the actions of organizations and that organizational decisions and actions can be explained depending on the particular dependence situation. Hence organizations must clarify which resources are considered as critical ones. Criticality measures the ability of the organization to continue functioning or not functioning in the presence or absence of such a resource (Pfeffer & Salancik, 2003). It is always about actors who control resources and about other actors who need these resources – which results in varying relationships of dependency. If an organization exists with a vast reserve of resources, this reduces the level of dependency and conflicts with other actors. Concentration of resources means concentration of power. The fewer the number of resources, the higher the concentration of power in the environment (Pfeffer & Salancik, 2003).

This theory will open the eyes of managers of private schools, to be able to scan and interpret the external environment to construct perceptions of reality. According to Emerson (1962), the level of dependence of a firm to the external environment put such a firm in higher levels of uncertainty. Managers of private schools must maximize on the available resources to reduce on dependency on external environment. All organizations are environment dependent; hence there is need for appropriate strategy to provide a link between the organization and the environment to enable manager to deal with changes in the external environment. Mwayayi (2015) emphasized on the strategies and organizational structures that an organization have to undertake as they relate with the external environment.

2.3.3 Contingency Theory

Contingency theory was a class of organizational theory from the 1950's through the 1970's that argued a firm's optimal course of action was contingent upon the internal and external situation it found itself in. As such, contingency theory offered a natural and open system view of a firm. Contingency theory was first proposed by Lawrence and Lorsch (1967). They observed that different environments placed different requirements on organizations. It is an organizational theory that claims that there is no best way to organization or to make decisions.

Thompson (1967) describes how firms need to buffer and protect their technical core from all sorts of internal and external disturbances that can disrupt its functioning. Hanson (1979) explains contingency theory as a way for organizations to adapt to uncertainty by developing a strategic plan with alternative scenarios. The optimal course of action is dependent upon the internal and external situations (Okwako, 2013). He observes that program design decisions depend on environmental conditions hence organizations need to match their programs to the demands of the environment in order to achieve the best adaptation. This view is also shared by Scott (2002).

The contingency theory focuses on specific situational factors that can affect the direct relationships between independent and dependent variables (Jennifer Lombardo). Contingency theory is a model of behavioral theory taken from the field of organizational psychology. It mainly claims that no right or wrong method exists for running a larger business, specially a multi-department corporation. Contingency theories were developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by Reid and Smith (2000), Chenhall, (2003) and Woods (2009).

Contingency theory studies postulate that organizational outcomes are the consequences of a fit or match between two more factors. The concept of fit has been defined by Van DeVen and Drazin (1985) in three approaches -selection, interaction and system approach. Miller and Toulouse (1986) investigated that contingency theory has a long and ongoing tradition in research. It is the relationships between strategy, structure, decision making, and personality on performance. Galbraith (1973) pointed out three assumptions that underlie the contingency theory. There is no best way to organize. Any way of organizing is not equally effective, the best way to organize depends on the nature of the environment to which the organization relates. These

assumptions challenges the conventional way of thinking that organizational structure is not relevant to organizational performance. The theory is important because it explains ways some private schools with organizational capabilities may not be posting best school performance in exams.

2.4 Previous Studies

There are several studies regarding accessing organizational capabilities. This section presents a review of some related previous studies.

Hosseini (2012) in the study on Empirical examination of Capability's contribution towards firm performance observes that firms must enhance their capabilities in order to be able to give more value to their customers and gain prominent positions in competition with other companies. The objective of the study was to investigate the effects capability on firm performance under environmental uncertainty conditions. In other words enhancing this capabilities lead to improving customer satisfaction and increase market and financial performance. However, environment uncertainties have a moderating effect on this performance. He recommends that managerial decisions be in view of environmental conditions.

Muhura (2012) carried out study on organizational capabilities as a source of competitive advantage at Airtel Kenya. The study established that the company's strategic capabilities that give them competitive advantage, especially human resources, physical infrastructure and distribution network, strong brand, technology, market research, innovation and man power development and talent nurturing. The study concludes that there is a positive correlation between organizational capabilities and competitive advantage.

Kiiru (2015) carried out study on dynamic capability, strategic orientation and competitive advantage of small and medium-retail enterprises in Kenya. The study focused on impact of dynamic capabilities on firm' performance among the SMES. The findings of the study from multiple regression analysis indicated a positive relationship between the two variables. Customer oriented strategies coupled with reconfiguration capabilities were the most critical in enhancing on SMES capability advantage. The research further recommends that organization need to go beyond the level of acquiring resources and more to the level of transforming the resources to capability in order to remain competitive in a changing environment.

Ismail, Rose Uli & Abdullah (2012) conducted study on the relationship between organizational resources, capabilities, systems and organizational performance. The study empirically examined the importance and emphasis placed on organizational resources, capability and systems in their relationship with organizational performance. The findings from this study have not only contributed to the issue of the relationship between organizational resources, capabilities systems and organizational performance but it has also provided vital information to both practitioners and policy makers on the subject matter. The findings indicated positive effects of organizational resources, capabilities and systems collectively and organizational performance.

Tuan and Yoshi (2010) examined the organizational capabilities, competitive advantage and performance in supporting industries in Vietnam. The study mainly focused on the resource based view of firms to explain performance in supporting industries in Vietnam. The approach was to test relationships among organization capabilities, competitive advantage and performance. Resources should be at the heart of competitive strategy. Analysis established that organizational capabilities are related to competitive advantage, and competitive advantage is related to performance.

Wekesa (2012) carried out a study on competitive strategies employed by Riara group of schools to gain competitive advantage. The objective of the study was to establish what kind of competitive strategies that Riara Group of Schools have institutionalized to gain competitive The Study observed that the Riara Group of Schools faced various challenges when applying competitive strategies. The Study recommends that managers of private schools should apply competitive strategies in order to gain sustainable competitive advantage.

Akroush (2012) carried out a study on organizational capabilities and new products performance. The project specifically looked at key areas of capability development such as technology, marketing mix and customer relations. Using a sample of 473 manufacturing organizations in Jordan, the findings revealed that out of the 3 capabilities of technology, marketing mix and customer relations, only marketing mix capabilities had a direct positive effect on both new product quality and speed to the market. The research concludes that managers should be more focused in developing marketing activities in a competitive manner.

Rockart and Dutt (2013) carried out a study to establish the rate and potential of capability development trajectories. These are the paths over which firms'

capabilities change with experience and other activities. This study focused on the changes that take place in capability trajectories in a firm through repeating a given set of activities over a period of time. This would form the intellectual resources of the firm. The study concluded that larger underwriting projects lead to a lower rate of improvement towards higher potential capabilities leading to a firm's performance.

Hongera and Okoth (2012) carried out a study on the relationship between competitive advantage, firm performance and market positioning. The study emphasizes on managers creativity and originality and continuous improving, commonly called KAIZEN that can lead to competitive advantage. It recommends for managers to come up with unique strategies that will give them upper hand over competitors.

Kaehler, Busatto, Bechker, Hansen and Santors (2014) carried a study on relationship between adaptive capability and strategic orientation: An empirical study in a Brazilian Company. The main objective was to examine relationship between adaptive capability and strategic orientation in the organizational context. Using a survey of 160 employees, the findings of study show that the company's strategic orientations affect its adaptive capability. The observed further that a firm that has higher dynamic capability will always demonstrate a higher level of adaptive capability in its market of operations.

2.4.1 Conceptual Framework of Previous Study

Shown in Figure (2.1), the link between the independent variables and its dependent variables is shown how they are related to each other. This study will mainly focus to study whether these variables are related to each other through analyzing them based on this conceptual framework.

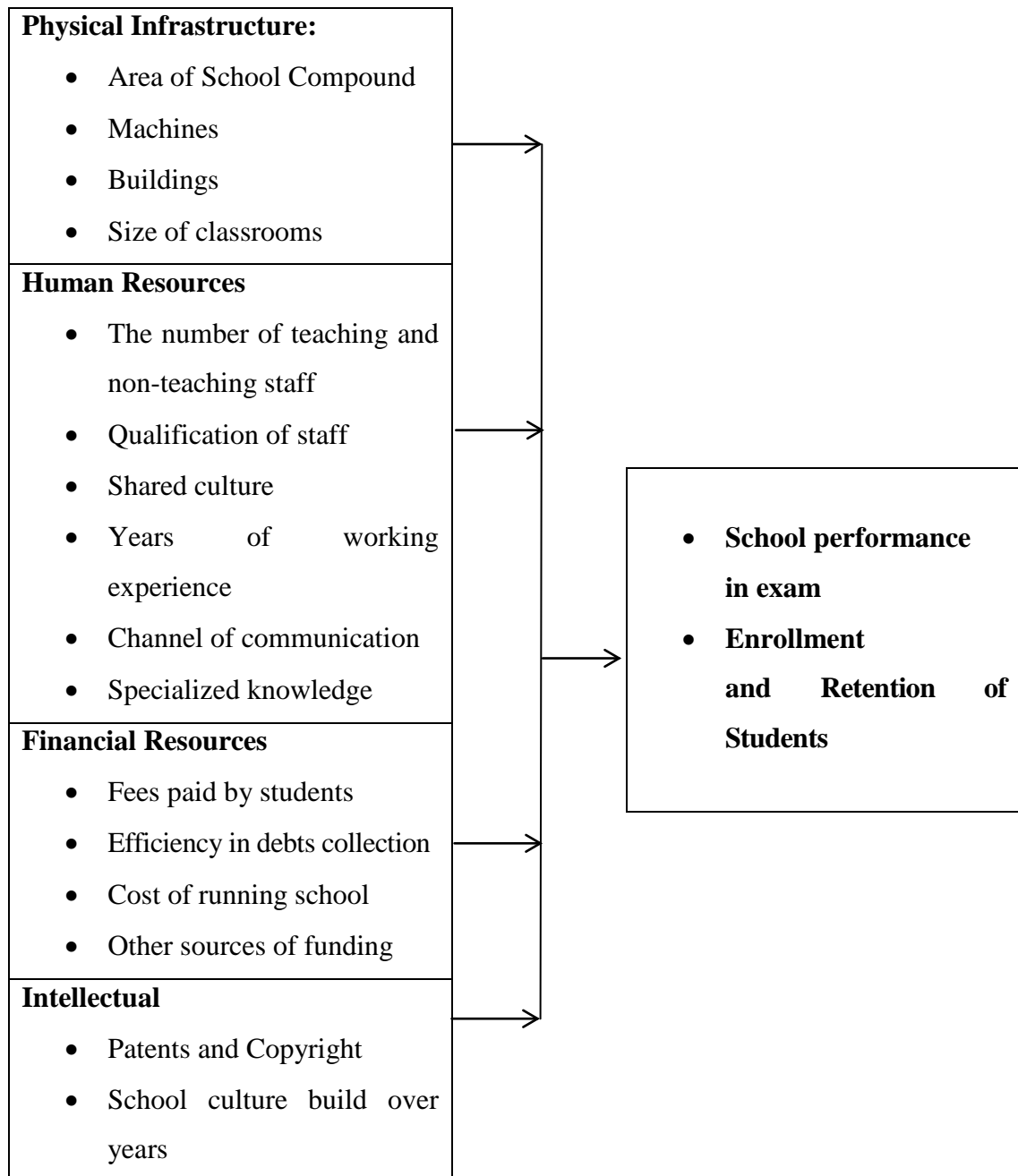
Figure 2.1 Conceptual Diagram of Previous Study

INDEPENDENT VARIABLE

DEPENDENT VARIABLE

**Organizational Capabilities
Schools**

**Competitive Advantages of Private Primary
Schools**



Source; Wafula Silas Opicho, School of Business University of Nairobi (2014)

In Figure (2.1) physical infrastructure, human resource, financial resource and intellectual resource have been used as independent variables. According to Coulter (2002), strategic capabilities are the building block for core competencies

and are usually embedded in the firm and require both time and significant resources to change. On their part, Amit and Schoemaker (2003) defined organizational capabilities as a firm's capacity to deploy its assets, tangible or intangible, to perform a task or activity to improve performance and included the capacity of the firm to offer excellent customer service or to develop new products and innovate.

A firm that has developed capabilities will be in apposition to exploit the opportunities and neutralize on threats. To establish organizational capabilities, the business must adapt to changing customer and strategic needs by establishing internal structures and processes that influence its members to create organizational specific competences. Teece, Pisano and Shuen (1997) put more emphasis on dynamic capabilities which is defined as the ability to sense and then seize new opportunities to reconfigure the firm's assets such as knowledge base and technology to achieve sustainable competitive advantage. The application of new knowledge and learning leads to innovation, which in turn will put private schools into a position of competitive advantage.

For the firm to ably deal with changes in the external environment, they must first embrace change within the organization. Watzlawick et al (1974) explains that there are two types of changes: First order change that occurs within the system while it remains unchanged. The second order change whose occurrence changes the system itself. Amit and Shoemaker (2003) look at organizational capabilities as an organization's capacity to deploy its assets, tangible or intangible to perform a task or activity and improve on performance. The bottom line is for an organization to be able to offer excellent services to the customer. This may include innovation and creativity and other forms of skills and resources (Fiol, 2001). Since these skills are continuously changing, they should be configured in such a way as to be able to respond to the changes in the external environment.

Organizational capability enhances customer value through many ways, such as enhancing responsiveness to customer needs, developing relationships between customer and employees of the firm, and improving on service quality to deliver a unique product in the market. Organizational capabilities lead to a capable organization characterized by critical elements such as shared mindset, sound management practices which helps to transform individual behavior to create customer satisfaction, capability for change through learning from past experience and self-assessment, kind of leadership that translates external conditions into vision for an

organization and how employees must act to attain vision (Coulter, 2002). The ability and capability of an organization can be expressed in terms of: Human resources such as numbers, qualities, skills and experience, physical material resources such as land, machines, buildings, land, financial resources and intellectual resources such as patents, and copyrights.

2.5 Conceptual Framework of the Study

Shown in Figure (2.2), the link between the independent variables and its dependent variables is shown how they are related to each other. This study will mainly focus to study whether these variables are related to each other through analyzing them based on this conceptual framework.

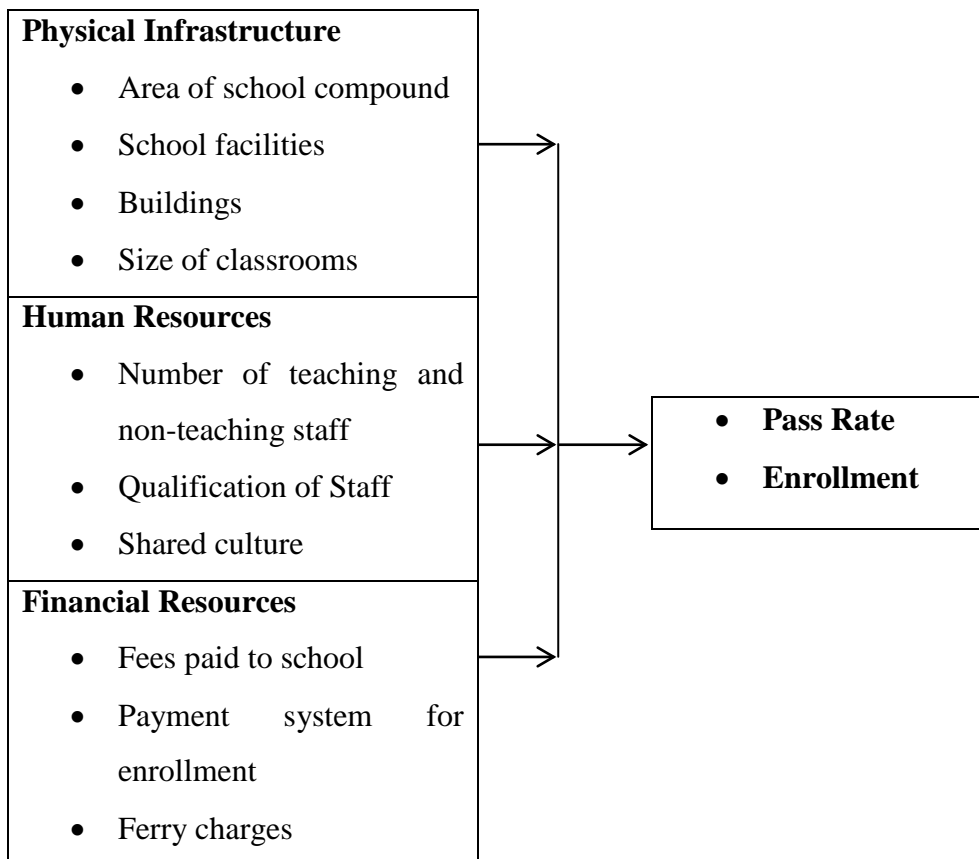
Figure (2.2) Conceptual Framework of the Study

Independent Variable

Organizational Capabilities

Dependent Variable

School Performance



Source: Own Compilation

The conceptual framework for the study is constructed by considering the independent factors described above. They are physical infrastructure, human resources and financial resources which are assumed to determine its effects on school performance of private high schools.

As presented in previous section, Wafula (2014) considered physical infrastructure, human resources, financial resources and intellectual resources effect on competitive advantage of private primary schools. Thus, the conceptual framework for this study is constructed as shown in Figure (2.2). According to the Figure, physical infrastructure, human resources and financial resources are assumed as the influencing factors on the school performance of selected private high schools. To evaluate the performance, pass rate and enrollment of students are used to measure in the study.

It is important that to gain high performance, organizational capabilities must be developed. Therefore, in this analysis, to identify the organizational capabilities of the private high schools, the dimensions such as physical infrastructure, human resources and financial resources are used and they are specified as independent factors.

Chapter (3)

Profiles of Three Private High Schools in Hlaing Tharyar Township

This chapter presents the profiles and organizational capabilities of Goon Htoo U Maung Maung , ICEC (San Me) and PyinNyar Myo Sat Private High Schools in Hlaing Tharyar Township.

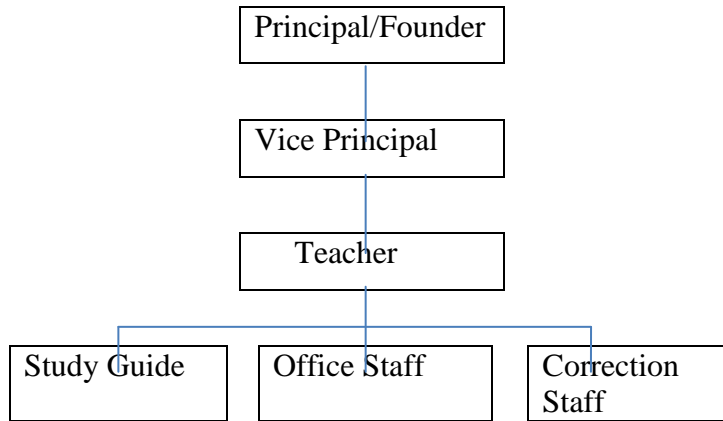
3.1 Profile of Goon Htoo U Maung Maung Private High School

Goon Htoo U Maung Maung was established in 2014. In Goon Htoo U Maung Maung, Principal's qualification is B.Sc (Chem), DBS (YIE) and Vice Principal's qualification is B.SC (Maths).The school accepts all students from kinder garden to matriculation. As many as 1590 young students are learning there and the classrooms are designed for 40 students and facilitated with air-condition. Goon Htoo U Maung Maung has 86 teachers. They are famous tuition teachers and qualified teachers. There are 25 employees and 37 classrooms. The students are provided with study rooms, multimedia room, language lab, computer room and libraries. Not only these learning-aid facilities, there are also sport facilities for fitness. In Goon Htoo U Maung Maung, beyond school lessons, students can take extra-curriculum activities such as computer study and English language. For convenient commuting of students, the school has 90 school buses. The leader embraced on ferry to contact arriving places to be saved for students.

There are hostels for students in Goon Htoo U Maung Maung. The objective of existing hostels is to attend the student's not only rural students but also urban students. And, it is to become qualified persons and learn systematic in full time. The students at Grade 5 to Grade 10 are accepted as boarder providing accommodation and meals. The boarders are provided accommodation, meals and healthcare service. Moreover, school applies cash incentives, subsidized education for children of staff and allowance to motivate the staff of the schools. In addition, the school relies on fees as its major source of financing, and monthly fee collection process whereby the parents were required to pay school fees within the first week of each month. Apart from salaries, this private school considers giving prizes the outstanding students. Goon Htoo U Maung Maung is divided into two locations. Primary school is situated Block (39), No (10/11), Nawaday Garden, Hlaing Tharyar Township. Middle and

High school is located No (21, 22), Phwint Phyo Aung, Hlaing Tharyar Township. It is near the Aung Myae Tharyar Pagoda.

Figure (3.1) Organizational Structure of Goon Htoo U Maung Maung Private High School



Source: Goon Htoo U Maung Maung Private High School

Figure (3.1) presents the organizational structure of this school. In this school, principal (Founder) is top on the overall school's operations and keeps in line with the vision and mission. Besides, vice principal works together among teaching staffs and office staffs for cooperation and collaboration and to know the update information from schools and the students.

Third level of private high school is primary assistance teacher, junior assistance teacher and senior assistance teacher. They are heart of school and responsible for teaching to achieve a good result. In fourth level, there are correction staffs, study guides and office staffs. The correction staffs are responsible to check answer books for students. A study guide's tasks are to explain the lessons when students were absent in lecture time and misunderstanding about the lessons. The office staffs are responsible about school tasks.

3.1.1 Mission

The mission of Goon Htoo U Maung Maung private school is "to attend the school at save money and to generate the outstanding students."

3.1.2 Rules and Regulations of Goon Htoo U Maung Maung Private School

Goon Htoo U Maung Maung formulated the following rules and regulations for their students.

- (1) Not accept repeater.

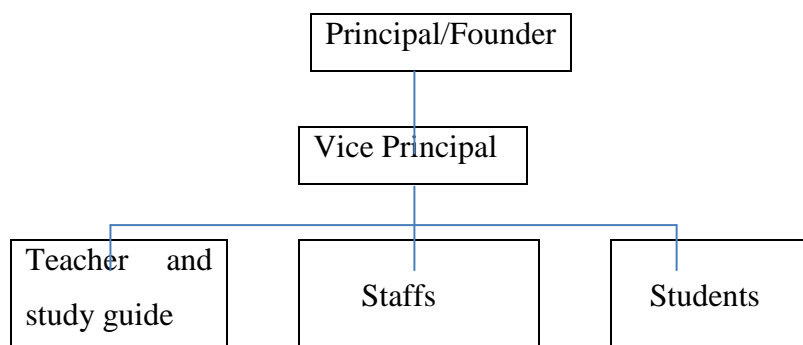
- (2) Every student must put on the school uniform every day.
- (3) Students must participate in school activities.
- (4) Parents must discuss the student's education with relative teachers.
- (5) Late arrival at school and being absent without leave are not allowed.
- (6) Students must deal with teachers and other students politely.
- (7) Students are not allowed to take leaves more than (3) days. Parents must submit reports for taking leaves in person.
- (8) Students are not allowed to go in and out the class without teacher's permission.
- (9) Only students who have 75% of attendance to sit for the examination.
- (10) Students must learn all subjects carefully and do homework regularly.
- (11) Students must be qualified in the exams. If not so, they will restart this grade again.
- (12) The students who break the following rules must be rejected from the school.
 - (a) Destroying the school image.
 - (b) Use of drugs, alcohol, betting and stealing.
 - (c) Intentionally hurting each other committing the crime.
 - (d) Use of swearing, profanity, or obscene gestures is prohibited for principle and teachers.
 - (e) Destroying the property of school and building.

3.2 Profile of PyinNyar Myo Sat Private High School

The PyinNyar Myo Sat private school was established in 2015. The principal's qualification is L.L.B (Advocate) (L-40584) and the vice-principal B.E (EC). The school accepts all students from kinder garden to matriculation. The school has employed 65 teachers and 15 staff members. There are 536 students who are learning in that school and the classrooms are designed for 40 students and facilitated with air-condition. The students are provided with study rooms, multimedia room, language lab, computer room and libraries. Not only these learning-aid facilities, there are also sport facilities for fitness. In PyinNyar Myo Sat, beyond school lessons, students can take other activities such as computer study and English language. For kinder garden, subjects are handwriting skills, English, Myanmar, Mathematics, Art, Crafts and Science Computing and Social Study. For students, the school arranges 14 school buses.

Moreover, the school has established two boarding halls for students to promote their interpersonal skills, team spirit, and courteousness and to nurture them to become outstanding ones. The students of Grade 9 and Grade 10 are accepted as the boarding students by providing accommodation and meals and healthcare service. The middle and high schools levels are lectured by qualified teachers, famous tuition teachers and well-experienced teachers, with sufficient lecturers so that the students do not need extra tuitions. The primary students are taught by graduates with B.Ed, B.Sc and Early childhood care development certificated. The students are continuously assisted and always guided by study guides with successful academic achievement and university educated persons. The school applies cash incentives, outing and provision of lunch to motivate the staff of the schools. PyinNyar Myo Sat private high school locate at No (2/B), Aungzayya Myot Taw, Kyin Sit Thar Road, Hlaing Tharyar Township, Yangon. It is near Zay Lay bus-stop and Hlaing Tharyar Hospital.

Figure (3.2) Organizational Structure of PyinNyar Myo Sat Private High School



Source: PyinNyar Myo Sat Private High School

According to Figure (3.2), it shows that the founder or principal is a leader in this school. Under the principal, there are vice principal who take control and manage teachers, staff members, students and workers.

3.2.1 Mission and Visions

(1) Mission

To create an education system that can generate a learning society capable of facing the challenges of the knowledge age.

(2) Visions

The visions of PyinNyar Myo Sat private school are;

- Make mentally strong

- Make physically healthy
- Make Education proficient
- Make discipline best

3.2.2 Rules and Regulations of PyinNyar Myo Sat Private School

PyinNyar Myo Sat formulated the following rules and regulations for their students.

1. Only students who have 75% of attendance are allowed to sit for the examination.
2. Every student must put on the school uniform every day.
3. More than 30-minute late arrival to school will be reported to parents.
4. The students can go outside the school campus without teacher's permission.
5. The students must be obedient and respect to teachers.
6. The students must not be absent to take all the tests and exams.
7. Any harmful and dangerous weapons are prohibited at school.
8. Being disobedient to class teachers will be punished by the principal.
9. Playing truant will be reminded to parents by meeting with the principal.
10. During lectures, chatting, sleeping, eating chewing gum and food, having drinks and hanging out are prohibited.

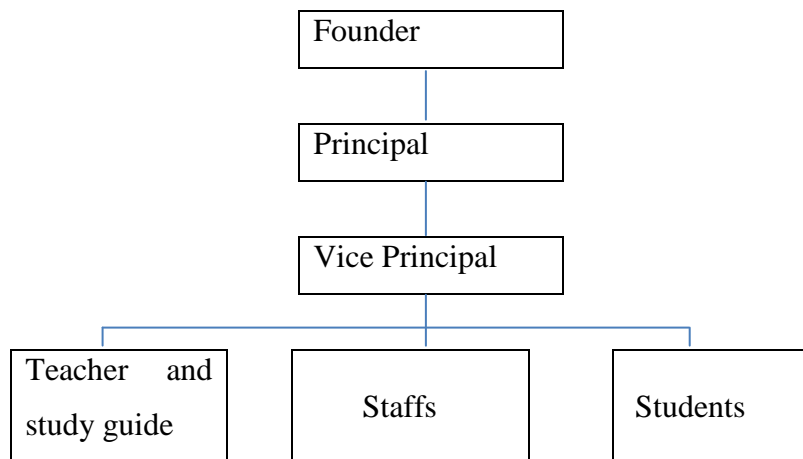
3.3 Profile of ICEC (San Me) Private High School

The ICEC (San Me) was established in 2015. The principal's qualification is L.L.B and vice principal's qualification is B.Sc (Physics). There are all together 63 teachers and 18 staff members. In ICEC (San Me) accepts from kinder garden to Grade 10. It provides air conditioned classrooms, multimedia rooms, language lab rooms, computer rooms, library and science room. There are all together 579 students and each classroom is enough for 30 students. Students will be taught not only school lessons but also other studies; Computer, English, and Physical exercises. They arrange ferry for students to attend the class comfortably. The school has 13 school buses. ICEC (San Me) pays attention to the quality of its teachers.

Moreover, there are two hostels for students in ICEC (San Me). The students at Grade 9 and Grade10 are accepted as boarders providing accommodation and meals. The boarders are provided accommodation, meals, and healthcare service. The school applies cash incentives, promotion, allowance, provision of lunch to motivate the staff

of the schools. ICEC (San Me) is situated 691/b, 2, Corner of Naung Tone street and Kyain Sitt Thar street, (6) Quarter, Hlaing Tharyar Township. It is near Hlaing Tharyar Hospital. The organization structure of ICEC (San Me) Private High School is shown in Figure (3.3).

Figure (3.3) Organizational Structure of ICEC (San Me) Private High School



Source: ICEC (San Me) Private high School

3.3.1 Rules and Regulations of ICEC (San Me) Private School

ICEC (San Me) established the following rules and regulations;

1. Only students who have 75% of attendance are allowed to sit for the examination.
2. Students must learn all subjects carefully and do homework regularly.
3. Students must wear school uniform every day.
4. Rubbish must be thrown into the trash systematically.
5. The students must maintain the school furniture, desks and school buildings not to be damaged.
6. Students must respect and be polite to each other, and must not use obscene words.
7. Students must avoid destroying image of the principals and teachers.
8. Students must avoid abusing, bringing and trading of alcohol and narcotic drug, gambling and theft.
9. The students must not bring Mobile phone, iPad, laptop and similar devices.

3.4 Summary Profile of Three Private Schools

Goon Htoo U Maung Maung private school established in 2014 academic year and two private schools founded in 2015 academic year. Goon Htoo U Maung Maung private school has 1590 students. It has employed 86 teachers and 25 staff members. It provides 15 teaching guides. PynNyar Myo Sat private school has 536 students. It has employed 65 teachers and 15 staff members. It provided 10 teaching guides. ICEC (San Me) private school has 579 students. It has employed 63 teachers and 18 staff members. It provided 9 teaching guides. Three private schools have 10 months for one year. The following table shows the summary profiles of three private schools. Goon Htoo U Maung Maung private school accepts all students from kinder garden to high level. PynNyar Myo Sat private school accepts all students from kinder garden to Grade 10. ICEC (San Me) private school accepts all students from kinder garden to matriculation. The following Table 3.1 shows the summary profiles of three private high schools in 2017-2018 academic years.

Table 3.1 Summary Profile of Three Private High Schools in 2017-2018 Academic Years

Factors	Private High Schools		
	Goon Htoo U Maung Maung	PyinNyar Myo Sat	ICEC (San Me)
Year of Establishment	2014	2015	2015
Number of students	1590	536	579
Number of teachers	86	65	63
Number of teaching guides	15	10	9
Number of staffs	25	15	18
Classes	Kid garden, Primary, Secondary and High	Kid garden, Primary, Secondary and High	Kid garden, Primary, Secondary and High

Source: Survey Data, 2018

3.5 Organizational Capabilities of Three Private High Schools

This section presents organizational capabilities: physical infrastructure, human resources and financial resources of three private high schools.

3.5.1 Physical Infrastructure of Three Private High Schools

The respondents were requested to indicate the area of school compound. Table 3.2 below shows the findings.

Table (3.2) Area of School Compound

No	Name of School	Area of School Compound
1	Goon Htoo U Maung Maung	2 acres
2	ICEC (San Me)	Between 1-2 acre
3	PyinNyar Myo Sat	1acre

Source: Survey Data, 2018

The results established that Goon Htoo U Maung Maung has two acres of land and PyinNyar Myo Sat has one acre and ICEC (San Me) have between 1-2 acres respectively. The above figure indicates that the Goon Htoo U Maung Maung has the largest area of school compound. Another importance revelation from the study was that schools have photocopying machines, computers, printers, and library.

3.5.2 Human Resources of Three Private High Schools

The respondents were requested to indicate the number of teaching staff. Table 3.3 below shows the findings.

Table (3.3) Number of Teaching Staff

No	Name of School	Number of Teaching Staff
1	Goon Htoo U Maung Maung	86
2	ICEC (San Me)	63
3	PyinNyar Myo Sat	65

Source: Survey Data, 2018

The findings indicate that Goon Htoo U Maung Maung has 86 teachers and PyinNyar Myo Sat has 65 teachers. ICEC (San Me) has 63 teachers. This indicated that Goon Htoo U Maung Maung has the largest number of teacher and PyinNyar Myo Sat is the second largest number of teachers.

Table (3.4) Number of Study Guide

No	Name of School	Number of Study Guide
1	Goon Htoo U Maung Maung	15
2	ICEC (San Me)	9
3	PyinNyar Myo Sat	10

Source: Survey Data, 2018

The findings indicate that Goon Htoo U Maung Maung has 15 study guides. ICEC (San Me) has 9 study guides and PyinNyar Myo Sat has 10 study guides respectively. This show that Goon Htoo U Maung Maung has the largest number of study guide and PyinNyar Myo Sat is the second and ICEC (San Me) is third. These three private high schools have study guides to assist and guide for all students when they were absent in lecture time and misunderstanding about the lessons.

3.5.3 Financial Resources of Three Private High Schools

The study investigated the schools sources of financing and the soundness of the financial position of the organization. In that regard, the respondents were asked to indicate other sources of financial support apart from fees. The findings were as shown in Table 3.5 below.

Table (3.5) Sources of financing for the school

No	Name of School	Any Other Sources of Financial Support apart from Fees Income
1	Goon Htoo U Maung Maung	No
2	ICEC (San Me)	Yes
3	PyinNyar Myo Sat	No

Source: Survey Data, 2018

The result shows Goon Htoo U Maung Maung and PyinNyar Myo Sat rely on fees income as the source of financing. Only ICEC (San Me) rely on other sources of financing.

The study further investigated the fee collection efficiency of the schools. The results were as shown in Table 3.6 below.

Table (3.6) Fee Collection Efficiency

No	Name of School	Efficiency of Fee Collection Mechanism
1	Goon Htoo U Maung Maung	Fair
2	ICEC (San Me)	Very Efficient
3	PyinNyar Myo Sat	Efficient

Source: Survey Data, 2018

The findings show that Goon Htoo U Maung Maung Private School felts their fee collection mechanism was fair. ICEC (San Me) Private School felts very efficient and PyinNyar Myo Sat Private School felts that their collection mechanisms was efficient. Ample fee collection mechanisms are essential for a school to have sound financial position and to be able to meet the obligations as they fall due.

CHAPTER 4

RESEARCH METHODOLOGY

This chapter includes six parts. They are research design, the demographic information of respondents, analysis on organizational capabilities, analysis on organizational capabilities and school performance of selected private high schools, and analysis on school performance of selected private high schools. Finally, it tries to find out the relationship between school performance of selected private high schools in Hlaing Tharyar Township and physical infrastructure, human resources and financial resources.

4.1 Research Design

This study sought to establish the organizational capabilities and school performance of selected private high schools in Hlaing Tharyar Township. The main objectives are to compare the organizational capabilities and performance of selected private high schools and to analyze which factors are most influencing on school performance of selected private high schools in Hlaing Tharyar Township. To support the assessment, the required data were collected through sample survey with detective approach. The survey mainly uses descriptive analysis. To support this analyzing, the required data were collected through sample survey. The questionnaires are constructed with 5-point likert scales ranging from 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree), and 5 (Strongly Disagree) to determine parents' satisfaction on each statement.

As a sampling method, the simple random sampling method (SRS) method was used in this study. The data is randomly collected from 150 respondents who are parents of the students from three private high schools. The data collection is achieved from 65 respondents of Goon Htoo U Maung Maung, 40 respondents of PyinNyar Myo Sat and 45 respondents of ICEC (San Me) private high schools. All 150 respondents kindly responded to the questionnaires. After collecting the required data, the data were analyzed by using the SPSS (the statistical package for social science) software.

4.2 Demographic Information

This section presents the findings of the study in line with the general characteristics of the respondents, such as gender, age, occupation and monthly income.

(a) Gender of Respondents

The gender of respondents is described with percentage which is shown below in Table (4.1).

Table (4.1) Gender of Respondents

Gender	Number of Respondents	Percentage
Male	52	34.67
Female	98	65.33
Total	150	100

Source: Survey Data, 2018

In table (4.1), the sample consists of 52 males and 98 females, In terms of percentage, female respondents share 65.33 percentage of sample while male respondents share 34.67 percentage of sample. This mentions that female respondents in the survey are more participated and interested in the distribution of questionnaires than the male respondents.

(b) Age level of Respondents

In Table (4.2), the age level of respondents is described. The age level is divided in to four groups. The range of age for the respondents is from 16 to 25 years followed by 2 participants, from 26 to 35 years followed by 15 participants, from 36 to 45 years followed by 70 respondents and, from 46 years and above followed by 63 participants.

Table (4.2) Age level of Respondents

Age	Number of Respondents	Percentage
16 to 25 years	2	1.33
26 to 35 years	15	10
36 to 45 years	70	46.67
46 years and above	63	42
Total	150	100

Source: Survey Data, 2018

As show in Table (4.2), the main age level is obtained from the respondents between 36 to 45 years while 46.67 percentage, surveyed by the 46 years and above with 42 percentage, 26 to 35 years with 10 percentage and 16 to 25 years with 1.33

percentage. Most of the middle ages of respondents are participated in the survey and a few respondents who are under 35 years are included in the survey.

(c) Occupation of Respondents

All of the respondents were requested to answer their occupation which is classified into four groups: company staff, government staff, dependent, business owner and other. The results of classification on occupation of respondents are shown in Table (4.3).

Table (4.3) Occupation of Respondents

Occupation	Number of Respondents	Percentage
Company Staff	21	14
Government Staff	31	20.67
Dependent	35	23.33
Business Owner	9	6
Other	54	36
Total	150	100

Source: Survey Data, 2018

Table (4.3) indicates that 54 respondents out of 150 respondents are other types of occupation which represent the large sample group with 36% of respondents. The second group of the respondents with 23.33% dependent status, the third group with 20.67% is government staff, the fourth group respondents with 14% is company staff and the smallest group of the respondents with 9% is business owner. This indicates that most of the respondents mainly have other types of employment status such as sewer, merchant, taxi driver and so on.

(d) Monthly Income Level

All of the respondents were requested to participate in answering their income which is divided into four groups as below 100,000 kyats, 100,000-300,000 MMK, 300,000-500,000 MMK, and above 500,000 MMK. These monthly income levels are described in Table (4.4).

Table (4.4) Monthly Income Level

Income Level	Number of Respondents	Percentage
Below 100,000 MMK	9	6
100,000-300,000 MMK	90	60
300,000-500,000 MMK	31	20.67
500,000 MMK and above	20	13.33
Total	150	100

Source: Survey Data, 2018

Table (4.4) indicates that among the monthly income of respondents, 60% respondents of income level are between 100,000 to 300,000 MMK which present the

largest sample group of respondents. The second largest group is 20.67% of respondents which earns between 300,000-500,000 MMK and 500,000 MMK and above is 13.33% of respondents. The respondents with 6% are those who earn below 100,000 MMK. This is composed that the customers who enroll their children in private high schools are fairly good in income level.

4.3 Analysis on Organizational Capabilities

The respondents were requested to rate the extent to which the factors listed in Table 4.5 below influences school performance. The rating was in a likert scale of 1-5 where 1 meant strongly disagree while 5 strongly agree. The average rating was as shown in as shown in the Table below.

Table 4.5 Organizational Capabilities that influence School Performance

No	Organizational Factors that influence School Performance	Mean	Standard Deviation
1	Availability of physical infrastructure	3.71	0.822
2	Using of right teaching staff	4.37	0.619
3	Availability of funds/capital	3.42	0.877
	Overall Mean	3.83	

Source: Survey Data, 2018

The result in Table 4.5 the overall mean score of 3.83 and standard deviation of 0.773 respectively. Use of right teaching staff is high (mean score=4.37, SD=0.619). This shows that respondents agreed that the use of right teaching staff is important to achieve school performance. The second important is availability of physical infrastructure (mean score=3.71, SD=0.822) and the third is availability of funds/capital (mean score=3.42, SD=0.877).

4.4 Analysis on Organizational Capabilities and School Performance of Three Private High Schools

In this section, the analysis of using five-point Likert scale measurement on organizational capabilities and school performance of private high schools is presented. The results of the survey are described with the range from one to five (1=strongly disagree, 2=disagree, 3=neither agree nor disagree or cannot decided, 4=agree and 5=strongly agree). The mean value then was applied from one to five. Therefore, if the mean value is less than 3, it indicates that customers do not agree with the organizational capabilities offered by the private high schools. In contrast, if

the mean value is greater than 3, the customers are satisfied with the organizational capabilities of the private high schools. The results are shown in the following Tables: 4.6, 4.7 and 4.8. The average mean in organizational capabilities among selected private high schools are compared in Table 4.9.

(a) Organizational Capabilities and School Performance of Goon Htoo U Maung Maung Private High Schools

Table (4.6) shows the analysis of organizational capabilities and school performance of Goon Htoo U Maung Maung Private High School. The results are discussed in the following.

Table (4.6) Organizational Capabilities and School Performance of Goon Htoo U Maung Maung Private High School

Organizational Capabilities	Organizational Capabilities and School Performance	Mean	Average
Physical Infrastructure	School has large area of school compound.	3.32	3.25
	Modern building like school buildings, classrooms and offices.	3.09	
	School has full facilities such as library, photocopiers, computer etc.	3.18	
	There are school ferries to facilitate students.	4.03	
	School offers optional canteen facility and playground for its students.	2.62	
Human Resources	School has large numbers of teachers.	3.86	3.70
	Teaching experience is positively associated with student achievement gains throughout a teacher' career.	3.74	
	School offers short term course and seminar attended to be effective teaching method.	3.25	
	School has office staff, sweeper and security to support daily work.	4.11	
	School has study guides to support students who were absent in lecture time and misunderstanding the lessons.	3.55	
Financial Resources	Suitable fee rate to facilitate for students.	4.46	4.2
	Suitable ferry fee for students.	3.94	
Average Mean of Organizational Capabilities(Overall)		3.60	

Source: Survey Data, 2018

According to Table (4.6), the result from the questions of “financial resources” is obtained the largest mean score of 4.2 has encountered higher the standard mean score 3, respondents have higher positive perception towards financial resources of

Goon Htoo U Maung Maung private high school. Regarding to the question of “physical infrastructure”, the mean score is 3.25 which is little higher than of the standard mean score 3. Therefore, it can conclude that respondents do not highly enjoy in the physical infrastructure of Goon Htoo U Maung Maung private high school.

(b) Organizational Capabilities and School Performance of PyinNyar Myo Sat Private High Schools

Table (4.7) shows the analysis of organizational capabilities and school performance of PyinNyar Myo Sat Private High School. The results are discussed in the following.

Table (4.7) Organizational Capabilities and School Performance of PyinNyar Myo Sat Private High School

Organizational Capabilities	Organizational Capabilities and School Performance	Mean	Average
Physical Infrastructure	School has large area of school compound.	3.00	3.69
	Modern building like school buildings, classrooms and offices.	4.20	
	School has full facilities such as library, photocopiers, computer etc.	4.08	
	There are school ferries to facilitate students.	3.52	
	School offers optional canteen facility and playground for its students.	3.65	
Human Resources	School has large numbers of teachers.	3.40	2.99
	Teaching experience is positively associated with student achievement gains throughout a teacher’ career.	2.75	
	School offers short term course and seminar attended to be effective teaching method.	2.95	
	School has office staff, sweeper and security to support daily work.	3.25	
	School has study guides to support students who were absent in lecture time and misunderstanding the lessons.	2.60	
Financial Resources	Suitable fee rate to facilitate for students.	2.75	3.23
	Suitable ferry fee for students	3.70	
Average Mean of Organizational Capabilities (Overall)		3.32	

Source: Survey Data, 2018

According to Table (4.7), it shows that the result from the question of “physical infrastructure” obtained the highest mean score 3.69 which is higher than the standard mean score 3, respondents have higher positive perception towards physical infrastructure of PyinNyar Myo Sat private high school. Regarding to the question of

“human resources”, the mean score is 2.99 which is less than the standard mean score 3, it can be assumed that PyinNyar Myo Sat private high school need to develop human resources.

(c) Organizational Capabilities and School Performance of ICEC (San Me) Private High Schools

Table (4.8) shows the analysis of organizational capabilities and school performance of ICEC (San Me) Private High School. The results are discussed in the following.

Table (4.8) Organizational Capabilities and School Performance of ICEC (San Me) Private High School

Organizational Capabilities	Organizational Capabilities and School Performance	Mean	Average
Physical Infrastructure	School has large area of school compound.	3.13	3.15
	Modern building like school buildings, classrooms and offices.	2.96	
	School has full facilities such as library, photocopiers, computer etc.	3.22	
	There are school ferries to facilitate students.	3.22	
	School offers optional canteen facility and playground for its students.	3.24	
Human Resources	School has large numbers of teachers.	3.67	3.16
	Teaching experience is positively associated with student achievement gains throughout a teacher' career.	3.31	
	School offers short term course and seminar attended to be effective teaching method.	2.96	
	School has office staff, sweeper and security to support daily work.	2.96	
	School has study guides to support students who were absent in lecture time and misunderstanding the lessons.	2.91	
Financial Resources	Suitable fee rate to facilitate for students.	3.11	3.08
	Suitable ferry fee for students.	3.04	
Average Mean of Organizational Capabilities (Overall)		3.14	

Source: Survey Data, 2018

According to the Table (4.8) mentioned above, it shows that the mean score of human resources is 3.16 which is higher than the standard mean score 3, respondents have higher positive perception towards human resource of ICEC (San Me) private high school. Regarding to the question of “financial resources”, the mean score is 3.08

which is little higher than of the standard mean score 3. Therefore, it can conclude that respondents do not highly enjoy in the financial resources of ICEC (San Me) private high school.

Table (4.9) Comparison of Organizational Capabilities and School Performance among Selected Private High Schools

Name of School	Goon Htoo U Maung Maung	PyinNyar Myo Sat	ICEC (San Me)	High Performance Schools
Physical Infrastructure	3.25	3.69	3.15	PyinNyar Myo Sat
Human Resources	3.7	2.99	3.16	Goon Htoo U Maung Maung
Financial Resources	4.2	3.23	3.08	Goon Htoo U Maung Maung

Source: Survey Data, 2018

As shown in the Table (4.9), mean score for physical infrastructure of PyinNyar Myo Sat is 3.69 that are higher than the mean score of Goon Htoo U Maung Maung is 3.25 and ICEC (San Me) is 3.15. Mean score for human resources of Goon Htoo U Maung Maung is 3.7 that is higher than the mean score of ICEC (San Me) is 3.16 and PyinNyar Myo Sat is 2.99. Mean score 4.2 for financial resources of Goon Htoo U Maung Maung is higher than the mean score 3.23 of PyinNyar Myo Sat and 3.08 of ICEC (San Me).

4.5 Analysis on School Performance of Selected Private High Schools

This section is intended to analyze the school performance of selected private high schools. This section also includes constructed questionnaire for school performance of selected private high schools. This questionnaire is formed with eight factors. These factors are shown in Table (4.10).

Table (4.10) School Performance of Selected Private High Schools

No	School Performance Factor	Mean	Standard Deviation
1	Provided projector and computer for effective teaching method.	4.07	0.795
2	Having a number of good teachers to meet quality standard.	4.24	0.705
3	Recruiting the well-trained persons to fulfill the trust to the school.	4.19	0.708
4	Effective communication of the teachers and staff helps to build the right performance.	4.09	0.750
5	School has consistency rules and policies that affect the students.	4.18	0.715
6	School used performance based pay to improve the quality of teachers.	4.20	0.682
7	School supports allowance for outstanding students to improve the school performance.	4.13	0.688
8	Passed students refer new students this school because of teacher's good performance.	4.03	0.689
	Overall Average	4.14	

Source: Survey Data, 2018

According to Table (4.10), it shows that the result from the question of “Having a number of good teachers to meet quality standard”, obtained the highest mean score 4.24 with the standard deviation of 0.705 which is higher than the standard mean score 3, it can be assumed that “having a number of good teachers” is very important to achieve school performance.

Regarding to the item, “Passed students refer new students this school because of teacher's good performance” obtained the mean score 4.03 with standard deviation of 0.689, which is less than other items of mean score.

4.6 Inferential Analysis

Inferential analysis is a method of data analysis that drives afar the descriptive analysis. In this research, Pearson correlation coefficient is used to test hypothesis that

expressing the significant relationship between dependent and independent variable. Pearson correlation coefficient is used to study the link between both dependent and independent variables. Software packages are now into use to carry out statistical calculation.

4.6.1 Relationship between Organizational Capabilities and School Performance

Correlation is a measure of relationship between two variables, the correlation coefficient gives mathematical value (-1 to 1) for measuring direction and the strength of the linear relationship between two variables. Person's correlation coefficients were computed through bivariate correlation for this study. Bivariate correlations, which test the strength of the relationship between two variables without giving any consideration to the interference some other variable, might causes to the relationship between the two variables being tested. In this study, relationship between each organizational capability such as physical infrastructure, human resource, financial resource and their impact on school performance are conducted. Table (4.11) shows the relationship between school performance and each organizational capability.

Table (4.11) Correlations between each Organizational Capability and School Performance

Organizational Capability	Correlation Coefficient
Physical Infrastructure	0.66**
Human Resource	0.82**
Financial Resource	0.45**

Source: Survey Data, 2018

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

Table 4.11 demonstrates the correlation coefficient for organizational capabilities on school performance of private high schools. The correlation coefficient between physical infrastructure and school performance is 0.66 at significant at 1% level. This shows that there is strongly and directly relationship between physical infrastructure and school performance of private high schools.

The correlation coefficient between human resources and school performance is 0.82 at significant at 1% level. This shows that there is strongly and directly relationship between human resources and school performance of private high schools.

The correlation coefficient between financial resources and school performance is 0.45 at significant at 1% level. This shows that there is normally and directly relationship between financial resources and school performance of private high schools.

4.6.2 Multiple Linear Regression Model of Organizational Capabilities and School Performance

The multiple regression analysis was conducted to test the proposed objective of the relationship between school performance as dependent variable and each organizational capability as independent variables. The multiple regression results are shown in following Table.

Table (4.12) Multiple Regression Models of Organizational Capabilities and School Performance

	Unstandardized Coefficient		Standardized Coefficient	t value	p value
	B	Standard Error	Beta		
Constant	0.282	0.051		5.47	.000
Physical Infrastructure	0.574	0.179	.812	3.20	.023
Human Resources	0.811	0.167	.081	4.85	.000
Financial Resources	0.448	0.122	.168	3.66	.036
R square	0.710				
Adjusted R square	0.675				
F value	88.211 (p value = .000)				

Dependent Variable: School Performance

Source: Survey Result

The result of multiple regression analysis from Table 4.12, provided that each organizational capability: physical infrastructure (B = 0.574, t = 3.20, p < 0.01), human resources (B = 0.811, t = 4.85, p < 0.01) and financial resources (B = 0.448, t = 3.66, p < 0.01) were statistically significant and positive relationship with school performance.

According to the estimated multiple linear regression model, the F-value of 88.211 is significant at the 0.01 level. This indicates that the overall regression model

with these three independent variables (physical infrastructure, human resources, and financial resources) can well explain the variation of the school performance. The adjusted R^2 for the model is 0.675 which indicates 67.5% of the variation in school performance can explained by the variation of each school capabilities.

According to the results, physical infrastructure ($\beta_1 = 0.811$) is the most influencing factor on private high school performance. This can be explained as every unit increase in human resources will result an increase in private high school performance, holding other variables constant. Subsequently, physical infrastructure ($\beta_3 = 0.574$) has the second influencing factor and followed by financial resources ($\beta_2 = 0.448$).

CHAPTER 5

CONCLUSION

This chapter provides the summary of findings and related suggestions derived from studying on organizational capabilities and school performance of three private high schools in Hlaing Tharyar Township. Therefore, this part comprises three main sections. The first section describes about the finding of the study, the second section presents suggestions and recommendations for three private high schools and the third demonstrates the need for further study.

5.1 Findings

This study focuses on the organizational capabilities and performance of selected private high schools in Hlaing Tharyar Township. It aims to compare the organizational capabilities and performance of selected private high schools and to analyze which factors are most influencing on school performance the of selected private high schools in Hlaing Tharyar Township. This study conducts three private high schools. They are Goon Htoo U Maung Maung, PyinNyar Myo Sat and ICEC (San Me) private high schools.

Based on the results from the assessment of the profiles of the selected private high schools, it was founded that these selected private high schools provide the same curriculum with public high schools and there are totally seven subjects including Myanmar, English, Mathematics, Physics, Chemistry, Biology and Economics. These schools provide the services for the students such as offering text books and exercise books, arranging schools uniforms, air-conditioned classrooms with fresh air, libraries, computer rooms, laboratories and arranging camps for boarding students. Internet service has not in these schools because these private high schools strongly prohibited in using internet for students not to lose concentration in their studies. There are many students who are learning in schools and the classrooms that are designed for 30 or 40 students and facilitated with air-condition in three private high schools. Moreover, all the schools have enough classrooms for all students and arrange school buses.

In private high schools, there are teaching staffs who teach all of the students who have to attend 10 months for each grade. According to the survey data, Goon Htoo U Maung Maung is the highest number of students enrolled and PyinNyar Myo

Sat is accepted the fewest number of students. The teachers from each private high school are graduated with bachelor degree and other diploma. They teach the students all subjects with the same curriculum as public schools and they provide students by teaching past exam questions, making tutorials weekly and holding weekly and monthly tests for the preparation of matriculation examination. Besides teaching the lessons from text books, the teachers are willing to share extra knowledge concerning with business, social and health issues. This knowledge sharing can have great impact for students who still have many left to walk their career path. Moreover, these schools apply cash incentives, subsidized education for children of staff, allowance, outings, promotions, and provision of lunch to motivate the staff of these schools. In addition, the schools rely on fees as their major source of financing, and monthly fee collection process, whereby the parents were required to pay school fees within the first week of each month. Apart from salaries, these private high schools consider giving prizes to the outstanding students and incurred for the cost of using advertising media to attract customers' attention.

The demographic profile of 150 respondents show that there are more number of female respondents than male respondents and their age level is mostly between 36 to 46 years. And the occupation of the respondents is mainly other types of job such as merchant, taxi driver and real estate broker. The monthly income level of respondents mostly got between 100,000 and 300,000 MMK. This shows that most of the respondents are middle – income earned per month.

According to the results achieved from the analysis on organizational capabilities and school performance of Goon Htoo U Maung Maung private high school, it was observed that respondents (parents) have great satisfaction on financial resources, followed by human resources and physical infrastructure. Organizational capabilities and school performance of PyinNyar Myo Sat private high school, it was observed that parents have great satisfaction on physical infrastructure, followed by financial resources. Regarding to human resources, parents have dissatisfaction. Organizational capabilities and school performance of ICEC (San Me) private high school, it was concluded that parents have less satisfaction on physical infrastructure, human resources and financial resources.

By analyzing the organizational capabilities and school performance of these private high schools, it was found that parents' satisfaction on physical infrastructure of PyinNyar Myo Sat is higher than the physical infrastructure of Goon Htoo U Maung

Maung and ICEC (San Me). Parents' satisfaction on Human resources of Goon Htoo U Maung Maung is higher than the human resources of ICEC (San Me) and PyinNyar Myo Sat. Parents' satisfaction on financial resources of Goon Htoo U Maung Maung is higher than the financial resources of PyinNyar Myo Sat and ICEC (San Me). According to overall mean score on organizational capabilities and school performance, parents' satisfaction on Goon Htoo U Maung Maung is higher than the PyinNyar Myo Sat and ICEC (San Me). According to analysis on school performance of three private high schools, the question of "Having a number of good teachers to meet quality standard", obtained the highest mean score 4.24 which is higher than the other item of mean scores. It can be assumed that "having a number of good teachers" is very important to achieve school performance. According to result, human resources are the most influencing factor for school performance and followed by physical infrastructure and financial resources.

5.2 Suggestions and Recommendations

Based on the findings of the analyses, some suggestions are made for the sake of private high schools. Goon Htoo U Maung Maung should develop better physical infrastructure to meet customer needs and wants. PyinNyar Myo Sat private high school should consider training and development program for staffs and to make performance appraisal for teaching staffs. ICEC (San Me) private high school should develop better physical infrastructure, human resources and financial resources because of parents have less satisfaction on organizational capabilities of this school.

Private High Schools must ensure to undertake examining to the general environment changes and trends and weighting up strengths and weaknesses of their organization in the educational industry carefully. Moreover, they should focus on their targeted students by emphasizing their needs, wants and demands. They should every try to fulfill the students' demands to meet their satisfaction. Today, modernizing the higher education system will require more upgrading buildings, classrooms and related physical infrastructure. Therefore, there should be greater emphasis on physical infrastructure.

Teachers of private high schools are very important because parents want their children to get a qualified education and prepare to invest a lot of money to achieve this. So, private high schools should emphasis to improve the capacity of the teachers. In addition, these private high schools should perform more training and development

activities for teachers, study guides and even office staff in continuous way. Specialization and division of human resources should apply for their operation to get economies of scale and developing incentive pay system and performance appraisal should be adopted to improve the performance of teachers and staff. Owners of private high school should develop their capabilities by ensuring that they have sufficient infrastructures, human resources and financial resources to enhance their school performance.

The study further recommends that the ministry of education should support the private schools so that they have ample resources to support learning. The ministry could through regulations encourage the schools to have reasonable resources before they start off their school. Few resources such as small size of land limit the school ability to develop the student's physical aptitudes. To parents, the study recommends that they should first identify the school's capabilities before taking their children to their schools. Schools that ensure to enhance their capabilities are no doubt capable to develop a learner's faculties and their physical abilities. To the community at large and individuals, the study recommends them to support education in their own ways to make a better society.

5.3 Needs for Further Study

This study mainly focused on organizational capabilities including physical infrastructure, human resources and financial resources. Further research should focus on more organizational capabilities such as information resources and intellectual resources. In this study, the respondents comprise only 150 respondents because of time limitation. Therefore, it is suggested that further studies should collect data based on more respondents to get more accurate data. Another recommendation is that the further study can be done by focusing on the impact of organizational capabilities on organizational performance such as small and medium enterprises besides education industry should also be studied in the future.

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APPENDICES

APPENDIX I

Questionnaire for the Profile of Private High School

The information provided here will be used solely for academic purposes only and will be treated with maximum confidentiality.

Instructions

Please answer these questions. Write your responses in the space provided.

PART A: Demographic Information

Name of School -----

Address -----

Founder's Qualification -----

Principal's Qualification -----

1. Type of ownership
 - Sole proprietorship
 - Partnership
 - Joint Venture
 - Other
2. How long has the school been in operation?

Between 1 to 3 years

4 to 5 years

Above 5 years

3. Acceptance Classes

Preschools

Grade 1 to Grade 5

Grade 6 to Grade 9

Grade 11

Other

PART B: Organizational Capabilities

B1: Physical Infrastructure

1. What is the size of land occupied by the school?

Below an acre

One acre

Above one acre

2. Kindly tick (✓) on which of the following items your school has.

Photocopying machines

Internet Services

Computers

Printers

Library

3. Does the school have enough class rooms for all pupils?

Yes

No

If the answer to the above is NO, then explain briefly the steps the school has taken to accommodate all pupils.

B2: Human Resource

1. How many members of teaching staff does the school have?

Below 50

Between 50 – 60

Above 60

2. How many members of study guide does the school have?

Below 10

Between 10-20

20 Above

3. Experience of Teaching Staff

Below 3 year

Between 3-5 year

Above 5 year

4. Which of the following does the school apply to motivate the staff? Tick appropriately.

Cash incentives

Subsidized education for children of staff

Allowances

Outings

Promotions

Provision of Lunch

Any other method

.....

B3: Financial Resources

1. How efficient is your fee collection process? (monthly)

Very efficient

Fair

Very poor

2. Apart from fees, does the school get any financial support from other sources?

Yes

No

3. How is the financial position of the school?

Very good

Good

Average

Poor

4. How is the level of enrollment in your school?

Very Good

Above Average

Average

Below Capacity

5. Apart from salaries, what do you consider to be the other major costs that the school deals with?

APPENDIX II

Questionnaire for customer perception on Organizational Capabilities of Private High Schools in Hlaing Tharyar Township

1. The name of the Private High School -----
2. Please indicate your gender
 Male Female
3. What range includes your age?
 16-25 26-35 36-45 45- above
4. Please state your employment statement.
 Company staff Government staff Dependent Business owner other
5. Income Level
 Below 100,000 MMK
 100,000-300,000 MMK
 300,000-500,000 MMK
 500,000 MMK- Above
6. To what extent do you agree that the following organizational capabilities contribute to your schools improved performance? Rate these factors on a scale of

1 – 5 (1 – Strongly disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree.)

Organizational capability	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Availability of physical infrastructure					
Use of right teaching staff					
Availability of funds/capital					

7. To what extent do the following organizational capabilities contribute towards your school's performance? Please tick (√) accordingly. 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree.

(i) Organizational Capabilities and School Performance

Capabilities	1	2	3	4	5
<p>1.Physical infrastructure</p> <ul style="list-style-type: none">-School has large area of school compound.-Modern building like school buildings, classrooms and offices.-School has full facilities such as library, photocopiers, computer etc.-There are school ferries to facilitate students.-School offers optional canteen facility and playground for its students.					
<p>2.Human resources</p> <ul style="list-style-type: none">-School has enough numbers of teachers-Teaching experience is positively associated with student achievement gains throughout a teacher' career.-Effective communication between teachers.-School has office staff, sweeper and security to support daily work.-School has study guides to support students who were absent in lecture time and misunderstanding the lessons.					
<p>3.Financial resources</p> <ul style="list-style-type: none">-Suitable fee rate to facilitate for students.-Suitable ferry fee for students.					

	1	2	3	4	5
1. Provided projector and computer for effective teaching method.					
2. Having a number of good teachers to meet quality standard.					
3. Recruiting the well-trained persons to fulfill the trust to the school.					
4. Effective communication of the teachers and staff helps to build the right performance.					
5. School has consistency rules and policies that affect the students.					
6. School used performance based pay to improve the quality of teachers.					
7. School supports allowance for outstanding students to improve the school performance.					
8. Passed students refer new students this school because of teacher's good performance.					

(ii). School Performance

Thank You
For Your Cooperation

