Extending the Resource-Based view through the lens of the Institution-Based View: A Longitudinal Case Study of an Indian Higher Educational Institution

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Abstract

Scholars following the resource-based view school of thought are often criticized for overlooking the impact of institutions on their fundamental argument that unique combinations of resources and capabilities contribute to the competitive advantages of organizations. Little is known about how institutional upheavals affect organizational resource bases and how managers respond to institutional changes by re-configuring any existing resources. In our study, we combined the resource-based and the institution-based views to investigate the complex relationship between organizational resources and institutional changes and the role played by dynamic capabilities in mitigating the impact of institutional changes. We explored this relationship by drawing upon an in-depth longitudinal processual case study of a privately owned education trust (PET) that underscored significant growth in India's rapidly evolving institutional landscape. The findings of our study provide critical theoretical enrichment to the resource-based and institution-based explanations of organizational growth and offer important practical implications.

Keywords: Resource-based view (RBV), Institution-based view (IBV), India, Higher Education Institutions, Longitudinal case study, Qualitative research

1. Introduction

The resource-based view (RBV) suggests that organizations are heterogeneous 'bundles of resources' and the variations in their growth depend upon the resources they own and control (Barney, 1991). Managers should therefore look inwardly and concentrate on the accumulation, exploitation and (re)configuration of the pool of resources held by their firms, which enables them to differentiate and build organizational competitiveness in the market (Wernerfelt, 1984, 1995; Barney, 2001; Dierickx & Cool, 1989; Mahoney & Pandian, 1992). In contrast, the institution-based view (IBV) suggests that the ability of organizations to grow and sustain themselves in the market depends upon their ability to look outwardly and to adapt to any changes occurring in the external institutional environment (DiMaggio and Powell, 1983; Peng, 2002). The institutional environment provides an overarching unilateral framework that elicits uniformity (i.e., reduced heterogeneity) in organizational response by setting boundary conditions for organizational actions. DiMaggio and Powell (1983) termed this a doctrine of 'isomorphism and collective rationality' in organizational behavior and structure.

Institutional theorists have questioned the inward-looking approach of the RBV and have particularly criticized it for ignoring the broader social context in which organizations are embedded in and the contextual factors that underpin any decisions pertaining to resource selection and utilization (Oliver, 1997; Peng, 2002). Here, the IBV proposes that the local institutional environment within which organizations operate has a strong bearing on their performance. In other words, any organizational strategy aimed at the augmentation and utilization of resources is a function of institutional norms because organizations constantly strive to adapt to their institutional settings to achieve legitimization and accrue resources (Di Maggio and Powell, 1993; Dacin, Goodstein & Scott, 2002).

While these apparent contradictions (heterogeneity vs. isomorphism; inward vs. outward looking, and differentiation vs. adaptation and standardization) between the RBV and IBV create theoretical tension, we argued that they help organizations to strengthen their market positions by identifying any different contextual, spatial, and temporal realities and, at the same time, provide a new direction to business and management research. To reconcile this contrast, RBV scholars like Barney, Ketchen, & Wright (2011) have called for a greater focus on linking the RBV with other perspectives—such as the IBV—to explicate the processes pertaining to the acquisition, development, and deployment of resources, which would also have ramification on method and measurement related issues. To help resolve these different views and tease out a coherent model of organizational growth, our study represents an attempt to combine the RBV with institutional theory (North, 1991; Scott, 1987, 2005).

Organizations are embedded in institutional settings that consistently influence their decision making. Therefore, institutions not only affect organizational actions, as popularly advocated in the IBV, but also have an impact on the pool of resources held by organizations and, as a consequence, on the very worthiness of such resources. Thus, we posited that institutions both directly and indirectly affect organizational growth. In this context, it is important to emphasize that the impact on organizational resources is strongest when institutions undergo change, and even more so when changes emanate from exogenous sources (Dacin, Goodstein and Scott, 2002; Micelotta, Lounsbury & Greenwood, 2017).

To fully comprehend how managers accumulate, organize, and utilize organizational resources as they make strategic decisions (Beckert, 1999; Rodrigues & Child, 2003; Bustamante, 2019) to adapt to institutional changes (Oliver, 1997; Chandler & Hwang, 2015) we needed a research design suited to engage in an in-depth and longitudinal scrutiny of changes in institutions and organizations' resource-based strategies. In our study, we adopted a longitudinal process perspective (van de Ven and Huber, 1990; Reay, Zilber, Langley & Tsoukas, 2019) to explore how organizations accumulate, (re)configure, and utilize resources in response to institutional changes, and what bearing such changes have on organizational resources. Thus, the overarching research question guiding our study was *'How does institutional change affect existing organizational resource bases and how do managers augment, (re)configure, and exploit resources to adapt to institutional changes and capitalize on them?'*

We explored this question in the unique and under researched setting of India's higher education (HE) sector, which has rapidly evolved in past few decades, going through several institutional changes, allowing for a greater participation of private players. Given the large market size and the liberalization of the institutional landscape, many private higher education institutions (HEIs) have grown significantly by taking advantage of the opportunities afforded by the institutional changes taking place in India. In our study, we focused on one such private educational trust (henceforth called the PET Group) that had initially started operating as a trading company in the mid-1980s and had then become a provider of primary and secondary school education in the early 1990s, before establishing a business school in 2008-09 and finally emerging as a modern private university in 2012-13.

Against this backdrop, we contribute to this special issue call for papers on "*Extending the Resource and Knowledge-based view: Insights from new contexts of analysis*" (Cooper, Pereira, Vrontis & Liu, 2020) by identifying and exploring how any specific and versatile resources (Nason & Wiklund, 2018) possessed and augmented by organizations over time facilitate their adaptation to institutional changes. Thus, in our study, we combined the RBV and the IBV to investigate the complex relationship between organizational resources and institutional changes. Also, following Oliver (1997) and Barney, Ketchen and Wright (2011), we adopted a 'processual' approach (Langley, 2008; Reay, Zilber, Langley and Tsoukas, 2019). The contributions of our study are twofold. First, through our case study, we demonstrate that a combination of the RBV and the IBV provides a panoramic view of organizational growth. The institutional environment provides an overarching framework within which organizations behave isomorphically but grow heterogeneously by utilizing their unique resource-bases. Our study may help scholars and practitioners to move away from treating the RBV and the IBV as competing theories, conceptualizing them instead as complementary (Oliver, 1997; Dubey, Gunasekaran, Childe, Blome and Papadopoulos, 2019). The second contribution of our study pertains to establishing and highlighting that the value of any resources is contingent upon institutional contexts and managerial ingenuity. Changes in institutional contexts bring about significant variations in the value and usability of resources and, in this context, managerial capability enables organizations to dovetail scarce resource-bases with the opportunities afforded by institutional changes to yield growth. By adopting abductive reasoning and by exploring the interplay between our data and the extant theory, we demonstrated this triangulation between organizational resources, institutional changes, and managerial ingenuity. Hence, our study is the first to suggest that any resources that might seem superfluous at a particular point in time could very well become useful at a different one due to changes in the environment. The usefulness of resources in a changing institutional environments depends on the nature of the resources themselves and on how well they are put to use in the new landscape. Further to these contributions, our study has important managerial implications.

This paper is structured as follows. We begin by providing a brief review of the extant state of the RBV and, in the process, we delineate the 'Barnean' and 'Penrosean' schools of thoughts that underpin the contemporary RBV literature. We then provide an overview of the IBV, with a particular emphasis on institutional change. Thereafter, we describe our research design and setting, detailing how we collected and analyzed the data. We follow this with a detailed discussion of our findings pertaining to the PET Group's adaptation to the changes occurring in India's HE system between 1990, when the country liberalized and opened up its economy, and 2014-15, when its government attempted but failed to pass the Foreign Education Bill in parliament. We conclude by offering theoretical and practical implications, as well as suggestions for future research.

2. Literature Review

2.1. The Resource based view

Over the last four decades, the RBV has emerged as a dominant theoretical framework in the strategy and IB fields. Although the initial development of the ideas underpinning the RBV is credited to Penrose's (1959) seminal work, *'The theory of the growth of the firm'*—in which she emphasized the essence of an organization's resources, including managerial ones, as primary drivers of its growth— scholars only started to pay attention to these aspects in the 1980s, particularly as a counter argument to the dominant industry-based view (see Zott, 2003; Lopez, 2005). At a fundamental level, the RBV's key proponents (Barney, 1986, 1991; Collis, 1994; Dierickx & Cool, 1989; Peteraf, 1993; Rumelt, 1984; Wernerfelt, 1984) conceptualized an organization as a bundle of assets or resources that are 'semi-permanently' tied to it. They also suggested that any differences in performance across organizations could be explained in relation to any heterogeneity in the endowment of resources held by these firms (see, e.g., Pereira and Bamel, 2021, for a nuanced review of the RBV). Therefore, managers were advised to look inside their organizations to unearth any sources of competitive advantage, instead of merely analyzing and scanning external competitive forces, as advocated by the industry-based view (see, e.g., Porter, 1980 for details).

In their critical review of the extant state of literature on the RBV, Nason and Wiklund (2018) suggested that, depending on how resources are conceptualized, RBV studies could be classified into two broad categories: (a) those taking the 'Barnean' perspective of resources, which considers them as valuable, rare, inimitable and non-substitutable (VRIN) and suggests that an organization can derive superior performance only when it possesses such resources at a particular point in time; and (b) those affiliated to the 'Penrosean' perspective, which differentiates between those resources that can only be used for specific purposes and those ('versatile' resources) that can be used in different settings and contexts. Below, we provide a brief overview of the two perspectives.

2.1.1. The Barnean view of organizational resources

Extending the work of Wernerfelt (1984), Barney (1991) classified the resources owned and controlled by an organization under three broad categories: (a) *physical capital resources*, which include the physical resources of an organization, such as plant and equipment, technology, location, and access to raw materials; (b) *human capital resources,* which include knowledge, intelligence, experience, and the judgement and insights of an organization's managers and employees; and (c) *organizational capital resources,* which include the formal (and informal) organizational structure and any relationships that facilitate the control and coordination of organizational activities. Barney (1991) also asserted that, in order to derive a sustainable competitive advantage and Ricardian rent from its resources, an organization should test its resources to determine whether they are (1) valuable, (2) rare, (3) inimitable, and (4) non-substitutable. In the literature, these four attributes are wrapped into the VRIN criterion (Barney, 1991), whereby: (i) *Valuable* refers to the ability of the resources to fruitfully exploit any opportunities (or to counter any threats) found in the external environment; (ii) *Rare* indicates a limited supply and unequal distribution of the resources among organizations; (iii) *Inimitable* means that the resources cannot be duplicated or replicated by competing organizations; and finally (iv) *Non-substitutable*, which means that the resources are not interchangeable with alternative ones. Should their resources fail in any of the above parameters, organizations will not draw any competitive advantages from their resource base. Thus, the VRIN criteria represent a powerful tool for the evaluation of resources. Here, it is important to highlight that the extant literature associates the non-substitutability and irreplaceability of resources with an organization's ability to build complexity (Dierickx & Cool, 1989) and casual ambiguity (Barney, 1991) around them. By contrast, the rareness of resources is attributable to market imperfections (Hymer, 1960).

Oliver (1997) was among the first to critique the RBV for neglecting the social context, specifically that within which any decisions pertaining to the selection and use of resources are made. This is critical because organizations are embedded within socio-cultural and institutional contexts that influence their decisions regarding the selection and use of resources. She further criticized the RBV for ignoring the 'process' question—i.e., *"How firms actually* *make, and fail to make rational resource choices in the pursuit of economic rent"* (Oliver, 1997: 698).

In his later work, Barney (2001) acknowledged these criticisms and noted that "*the value of a firm's resources must be understood in the specific market context within which a firm is operating*" (p. 52). Subsequently, updating the VRIN criteria into VRIO, Barney (2002) made two adjustments. *First*, he considered non-substitutability to be encapsulated in inimitability, thus merging the two. He suggested resources are hard to imitate because competitors cannot duplicate or substitute them. *Second*, he introduced 'organized' as a new tenet (Barney, 2002) that accounts for an organization's managerial ability to utilize resources because these, on their own, are unable to bring about a competitive advantage unless they are exploited in a way suited to create value for the organization. Nevertheless, criticism of the inward-looking nature of the RBV has remained; thus, to address it, Barney, Ketchen and Wright (2011) suggested that the RBV should be explored by interlinking it with other theoretical approaches and by delineating the processes that underpin resource acquisition and development that managers adopt in light of any changes in the external environment.

2.1.2. The Penrosean view of organizational resources

To a large extent, the Penrosean view fills the gap with respect to the managerial capabilities aspect of resource augmentation. In her work, *The Theory of Growth of the Firm,* Penrose (1959) sought to explore the ways in which the combination and renewal of resources within organizations shape and facilitate their growth. She conceptualized an organization as the set of productive assets—including product knowledge, technology, marketing expertise, and, most importantly, managerial capabilities—that enable it to exploit and reconfigure its resources to create new products and services and thus create new market demand (Lockett and Thomson, 2003; Nason and Wiklund, 2018).

Penrose was also among the first to highlight the centrality of managerial and entrepreneurial actors in shaping organizational growth. She stated that "*the ability to expand a firm lies in the extent to which a manager perceives there to be opportunities and his/her willingness to act upon them using existing resources*" (Penrose 1959: 84). Put simply, the growth potential of an organization is directly related to the opportunities its managers sense or anticipate and succeed in exploiting by creatively utilizing and reconfiguring the organization's existing set of resources (McKelvie and Wiklund, 2010). The managerial abilities to sense and seize opportunities and reconfigure resources inform an organization's dynamic capabilities, which not only affect its growth but also its ability to adapt to any changes occurring in the external environment (Teece, Pisano and Shuen, 1997). Conversely, limited managerial resources constitute the key factor restraining organizational growth (see Kay, 1999; Pitelis, 2007).

In conceptualizing organizational growth as a process, Penrose (1959) emphasized that organizations grow over time by enhancing their understanding of the productive potential of the internal resources at their disposal. She asserted that "*Physically describable resources are purchased in the market for their known services; but as soon as they become part of a firm, the range of services they are capable of yielding starts to change…" (1959: 69-70).* In other words, whereas some resources have limited use—i.e., they can only be used for a narrow range of products and services—organizations possess other ones that can be easily redeployed into alternative uses. Penrose (1959) termed such resources as 'versatile' (p. 539) because they provide an organization with a broad range of potential services. Furthermore, Penrose (1959) indicated that the managerial assets and services provided by other resources are not homogenous. In fact, the exploitation of resources, including versatile ones, is contingent upon managerial capabilities. Thus, the notions of managerial sensing and seizing opportunities, and reconfiguring resources provide the central underpinnings of the RBV with two distinct yet related bodies of work; namely, the literatures on dynamic capabilities (DC), (see for instance, Teece et al., 1997; Eisenhardt and Martin, 2000; Bowman and Ambrosini, 2003; Barreto, 2010; Pitelis & Wang, 2019) and the IBV (see for instance, Peng, Wang & Jiang 2008; Peng, Sun, Pinkham & Chen, 2009).

2.2. The implications of institutional changes and dynamic capabilities on the resource-based explanation of organizational growth

Institutions provide the third leg of the 'strategy tripod'—a metaphor used by Peng et al. (2009) to articulate the importance of institutions in providing stability to an organization and to its market strategy. They argued that, unless the ramifications of the local context on resources are integrated, it is difficult to comprehend how organizations can effectively adopt a resource-based strategy, especially in a dynamic market (emphasis added) in which external institutional changes significantly affect any decisions made by an organization. Although the VRIO criteria account for organized resources, they neglect the impact of institutional changes on the resource endowment and managerial capabilities that enable an organization to configure its resource base in dealing with and adapting to them. Interestingly, Barney (2001:

52) exhorted scholars to appropriately consider the importance of local context, as an underlying assumption of the RBV, *"to have a more complete [understanding of the] theory of firm advantages"*. Likewise, Penrose (1959) sensitizes us to the versatility of resources and managerial capabilities based on the understanding and experience of 'context'. However, there is limited empirical evidence of how managers use resources to attain organizational growth when markets undergo institutional changes, particularly in the context of emerging economies. We synthesized this gap in the literature, first by explaining the implications of institutional changes on organizational growth, and then by suggesting that dynamic capabilities potentially act as a moderator affecting the relationship between institutional changes and organizational growth.

2.2.1. Institutional changes and their implications on organizational growth

At a fundamental level, the literature on institutional changes explores and examines how institutional arrangements are "*created, modified, transformed, or extinguished*" (Dacin, Goodstein and Scott, 2002: 45). Institutional arrangements are sociocultural constructions (Lawrence & Suddaby, 2006) that guide organizational behavior and actions—i.e., what is acceptable and what is not acceptable in the field in which an organization is located and embedded. This conception of institutional arrangement positions institutions as external exogenous forces that are analytically distinct from an organization's or set of organizations' actions within an institutional field. Scholars argue that institutional arrangements perform the critical function of reducing uncertainty by laying down the 'rules of the game' that guide managerial actions (North, 1991). DiMaggio & Powell (1983) suggested that organizations are caged in their institutional set up, which affects their growth. The pressure exerted by institutions on organizations introduces isomorphism in their actions, as they tend to legitimize themselves by collectively conforming to the norms, rules, and regulations set by institutional forces.

Changes in institutional environments are often viewed as a result of exogenous events or 'jolts' (Mayer, 1982) that alter the institutional order, thus significantly affecting any incumbent organizations (Clemens & Cook, 1999; Hoffman, 1999). Different scholars have identified various disruptive events as catalysts of institutional change (see, for instance, Fligstein, 1991; Hoffman and Ocasio 2001). Whereas some scholars have paid attention to the impact of shifts in political regimes (Clark and Soulsby, 1995; Whitley and Czaban, 1998) and upheavals in the socio-political environment (Allmendinger & Hackman, 1996), others have focused on technological changes (Romanelli and Tushman, 1994; Munir, 2005) and regulatory change (Bacharach, Bamberger, & Sonnenstuhl, 1996) to explain how any alteration of the institutional environment detrimentally affects the organizations within it. Combining insights drawn from the institutional and population ecology literatures, Ruef and Scott (1998) argued that those organizations that struggle to adapt sufficiently quickly to changing environments perish, which creates conditions suited for the emergence of new ones. Adaptation is particularly challenging in the presence of radical changes to the institutional environment (Newman 2000; Péli, 2009) that confound managerial decision making with regard to the conservation, allocation, and re-allocation of resources.

2.2.2. The role played by dynamic capabilities in moderating the relationship between institutional change and organizational growth

One of the critical issues underpinning the RBV relates to the very functionality of resources (see Lockett, Thompson and Morgenstern, 2009). Within the RBV literature, it is well acknowledged that resources do not matter per se; it is rather their functionalities and how they are put to use that is more critical (Penrose, 1959; Wernerfelt, 1984; also see Pereira and Bamel, 2021). The ways in which resources are employed or put to use are influenced by the subjective perceptions of managers; hence, Penrose (1959) suggested that managers frequently reflect that "*there ought to be some way in which I can use that*" (p.77).

In the specific context of the impact of institutional changes on organizational growth, we note that the Penrosean view of the RBV provides important insights on the need for and process of building managerial capabilities that may consequently guide organizations in navigating through institutional change. This is in stark contrast to the very limited view of Barney's (2002) VRIO criteria, which only suggests that resources must be organized to drive growth. In rapidly evolving institutional contexts resource utilization needs to be supplemented with the managerial capability of sensing any forthcoming institutional changes. This approach to resource management, which is well documented in the literature, enables organizations not only to remain competitive but also to adapt and attain legitimization in the market, which is critical for their survival (Boselie, Brewster, Paauwe, Boon & Den Hartog, 2009; Peli, 2009). Put simply, organizations can grow in such environments if and only if they possess (a) the managerial ingenuity to explore any opportunities presented by the changes in the external institutional environment; and, at the same time, (b) an awareness of their resource base and of the functionalities of the resources at hand. These insights notwithstanding, there is a distinct gap in the literature in regard to how organizational growth is affected by rapidly evolving institutional contexts, such as that of the Indian HEIs, and to how managers augment and re-configure organizational resources in order to adapt to institutional changes and capitalize on them.

3. Research Methodology

3.1. Research Design

To address our overarching research question, we carried out an empirical study. We employed an in-depth longitudinal single case study method (Yin, 2009; Ozcan, Han and Graebner, 2017) to gain a deeper understanding of the complex interaction that had occurred between the PET Group and its dynamic institutional environment over time. A case study approach is considered vital to generate rich insights for theory enlargement and elaboration (Eisenhardt and Graeber, 2007; also see Van Maanen, Sorensen and Mitchell, 2007; Fisher and Aguinis, 2017), which fits our aim of integrating the RBV and the IBV. We concur with the assertion, made by Dyer and Wilkins (1991) and Siggelkow (2007), that an in-depth single case study provides more insights, and is hence more reliable and valid, than a multiple case one that only scratches the surface of the phenomenon under investigation. Scholars prefer an in-depth analysis of a case (a) wherever the empirical context (such as ours) drives the relationship among the variables of interest (resources, dynamic capabilities, and institutional changes) (Mjøset, 2013), revealing any triangulation between data and theories (Snow & Anderson, 1991); and (b) for processual studies involving a thorough analysis of the events affecting organizations over a period of time (Van de Ven and Poole, 2017). Moreover, calls for the longitudinal in-depth study of single cases are among the common aspects that underpin the various perspectives—such as organizational capability, dynamic capabilities, and organizational ambidexterity—that trace their roots to the RBV (see, for instance, Helfat, 2003; Ambrosini, Bowman and Collier, 2009 and O'Reilly & Tushman, 2013).

3.2. The research setting and data sources

Our research setting was the PET Group—one of the major providers of primary, secondary, and higher education in India. In line with our methodological approach, we first traced the chronological evolution of the PET Group since its 1982 inception as a family-owned business group—with its varied interests in the sourcing and exporting of agricultural and nonagricultural commodities, the buying and selling of land (real estate), and travel and tourism—to its current status.

When India liberalized its economy in the 1990s to promote the rise of a relatively prosperous middle class (see, e.g., Budhwar, Varma, & Kumar, 2019), the PET Group responded to the changes in the institutional environment by becoming a provider of K-12 education. In 1994, it opened its first school, with state-of-the-art infrastructure and just 23 students. By 2020, it had opened 65 branches across India and overseas. In 1998, on the strength of its school's success, the PET Group decided to establish an Education City spread over 60 acres on the outskirts of the National Capital Region (NCR). This ambitious project was aimed at attracting the children of two prosperous and opulent classes of people—namely, (a) the Indian and foreign citizens who were residing in the Millennium City, Gurugram, which had become a hub for multinational companies; and (b) Indian citizens based abroad, mainly in the Gulf countries, who were interested to provide an 'Indian school' education for their children. The Education City was based on the concept of 'providing a one-stop shop for all levels of education' based on the International Baccalaureate/IGCSE curriculum. In 2008, the PET Group established a Business School (henceforth called the PET Business School), thus venturing into HE and offering Undergraduate and Postgraduate Degrees from a highly ranked UK university (henceforth the International Partner, or IP). In 2013, the PET group established a full-fledged private university, approved by the University Grants Commission (UGC), the statutory body of the government of India that regulates HE.

In analyzing our case, we paid particular attention to (a) the changes in the institutional environment, specifically with respect to India's management education HE system, and (b) the strategic actions undertaken by the PET Group. Figure 2 provides an overview of the PET Group's evolution and trajectory from 1982 to 2020.

Insert figure 2 about here

Consistent with our method triangulation approach (Yin, 2009; Silverman, 2013; Farquhar, Michels and Robson, 2020) and to ensure validity and reliability, we drew upon: (a) qualitative data generated through semi-structured interviews with key informants, including senior members of the PET Group and senior members of the academic staff involved in setting up and operationalizing the PET business school and, later, the university; and (b) various archival data, including policy and corporate documents, press releases, and annual reports and other ones compiled by numerous business and educational magazines. Considering the significant institutional changes that had occurred in the entire educational sector since the early 1990s, the policy documents published by the government of India were of the utmost importance.

Between November 2019 and November 2020, we interviewed 15 PET staff members. These included the Chief Administrative Officer (CAO), who had joined the PET Group in the early 1990s when it had established its first school in New Delhi. We also interviewed four senior faculty members of the PET Business School, including its founding Director and founding Dean, both of whom had been instrumental in setting up the PET Business School and in formalizing an international partnership with one of the top ranked universities in the UK. This partnership had been critical for the PET Business School to develop an expertise in developing its operational and academic capabilities to impart higher education, as the PET Group had no prior experience in HE, and for it to gain legitimacy in a very crowded marketplace. We further interviewed eight academic staff members of the PET Group university. In some instances, we interviewed our respondents more than once and, in most cases, each interview lasted from one to over two hours.

In our interviews, we sought to gather information on (a) the historical evolution of the PET Group; (b) the key institutional changes that had occurred in India's primary, secondary, and HE system domain between 1990 and 2014; (c) the strategic decisions made by the PET Group; and (d) the implications of such decisions on the group's strategic resources. We concurred that the primary data collected through the interviews could be affected by respondent bias and therefore considered it important to cross-verify the claims (as much as possible) with data gathered from other respondents and with information gathered through secondary data sources (Gibbert and Ruigrok, 2010). We therefore adopted a triangulation method, which is considered to be good practice in conducting case study research, as it yields valid and reliable data through the use of multiple sources (Yin, 2009; Silverman, 2013; Farquhar, Michels and Robson, 2020). We paid significant attention to the policy documents regulating the Indian HE system, as these secondary sources provided nuances underpinning the institutional changes that had taken place in the sector.

Table 1 provides the list of our respondents, with their roles and designations, and Table 2 details the policy-related documents we collated from various sources. Figure 3 provides an overview of the PET group's current operations in the domain of India's primary, secondary, and HE system in India. Figure 4 depicts the institutional changes that occurred in the Indian HE sectors.

Insert tables 1, 2 and figure 3, 4 about here

3.3. Analytical techniques

The initial analysis of our case study data—which, once collected through the interviews, was transcribed verbatim—was undertaken using Leximancer 4.5, a specialist content analysis software. Leximancer facilitated an unbiased, objective, and higher-level view of our dataset and the automated extraction of the seed concepts using non-linear dynamics, statistical algorithms, machine learning, and statistical processes (Smith & Humphreys, 2006; Malik, Froese, & Sharma, 2020). Based on the output generated by Leximancer 4.5, we produced our concept map with 13 themes such as education, institutions, change, resources, management, legitimacy, market, program, and students, by keeping the theme view at the 33% output setting (see colored circles). Further, 39 concepts were extracted, keeping the concept output view setting at 100% (see the grey dots within each bubble in Figure 5 for details and their overlaps, connections, and theme sizes).

Insert figure 5 about here

Following the initial analysis and extraction of the main concepts and themes from Leximancer, we performed a theoretical coding process. To analyze our data—the richness and intricacy of which suggested that new theoretical relationships could be explored—we took an abductive approach (Dubois and Gadde, 2002; Gioia, Corley and Hamilton, 2012; Van Maanen, Sorensen & Mitchell, 2007). This process involved several iterations that involved going back and forth between the data and theory, and recombining the former with the case, phenomena, and our guiding theories. This eventually led us to outline our conceptual framework (provided in Figure 1), in which we highlight the theoretical relationship between bundles of resources, institutional changes, dynamic capabilities, and organizational growth in order to answer our overarching research questions.

An abductive approach involves three steps: (i) the establishment of pre-existing theoretical knowledge (the conceptual framework); (b) the observation of a puzzling element in the empirical phenomenon; and (c) the imaginative articulation of a new interpretation that resolves the puzzle (theory elaboration/elaboration of conceptual framework) (see, for instance, Alvesson and Karreman, 2007). Considering our interest in the interplay between institutional changes, resources, and managerial capabilities for adaptation and growth in dynamic contextual settings, we carried out our analysis on two levels. First, we identified the institutional-level changes in India's education system. We considered the 1986 'National Education Policy' as our starting point because that was the first one to envisage a role for private providers to play in the country's education sector, which, until then, had been strictly the domain of state actors. Second, we performed an analysis at the organizational level, delineating and analyzing the decisions the PET Group had made after its foray into the education sector. Such decisions, in essence, reflected the managerial ingenuity of the founders and senior managers as the organization adapted to institutional changes.

One of the authors had prior experience of working at the PET Business School and therefore had first-hand knowledge of its transition to a university. This background information also helped us to gain access to key respondents. As a first step in engaging with the data, all the authors read each interview transcript and governmental policy document. Based on this reading, we organized our data around: (1) the institutional changes and the challenges stemming from them, (2) the identification and usage of the PET Group's critical resources, and (3) the PET's dynamic capabilities to respond to institutional changes. This iterative process, which involved moving back and forth between our conceptual framework and the data, and the initial data mining on Leximancer enabled us to consolidate our data into three aggregated theoretical constructs—i.e., institutional changes, organizational resources, and dynamic capabilities—and to build a representation of the interrelationships among them. Our data structure, which shows the first and second order codes and the aggregated theoretical constructs, is presented in Table 3.

Insert table 3 about here

4. Case Analysis

We organized our case analysis in chronological order—covering the 18 years between 1986 and 2014—to delineate the numerous institutional changes that took place in the Indian Education system. We highlighted how each major institutional change had affected the PET Group and its resource base, and how the group's dynamic capabilities had enabled it to adapt.

During times of institutional changes, the formal dimensions of institutions undergo re-arrangement (Dacin et al., 2002); hence, institutional changes cause exogenous ‘jolts’ (Mayer, 1982). It is therefore imperative that, in delineating the changes taking place in formal institutions, we also highlight the nature and source of the exogenous ‘jolt’. This is because not all jolts necessarily have adverse impacts on organizations; in fact, some may even present opportunities that organizations may be able to exploit by re-configuring their resources.

4.1. The National Policy on Education, 1986

We considered 1986 as the critical starting point in respect to the institutional changes affecting India’s primary and secondary school system. The National Policy on Education, 1986 was the first to allow private players to play an active role to the end of removing disparities and providing equal educational opportunities (see also Singh, 2013; Mathew, 2016). Consequently, India’s primary and secondary schooling system then comprised three types of providers: (a) schools owned and managed by the central or state governments; (b) voluntary and private schools subsidized by the governments at either level; and (c) non-subsidized private schools.

Although the PET Group had been established in 1982 and the national policy provided it with an opportunity to diversify into the education sector, it did not immediately do so. However, during that period, the PET Group had acquired some land in and around New Delhi. The Chief Administrative Officer (CAO) of PET Group informed us that the land acquisition process provided them with valuable experience of dealing with the Government bureaucracy. This experience was critical for two reasons: (a) it provided a valuable learning experience in regard to the bureaucracy involved in the acquisition and creation of a land bank and knowledge of the procedures necessary to obtain approvals to set up the necessary infrastructure for the school; and (b) it introduced the founders of PET Group to a potential demographic category, i.e., children of bureaucrats, who would use the facilities PET Group intended to establish.

4.2. The liberalization of the Indian Economy, 1991

The 1991 liberalization of the Indian economy brought seismic changes in the country’s socio-economic and institutional environment. These paradigm shifts resulted in the establishment of the conditions necessary for the emergence and proliferation of private schools at the primary, secondary, and HE levels (Tilak, 1996; Sharma and Ramachandran, 2009; Dukkipati, 2010). The increasing number of private schools went hand in hand with the declining role of the State as the provider of education and with its shift toward that of a regulator and facilitator (NCERT, 1982). The liberalization of the Indian economy had two critical inter-related implications: (a) the rise of a so-called middle class (see, e.g., Sridhran, 2004; Fernandes, 2000); and (b) the rapid urbanization in the country (for details, see Shaban and Sattar, 2019; Sadashivam and Tabassu 2016; UN Urbanization Prospects Report, 2018).

The PET Group's owners' decision to set up pre-primary, primary, and secondary schools was informed by their personal experience. While evaluating primary schools for their own children, the owners had noted that even the most 'expensive' upmarket private schools had a poor infrastructure. At one of the top schools, the owners,

> "*found the wooden furniture with nails protruding, windows without glass panes, water being stored in earthenware pitcher…. And in some cases, children were asked to come with cloth to dust benches and tables*"
>
> (CAO, PET Group)

The CAO—who, after his retirement from Indian Defense Force, had joined the PET Group in early 1990s, and was one of its oldest members—provided us with a vivid account of how the group's flagship school in an upmarket suburb of New Delhi had come about. He told us,

> *"We succeeded in getting 2.82 acres of land [in the capital] but to erect even a temporary structure, we had to get no objection certificate from at least 37 departments and stuff like that…we decided that the school will be fully air conditioned, and we ensured that mineral water is made available and even our yellow buses were air conditioned"*
>
> (CAO, PET Group)

The above quotation provides two insights. First, the experience of the PET Group's owners in buying and selling real-estate in and around New Delhi and the relational capital (nexus) they had established with bureaucrats had been particularly helpful in acquiring the land needed to set up their state-of-the-art school. Their experience had been important considering the bureaucratic complexities involved in land acquisition in India in general, and in New Delhi in particular (see, e.g., Karmakar, 2017 for more insights into this topic). As Karmakar (2017) noted, mitigating the complexities underpinning land acquisition entails developing personal relationships. This was also corroborated by an independent consultant, who informed us that,

> *"a lot of the private education institutes have been blessed by the politicians so to speak or managed by politicians or families or politicians. That's how they get preferred a governmental land… tomorrow if you and I want to set up an education institute, and we have got our thoughts in place and that would be for philanthropy and not for profit,*

.... still try getting land... even if we have inroads, we will get land maybe 200 kilometers from humanity"

(Consultant, Grant Thornton)

We garnered the second, very relevant, insight from the comment of the CAO, who said that, all along, the owners of the PET Group had wanted to differentiate their school on the basis of exclusivity so that it would attract the children of India's new affluent class. This would include the children of the employees of various multinational enterprises that were expanding their operations to India and even the children of the Indian diaspora, particularly those who were settled in Middle Eastern countries.

4.3. The Amendment to the National Policy on Education, 1997

In 1997, the government of India amended the Second National Policy on Education and shifted HE from the 'merit' to the 'non-merit' sector, thus clearly indicating that it sought a greater participation of private education providers in the HE sector (also see Arbol, 2006; Bhoite, 2009; Kumar, 2014). Put simply, by remaining in the 'merit' category, education up to elementary level would continue to receive subsidies from the government, whereas they would be phased out from the now 'non-merit' secondary and HE schools, thus creating the conditions for the participation of private players in these levels. Interestingly, unlike the owners of a few private primary and secondary schools, who responded to this policy shift by venturing into the establishment of private business schools (i.e., they ventured into the HE domain), the owners of the PET Group did not. Rather, they decided to consolidate their operations in the primary and secondary school domain. The owners decided to capitalize on the growing reputation of their school and to develop a larger state-of-the-art residential school with its own campus in the outskirts of Gurugram, which had by then firmly emerged as a satellite city of New Delhi. From the local governance and administrative points of view, Gurugram was then a small town in Haryana, a neighboring state of New Delhi. Coincidentally, the PET Group possessed a sizable land bank in different parts of the state, which they decided to use to develop the Education City Project. This had been inspired by the concept of the residential schools found in the UK and was envisaged to be centered around an exclusive and self-sufficient residential school that would cater to the community of non-resident Indians (NRI) and to the children of Indian and foreign multinational employees. According to the CAO,

"We had lot of interest from people from diplomatic community as well as a sizeable well to do Non- Resident Indian community in the middle east, the Indian diaspora in the West having business interest in India and Indian and non-Indian executives working in MNCs. Their cumulative demand for opening a world class residential

school in Delhi region triggered the idea to the PET owners to open the PET World School at Education City"

(CAO, PET Group)

He also informed us that, at that point in time, the school had enrolled around 120 students from South Korea, besides many other pupils from around 35 countries. The residential school concept was not new to India, but most of the existing residential schools, which were single-sex and followed the national curriculum, were located in hill stations. In contrast, the proposed PET World School was located just 40 kilometers from New Delhi as a co-educational school (i.e., one that female and male students would attend together) and followed the International Baccalaureate (IB) curriculum.

4.4. The regulatory changes pertaining to HE institutions in India, 2003-07

Between 2003 and 2007, the government of India made two major regulatory changes pertaining to the country's HE institutions. First, it brought all private institutions operating in the HE domain under the purview of the Universities Grant Commission (UGC) by passing the UGC – Establishment and Maintenance of Standards in Private Universities Regulation, 2003. The UGC—the statutory body set up by the government of India under the UGC Act, 1956—is the nodal body that oversees the functioning of universities in India. Immediately thereafter, in March 2004, the government of India, following a notification (UGC Rules, 2004: Section 3(i)), created a category called 'deemed to be university', to allow private HEIs to function like universities. Apart from these two regulatory changes, the government of India also initiated efforts aimed at providing an appropriate legal framework for foreign education providers in India. In 2007, the Foreign Education Providers (FEP) Bill was approved by the Union Cabinet but was not introduced in the Parliament.

In 2008, following these regulatory changes, the PET Group decided to establish a business school and thus expand its operations into the HE domain.

When, in 1997-98, the PET Group decided to develop the Education City project 40 km from New Delhi, the owners were advised by their family members and friends not to pursue such an 'audacious' project as it entailed the commitment of significant financial resources. According to the Chief Administrative Officer:

"acquiring and converting 60 acres of land, in 1998, was a massive risk. Everybody warned the family against converting this prime land to build an educational institution…no one was sure what will happen to this institution"

(CAO, PET Group)

Put simply, expending the reputation of the PET Group's flagship school to create something much bigger—a co-education residential school within a massive campus called the Education City—presented financial and operational risks. He further told us,

"we started in 1998…it took us five years and five years is a long time to invest, taking loans and because we were planning to run a residential school, we had to take NOC from 10-12 departments"

(CAO, PET Group)

However, the completion of the Education City Project, in 2003, did not translate into the enlistment numbers that the owners had envisaged, and the PET Group had already incurred significant debt in creating that infrastructure.

"We had to match our loan with revenue from the admissions…World school being an international program the negative part of that was the admissions and withdrawal used to be through the year admissions, as people used to transfer frequently because these are people who are working in the multinationals…. So due to untimely withdrawal we missed our targets. We were always short of number in hundreds"

(CAO, PET Group)

One of the key outcomes of the liberalization of the Indian economy was the growth of an affluent middle class with a global outlook. Besides, there was significant growth in international education, particularly in regard to the IB curriculum (see, e.g., Gardner-McTaggart, 2016), which had been adopted by many private schools. However, the schools that followed the IB curriculum, including the PET Group's flagship school in New Delhi, had to conduct their final examinations in the summer, mostly during the month of June, and therefore publish their results at the end of July. However, by the time the results were published, the admissions processes of all the state universities tended to be over and, as a consequence, those students who pursued the IB curriculum were forced to lose a year or pursue a foreign education, which was of course four times more expensive. The Founding Director of the PET Business School summarized the situation and provided an insight into how the PET Group's owners had sensed an opportunity to expand their operations into HE specifically to fill this gap. He said,

'They (PET Owners) realized the challenge their school students were facing…which was what do they do after completing their school exams – do they wait to take admission for

further studies next year or they seek admissions abroad? Their solution was why not convert what they had created (PET World School) to a higher education institution?"

(Founding Director, PET Business School)

This was corroborated by the Founding Dean of the PET Business School, who had joined along with the Founding Director in 2006 to spearhead the efforts to make it a sought-after Business School in North India. According to him:

"The idea of opening PET Business School was to introduce foreign education to the off springs of upper middle class, successful business class people who could afford foreign education at the undergraduate level, however, culturally they would prefer their offspring to be living with the family until their graduation…the owners of PET Group were instrumental in understanding this market"

(Founding Dean, PET Business School)

To establish a business school and thus, enter into the HE domain, the PET Group had to overcome two limitations. First, the owners and their management staff had no knowledge of the managerial and operational issues related to establishing and operating a business school. To overcome this limitation, they recruited reputed academics, Professor MK (founding director) and Professor VU (founding dean), who had experience of working with private owners in setting up HEIs. Having started his academic career in the USA, Professor MK had returned to India in the mid-1990s and had a rich experience of leading HEIs specifically in the area of business management. Professor VU had worked with Professor MK since his return from the USA. Both these academics had worked together in setting up two HEIs in and around New Delhi. Both Professors, with their network in the HE sector, succeeded in attracting other academics to the PET Business School. Incidentally, in their previous roles, Professors MK and VU had organized strategic partnerships with foreign HEIs and considered the establishment of a partnership with a foreign university as the core of their strategy aimed at differentiating the PET Business School from other private business schools. According to Professor MK,

"Partnership from an early stage was critical and for us it was about becoming legitimate…That it will give us it will give us legitimacy, but the legitimacy will not only come from the brand, but it also come from a structured curriculum…"

(Founding Director, PET Business School)

The PET Business School succeeded in establishing a partnership as a franchisee of one of the top-ranking universities in the UK, offering the latter's business courses. However, the partnership offered the PET Business School's faculty members an opportunity to interact with their colleagues in the UK and, more importantly, to learn from them. According to one member of the academic staff:

'If you say, the system, we followed the international partner pattern, mean to say everything from the way the classroom teaching, the evaluation and in terms of everything. The class strength generally at that point of time was 150 students in undergrad class. So 150 students, we used to have two sections. We used to teach and then we used to have the tutorials. It was essentially offering as close to UK U experience but in India"

(PET Business School, Academic 1)

The association with this top UK University had an immediate impact at two levels. First, within a short time, it helped in enhancing reputation of PET Business School as a provider of 'high quality UK education'. This was corroborated by another faculty member,

"students joined us because the parents had seen international partner's global ranking. And they are getting everything that international partner is providing in the UK sitting in India, with whatever home comfort. The parents of the students see both the benefits – lower cost of getting a degree from the international partner, without any compromise on the quality of education"

(PET Business School, Academic 2)

Put simply, entering into a partnership with the UK University helped the PET Business School to differentiate itself in a competitive landscape and to build its reputation with the economically upward mobile population in and around New Delhi, as the owners of the PET Group envisaged.

4.5. Regulatory changes pertaining to foreign universities in India, 2009-12

In 2009, the UGC provided guidelines to state governments/legislatures to allow the establishment of private universities in India. In response to these guidelines, most private institutions deemed to be universities started to work toward compliance with the mandatory rules set by the UGC and approached the various state legislatures to formalize their presence as recognized universities. Having established a strong working partnership with a UK university, the PET Business School was confident that the Union Cabinet, which had already approved the Foreign Education Provider (FEP) Bill, would succeed in passing it in the two houses of Parliament. As a result, the PET Group did not approach any state government to register as a private university.

By 2009, the partnership between the PET Business School and the UK university had expanded to also include some engineering courses. As part of the partnership, the students recruited by the PET in India would be offered the same curriculum accessible by those recruited by the UK university at its campus. On completion of their studies, the Indian students would be awarded the pertinent degree by the UK university. Graduating with a UK university was a major incentive for students to enroll at the PET Business School.

However, the guidelines of the AICTE (All India Council for Technical Education), one of regulatory bodies tasked to provide clearance for the establishment of technical and business institutions, did not specify the status of foreign-degree-awarding institutions. This lack of clarity had been an issue of contention between the AICTE and organizations such as the PET Business School. Professor MK provided us with information on this matter:

> *"In 2006-07, when we were starting the partnership with the international partner, I had major issues with AICTE…they were my back because this was the first fully foreign program. And they said that they don't recognize it. And I said, I don't need your recognition. They said, but you can't start it, I said, you cannot stop it. And they said, they will shut it down and I told them that they don't have the power and authority to shut it down and at best they can only recommend it shut down."*
>
> (Founding Director, PET Business School)

In 2012, the AICTE sought to clarify this ambiguity. In a notification, it categorically stated:

> *"Proposal from the Foreign Universities / Institutions shall be considered provided that they themselves establish operation in India or through collaborative arrangements with either an Indian Institution created through Society / Trust / A company established under Section 25 of Companies Act 1956, or the relevant Act in India. Franchising in any form shall not be allowed."*
>
> (AICTE Approval Process Handbook, 2011-12: 43)

This notification resulted in the blacklisting of all the institutions that provided foreign universities degrees in franchiser—franchisee relationships, as was the case between the PET Business School and the UK university. These changes had a detrimental impact on student enrolment for the following academic year, a situation that was exploited by the competitors of the PET Business School. In addition, in 2012, the Foreign Education Providers (FEP) Bill, piloted by the HRD ministry and approved by the Union Cabinet in 2005, was finally tabled in India's Parliament for debate and voting. However, the government failed in securing enough support to pass the Bill in both Houses of Parliament. The PET Group responded to these changes by moving quickly to fulfil all the mandatory requirements set out by the UGC to establish itself as a private university. In record time, all the documentary requirements were completed and, after successful inspection by the UGC, the PET Group sought permission from the Government of Haryana to be formally recognized as a Private University. In April 2013, the erstwhile PET Business School was officially gazetted as the PET University by the Government of Haryana and, in 2019, it was featured as a one of the upcoming private universities in the country by a business magazine.

5. Discussion

By focusing on an Indian private educational trust, which evolved from being a provider of primary and secondary school education in the early 1990s to a business school in 2008-09, and then emerged as a modern university in 2012-13, we sought to discern how institutional changes affect the resource base of an organization and the dynamic capabilities that assist organizations in augmenting and utilizing their existing resources to adapt to institutional changes. Our longitudinal study helps in capturing and deepening our understanding of the nexus between institutions, resources, and dynamic capabilities in explaining organizational growth over time. Below, we discuss some key insights that can be gleaned from this revelatory case study.

First, based on our analyses, we identified the possession of 'land' or a 'land bank' as a distinctly critical and, more importantly, versatile resource that had significantly contributed to the growth of the PET Group from provider of primary and secondary education to modern university. Within both the Barnean and Penrosean schools of thought, land and physical infrastructure are not idiosyncratic; hence, they are easily tradeable and do not possess enough VRIO attributes. In fact, the literature acknowledges that physical resources may give an organization a temporary advantage (Hart, 1995). In contrast, we found that the possession of 'land bank' and the ability to accumulate and utilize land had underpinned the capacity of the PET Group to navigate repeated institutional changes and attain growth. Hence, in this specific case, the landbank emerges as a versatile resource. Based on these findings, we argue that the specific resources possessed by an organization at a point in time can determine the degree to which it is able to respond to changes in the environment. Clearly, the value and usefulness of a 'land bank' as a versatile resource is also contingent upon the institutional changes per se. Had the institutional changes not materialized, the owners of the PET Group might have not utilized their land bank, particularly the 60 acres they held in a nondescript location in rural Haryana.

Seen through the Penrosean lens, growth can be attained by putting any excess resources to productive use and by ensuring that the resources used for one purpose may be possibly redeployed for new and more productive ones. In this context, Penrose attributed a critical role to those social actors who possess the knowledge and capabilities needed to shape the productive use of resources. In this respect, the owners and managers of the PET Group could be considered to be a critical managerial resource that, together, had informed the group's dynamic capabilities. They had enabled the PET Group to scan the environmental changes and to make the decisions that had enabled it to become a provider of education across the primary, secondary, and HE spectrum. Although there had been bureaucratic hurdles in this process, the managers of the PET Group had acquired experience in sensing institutional changes and re-configuring existing organizational resources. Put simply, they had not only assessed the changing market demand, but had also managed to use their relational capital (political affiliations and nexus with bureaucrats) to obtain the approvals necessary to set up the initial secondary school to cater to the rising Indian middle class. In other words, they had utilized their knowledge of the real estate business in general and of relational capital in particular to put their resources to productive use. They had also used their judgement, from early on, to develop the PET Group as an 'exclusive' institution that could cater to the emerging nouveau riche middle class in and around New Delhi.

From a theoretical perspective, our case endorses the view that versatile resources (Nason and Wiklund, 2018) and dynamic capabilities (Teece et al., 1997; Eisenhardt & Martin, 2000) enhance an organization's capacity to withstand—and, in fact, facilitate—growth in the presence of institutional changes. However, to grow in rapidly evolving institutional environments, organizations need the managerial ingenuity that helps them to adapt. In addition, our findings highlight that institutional changes effect organizational growth in two ways. *First*, they affect organizations directly by creating both enabling and constraining conditions—an aspect that has been well recognized by institutional theorists. *Second*, they affect organizational growth indirectly by impacting the VRIO attributes of the resources held by an organization. For instance, our case shows that the reforms enacted in the Indian higher education sector had made the land bank held by the PET group versatile and valuable. In other words, the usability of such land had been contingent upon institutional change. This suggests that the '*valuable'* attribute of VRIO depends upon an organization's local context and on its ability to relate its existing resources with it, enabling them to be appropriated to derive rent. Thus, a resource may gain or lose value depending upon the dynamics of the local context in which it is to be deployed.

In Figure 1, we present the critical theoretical relationship that emerges through our findings in the form of a conceptual framework. It shows this two-way relationship by means of two arrows: one from institutional changes to the bundle of resources and the second from institutional changes to organizational growth. In a similar vein, it also shows the two-way effect of dynamic capabilities on organizational growth. On the one hand, dynamic capabilities assist an organization in navigating through institutional changes by adapting and finding opportunities for growth, a role that is well acknowledged in prior studies (see, for example, Pitelis, & Wang, 2019; Dixon, Meyer & Day, 2014). On the other hand, dynamic capabilities affect how organizations augment and re-configure their resources, which eventually affects organizational growth. Our findings indicate that the PET Group had de-fragmented its land bank and its relational capital (political affiliations and nexus with bureaucrats), and that it had exploited both sets of resources in the wake of the reforms enacted in the education sector.

Insert figure 1 about here

Overall, our conceptual framework captures the interrelationships among organizational resources, institutional changes, dynamic capabilities, and organizational growth. It suggests that institutional changes (exogenous shocks) affect the bundle of resources (specific and versatile) possessed by an organization and that, in this context, dynamic capabilities (an endogenous managerial resource) affect the impact of institutions on the relationship between organizational resources and organizational growth. As ours was not a quantitative research, we do not hypothesize the directionality of the relationships—rather, we acknowledge that the effect of institutions and managerial resources may be either positive or negative. This follows the extant literature, which points at institutional changes having either a facilitating or an impeding impact on organizations (Lewis, 2019), and the Penrosean idea of managerial resources enabling or limiting organizational growth. The strategic decisions of an organization may go on to become strategic constraints that hinder it from changing track when confronted with disruptive events (Sydow et al., 2009). Our model also reveals that, at time 't', managers prepare pools of resources that can be deployed and used at time 't+1', when institutional changes take place. Broadly, our conceptual framework reflects the contingency upon institutional changes and an organization's dynamic capabilities that affect any resources said organization may have acquired and developed over a period of time. The novel relationships articulated in our findings can be presented in the following two propositions (P1 and P2):

P1. Changes in the external institutional environment indirectly affect organizational performance by affecting the value and usefulness of the resources held by the organization.

P2. Dynamic capabilities indirectly affect organizational performance by affecting the value and usefulness of the resources held by the organization.

6. Conclusion

In conclusion, our study offers some important theoretical contributions that sit at the intersection of the RBV and the IBV and enhance the academic understanding of the connections between these theoretical paradigms. In essence, it highlights that institutions provide overarching unilateral frameworks within which organizations strive for adaptation and growth by effectively configuring and re-configuring their heterogeneous resource-bases. In this process, those organizations that have the managerial capabilities needed to align their resources with institutional changes certainly thrive, while others may meet their demise.

From the practitioner perspective, our case offers several interesting lessons that could be put to good use by educational and other organizations facing rapidly evolving environmental landscapes. First, it is likely that some resources that may seem superfluous or wasteful at one point in time could become very useful at a different one. Needless to say, this depends on the nature of the resources themselves and on the implications of an institutional change for the resource *per se*. Therefore, managers should keep assessing the resources held by their organizations in view of any current and forthcoming institutional changes and plan their use for future operations, rather than taking the easy route of disposing of them.

Next, environmental turbulence could be viewed as having the potential to enrich managerial learning as it provides organizational leaders and managers with opportunities to reflect and evaluate on any possible growth avenues. Such situations compel managers to assess the value of the resources held by their organizations and to ensure that the latter are ready and agile enough to be able to use those resources should the opportunity arise. Therefore, managers should build the ability to gauge the external institutional environment, rather than relying on ways to hedge against institutional changes, for instance by lobbying with industry bodies to prevent institutional changes or by taking out insurance policies aimed at preventing potential financial losses. Although such actions may provide some cover to the organization, at the same time, they will prevent any growth potentially achievable by managers taking proactive institutional entrepreneurial actions.

Our findings also have specific implications for managing in volatile, uncertain, complex, and ambiguous (VUCA) environments (Baran & Woznyi, 2020). As we write this paper, the world is facing a pandemic that has caused extreme turbulence. Indeed, COVID-19 arrived at such short notice and spread so fast that both governments and corporations were caught flat-footed. Initial analyses of the responses enacted by various agencies show that organizational preparedness and human creativity can play a critical role in the level of success achievable in dealing with such events (see, e.g., Zhang & Varma, 2020). Of course, preparedness for all future events is not always a practical possibility, as was the case with COVID-19; however, having the ability to marshal one's resources in short order and to be able to capitalize on opportunities and/or react to unforeseen events is the mark of successful organizations. As we saw in our study, the PET group was able to re-configure and use its existing resources, to establish the necessary alliance (with the UK university), and to create a niche customer base and build a reputation in a relatively short time. This is clear evidence of dynamic capability and managerial creativity.

We also believe that our findings provide specific and immediate lessons for Indian business organizations and educational institutions, where private sector organizations are ubiquitous at all levels (see Altabach and Levy, 2005; Joshi, Ahir and Desai, 2018). It is important to highlight that India is home to the highest number of HEI's in the world, ranking second only to China in terms of student enrolment (Altbach, 2014; Verghese, 2015; Joshi, Ahir and Desai, 2018). Although numerous studies have focused on the growth strategies, activities, and capabilities of Indian business groups in general (see, e.g., Elia, Munjal and Scalra, 2020; Popli, Ladkani & Gaur, 2017; Ramaswamy, Purkayastha, & Petitt, 2017), and of Indian organizations in particular (see Pereira, Patnaik, Baliga & Roohanifar, 2020; Pereira et al., 2020), there is a distinct gap in relation to research on the strategies and activities of organizations involved in the provision of primary, secondary, and higher education in the country. Our study of the PET Group also fills this lacuna.

On 29th July 2020, the Government of India announced its National Education Policy 2020 (see Varma et al., 2021, for a detailed critique). Among the goals of this far-reaching and ambitious policy—which will have a significant impact on both business and education in India—is the provision of all levels of education to all segments of society. This would provide tremendous opportunities for players, both new and old, with the necessary resources. Clearly, those able to redeploy their existing resources in a timely fashion, as we noted in the case of the PET Group, will have an advantage over those that are not and those that will need to start from scratch. Finally, while our findings are quite provocative and offer clear lessons for business organizations and educational institutions, we must acknowledge that they are based on the study of a single case and should be viewed with this limitation in mind. Future research could use a large quantitative data set to test the underlying implications of institutions on resources and organizational performance. Here, institutions could be conceptualized as moderators that influence the relationship between resources and organizational performance. Alternatively, resources could be conceptualized as mediating moderators affecting the relationship between institutional change and organizational performance. Moreover, we hope that future researchers will explore our idea in other institutional contexts and perform a comparative analysis by examining cases drawn from advanced and emerging economies to see whether their experiences during periods of change are similar or markedly different.

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Figures and Tables

Table 1: List of interviewees and their profile

Respondent, Designation	Tenure (years)	Time (min)	Gender	Main Comments/ Remarks
#1 Chief Strategy Officer, PET Group	8	40	M	Focus on Preschool to terminal degree, leveraging the school to establish a name in Higher education, PET to be the epitome of 'High quality Education, in Highest Quality Infrastructure'. Regulatory Bottlenecks responsible for termination of the alliance. Open to alliances with Foreign Universities.
#2 President. PET University	8	40	M	Quality of Higher Education in India is average, Foreign Partner is a good introduction. Research should be focus of Foreign alliances.
#3 Chief Administrator, PET Group	28	75	M	PET promoters pioneers in providing world class infrastructure in Education from Primary to Tertiary. PET promoters are risk averse, from school to University demonstrated open to strategic change to overcome bottlenecks.
#4 Founding Director, PET WI	3	75	M	Foreign education at affordable cost, To be successful, holistic involvement From SMT to academics, Foreign pedagogy and curriculum well received in India, For Foreign partner, they perceived the relationship to be one-sided affair, Not ready to understand the Indian educational requirements, Promoters played the system in terms of regulatory approvals, Regulatory ambiguity responsible for alliances failure.
#5 Founding Dean, PET WI	3	55	M	Intent Vs Content dichotomy, The local promoters key interest in enrolment numbers as private education is completely funded by student fees, The quality of intake compromised as numbers dwindle, Regulatory backlash faced by foreign university partnerships, No compromise in pedagogy & curriculum, led to student failure, Collaborative research could not take off.
#6 Registrar, PET Business school	6	40	M	Regulatory pitfalls led to bad press, Enrolment numbers declined, Engineering department ill prepared to start led to start of the friction, QAA guidelines ignored in student assessment, Cut off requirements compromised, Overall, more seats than interested students, later the promoters focused shifted to PET University.
#7 Dean (PG), PET Business school	5	45	F	Intent Vs Content dichotomy, Academic practices of foreign university improved quality of teaching, Employability was the main bottleneck, Leadership more focused on PET University.

#8 Dean (UG) PET Business school,	8	35	F	Regulatory bottleneck was the main reason for the decline, Foreign partnership in India has to start from exchange, sandwich and articulation. Research led partnership more sustainable
#9 Professor, PET Business school	6	40	F	The difference between pedagogies & curriculum huge, Regulatory bottleneck, Private university could serve mid ranging students, QAA compromised in terms of student achievement and enrolments. Focus shifted to PET University.
#10 Associate Professor, PET Business school	5	40	M	Experience of serving two foreign partnerships, pedagogy and curriculum world class, Students generally from business background, Initially the employability very good, Regulatory bottlenecks kept the partnership only to business education, PET promoters more focused on PET University.
#11 Associate Prof PET Business school,	10	40	F	Students from business background more interested in entrepreneurial venture, First few batches excellent, Employability and regulatory bottleneck responsible for decline in student enrolment.
#12 Business Development Manager, PET Business school	5	30	M	The PET promoters after 2012 marketing focus on PET University, expected UKU to jointly spend on marketing, Regulatory bottleneck gave a partnership a bad press, marketing could not counter it, PET university cannibalized its own PET market.
#13 Senior lecturer, Link Tutor, IP	NA	55	M	Superb start of the partnership, Quality of students of the UKU standards, Research collaboration started, Regulatory framework not handled well, first sign of discontent with partners started in 2013 after PET University came into existence without the UKU partnership, The Malaysian articulation did not work, was not the typical foreign experience.
#14 Senior lecturer, Link Tutor, IP	NA	55	M	Quality assurance was compromised to get more student enrolment, PET Promoters has lost interest in PET and were more focused PET University, The Owners started to directly intervene in day-to-day functioning of the partnership.
#15 Consultant., GT	NA	40	M	On Land as a resource for education sector

Table 2: List of Policy and Commissions on Higher Education in India

S.N	Publication Year	Publishing Authority	Content/Guidance/ regulations
1	1986	MHRD, NEP	New Education Policy 1986, Privatization in all sectors of education encouraged. States cannot legislate creation of colleges without UGCs consent and sanction. Statutory bodies like UGC would regulate admissions as per physical facilities and faculty strength. SCHE would prepare coordinated plans of HE development in a State which would be endorsed by UGC
2	1990	Gnanam Committee, 1990	Central Government legislate that UGC's regulations as binding on all universities. No new university by States without UGC's concurrence
3	1991	Punnaya Committee, 1992	Rather than penalize, UGC should incentivize by a matching grant, universities and colleges generating own funds for development purposes. Cent per cent income tax exemptions to endowments and contributions to HE institutions. Self-financing courses only for those who can afford to pay and adequate subsidy/loan provisions for economically weaker students unable to pay high fees. Funding for HE is essentially the State responsibility
4	1994	Swaminathan Committee on Technical Education	Public technical education institutions should raise internal and external resources from industry, alumni, consultancy, sponsored research/projects, etc. Fix fees at a higher level and revise it periodically.
5	1997	GOI	Merit to Non-Merit status of Higher Education, Reducing public subsidy for higher education
6	2000	Ambani-Birla group	Establish world-class HE facility at each district HQ. − Foster a healthy mix of state and affordable private initiatives. Enforce strictly "user pays" principle in HE, with state support to economically weaker sections. Complete freedom to establish HE institutions to private agency without reference to UGC, AICTE, etc. HEIs to be out-of-bounds for politics and political parties.
7	2003	UGC	UGC (Establishment of and maintenance of standards in private universities) Regulations, 2003, Private University had to follow these Guidelines
8	2006	UGC	Private Institution which was "Deemed University "could use "University"
9	2006	National Knowledge	Private investment in HE is welcome and should be encouraged by offering land grants and other facilities

		Commission, MHRD	
10	2009	Tandon Committee on Deemed Universities, UGC	Deemed University has to drop "University" or write "Deemed to Be University" Abolish the category of 44 out of 126 deemed universities, which neither on past performance nor on future potential holds hope and deserve their status, and a national committee to salvage future of affected students. − VCs, as in traditional universities, should head governing bodies of deemed universities like Board of Management, Executive Council and Governing Council, and its membership should include more than 50% of academicians and with not more than 1-2 of Trust/President's representatives. − Trust/President can't nominate VC, PVC, etc. − Centralized admissions test to govern admissions. − Fees should be reasonable to the cost of the course. − Ensure that private participation does not slip into crass commercialization
11	2009	Yashpal Committee report	To double the current capacity of HE, all three approaches are necessary, viz., public, private and PPP, but with consistent ground rules to do away with lot of ills associated with private initiatives. − Private initiatives should not be driven by profit motives and confine attention to 'commercially viable' sectors like professional courses, but should also offer social and natural science courses. − Given considerable misuse of provisions and pending decision of Tandon Committee on Deemed Universities, UGC should suspend sanction or recognition of new deemed universities
12	2012	Narayana Murthy Committee,	Create enabling conditions to make HE system robust and useful to attract private investments. Improve quality of HE with corporate participation. Engage corporate sector to invest in existing institutions, set up new ones and develop new knowledge clusters.
13	2012	AICTE	Listing of unapproved institutions
14	2013	FICCI Education Summit	Create enabling environment with less barriers for private and foreign participation. − Change from government as a single provider of funds to a situation where students, researchers and faculty can source funds from multiple sources to ensure autonomy and freedom from any control or accountability.
15	2020	MHRD	National Education Policy, Government of India

Table 3: Data Structure

Illustrative quotes from interviews	First Order Codes	Second Order Codes	Aggregated Theoretical Construct
A1: finally, we got this 2.82 acres of land to build the school … ***A2: 60 acres of land now imagine 60 acres prime land which was now it's a Delhi…*** ***A3: try getting land… even if we have inroads, we will get land maybe 200 kilometres from the main city…*** ***A4: they've got access to government in power and they've been granted land…*** ***A5: so it's the greed for land that, you know, let's just get the land set up something after 10 years, when it fails, the land will be mine, and I'll do something else with it…***	A: Land A: Location	Aggregation & consolidation of land resource	
B1: so if somebody is looking at air conditioned school, which was for very affluent class, mineral water, and air conditioned yellow buses… ***B2: these yellow buses are a revolution in the country because safety, security, less pollution and comfort of the children made a revolution and everybody was then following…*** ***B3: so he said overall development of a child has to be activity based…*** ***B4: so you had a music room, you had an art room you are at the dance room, you add a multi-cultural room and stuff like that, which changed the concept…*** ***B5: we started education city… it took five years… is a long time to invest taking loans*** ***B6: we thought of [having] a boarding school which will be again out of the world thing…*** ***B7: trees coming from Kolkata and something coming from Madras and furniture being shifted from Port Blair… again something which was exclusive and unique…*** ***B8: you as a partner was providing the basic infrastructure… intellectual infrastructure was coming from UK…*** ***B9: Focus on higher education with premium infrastructure with local degree…***	B: Air-conditioned classrooms B: Fleet of modern and low emission buses B: Security infrastructure B: Activities room B: Global standards B: Education City	State of the art infrastructure	Bundle of Organizational Resource (VRIO)
C1: Catering to the elite and aspirational middle class, disrupting the hill-station based boarding schools… ***C2: we had some students who came in from the diplomatic community…***	C: Aspirational middle class C: Diplomats C: Indian Diaspora	Goodwill and reputation	

C3: lot of calls from the Middle East, Sharjah, Dubai, Doha and certain other countries that do you have boarding facility, which obviously was not it was purely a day school…. ***C4: then you had son of that Miss India…*** ***C5: the idea of opening PET BS was to introduce Foreign education to offspring of upper middle class/successful business class who could afford foreign education at the undergraduate level…***	C: Foreign MNC executives		
D1: followed the same curriculum as done by other established schools… ***D2: secured IB and was only option for IB other than the American school…*** ***D3: we got a Spaniard gentleman, to be the Head of School at that time…*** ***D4: if you look at higher education, there'll be at least 20-30 different acts that will apply…*** ***D5: Since you are running a boarding school you had the NOC from 10 other departments apart from the 37 departments and our managers got that approval…*** ***D6: foreign partnership to gain legitimacy….*** ***D7: I feel UKU quality of education is like really good…*** ***E1: students handpicked from the first School for the dry run to see how the whole thing is operating, how the boarding is functioning…*** ***E2: I think a lot of people Hari Walia, Kulkarni, all these people and firms partnered and contributed in the support in developing the new state-of-the art infrastructure…*** ***E3: I remember we demolished and recreated again because he wanted a certain structure to come in, which would satisfy the PET owner.*** ***E4: this meant a lot of hard work a lot of effort, dedication, apart from the money which went down the drain at certain times…*** ***E5: For the first time school buses were designed that had… seatbelts for children… separate drivers cabin…all edges were rounded … the focus was on safety, security and cleanliness*** ***F1: we had no clue of higher education but UK University [was] coming to guide us…*** ***F2: have a buddy system staff development on academic teaching & learning…*** ***F3: it came from a curriculum, from a structure, from training…*** ***F4: I taught research methods course for BBA, which is uncommon in Indian Universities…***	D: Differentiation for target market segment D: Managing Bureaucracy D: Market legitimacy Experience E: Intrapreneurship E: Managerial orientation E: Building partnership E: Organizing and deploying resource F: Quality F: Research F: Curriculum & Pedagogy F: Knowledge Transfer	Managerial capability for adaptation Operationalization of the tangible resources by managers Leveraging foreign collaborations	Dynamic Capabilities

F5: I realized, student experience is so critical in the Universities and there was probably scope of so much more…	F: Student Experience		
G1: New Education Policy 1986, Privatisation in all sectors of education encouraged ***G2: Economic liberalisation of the Indian Economy 1991*** ***G3: GOI Merit to Non-Merit status of Higher Education*** ***G4: Reducing public subsidy for higher education*** ***G5: Private universities allowed UGC approval*** ***I1: Private institution which were labelled "Deemed University" could use "University"*** ***I2: Deemed University had to drop "University" or write "Deemed to Be University"*** ***I3: Failure of parliament to pass the Foreign University bill*** ***I4: AICTE 2012 listed unapproved institutions*** ***I5: Focus on higher education with premium infrastructure with local degree***	G: Economic liberalization G: Reforms in higher education sector I: Policy "U" turn I: Preferential treatment local HEIs	Privatization in education sector Regulatory ambiguity	Institutional Change

Figure: 1 Conceptual Framework

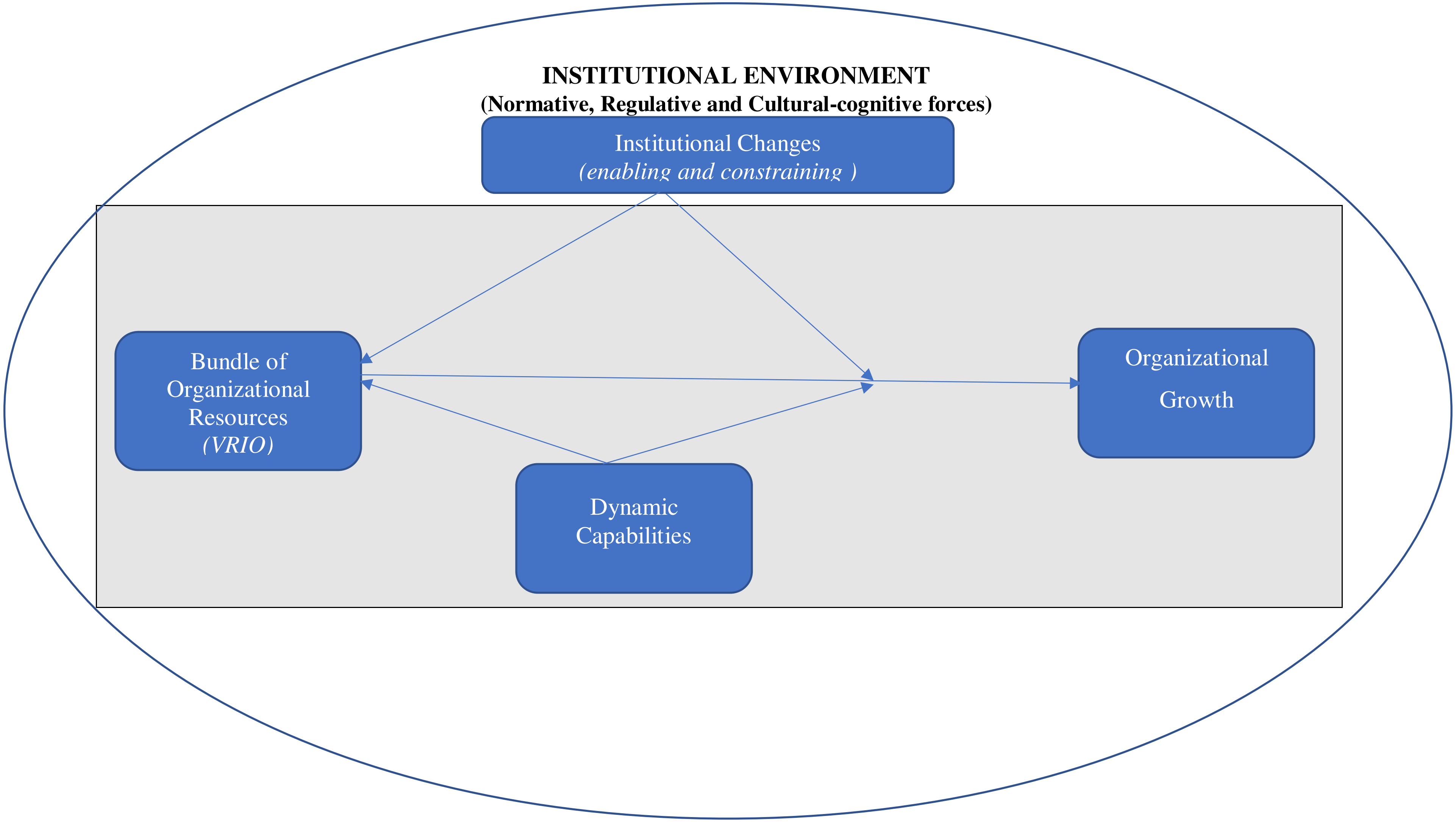

Figure 2: Evolution of PET – 1982-2013

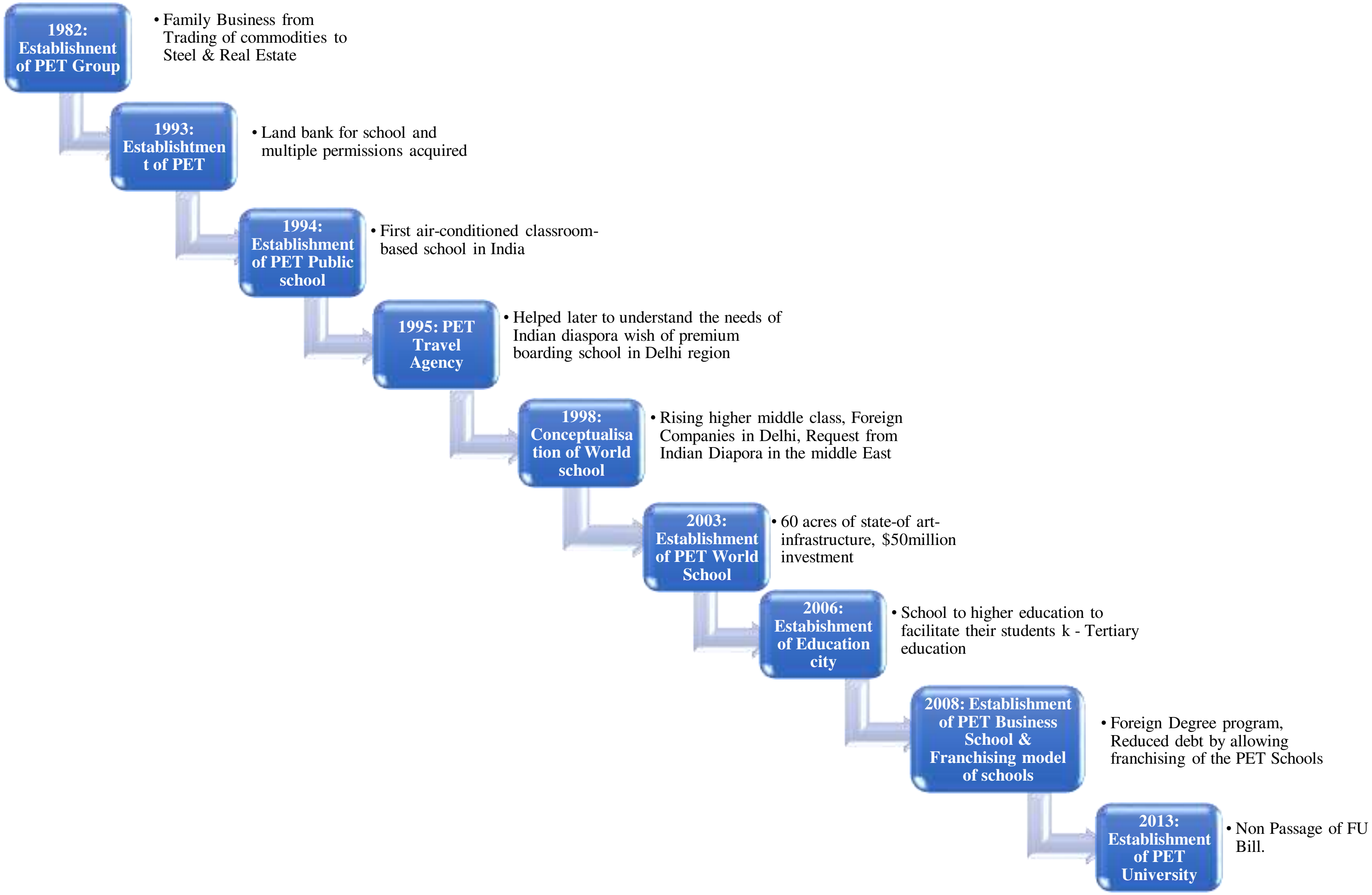

Figure 3: Overview of the PET's presence in India's Education Sector (spanning the Primary, Secondary and Higher Education sectors)

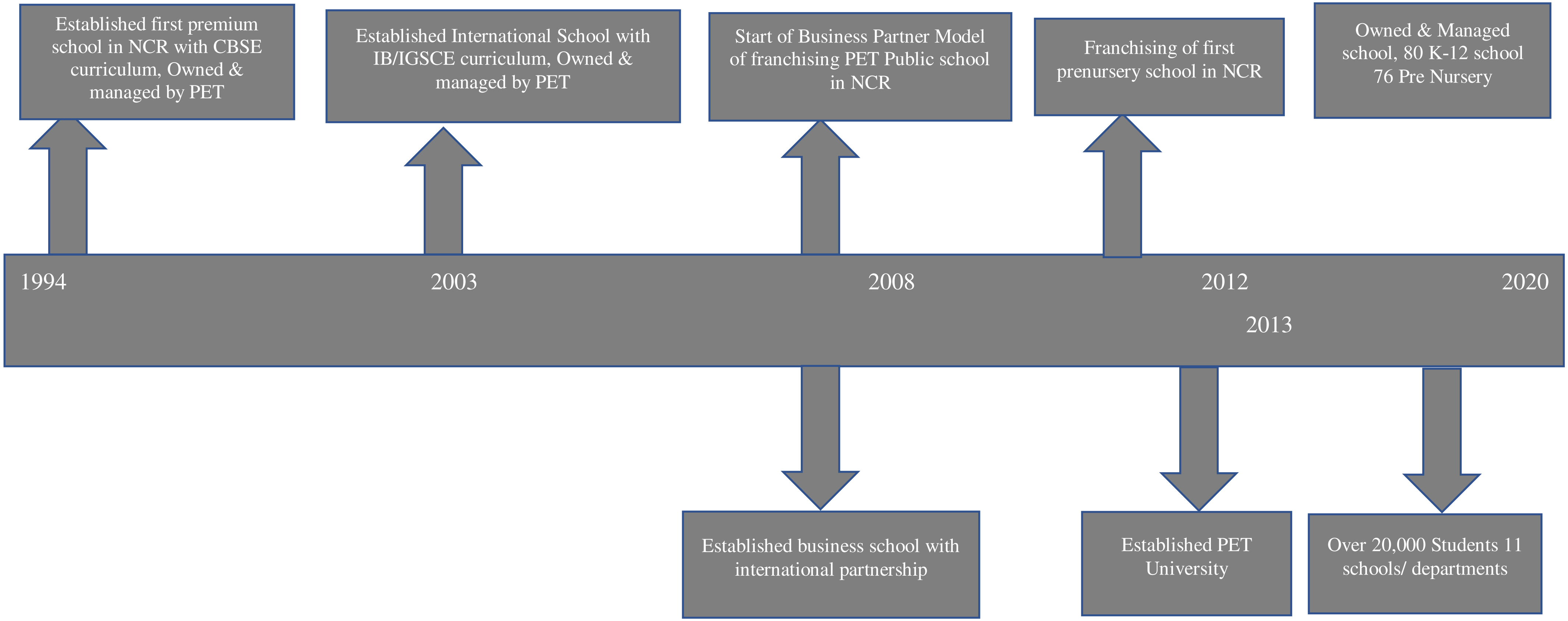

Figure 4: Institutional changes in the Indian Higher Education Sector 1990 – 2020

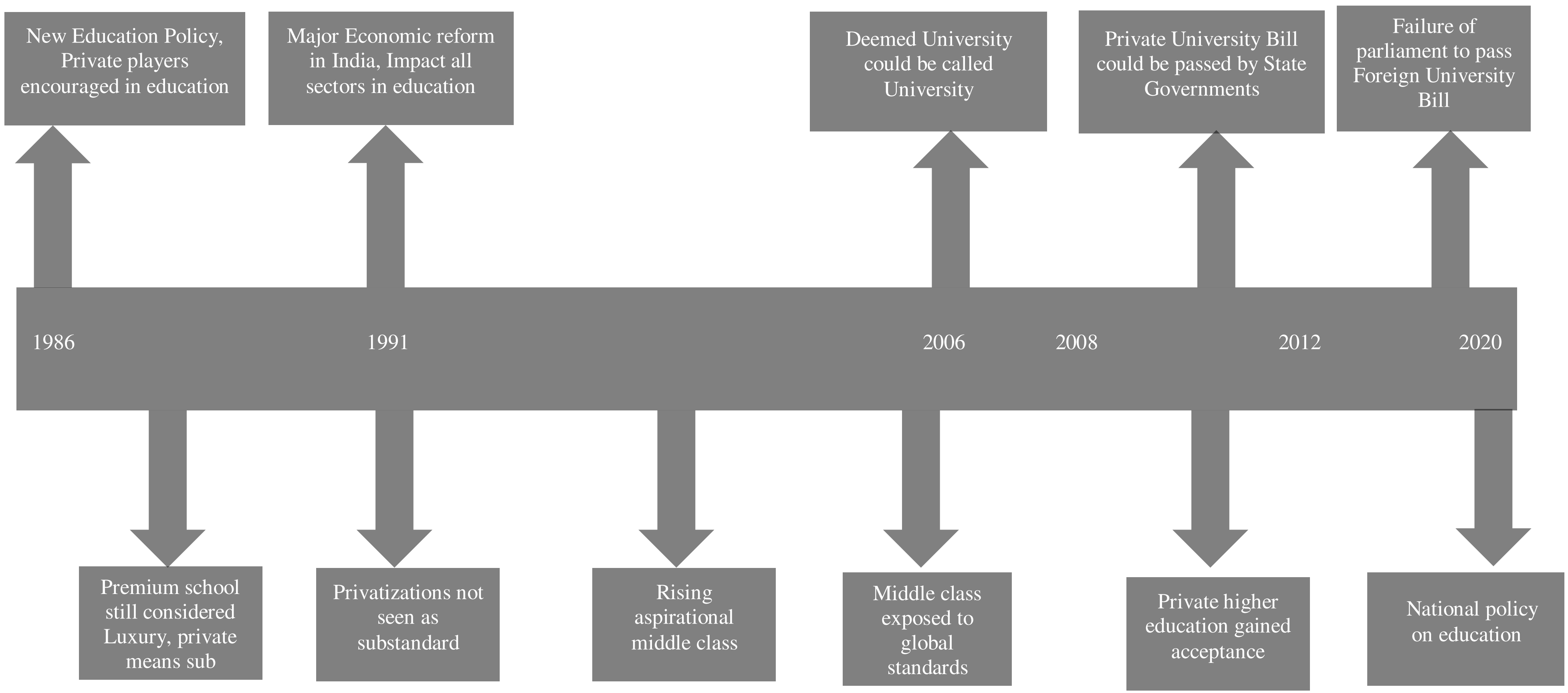

Figure 5: Concept Map