ABSTRACT

Drawing on resource-based view, we examine how parent-subsidiary resource links in terms of resource commitment and resource similarity affect the parent’s firm performance. By using data from 199 Taiwanese firms investing in China, the results of this study show that resource commitment has an inverted U-shaped relationship with the parent’s firm performance, whereas the relationship between resource similarity and the parent’s firm performance is U-shaped. In addition, we also find that organizational slack resources and the degree of parent involvement moderate these relationships. We provide important theoretical and managerial implications for international business management.

Keywords: Foreign investment, parent-subsidiary linkage, resource commitment, resource similarity

REFERENCES
