

Antecedents of MNE Performance and Managing Firm-Specific and Country-Specific Advantages: An Empirical Study of Optoelectronics Industry in Taiwan

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Abstract : Because of the trend toward globalization, Taiwanese companies have gradually focused more on overseas market operations. Overseas market performance has gradually increased as a proportion of Taiwanese companies' total business revenues. Existing international investment theories cannot explain numerous new phenomena in this domain. Opinions are inconsistent, and contradictory positions exist regarding the antecedents of multinational enterprise (MNE) performance. This study applied contemporary internalization theory to establish and extend approaches adopted by previous relevant studies. In the context of the overseas market, the influence that MNE investment in research and development (R&D) and marketing has on enterprise performance was investigated from the firm-specific advantages (FSAs) and country-specific advantages (CSAs) perspectives. CSAs and internationalization speed were addressed as moderators, and hypotheses regarding how internationalization and performance were achieved through MNE overseas market operation were explored to ensure the completeness of the investigation. The list of enterprises was sourced from the Taiwan Economic Journal. After examining the relevant data, the following conclusions were obtained: (a) The relationship between the level of FSAs in R&D and enterprise performance exhibited an S-shaped curve. (b) The relationship between the level of FSAs in marketing and enterprise performance displayed a U-shaped curve. (c) The extent to which potential CFAs were obtained positively moderated the relationship between enterprise investment in R&D to gain FSAs and MNE performance. (d) Internationalization speed positively moderated the relationship between MNEs and enterprise investment in R&D and marketing to gain FSAs.

Keywords : multinational corporation, firm-specific advantages, country-specific advantages, international speed

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