

# 行政院國家科學委員會專題研究計畫 成果報告

## 管理資源的發展與國際擴張之限制

計畫類別：個別型計畫

計畫編號：NSC94-2416-H-004-030-

執行期間：94年08月01日至95年07月31日

執行單位：國立政治大學國際貿易學系

計畫主持人：譚丹琪

報告類型：精簡報告

處理方式：本計畫可公開查詢

中 華 民 國 95 年 10 月 24 日

行政院國家科學委員會專題研究計畫成果報告

管理資源的發展與企業在國際市場擴張之限制

## **The Development of Managerial Resources and Managerial Limits to International Expansion**

計畫編號：NSC 94-2416-H-004-030

執行期限：94 年 8 月 1 日至 95 年 7 月 31 日

主持人：譚丹琪

國立政治大學國際貿易系助理教授

Email: dctan@nccu.edu.tw

### 一、中文摘要

本研究探討國際企業在國際市場上擴張時，有什麼情形下會面臨較大的管理限制。過去的相關文獻著眼於討論企業在參與不同的擴張活動時，會對管理資源有著不同的需求，因而導致其受到不同程度的成長限制。有別於過去文獻，本計劃探討企業在國際擴張的過程中，因為培養新管理資源的組織能力不同，而有著不同管理限制的情形，並計劃以實證的方式驗證假說。

關鍵詞：公司成長，國際企業，管理資源的發展

Abstract:

This study explores empirically the conditions under which a firm is more/less likely to incur a more serious managerial constraint when expanding in a foreign market. Previous studies investigating this issue (Thompson, 1994; Shane, 1996; Tan and Mahoney, 2005) have focused on investigating the conditions under which expansion projects are more demanding of managerial resources and hence firms engaging in such projects are more likely to incur managerial constraints. This study departs from these previous studies by focusing on the heterogeneous ability of a firm in developing new managerial resources. This study argues and demonstrates empirically that multinational

firms that can speed up the development of new managerial resources in their foreign operations will be less vulnerable to a severe managerial constraint on the rate of growth.

Keywords: Firm growth, Penrose effect, firm growth, multinational firms, development of managerial resources

## 二、緣由與目的

In the seminal research book of resource-based theory, *The Theory of the Growth of the Firm*, Penrose (1959) submits that a lack of managerial resources is typically the major obstacle that impedes the growth rate of a firm. Growth does not take place automatically, but must be planned strategically and implemented effectively by managers who have firm-specific experiences internal to the firm (Penrose, 1959; Kor and Mahoney, 2000; Pitelis, 2002; Mahoney, 2005). Because such managers must be developed within the firm and cannot be hired from the outside, the capacities of internally experienced managers set a limit to the expansion projects that a firm can undertake in any period of time (Rubin, 1973; Slater, 1980). Accordingly, a firm that expands rapidly in one time period is likely to incur managerial problems and consequently the firm's growth may stagnate in the subsequent time period.

The economic impact of managerial constraints on the rate of growth of the firm is cited as the *Penrose Effect* in the research literature (Marris, 1963; Shen, 1970; Hay and Morris, 1991). A limited number of research studies have empirically examined whether the Penrose Effect exists (Shen, 1970, Gander, 1991; Thompson, 1994; Shane, 1996; Orser, Hogarth-Scott and Riding, 2000; Tan, 2003). In general, these research studies provide supportive, but not robust empirical evidence for the *Penrose Effect*, and the strength of the *Penrose Effect* varies with the types of expansion, and the firms considered in the samples (Tan and Mahoney, 2005).

While these research studies improve our understanding of the economic impact of managerial constraints on the rate of the growth of the firm, at least two research issues require further consideration. First, previous empirical studies mainly focus on whether the Penrose Effect exists. Just as firms are endowed with different technological capabilities, firms may be endowed with different managerial capabilities and thus may encounter managerial constraints differently. However, researchers have under-emphasized the possibility of firms incurring differential managerial constraints and have under-explored the conditions under which the Penrose Effect is more likely to prevail. Second, although international expansion is an important strategic option enabling a firm to achieve growth, empirical studies that examine the Penrose Effect are rare (Tan, 2003; Tan and Mahoney, 2005).

The current empirical paper attempts to improve such an understanding by exploring the conditions under which the *Penrose Effect* is more likely to prevail from the perspective of the supply of managerial resources and by examining these conditions empirically in an international business context. Previous studies have centered on the *demand* for managerial resources and found that the *Penrose Effect* is highly likely to be more substantial for firms that engage in business activities that are more *demanding* of managerial services from internal experienced managers. The current research paper complements the previous empirical studies by focusing on the *supply* of managerial resources. Specifically, we consider the possibility that multinational firms may have different organizational capabilities for developing new managerial resources (Nelson and Winter, 1982; Teece, Pisano and Shuen, 1997; Verbeke, 2003). We posit that multinational firms are less likely to be impeded by the *Penrose Effect* when these firms have greater organizational capabilities in developing new managerial resources abroad in a timely fashion (Chang, 1995). We explore several conditions under which firms are more likely to do so, and we test these conditions empirically.

### 三、結果與討論

Based on a longitudinal sample of Japanese manufacturing entries in the United States, our empirical results indicate that Japanese firms were more likely to achieve growth in consecutive time periods when these firms sent more expatriates to the foreign operation at the time of entry. The development of new managerial resources in foreign operations requires the managerial services of experienced headquarters managers. A higher ratio of expatriates in the foreign operation at the initial stage allow the newly-recruited local personnel in the foreign operation to gain more time and attention from the experienced headquarters managers, and thus can be helpful in the development of new managerial resources in the foreign operation. Such an empirical finding suggests that expatriation may be viewed as an investment in developing human capital (Becker, 1964) in foreign operations.

Our empirical results also indicate that Japanese firms were more likely to achieve growth in successive time periods (and hence were less vulnerable to the Penrose effect) in the given U.S. market when they had greater home experience prior to their entry into the given market. Greater experience at home allows firms to develop a set of more complete and reliable routines that can be more readily transferred to the foreign operation, and thus can accelerate the development of new managerial resources in the foreign operation.

The empirical results also indicate that Japanese firms were less likely to achieve growth in consecutive time periods when they entered local markets that had a high level of uncertainty. A high level of uncertainty may slow down the development of new managerial resources in the foreign operation because the “causal ambiguity” in the experiences is likely to hamper the learning of managers in the foreign operation. Thus,

multinational firms are less likely to be able to adjust their managerial resources timely and may incur a more serious managerial constraint in the process of expansion.

#### 四、計畫成果自評

Past empirical studies on the Penrose effect have generally focused on whether the Penrose effect exists. Our empirical study goes beyond that focus and explores the “when” question – under what conditions is the Penrose Effect more likely to exist? In particular, our empirical study extends the research literature by linking factors that influence the dynamic *supply* of managerial resources to the Penrose effect.

#### 五、參考文獻

Chang, S. J., International Expansion Strategy of Japanese Firms: Capabilities Building through Sequential Entry, *Academy of Management Journal*, 38, 2, 1995, pp. 383-407.

Gander, J. P., Managerial Intensity, Firm size and Growth, *Managerial and Decision Economics*, 12, 1991, pp.261-266.

Hay, D. A./Morris, D. J., *Industrial Economics and Organization: Theory and Evidence*, New York: Oxford University Press 1991.

Kor Y. Y./Mahoney, J. T., Penrose's Resource-Based Approach: The Process and Product of Research Creativity, *Journal of Management Studies*, 37, 1, 2000, pp.109-139.

Mahoney, J. T., *Economic Foundations of Strategy*, Thousand Oaks, CA: Sage Publications 2005.

Nelson R. R./Winter, S. G., *An Evolutionary Theory of Economic Change*, Cambridge, Massachusetts: Harvard University Press 1982.

Orser, B. J./Hogarth-Scott, S./Riding, A. L., Performance, Firm Size, and Management Problem Solving, *Journal of Small Business Management*, October, 2000, pp. 42-58.

Penrose, E., *The Theory of the Growth of the Firm*, New York: Oxford University Press, 1959.

Pitelis, C., *The Growth of the Firm: The Legacy of Edith Penrose*, New York: Oxford University Press 2002.

Rubin P. H., The Expansion of Firms, *Journal of Political Economy*, 81, 1973, pp. 936-949.

Shane, S. A., Hybrid Organizational Arrangements and Their Implications for Firm Growth and Survival: A study of New Franchisors, *Academy of Management Journal*, 39, 1, 1996, pp. 216-234.

Slater, M., The Managerial Limitations to a Firm's Rate of Growth, *Economic Journal*, 90, 1980, pp. 520-528.

Tan, D., The Limits to the Growth of Multinational Firms in a Foreign Market, *Managerial and Decision Economics*, 24, 2003, pp. 569-582.

Tan, D./Mahoney, J. T., Examining the Penrose Effect in an International Business Context: The Dynamics of Japanese Firm Growth in U.S. Industries, *Managerial and Decision Economics*, 26, 2005, pp. 113-127.

Teece, D.J./Pisano, G./Shuen, A., Dynamic Capabilities and Strategic Management, *Strategic Management Journal*, 18, 7, 1997, pp. 509-533.

Treadway A. B., Adjustment Costs and Variable Inputs in the Theory of the Competitive Firm, *Journal of Economic Theory*, 2, 1970, pp. 329-347.

Thompson, R. S., The Franchise Life Cycle and the Penrose Effect, *Journal of Economic Behavior and Organization*, 24, 1994, pp. 207-218.

Verbeke, A., The Evolutionary View of the MNE and the Future of Internalization Theory, *Journal of International Business Studies*, 34, 6, 2003, pp. 498-504.