The Impact of Technological Innovation on Firm Performance - The Moderating Role of Firm Internationalization: An Emergence

E-mail: 9806169@mail.dyu.edu.tw

ABSTRACT

Innovation is the essence of firms to survive, transform, and pursue the sustainable development. In order to adapt to the dramatically dynamic market, firms pour tremendous efforts into innovation. It not only contains the innovation of strategic practices but also creates the innovation of technology which can raise up the entrance threshold. Rapidly innovating could catch up with the market streams and it helps compete against other competitors by means of highly technological innovation and development of intellectual property. Compared with the general industries, the industries with the higher density of technology face dynamics and the ratio and frequency of technological innovation more than the general industries.

Having become globalized, the strategic thinking of internationalization turns out to be the vital consideration of firms' development. Regardless of firm size, in order to exploit the profits, firms aim to make the different strategies domestically and to expand the foreign markets as well to increase the profits. However, the past study indicates that the impact of internationalization on firm performance is mixed. Owing to these two strategies, technological innovation and firm internationalization, mainly influencing the extended benefits and sustainable development of firms, our study aim to examine how technological innovation and firm internationalization affect firm performance, and explore how firm internationalization moderates while firms implement the technological innovation to gain better performance.

This study offers models predominantly based on the Resource-based View, and tests hypotheses using panel data from 444 firms of high-technology firms in USA and another 314 firms of high-technology firms in Taiwan. The results indicate a positive relationship between technological innovation and firm performance for firms in USA, but a negative relationship between technological innovation and firm performance for firms in Taiwan. However, firm internationalization has an insignificant relationship with firm performance regardless of the status of categories of economies. Furthermore, the greater the degree of firm internationalization becomes, the more the firm internationalization will moderate the relationship between technological innovation and firm performance. The findings provide management with evidence as to how firms may strategize their efforts in innovation and internationalization for better firm performance. For example, the evidence reveals that technological innovation and firm internationalization isn't guaranteed to better financial performance that management should carefully evaluate the positions of the firm under each circumstance and resources the firm owns to stay competitive and to effectively and efficiently strategize their efforts of innovation and internationalization.

Keywords: technological innovation, firm internationalization, firm performance
Chapter III  Methodology

3.1  Research Framework

3.2  Research Sample and Data

3.3  Operational Definition

3.4  Empirical Method

Chapter IV  Analysis

4.1  Data and Sample

4.2 Measures

4.3  Data Analysis

4.4  Results

Chapter V  Conclusion and Implication

5.1  Conclusion

5.2  Managerial Implication

5.3  Research Limitation and Future Study

Reference

REFERENCES


Horst, T. E. (1973). Firm and industry determinants of the decision to invest abroad: An empirical study. Review of
manufacturing enterprises in the postwar period. Tokyo: University of Tokyo Press.


Wernerfelt B. (1984). A


Utterback, J. (1982). Innovation in industry and the diffusion of


Stacey, G., & Ashton, W.


