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The resource-based view and international business

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Abstract

The resource-based view (RBV) of the firm has become an influential theoretical perspective in recent international business (IB) research. Tracking the evolution of the RBV literature in IB, this article has three objectives. First, it documents the extent to which the RBV has diffused to IB research. Second, it explains the rationale behind such diffusion. Finally, it provides a state-of-the-art review of the substantive work through a proposed organizing framework, focusing on multinational management, strategic alliances, market entries, international entrepreneurship, and emerging markets strategies. Overall, a broad, expanding, and cumulative knowledge base is emerging to connect IB and strategy research through the RBV. The article concludes with a discussion of the implications of such a development in the intellectual marketplace, with an emphasis on future research directions. © 2001 Elsevier Science Inc. All rights reserved.

1. Introduction

Spearheaded by the work of Wernerfelt (1984) and Barney (1991), one of the key developments in recent strategic management and international business (IB) research has been the emergence of the resource-based view (RBV) of the firm. Tracking the evolution of the RBV literature in IB since the publication of the landmark *Journal of Management* special issue in 1991, this article addresses three key questions. First, how influential has the RBV become? This question will be answered by mapping out the key contributions to the RBV literature in IB during 1991 through 2000. The second question focuses on what is behind the diffusion of the RBV in IB. Drawing on the diffusion-of-innovations literature, I suggest that the RBV may be considered as a theoretical innovation, whose attributes

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Table 2

Leading contributors to the resource-based view literature in international business, 1991–2000

Rank	Scholar	Affiliation as of December 2000	Total	Adjusted
1	Stephen B. Tallman*	University of Utah & Cranfield University	4	2.83
2	Mike W. Peng	The Ohio State University	5	2.33
3	Julian Birkinshaw	London Business School	3	1.83
4	Srilata Zaheer	University of Minnesota	2	1.5
	Sea Jin Chang	Korea University	2	1.5
6	Laurence Capron	INSEAD	2	1.33
	Kendall Roth	University of South Carolina	2	1.33
8	Nicholas Athanassiou	Northeastern University	2	1
	Andrew Delios	National University of Singapore	2	1
	Jiatao Li	Hong Kong University of Science & Technology	2	1
	Yadong Luo	University of Miami	2	1
	Douglas Nigh	University of South Carolina	2	1
13	David J. Collis	Yale University	1	1
	Jonathan P. Doh	American Univ. & George Washington Univ.	1	1
	John Dunning	Rutgers University & University of Reading	1	1
	Jeffrey Dyer	Brigham Young University	1	1
	Mauro Guillen	University of Pennsylvania	1	1
	Gary Hamel	London Business School	1	1
	Anoop Madhok	University of Utah	1	1
	Steven White	Chinese University of Hong Kong	1	1

Total $n = 20$ scholars whose adjusted appearances in the seven top-tier journals (*AMJ*, *AMR*, *JIBS*, *JM*, *JMS*, *OS*, and *SMJ*) during 1991–2000 documented in Table 1 are at least 1.

* Example for Tallman's total and adjusted appearances: Total appearances = 4, Tallman (1991), Tallman (1992), Tallman & Li (1996), Geringer, Tallman & Olsen (2000); Adjusted appearances = 2.83 (1 + 1 + 0.5 + 0.33).

An “innovation” is “an idea, practice, or object that is perceived as new by an individual” (Rogers, 1983, p. 11). According to this definition, I believe that even the RBV's critics would accept that it represents a theoretical innovation. A critical insight of the diffusion-of-innovations literature is that “it matters little whether or not an idea is ‘objectively’ new . . . If the idea seems new to the individual, it is an innovation” (Rogers, 1983, p. 11). The key question is that despite its shortcomings, why the RBV ever gained such influence as documented in Table 1 and Figure 1.

Specifically, five characteristics of an innovation, *as perceived by users*, helps explain its diffusion (Rogers, 1983, p. 15). First, the greater the perceived relative advantage, the more rapid the innovation's diffusion. The RBV's focus on firm-level determinants of company performance—relative to traditional industry-level variables—is widely regarded as a key advantage. Second, the compatibility of an innovation with existing values also drives its diffusion. The RBV not only draws on the behavioral insights of Penrose (1959), but also extend five major industrial organization (IO) economics theories of the firm (Conner, 1991). As a result, the RBV is compatible with both behavioral and economic schools of thought in strategy (Mahoney & Pandian, 1992).

Third, simple innovations will be adopted more rapidly. On the surface, despite the difficulties associated with empirical work (Godfrey & Hill, 1995), the RBV logic is (deceptively) simple and easy to understand. Fourth, a high level of trialability, which is “the