Effects of Overseas Investment on Core Competence: From the Aspect of Corporate Culture

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ABSTRACT Manufacturers in Taiwan are proceeding internationalization or engaging in overseas direct investment. In the process of internationalization, the capabilities of manufacturers are promoted or the industry upgrade is enhanced; the results of overseas direct investment also provide Taiwanese manufacturers with a channel for resources and learning or outsourcing low value-added or labor-intensive downstream operations, but remaining high value-added upstream operations or R and D in Taiwan for international resource distribution. It is also considered that the core capabilities of manufacturers are the key in surviving the competitive environments. When proceeding internationalization or FDI activities, the relations and effects on the core capabilities and the derived issues are worth in-depth discussions. By literature analyses and questionnaire survey, this study tends to explore the effects of Overseas Investment on Core Competence, where Overseas Investment contains the dimensions of Ownership Advantages, Internalization Advantages, and Location Advantages, and Core Competence covers Pulse Survey Capability, Integration-Related Capability, and Function-Related Capability. Total 250 copies of questionnaires were distributed to high-level supervisors in electronics enterprises in Taiwan and 192 valid ones were retrieved, with the retrieval rate 77%. The research findings show the significant correlations between Overseas Investment and Core Competence. Finally, several suggestions are proposed aiming at Overseas Investment.