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THE RESOURCE BASED VIEW AND ENTREPRENEURIAL PERFORMANCE: AN INTEGRATION AND META-ANALYTICAL TEST (SUMMARY)

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SUMMARY

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Principal Topic

The resource based view (RBV) has been a key approach explaining competitive advantage and organizational performance of firms (Barney, 1991). RBV assumes that firms' competitive advantage and subsequent performance originates in the resources and capabilities the firm controls. A number of studies have used RBV to explain the effects of social capital, human capital, and sources of finance on firm performance (Newbert, 2007). However, most of these studies analyzed single resources in isolation without integrating different types of resources. Moreover, little is known about the mechanisms through which resources lead to a competitive advantage and superior performance.

The aim of the present study is to investigate the effects of different types of resources on entrepreneurial performance. More specifically, we look at human capital and social capital enabling us to compare the importance of different types of resources. Moreover, we argue that it is not enough to possess resources. Rather, firms need to make better use of the resources in order to achieve success. Therefore, we investigate whether innovations serve as an intermediate mechanism that explains firm performance. In order to generate innovations, firms generally require special resource endowments. We can depict which types of resources enable innovations and, thereby, performance. Thus, we can gather evidence about a phenomenon that has been previously remained a black box.

Method

We use a combination of previously published meta-analytical data and new meta-analyses to test the proposed relationships. We have access to meta-analytical data on human capital, social capital, and innovation. We needed to do three additional meta-analyses on relationships that have not been addressed in these meta-analyses. We use a meta-analytic structural equation model (MASEM) to test the proposed relationships.

Results and Implications

Our MASEM model supported the proposition that the effect of human capital and social capital on performances were mediated by innovation. The model showed a moderate model fit. Moreover, the mediation model was significantly better than a direct effect model. Thereby, our meta-analysis identified one salient mechanism by which resources affect performance. Such information enables entrepreneurs to make decisions regarding resource investments required given venture strategies.

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