

*The Hong Kong Polytechnic University*  
*Department of Logistics and Maritime Studies*  
*Research Seminar*

## **The Moderating Effects of Multi-level Factors on the Relationship between Manufacturing Servitization and Firm Performance**

by

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**Date: 9 May 2017 (Tuesday)**  
**Time: 10:30am-11:30am**  
**Venue: R902, Shirley Chan Building**  
**The Hong Kong Polytechnic University**

**(Conducted in English)**

### **Abstract:**

This thesis aims at investigating some important contingency factors from various levels affecting the association between manufacturing servitization and firm performance.

Over recent years, servitization has been considered as an effective means for manufacturing firms to acquire competitive advantages. However, the servitization-performance relationship is still an ongoing controversy among scholars since prior empirical studies have provided inconsistent and even contradictory results. Extant literature has suggested that the servitization-performance relationship can be positive, negative and even nonlinear. Hence, there may be some factors affecting this relationship.

Researchers have focused on the moderating effects and test the assumption that performance outcomes depend on the alignment between servitization and several context variables. Two types of moderating variables have been identified and classified, namely industry characteristics and firm characteristics. Industry characteristics include industry growth and industry turbulence while firm characteristics consist of some soft organizational factors, e.g., human resource management, corporate culture and management commitment to the service business. However, little research provides a comprehensive and integrated framework for the moderating effect of various contingency factors. Therefore, considering that the successful implementation of servitization requires the collaboration of firms' internal and external environment, this paper proposes that contextual factors from different levels (including industry characteristics, firm characteristics and network characteristics) may have impact on the servitization-firm performance link.

The first research model explores the moderating effect of industry factors (industry competition, industry clockspeed and industry regulation) on the servitization-performance link and the research findings provide a deep understanding of how firms in different industries perform better by means of servitization; the second research model on the moderating effects of firm characteristics (resource abundance, firm innovativeness and corporate governance) on the servitization-performance relationship suggests that how factors related to firms' resources, capabilities and control mechanism affect the success of servitization. Manufacturers could be well informed of when they can implement greater extent of servitization to achieve better performance in terms of their internal resources and capabilities; the third model investigates the moderating impacts of network characteristics (customer concentration, mutual dependence and customer interconnection) on the performance effects of servitization. This model confirms the importance of customer networks on manufacturers' servitization by deeply exploring how downstream customers exert influence on the focal manufacturers' servitization.

Overall, this dissertation mainly explores the moderating effect of some contingency factors from these varying levels (industry, firm and network) on the servitization-performance relationship, and provide individual tests of moderating effects based on secondary data collected from multiple database sources including Bloomberg and Compustat. The research findings provide significant theoretical and practical implications for researchers and managers.

### **Bio:**

Miss Weijiao Wang received her bachelor in Electronic Commerce from Central South University in 2012. She is currently a PhD candidate in Department of Logistics and Maritime Studies, The Hong Kong Polytechnic University, and a PhD candidate in Department of Management Science and Engineering, Zhejiang University.

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**All are welcome!**