Antecedents and Consequences of Resource Redeployment[1]

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ABSTRACT

Resource redeployment has attracted increasing scholarly attention in recent years. However, a consensus on its definition remains elusive. We identify and compare various definitions of resource redeployment and related concepts through a systematic literature review over the past five decades. We further synthesize key theoretical arguments concerning the drivers and outcomes of redeployment actions, developing an integrative framework that connects its antecedents and consequences. Finally, we outline future research directions and propose questions that explore resource redeployment across individual, firm, and macro levels, focusing on its antecedents, processes, and outcomes.

Keywords: resource redeployment, systematic review, antecedents, economic performance

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INTRODUCTION

Resource redeployment enables firms to use their resources efficiently and improve their economic performance (Anand and Singh, 1997; Penrose, 1959). The extant literature is fragmented, with multiple definitions of the concept and varied claims regarding the drivers and consequences of redeployment. Using the keyword "resource redeployment," an initial search of research journal publications yields thousands of articles, indicating that a systematic review or meta-analysis is needed for a deeper understanding and synthesis of resource redeployment.

We regard redeployment as an action and define resource redeployment as follows: *Resource redeployment is the withdrawal of resources from one use(r) and/or one location and the reallocation of those resources to another use(r) and/or another location, which also involves the recombination of existing resources and new resources.* This paper consolidates research on resource redeployment across management, finance, and economics. Our review addresses the following questions: (1) When do firms redeploy their owned and non-owned resources? (2) How does a firm's resource redeployment affect its economic performance? We establish connections among these literature streams and offer a comprehensive framework for future research.

This paper makes several contributions. First, it provides a rigorous, transparent, and systematic review method, offering a high standard of academic rigor to aid theory development (Adams *et al*., 2017; Crossan and Apaydin, 2010; Tranfield *et al*., 2003) in resource redeployment. Second, it organizes the research literature into a theoretically grounded, multidisciplinary framework that connects antecedents and consequences of resource redeployment. We extend previous examinations of redeployment by including resources that a focal firm does not own, thereby unifying different terminologies used in the extensive but disparate research on resource redeployment. Third, the paper identifies promising directions for future research by discussing

antecedents, processes, and consequences of resource redeployment at individual, firm, and macro levels of analysis.

The paper is organized as follows. The next section describes the research methodology utilized to conduct our review. This description is followed by findings from the review, including a comparison of definitions and claims across antecedents and consequences of redeployment. Several factors, including the fungibility of resources, redeployment experience, the degree of relatedness between businesses or firms, historical performance, and environmental uncertainty, shape a firm's decision to engage in resource redeployment. Resource redeployment may occur within organizational boundaries or across firms through mergers and acquisitions, labor mobility, and inter-organizational relationships, such as supplier-buyer ties. We further propose that resource redeployment contributes positively to firm performance by enhancing productivity and operational efficiency. Then, we introduce the framework of resource redeployment. Finally, we discuss the implications of the findings and provide directions for future research studies.

METHODOLOGY[2]

A systematic review is useful for effectively evaluating the contribution of a given body of literature (Boon *et al.*, 2019; Crossan and Apaydin, 2010; Pitelis *et al.,* 2024). We conduct a systematic review following Tranfield, Denyer, and Smart's (2003) three-stage procedure: planning, execution, and reporting. Given the large scope of the task, we limit our literature sources to peer-reviewed journals, which are more likely to impact the field (e.g., Podsakoff *et al.*, 2005). To obtain a reliable and high-quality database, we follow the list of 'Top 24 UT-Dallas' and 'Top 50 Financial Times' journals to identify top peer-reviewed journals. Researchers and universities have long utilized these top-tier journals as evidence of scholarship and impact on the field (Franke

[2] A more comprehensive description of the methodology is provided in the Online Appendix. Please refer to it for more information.

et al., 1990; Kirkpatrick and Locke, 1992). Then, we included three databases for the literature search: Web of Science, Scopus, and Business Source Ultimate of EBSCO. The triangulation of sources enhances comprehensiveness and reliability (Rashman *et al*., 2009; Van de Ven, 2007).

The study conducted a comprehensive literature search on resource redeployment using relevant keywords in article titles, keywords, and abstracts. The search focused on the fields of management, finance, and economics, and was limited to articles written in English and published in top peer-reviewed journals up to September 2024. The journal selection was based on the UT-Dallas Top 24, FT Top 50, and other key strategic management journals. The initial search yielded 2,452 articles, which were reduced to 957 after removing duplicates.

Then, three rounds of selections are conducted in each group to narrow the list further. In the first round, we excluded articles that mentioned relevant keywords but did not focus on firm-level resource redeployment, reducing the sample to 855 articles. The second round eliminated studies analyzing resource redeployment at macro or industry levels, narrowing the list to 463 articles. In the third round, we applied additional criteria by consensus, excluding articles that lacked a clear origin and destination for resource redeployment or where resources remained entirely at the origin. After those selection rounds (Table 1), we arrived at a sample size of 238 journal articles.

INSERT TABLE 1 ABOUT HERE

SYNTHESIS

Definitions of Resource Redeployment

Our paper uses five keywords to search for articles: redeployment, reallocation, reconfiguration,[3] recombination, and the option to switch. Scholars previously defined each of

[3] Some articles use reconfiguration and redeployment interchangeably in the literature, but some articles with reconfiguration do not follow our definition. We only use it as a search term.

these keywords individually, although there are commonalities. According to the definitions of redeployment, previous studies have emphasized withdrawing resources and transferring them to another location or use (Anand and Singh, 1997; Capron *et al.,* 1998). Reallocation refers to the movement of resources from one location to another (Baruch *et al.,* 2016; Rosenkopf and Almeida, 2003). Recombination does not focus on alternative uses or locations but emphasizes reorganizing or restructuring resources (Karim and Kaul, 2015; Martin and Eisenhardt, 2004). Finally, the option to switch is the right, but not the obligation, to shift a firm's operations among its subsidiaries in response to changes in market conditions faced by such subsidiaries (Belderbos *et al.,* 2014, 2020).

Our paper defines resource redeployment by including reallocation and recombination. Various research studies used the construct of redeployment in slightly different ways. This systematic review synthesizes previous definitions of resource redeployment into two categories: resources owned and/or controlled by a firm and resources that can be accessed without ownership. Under the first category, resources are owned and/or controlled by a focal firm. Some scholars discussed the reallocation of resources between business units/divisions (Karim, 2006; Karim and Williams, 2012); some defined redeployment as the withdrawal of resources from the original businesses and reallocation of those resources to new businesses (Anand *et al.,* 2016; Helfat and Eisenhardt, 2004); some focused on the release of a project's resources to other duties after project termination (Klingebiel and Rammer, 2014; Shepherd *et al.,* 2014). Under the second category, resources can be accessed without ownership, such as managerial migration or employee movements from one company to another (e.g., Broschak *et al.,* 2020) and physical transfer of resources from a target or an acquiring firm to the new location (Anand and Singh, 1997; Capron, 1999). The dimension of access is important but currently underdeveloped. Having the right of

access to resources is at the center of the economy's efficiency (Bel, 2013; Stiglitz, 2008), which also indicates a firm's partial control of the resources being redeployed.

Theories and Literature Review

The resource-based approach[4], transaction costs theory, and real options theory are three major theories used in redeployment studies. Our paper summarizes key arguments from each theory in Table 2. The resource-based approach examines resource redeployment most frequently, especially in management studies. Firms need to obtain resources to grow and increase their economic profitability. The resource-based approach mainly discusses redeployment from the perspective of resource characteristics. Concerning two key assumptions (resource heterogeneity and resource immobility) of the resource-based view of the firm, resource heterogeneity highlights the uniqueness of resources within each firm (Mahoney, 1995; Montgomery and Wernerfelt, 1988) and is linked to the concept of firm-specific resources. These resources can lead to a competitive advantage (Barney, 1991; Peteraf, 1993) because they are not easily transferred through factor markets due to resource immobility (Hennart and Park, 1993; Mitchell, 1994). Moreover, resource immobility enables firms to protect their resource heterogeneity, thereby achieving superior economic performance because their valuable resources are difficult to transfer to another firm.

When resources are firm-specific and thus difficult to transfer, there are two pathways for a firm to obtain resources: acquiring another firm or recombining its resources. Acquisitions allow firms to exchange specific resources (Capron and Hulland, 1999; Karim and Mitchell, 2000). An acquisition is one form of resource redeployment in which resources are transferred from the acquirer to the target. Recombining resources is another form of resource redeployment, which illustrates that existing resources can be used for various purposes or in combination with different

[4] Note that the term "resource-based approach" follows Mahoney (2005) and includes the resource-based view, the knowledge-based view, and the dynamic capabilities perspective.

types of other resources to provide a set of services (Penrose, 1959: 25).

One of the key characteristics of resources, their fungibility, enables their application to different organizational and market settings and determines the redeployability of resources (Anand *et al.,* 2016; Dushnitsky and Klueter, 2016). In the resource-based approach, the fungibility of resources refers to a firm's capability to redeploy resources from one stage of production to another and adjust its strategy in the face of uncertainty (Levinthal and Wu, 2010, 2025). Penrosean[5] firm growth is also associated with the fungibility of resources, which allows resources used for one purpose to be redeployed in more productive new ways (Kor and Mahoney, 2000; Nason and Wiklund, 2018). Consequently, scholars using the resource-based approach maintain that the more fungible a resource is, the higher its redeployability when owned by that firm.

Another aspect of the resource-based approach is the recombinant, or modular, organizational form, which is characterized by autonomous business units. Modularity refers to an organizational design in which subsystems are designed independently with limited consideration given to other subsystems (Baldwin and Clark, 2000; Sanchez and Mahoney, 1996). The modular organizational form increases a firm's potential to redeploy its resources. Moreover, such firms often engage in frequent resource recombination, dynamically reconfiguring resources among their businesses (Galunic and Eisenhardt, 2001; Karim, 2006). Still, another aspect of the resource-based approach is the redeployable slack. Slack is defined as 'the pool of resources in an organization that is in excess of the minimum necessary to maintain its operations effectively' (Vanacker *et al*. 2017: 1305). Redeployable slack is highly related to the excess capacity of

[5] Penrose views the firm as a "pool of resources the utilization of which is organized in an administrative framework. In a sense, the final products being produced by a firm at any given time merely represent one of several ways in which the firm could be using its resources" (1959: 149-150). The concept is associated with resource fungibility. Furthermore, Penrose (1959) contributes greatly to dynamic capabilities (influencing Teece, 1982), redeployability (influencing Sakhartov's various works), and dynamic adjustment costs (influencing Argyres, Mahoney, and Nickerson, 2019).

resources (Kor *et al.,* 2016; Penrose, 1959). Excess capacity of resources is an internal inducement to expansion: according to Penrose (1959), unused products and services facilitate the creation of new combinations of existing resources. Excess capacity can exist when market demand for a product is less than the available supply of that product or when a firm allocates resources inefficiently. Thus, slack resources motivate a profit-seeking firm to utilize these resources and redeploy them to other projects or businesses (Chang and Matsumoto, 2022; Lu *et al.,* 2023). Organizational slack enables firms to have resources available for pursuing new opportunities and to recombine resources (Kaul, 2012; Miller and Yang, 2016), thereby increasing the likelihood of resource redeployment. Moreover, firms could learn to redeploy their resources and find new opportunities (Helfat *et al.,* 2023; Karim, 2006).

Dynamic capabilities are related to forming real option capabilities and the interplay between resource redeployment and real options (Dickler and Folta, 2020; Kogut and Kulatilaka, 2001). A redeployment capability is a firm's ability to reallocate resources, such as personnel, technology, or capital, from one business unit to another. Scholars theoretically maintain that the greater a firm's capabilities, the better it performs redeployment activities (Lessard *et al.,* 2016; McGrath and Singh, 2016), such as creating, extending, or modifying its resource base (Helfat *et al.,* 2023; Helfat and Peteraf, 2003).

Transaction costs theory is often utilized in economics and management studies. It is mainly used to explain and predict the governance modes of redeploying resources within a firm or outsourcing externally. Coase (1937) demonstrated that if transaction costs are zero, firms need not exist and would serve no purpose in promoting economic efficiency. Thus, transaction costs are essential in explaining why firms exist and which activities firms need to internalize (Mahoney, 2005; Williamson, 1975). The concept of market frictions (Mahoney and Qian, 2013; Starr et al.,

2018) is defined similarly to Arrow's (1969) concept of transaction costs, encompassing the costs associated with searching for information, bargaining, and enforcing agreements. In articles on resource redeployment, transaction costs include the costs of investment (Evans, 1970; Foss, 2003), costs of retraining employees (Abernathy *et al.,* 1973; Maritan and Lee, 2017), adjustment costs (Argyres *et al.*, 2019; Helfat and Eisenhardt, 2004), switching costs (Bensaou and Anderson, 1999; Bester, 1988), and sunk costs (Anand *et al.*, 2007; Mahoney, 2001). Based on the list of market frictions in Mahoney and Qian (2013), an increase in asset specificity, asymmetric information, and uncertainty typically results in substantial transaction costs. Asset specificity refers to customized investments made to support a particular transaction, along with the often higher enforcement costs associated with these transactions, which often involve increased governance safeguards. In addition, information asymmetries and opportunism usually pose contractual problems, the latter being a type of behavioral uncertainty (Williamson, 1975, 1985). Higher information asymmetries typically result in higher costs associated with searching for information and higher bargaining costs. A higher degree of uncertainty leads to higher costs associated with searching for information, bargaining, and enforcement costs. Thus, firms will choose an action or a governance mode to achieve comparatively lower transaction costs. For example, multi-niche firms have a greater advantage in redeployment because their transaction costs are lower than single-niche firms (Giarratana and Santaló, 2020; Lieberman *et al.,* 2017). When the environment is uncertain, characterized by high asset specificity and high information asymmetry, firms are more likely to redeploy resources internally than through external market transactions.

Scholars in management who adopt a real options theory also define redeployability as an option to withdraw resources from one product market and transfer them to another (Sakhartov and Folta, 2014, 2015). Real options theory is often applied in financial studies, where firms have

options to switch when making investment decisions under environmental uncertainty. For example, producers have the option to switch between suppliers under exchange rate uncertainty (Kamrad and Siddique, 2004; Kogut, 1990). Firms can adjust their operating and investment decisions to adapt to unfavorable news (Dickler *et al.*, 2022; Sakhartov and Folta, 2014). When a firm possesses a portfolio of real options, the flexibility of switching between projects is high. Thus, multi-business firms have flexibility advantages, allowing them to redeploy resources across their businesses and exit their existing market (Sakhartov and Folta, 2015; Sohl and Folta, 2021). In real options theory, the flexibility of switching provides more opportunities for a firm, which gives it real options to defer, abandon, switch inputs or outputs, expand current investment via growth, or switch current investment to an alternative use (Trigeorgis, 1996; Trigeorgis and Reuer, 2017). Further, an increase in the level of risk leads to a higher likelihood of switching from one supplier to another. The following section synthesizes our developed theoretical framework that joins the antecedents and consequences of resource redeployment.

INSERT TABLE 2 ABOUT HERE

In the following sections, we propose a framework, illustrated in Figure 1, based on propositions in Table 3, which are derived from previous studies examining the antecedents of redeployment, its forms and processes, the consequences of redeployment, and the moderators that influence the relationship between redeployment and its consequences.

INSERT FIGURE 1 AND TABLE 3 ABOUT HERE

Antecedents of Resource Redeployment

Resource redeployment sometimes relates to the growth of the firm, which is affected by antecedents. Penrose noted that inducements to expand include 'growing demand for particular products, changes in technology which call for production on a larger scale than before, discoveries

and inventions the exploitation of which seems particularly promising, or which open up promising fields in supplementary directions, special opportunities to obtain a better market position or achieve some monopolistic advantage, and similar conditions and opportunities' (1959: 58). Previous studies on resource redeployment examined a few types of antecedents (Sakhartov and Folta, 2015; Sohl and Folta, 2021). This systematic review provides a list of antecedents from our sample articles. Considering inducements for resource redeployment more broadly, several antecedents have been identified that impact the firm's likelihood of redeploying its resources.

The first factor is the fungibility of resources, which enables their application to different organizational and market settings (Anand and Singh, 1997; Dushnitsky and Klueter, 2016). As illustrated in the previous section, scholars have applied the resource-based approach to evaluate a firm's capability to redeploy resources dynamically in the face of uncertainty (Daniels *et al.*, 2004; Kulatilaka and Marks, 1988) Some scholars have also extended Penrose (1959), indicating that resource fungibility increases a firm's likelihood of resource redeployment (Giustiziero *et al.,* 2023; Levinthal and Wu, 2010). In real options theory, resource fungibility enables a firm with real options to switch inputs or outputs (O'Brien and Folta, 2009; Vassolo *et al.,* 2014). Therefore, fungibility provides a firm with the potential to redeploy resources.

The second factor is a firm's experience with redeployment. Based on experiential learning, a firm may not immediately succeed after reorganization but may learn from its experience (Karim, 2009; Lant and Mezias, 1992). A firm with redeployment experience is more likely to subsequently redeploy its resources. For example, executives with turnover experience possess knowledge and information gained from their past roles. These executives are often assigned to business units of similar structural composition where they can better utilize their experiences and promote further redeployments based on those experiences (Karim and Williams, 2012; Reuer and Sakhartov,

2021). Through repeated redeployment, firms accumulate experiential knowledge that shapes future redeployment decisions. Chandler (1962) examined the growth trajectories of major U.S. industrial firms and showed how they redeployed capital, managerial talent, and operational capabilities as they diversified or expanded geographically. Notably, redeployment is not costless and involves adjustment costs, opportunity costs, retraining costs, and the movement of capital (Argyres *et al.,* 2019; Penrose, 1959). Nevertheless, prior experience helps firms learn to minimize these costs. For example, Helfat and Eisenhardt (2004) show that firms with dynamic capabilities developed through prior experience can quickly and effectively redeploy resources. In addition, real options theory suggests that after making initial investments, firms can apply their learning to follow-up investments (Kulatilaka and Marks, 1988; Trigeorgis and Reuer, 2017). If firms learn from prior redeployments, they can benefit in future redeployments, thereby increasing the likelihood of successful resource redeployment.

Relatedness[6] between businesses in a multi-business firm is the fourth factor in resource redeployment. Relatedness includes the similarity of resource requirements between businesses (Rumelt, 1974, 1982), enabling the redeployment of resources from one business to another within a multi-business firm. Relatedness between businesses encompasses technological similarity and market-relatedness (Colombo and Rabbiosi, 2014; Rosenkopf and Almeida, 2003). The technological similarity between the two businesses facilitates more informal interactions between

[6]Resource relatedness can enhance redeployability by reducing redeployment costs required to retrain employees and adjust plants and equipment to make them applicable to the alternative business. Synergy is achieved when resources are shared across businesses, whereas redeployment requires the withdrawal of resources from one business to another. Because synergy adds economic value when resources are shared contemporaneously across businesses, resource withdrawal in resource redeployment compromises the economic returns from synergies. Conversely, because redeployment requires the withdrawal of resources from one of the businesses, pursuing synergy compromises redeployment (Sakhartov, 2017; Sakhartov and Folta, 2014). That said, strictly speaking, relatedness between two businesses does not have a straightforward positive effect on the likelihood that the firm will redeploy resources between them. However, this paper's prediction for the monotonic positive effect of relatedness on the likelihood of redeployment stands if the firm initially was only in one of the two industries and, thus, does not have to compromise sharing with redeployment simply because sharing was not used. We thank our Senior Reviewer here.

the scientific communities, enhancing the diffusion of proprietary knowledge (Whittington *et al.*, 2009; Zaheer and Bell, 2005). Moreover, market-relatedness enables businesses to leverage activities, processes, and competencies, reduces the costs of entering a new business, and identifies and accesses external information signals (Bergh *et al.*, 2008; Lee and Parachuri, 2016). Further, the relatedness of resources enhances the process of knowledge transfer, reduces costs of resource redeployment required to retain employees and adjust plant and equipment to make them applicable in an alternative market, and has the potential to resolve information asymmetries to enhance economic performance (Helfat and Eisenhardt, 2004; Sakhartov and Folta, 2014). In addition, Sakhartov (2017) maintains that redeployment costs are low when there is high relatedness between businesses.

A firm's previous performance is another factor that influences a firm's resource redeployment. From a single firm's perspective, previous performance can act as feedback to prior actions and as a signal for stakeholders' assessment of multi-business firms (Roberts and Dowling, 2002). Some scholars have maintained that a firm is more likely to redeploy resources when there is a performance gap with the firm's performance falling below its aspiration level (Cyert and March, 1963; Park, 2007). In that case, the performance gap will motivate a firm to redeploy its resources and businesses and search for solutions to reduce the performance gap (Fombrun and Ginsberg, 1990; Parker *et al*., 2016). Hence, when a performance gap exists between a firm's actual performance and its aspiration level, it is more likely to engage in resource redeployment (Dothan and Lavie, 2016; Vidal and Mitchell, 2015). For redeployment across firms, the receiver's performance may be another factor that influences the redeployment decision of the giving firm.

External uncertainty can increase and decrease the likelihood that a firm will redeploy its resources. Turbulence in the environment gives rise to several types of unpredictability, including

technological uncertainty, customer demand uncertainty, the uncertain behavior of competitors, and environmental shocks (Balakrishnan and Wernerfelt, 1986; Pavlou and Sawy, 2010). Regarding the positive effect, uncertainty may create valuable options to switch (Baldwin and Ruback, 1986; Trigeorgis, 1996). When there is uncertainty about the inflation rate, firms and individuals may switch their investments to short-lived assets. Skill-based technological revolutions also trigger the reallocation of labor from slow- to fast-learning workers (Caselli, 1999; Goldin and Katz, 1998). Technological progress can eliminate obsolete jobs and cause higher unemployment (Boone, 2000; Michelacci and Lopez-Salido, 2007). Additionally, the uncertainty of new product introductions induces firms to develop general capabilities that enable them to recombine and redeploy their resources (Craig, 1996; Teece *et al.*, 1997). Market turbulence and demand uncertainty can increase a firm's likelihood of developing new products and repositioning existing ones (Aggarwal and Wu, 2015; Sanchez, 1999). Regarding the uncertain behavior of competitors, the dissolution of a rival firm may increase the probability for a surviving firm to establish a new organization by redeploying its current resources (Agarwal and Gort, 1996; Carnahan, 2017). Some environmental shocks, such as trade shocks, influence a firm's decision to reallocate resources toward business units affected by the trade shock and away from other business units (e.g., Stagni *et al.,* 2020). Another environmental shock, such as a terrorist attack, also disrupts the firms' operational process and could promote the mobility and reallocation of inventors among firms (e.g., Fich *et al.,* 2023). Moreover, uncertainty prompts firms to value flexibility and options to switch (Belderbos and Zou, 2009; Belderbos *et al.*., 2014). Consequently, volatile environments cause a firm to redeploy its resources to more attractive opportunities, thereby increasing its likelihood of redeployment.

Regarding the adverse effects of uncertainty, managers in uncertain environments typically need to adjust their strategic approach. However, firms cannot afford to redeploy resources under high uncertainty due to increasing risks and potentially substantial losses (Friesen and Miller, 1986; Noda and Bower, 1996). Thus, environmental uncertainty can reduce a firm's likelihood of redeploying resources. For example, uncertainty and ambiguity are typically high in new businesses (Lee and Parachuri, 2016; Mosakowski, 1997), increasing a firm's transaction costs of redeploying resources. Moreover, some uncertainty shocks, such as the Cuban missile crisis, OPEC price shock, political assassinations, and terrorist attacks, may decrease the rate of redeployment since productivity growth typically falls after the shock (Allison, 1969; Bloom, 2009). In summary, up to an intermediate level of uncertainty, it increases a firm's option to switch (i.e., redeploy) certain capital towards R&D; however, too high a level of uncertainty impedes the firm's ability to change, resulting in the firm choosing to wait.

Forms and Process of Resource Redeployment

Most previous studies have discussed redeployment as a single firm's action, emphasizing the ownership aspect of redeployment, in which resources are owned and/or controlled by a focal firm (Karim, 2006; Levinthal and Wu, 2010). However, some studies discuss redeployment across firms that a focal firm can access without ownership, such as redeployment in mergers and acquisitions (Anand and Singh, 1997; Capron, 1999). For example, resource redeployment is 'the use by a target or acquiring the business of the other business's resources, which may involve the physical transfer of resources to new locations or sharing resources without physical transfer' (Capron *et al.*, 1998: 631). Redeploying resources from one business to another may cause high costs arising from conflicts of interest (Dye, 1986; Slovin and Sushka, 1998). However, a reorganization following horizontal acquisitions can reduce such costs. The acquirer will redeploy

resources during the post-acquisition period, including reallocating resources from low-value uses to high-value uses and recombining existing and new resources after the reallocation.

A focal firm could also redeploy resources from previous contracting partners or employees. For example, studies consider resource allocation from suppliers to buyers (Carnahan and Somaya, 2013; Mawdsley and Somaya, 2021; Moeen *et al.,* 2013). Other studies focus on employee mobility, which leads to the transfer of resources, knowledge, and routines from the source firm to the destination firm (Dokko and Rosenkopf, 2010; Mawdsley and Somaya, 2016; Somaya *et al.,* 2008; Song *et al*., 2003; Wezel *et al*., 2006). A recent study also found that human resource redeployment in the labor market is more valuable when the output is sensitive to worker skills (Chauvin et al., 2024).

Regarding the redeployment process, only a few scholars have examined it through case studies. Two examples are provided here. First, Hannah, Bremner, and Eisenhardt (2016) present a case study of an entrepreneurial firm in the U.S. residential solar industry, showing that resource-constrained firms are more likely to redeploy resources and that intertemporal economies can be particularly valuable for entrepreneurial firms due to their limited resources. Second, Rindova, Martins, and Yeow (2016) investigated the dynamic resource reconfiguration processes of Yahoo and Google from 1995 to 2007 and identified three types of resource reconfigurations in firms: internal deployment, acquisitions, and partnering. In addition, following Teece's (2007) framework, the reconfiguration processes at Yahoo and Google involve opportunities for sensing, seizing, and sustaining in seeking to achieve superior performance. Our systematic review indicates that further research is needed to examine the processes of redeployment thoroughly.

Consequences of Resource Redeployment

This section considers the second question concerning the *consequences* of resource redeployment. We use a firm's economic performance to represent the main consequence of resource redeployment. Since the concept of the opportunity cost is critical for assessing resource redeployment, we suggest using such measures as economic value added (EVA), net present value (NPV), and Tobin's Q to measure economic performance: each of these measures considers the opportunity cost (Hawawini *et al*., 2003; Smit and Trigeorgis, 2017; Testoni, 2022). This systematic review finds that resource redeployment affects a firm's economic performance in at least two ways. First, resource redeployment has a substantial direct effect on the firm's economic performance. Second, resource redeployment serves as a mediator with an inferred impact on a firm's performance. For the second mechanism, certain antecedents may enhance a firm's ability to redeploy its resources, thereby impacting its economic performance.

The main reason for research articles discussing the direct effect of resource redeployment is that it enables firms to benefit from greater efficiency due to the redeployment of capital to more productive establishments (Olley and Pakes, 1996; Williamson, 1996). In the resource-based approach, the behavior of recombining existing resources involves a set of processes with which firms restructure their resource portfolios, bundle resources, and transfer them into capabilities, as well as leverage those capabilities to create economic value (Karim and Capron, 2016; Sirmon, *et al.*, 2007). Firms can develop the capability of recombining and redeploying resources, and firms that redeploy resources can further develop these capabilities based on their experiences. Recombining existing resources into new capabilities can be especially useful in the internal development of new products (Eisenhardt and Martin, 2000; Morrow *et al.,* 2007). Moreover, in dynamic markets, organizations learn to use resources and capabilities in new combinations, learn

new skills, and find new opportunities by reconfiguring business units and resources (Galunic and Rodan, 1998; Kogut and Zander, 1992). Based on transaction costs theory, reconfiguring a firm's business units allows it to become more autonomous and reduce coordination costs (Karim, 2006, 2009), thereby increasing its economic performance. Furthermore, from a real options lens, redeployment can reduce the adverse effects caused by risks (Folta *et al*., 2016; Trigeorgis and Reuer, 2017). To conclude, a firm can enhance its redeployment capability as it redeploys its resources; resource redeployment can reduce coordination costs and mitigate the adverse effects of risks, thereby positively impacting a firm's economic performance.

Scholars also discuss that resource redeployment following horizontal acquisitions could increase the efficiency and effectiveness of the merged firm (Capron, 1999; Chatterjee, 1986). First, acquisitions could enable the acquirer to obtain resources that are difficult to transfer in the open market (Capron and Hulland, 1999; Keum, 2023). Thus, the redeployment of resources from the acquirer to the target, or vice versa, can create additional economic value in the acquisitions (Capron, 1999; Chatterjee, 1986). Second, a horizontal acquisition is influenced by the ability to enhance revenues by accessing complementary resources. If a firm can redeploy its resources to serve new markets and recombine its existing resources with complementary assets of the acquired firm, then its subsequent performance can be improved (Anand and Singh, 1997; Teece, 1986).

Although resource redeployment directly affects a firm's economic performance, most previous articles have focused on the inferred impact of resource redeployment, regarding it as a bridge linking the antecedents and the outcome of a firm's performance. With such inferred effects, some antecedents could increase the likelihood of a firm redeploying resources, further enhancing its economic performance following the redeployment. For example, firms with fungible resources can redeploy resources to grow businesses and better survive. Firms with high relatedness among

their product lines create and share unique knowledge and establish market power in a few industries (Hill and Hoskisson, 1987; Montgomery, 1985). Consequently, resource-relatedness increases redeployability and, in turn, increases a firm's performance.

Moderators

Environmental uncertainty is both an antecedent of redeployment and a moderator of the relationship between redeployment and firm performance. This uncertainty increases the positive effect of redeployment on firm performance. Firms with sufficient resources and more options are more capable of dealing with economic downturns or radical environmental changes (Honig, 2001; Li and Chi, 2013). Moreover, environmental uncertainty enhances the relative advantage of firms with multiple businesses, providing options and flexibility (Dickler et al., 2022; Santamaria, 2022).

A network of collaborative interactions is another moderator. A collaborative network is essential in knowledge-intensive firms as it enables the transfer of knowledge among employees (Carnabuci and Operti, 2013; Tsai, 2001). Knowledge is often tacit and embedded in personnel. Thus, the process of knowledge transfer is often complex and costly. However, the stickiness of knowledge can be mitigated through strong collaborative ties (Hansen, 1999; Szulanski, 1996). Strong and collaborative ties among employees can increase the potential of knowledge transfer through resource redeployment in at least two ways. First, collaborative networks provide opportunities for joint problem-solving among employees, which can facilitate the transfer of knowledge and mitigate conflicts among team members. Second, a high level of collaborative ties can stimulate stronger integration within a firm (Granovetter, 1973; Johnson *et al.*, 2006), increasing employee trust and the possibility of knowledge sharing and resource transformation. Additionally, the more connected the top management team and business units are, the more integrated the collaborative network becomes (Gaspar and Massa, 2011; Vieregger et al., 2017).

Thus, the network of collaborative ties among employees within a firm facilitates knowledge transfer between businesses, which positively moderates the relationship between redeployment and a firm's economic performance.

DISCUSSION[7]

The following section provides additional factors that could be further examined in management when resources can be accessed without ownership. In addition to what we already know in the management field, as discussed in the previous section, several topics related to resource redeployment are also covered in other disciplines that are not well understood in the management field. Most redeployment studies in management focus on redeploying resources owned and/or controlled by a focal firm, but relational contracting is typically neglected (Ao, 2023). A focal firm could also redeploy resources it does not own, such as previous contract partners. Similar to the relational view in corporate strategy (Dyer and Singh, 1998; Feldman, 2020), firms can coordinate relationships with other firms and deploy and redeploy resources that are part of those relationships. Some streams of literature have also applied the concept of redeployment in the inter-firm context. For example, Giarratana and Santaló (2020) analyze firms in the retail industry that reallocate shelf space that the firm does not own. Chondrakis and Sako (2020) focus on the possibilities of resource redeployment from external suppliers to the focal firm, which expands the previous assumption of a fixed firm boundary. Moreover, Schillebeeckx, Lin, George, and Alnuaimi (2021) consider unreported regressions concerning results about external knowledge reuse. Occasionally, firms may deploy and redeploy resources from other companies as they span their boundaries (Grimpe and Kaiser, 2010; Teece, 1986). For example, a focal firm may acquire technological resources externally as technological knowledge becomes more diverse

[7] We thank the anonymous reviewer for providing suggestions and insights about future research directions.

in the external market. Thus, a focal company could redeploy resources from previous contract partners or employees. A small number of sellers and more relationship-specific investments increase switching costs to other exchange partners, and thus, the focal firm is somewhat locked in. This situation enables sellers to behave opportunistically and to take advantage of the focal firm (Williamson, 1985, 1996). Alternatively, with many sellers offering identical or similar intermediate products and services, the focal firm has access to competitive markets and alternative sources, which can lower its switching costs and thus protect it against opportunistic behavior.

The following section presents several research questions for the future of resource redeployment. We seek to provide guidance for future research studies on redeployment, including its antecedents, processes, and consequences at the individual, firm, and macro levels.

Individual level. Entrepreneurs or managers are typically the decision-makers for redeployments. Factors influencing their decisions may include their experience in multiple businesses, as well as their characteristics and the environmental contexts in which they operate. Entrepreneurs owning multiple businesses or firms may redeploy human and capital resources from one business to another (e.g., Santamaria, 2022). Some managers with political and bargaining power may act differently (Habib and Johnsen, 1999; Keum, 2023). In addition, Adhvaryu, Kala, and Nyshadham (2022) find that managers seek to mitigate the negative impacts of air pollution by reallocating sensitive workers to other tasks since air pollution may affect the productivity of some workers.

Nevertheless, sometimes a managerial dilemma arises when there is a conflict between the market's evaluation of redeployment and managers' economic valuation of redeployment. For example, even when managers have no redeployment experience, if they perceive a positive NPV

of redeployment, the stock market may still react negatively. Some research questions are provided below:

- What are the factors that influence the entrepreneurs' decisions of redeployment?
- When does a managerial dilemma take place? How do we evaluate redeployment decisions?

Firm level. Empirical studies on the effect of organizational design on resource redeployment are still a black box. Using secondary data to measure organizational design or corporate incentives can be challenging, but surveys or theoretical arguments in future studies may provide some relief. Future studies could explore how modular and loosely coupled organizational forms influence a firm's decision in redeployment. Furthermore, as the technological change in digitization has transformed many industries (Benner and Waldfogel, 2023; Hanelt *et al.*, 2021; Helfat *et al.,* 2023), digitization becomes a potentially critical factor that can influence a firm's decision to redeploy resources from other firms, such as their previous contract partners. Based on the relational view in corporate strategy (Dyer and Singh, 1998; Feldman, 2020), firms can coordinate relationships with other firms and redeploy resources that are part of those relationships. More research is needed on digital platforms and artificial intelligence (Adner *et al*., 2019; Helfat *et al.*, 2023). Platforms are two-sided or multi-sided markets (Hagiu, 2006; Rietveld and Schilling, 2021). Thus, resources are redeployed across participants on platforms.

Another question to explore under the antecedent of redeployment is the composition of resources in the digital era. Previous research studies on redeployment have primarily focused on the composition of traditional resources, including physical, human, financial, and organizational resources. However, resources under digitization encompass both traditional and digital resources. Du (2015: 831) emphasized the effect of acquirers' digital resource redeployment on targets' performance and defined digital resources "as any resources that can be expressed in 0/1 format,

including primarily software, but also data, business rules, processes, and user identities codified in software." Digital resources possess affordance, generativity, and openness (Nambisan *et al*., 2019; Yoo *et al.*, 2012). These characteristics enable digital resources to combine with physical resources and to be continuously augmented with new features, thereby enhancing the functionality of physical components. Additionally, the combination of resources alters the continuous process of redeployment. There is the integration of existing and new resources, the consolidation of traditional and digital resources, and the iteration and updating of resources as new opportunities emerge during development.

Helfat and colleagues (2023) discussed important aspects of advancing research in the digital era. In non-digital contexts, resource redeployment and resource sharing are distinct concepts. However, in digital contexts, resource redeployment and resource sharing can coexist, though they still differ. For example, in a platform setting, the platform owner redeploys its core resources to co-develop opportunities with complementors while multiple complementors share the interface the platform owner provides. We suggest two main differences between resource deployment and resource sharing that reside in aspects of time and control over resources. First, resource redeployment involves a time lag in which resources are redeployed after an initial deployment.

In contrast, resource sharing can occur simultaneously. Second, resource redeployment involves resources either owned or controlled by the firm or those controlled through a contract. In resource sharing, there are only usage rights, but not control rights.

The new context of digitization also influences the redeployment process. Similar to Sirmon, Hitt, Ireland, and Gilbert's (2011) process of asset orchestration, redeployment is a process that may include search, selection, reallocation, and recombination. The digitization of

businesses reduces information asymmetry and other potential market frictions, thereby enhancing the efficiency of redeployment (Amit and Han, 2017; Barua *et al.*, 2004). It enables firms to collect and analyze vast amounts of data related to their products and services, helps manage firms' talent systems, and allows for virtual collaborations and communications across different locations.

For firms that have other resource allocation strategies, redeployment may interact with different strategies. For example, redeployment is an option for a firm to exit an existing business (Chandler, 1962; Penrose, 1960), and divestiture is an option for a firm to remove a current business or subsidiary (Corredor and Mahoney, 2021; Mitchell, 1994). Vidal (2021) suggests that divestitures have the potential to free managerial capacity and non-scale free resources, but it is unknown whether those resources are reinvested within the organization. In addition, Feldman and Sakhartov (2021) encourage scholars to examine the role of time in resource redeployment and how the sequencing effect of timing affects the outcome of renewal and suggest that only Lieberman, Lee, and Folta (2017) empirically tested the role of time in redeployment and found firms exit old businesses and enter new businesses faster when these businesses are related. Previous research studies often consider a focal firm's economic performance as the consequence of resource redeployment. For platforms, the consequence of resource redeployment may be a decline in the overall platform performance. For example, Li, Shen, and Bart (2021) examine the differences between redeploying resources in non-platform firms and platform firms, maintaining that non-platform firms invest more and redeploy resources toward products with higher growth potential. In contrast, platform firms redeploy resources toward the platform as a whole.

Moreover, the measurement of redeployment still requires further development. Most management studies use the firm as the unit of analysis in empirical studies (Anand and Singh, 1997; Chun *et al*., 2015; Lee and Parachuri, 2016). However, following the resource-based

approach, the resource is the unit of analysis, and thus, empirical research needs to use the resource as the unit of analysis for corresponding measurements. Some potential research questions requiring both theoretical development and empirical testing include:

- How does organizational design affect resource redeployment?
- How does digitization influence a firm's redeployment decision?
- How does the combination of traditional resources with digital resources influence a firm's decision to redeploy resources?
- What are the differences between resource redeployment and resource sharing under digitalization?
- What is the process of redeployment? How does digitization change the process?
- How does resource redeployment interact with strategies such as divestiture?
- How do firms manage the timing of redeployment?
- What is the effect of redeployment under digitization? How do we measure redeployment?

Macro-level. Economics and finance scholars discussed the redeployment of resources from a government perspective, including factors such as changes in industry life cycles and governmental policies. For example, Tate and Yang (2015) suggest that workers transition across industries where more diversified firms operate, as they tend to have higher labor productivity. Dent, Karahan, Pugsley, and Şahin (2016) maintain that labor reallocation from one sector to another occurs due to cross-sector life cycle differences. Some governmental policies, such as minimum wage regulation, could also influence a focal firm's resource redeployment. For example, raising the minimum wage regulation led to a reallocation of low-wage workers from smaller firms to larger firms or lower-paying to higher-paying firms (e.g., Dustmann *et al*., 2022). Bank credit expansion is another type of government policy. Fonseca and Van Doornik (2022) found that bankruptcy reform expanded bank credit in Brazil, which increased the reallocation of skilled labor

from financially unconstrained firms to previously highly constrained firms. To extend the existing literature, management scholars could consider redeployment across industries and its consequences. Some research questions are:

- How do factors of industry life cycle changes and governmental policy influence redeployment at the macro level?
- What are the effects of redeployment on economic and social values?

CONCLUSION

Overall, this paper contributes to the resource redeployment literature by providing a more comprehensive definition of redeployment that encompasses both the redeployment of resources owned and/or controlled by a focal firm, as well as the redeployment of resources that can be *accessed* without ownership. This paper also contributes to the extant literature on resource redeployment by providing a new and more comprehensive framework to connect antecedents and consequences of redeployment. Moreover, this systematic review enables replication by future studies in the review of resource redeployment. It offers theoretical development and empirical opportunities for scholars to examine further topics related to resource redeployment, as outlined in the research questions presented in this paper.

This paper has its limitations. First, it utilizes the term "resource redeployment" as a general term that encompasses the processes of reallocation, recombination, and reconfiguration. Although previous articles and this systematic review have used keywords such as ‘reconfiguration,’ ‘redeployment,’ and ‘recombination’ interchangeably, they may have nuanced differences. Future studies could use specific keywords in reviewing articles and explore differences among the concepts of ‘reconfiguration,’ ‘redeployment,’ and ‘recombination.’ Second, the framework of this paper primarily contributes to integrating the antecedents and consequences of resource redeployment but may neglect critical processes of redeployment, such as selecting resources to

be redeployed, reallocating those resources, and recombining existing resources with new ones. Therefore, future research studies are encouraged to investigate the processes of resource redeployment through case studies and other qualitative research methods.

This paper systematically reviews the antecedents and consequences of resource redeployment over the past fifty years. Aligning with Feldman's (2020) corporate strategy framework, redeployment encompasses redeploying resources within firm boundaries, redeploying resources from other firms across firm boundaries, and redeploying resources through mergers and acquisitions. Nevertheless, there is a lack of research studies examining the redeployment of resources that can be *accessed* without ownership. In particular, we call for future research to investigate the phenomenon of reusing resources without ownership, exploring the factors that could lead to a firm's decision to redeploy resources from external resource holders and examining the differences between redeploying resources within firm boundaries and across boundaries. It is hoped that this systematic review will help integrate research studies on resource redeployment, advancing further the development of theory, empirical research, and managerial practice.

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TABLE 1

Three Rounds of Article Selection

Keywords	*Web of Science*	*Scopus*	*Business SourceUltimate*
1. resource redeploy*	79	81	24
2. asset redeploy*	35	27	32
3. redeploy*	113	107	105
4. reallocat*	259	252	306
5. recombin*	185	186	197
6. reconfigurat*	127	102	95
7. switch* option	45	38	57
Sum	843	793	816
Total initial sample size: **2,452** published articles			
↓			
Total sample size after removing redundant articles: **957** published articles			
↓			
Total sample size after removing irrelevant articles: **855** published articles			
↓			
Total sample size after removing articles based on level of analysis: **463** published articles			
↓			
Total sample size after applying the criteria: **238** published articles			

TABLE 2

Theoretical Perspectives and Arguments

Theories (Assumptions)	Keywords	Definitions and Arguments Applied to the "Redeployment" Literature	Exemplar Articles
Resource-based Approach The resource-based approach assumes that firms possess resources with different characteristics, which are unevenly distributed among close competitors. This perspective suggests that controlling valuable and scarce resources can influence a firm's behavior and performance outcomes.	Fungibility of resources	Anand and Singh (1997) define resource fungibility as a firm's ability to redeploy its resources across different markets. A resource considered "fungible" is, by definition, more easily transferable between stages of production or across markets.	Anand, Kim, and Lu (2016) Anand and Singh, (1997) Daniels, Mazzola,and Shi, (2004) Dushnitsky and Klueter (2016) Kulatilaka and Marks (1988) Nason and Wiklund (2018)
	Recombinative organizational form	Martin and Eisenhardt (2004) define recombinative organizational forms as modular structures and processes that enable firms to exit declining markets more easily, explore new opportunities through experimentation, and capture value by combining or reconnecting resources. As a result, firms using such organizational forms are more likely to redeploy resources across different stages of production or into new markets.	Martin and Eisenhardt (2004)
	Redeployable slack	Lu, Liu, and Osiyevskyy (2022) define redeployable slack as the excess resources that a firm can quickly and efficiently reallocate to different projects or areas of the business. Thus, a firm with redeployable slack is more likely to redeploy resources.	Lu, Liu, and Osiyevskyy (2022)
	Capabilities	Karim (2006) defines redeployment capabilities as a firm's ability to reallocate resources such as personnel, technology, or capital from one business unit to another. Organizations learn to reconfigure or redeploy their resources, utilizing them in new combinations, learning new skills, and discovering new opportunities.	Helfat et al. (2023) Karim (2006) McGrath and Singh (2016)

Transaction Costs Theory Transaction costs theory, applied in resource redeployment, proposes that transaction costs include investment, costs, retraining costs, adjustment costs, switching costs, and irreversible (sunk) costs due to high asset specificity.	Redeployment costs	Bernardo, Fabisiak, and Welch (2020) define the costs associated with redeployment as moving costs, reprogramming, worker retraining, and coordination with other complementary assets.	Abernathy et al. (1973) Anand, Oriani, and Vassolo (2007) Argyres, Mahoney, and Nickerson (2019) Bensaou and Anderson (1999) Bernardo, Fabisiak, and Welch (2020) Bester (1988) Evans (1970) Foss (2003) Maritan and Lee (2017)
	Opportunity costs	Levinthal and Wu (2010) emphasize that diversification decisions to maximize profits should consider the opportunity cost of using resources in one area versus another. Wu (2013) further maintains that while scale-free capabilities are constrained by their fungibility, they do not require allocation based on opportunity costs. In contrast, non-scale-free capabilities suggest that diversification decisions are influenced by the relative maturity of the firm's current market versus alternative markets, as this affects the opportunity costs associated with deploying those capabilities.	Levinthal and Wu (2010) Wu (2013)
Real Options Theory The real options theory maintains that a firm has a portfolio of options, which provides a firm with the real options to defer, abandon, switch inputs or outputs, expand current investment via growth, or switch current investment to an alternative use.	Redeployability	Sakhartov and Folta (2014) define redeployability as an option to withdraw resources from one product market and transfer them to another.	Sakhartov (2017, 2018) Sakhartov and Folta (2014, 2015)
	Option to switch	Kamrad and Siddique (2004) define the option to switch as redeploying inputs and outputs and shifting operating activities. For example, producers have options to switch between suppliers under uncertainty in exchange rates. The portfolio of options provides more opportunities for a firm that confers the right, but not the obligation, to shift operating activities in response to changes in environmental conditions and to reduce downside risk.	Belderbos, Tong, and Wu (2014) Kamrad and Siddique (2004) Kogut (1990) Trigeorgis (1996) Trigeorgis and Reuer (2017) Sakhartov (2022)

TABLE 3

Propositions

Proposition 1: *Ceteris paribus*, an increase in a firm's resource fungibility increases the firm's likelihood of redeploying resources.

Proposition 2: *Ceteris paribus*, an increase in a firm's redeployment experience increases the firm's likelihood of redeploying resources.

Proposition 3: *Ceteris paribus*, an increase in a firm's relatedness between businesses increases the firm's likelihood of redeploying resources.

Proposition 4: *Ceteris paribus*, an increase in the relatedness between a local firm and a target firm increases the local firm's likelihood of redeploying resources.

Proposition 5: *Ceteris paribus*, an increase in a firm's previous performance gap, increases the firm's likelihood of redeploying resources.

Proposition 6: *Ceteris paribus*, a firm is more likely to redeploy resources when it experiences an intermediate level of uncertainty in the external environment.

Proposition 7: *Ceteris paribus*, an increase in the redeployment of a firm's resources increases the firm's economic performance.

Proposition 8: *Ceteris paribus*, the number of previous collaborative interactions of a firm's employees positively moderates the relationship between the firm's redeployment and its economic performance.

Proposition 9: *Ceteris paribus*, the level of uncertainty in the external environment positively moderates the relationship between the firm's redeployment and its economic performance.

FIGURE 1
The Framework of Resource Redeployment