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DECONSTRUCTION OF ABSORPTIVE CAPACITY AND ITS APPLICATIONS

Abstract:

Absorptive Capacity (ACAP) is a central construct in several areas of organization studies, e.g., strategic management, new product development, and organizational learning. The most prominent objective dimensions of ACAP are the exploratory learning—acquisition and assimilation of knowledge, transformative learning—maintaining the acquired knowledge over time, and exploitative learning—applying such knowledge to achieve superior performance (Garud & Nayyar, 1994; Lichtenthaler, 2009; Zahra & George, 2002). Recently, much has been investigated on the effect of these well-established dimensions of ACAP on firms' innovation and performance.

Yet, despite a few attempts (e.g., Matusik & Heely, 2005; Vasudeva & Anand, 2011), existing literature stops short of offering other dimensions of ACAP, especially the dimensions that could represent managerial perceptions of the construct's attributes. Quite likely, organizations' failure to understand the managerial perceptions of ACAP or effectively anticipate it in their routines may account in part for loss of their organizational and individual learning, thereby diminishing their future economic performance. In addition, there is limited research on a marketing context of ACAP though market knowledge is also a critical component of a firm's ACAP. In seeking to address these shortcomings, this study intends to explore, clarify, and explicate other plausible dimensions of ACAP while extending the scope of ACAP beyond technology-related context. The study offers an exploratory study, using in-depth interview and online survey, to both qualitatively and quantitatively investigate the richness and multidimensionality of the concept including its implications on firms' knowledge creation outcomes from managerial viewpoints.

Keywords:

absorptive capacity; routines; extra-work; supportive organizational culture; trustworthiness of source; knowledge-oriented leadership; knowledge creation

JEL Classification: M10, C30, L20