

Association for Information Systems

AIS Electronic Library (AISeL)

AMCIS 2021 TREOs

TREO Papers

8-9-2021

Exploring the dynamics of the relationship between IT-enabled absorptive capacity, innovation openness and innovation performance: Evidence from SMEs

Seyed Mahdi Bohloul

Old Dominion University, sbohl001@odu.edu

Follow this and additional works at: https://aisel.aisnet.org/treos_amcis2021

Recommended Citation

Bohloul, Seyed Mahdi, "Exploring the dynamics of the relationship between IT-enabled absorptive capacity, innovation openness and innovation performance: Evidence from SMEs" (2021). *AMCIS 2021 TREOs*. 56. https://aisel.aisnet.org/treos_amcis2021/56

This material is brought to you by the TREO Papers at AIS Electronic Library (AISeL). It has been accepted for inclusion in AMCIS 2021 TREOs by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

Exploring the dynamics of the relationship between IT-enabled absorptive capacity, innovation openness and innovation performance: Evidence from SMEs

TREO Talk Paper

Seyed Mahdi Bohloul
Old Dominion University
Sbohloo1@odu.edu

Abstract

Absorptive capacity, as an influential factor in organizational success, is defined as the firm's ability to identify, assimilate, and apply new and valuable external knowledge (Cohen and Levinthal, 1990). It is believed that absorptive capacity can fortify and complement firms' knowledge base (Zahra and George, 2002). Absorptive capacity includes two subsets of potential and realized capacities. The former (potential) is related to the firm's capabilities of knowledge acquisition and assimilation and the latter (realized) implies capabilities of knowledge transformation and exploitation. Given the rapid diffusion of information and communication technologies in the firms, IS scholars have introduced the concept of IT-enabled absorptive capacity which refers to firms' ability in utilizing IT-based resources in order to acquire, assimilate, transform and exploit external knowledge (Cui *et al.*, 2018). While numerous empirical studies have been done on IT-enabled absorptive capacity (e.g., Chang *et al.*, 2019), its relationship to the firm's innovation performance is under-researched. Besides, little is known about how innovation openness can be influential in this relationship. Due to the undeniable role of innovation in improving the survivability of small and medium-sized enterprises, therefore, this study will utilize theories of knowledge-based view, dynamic capabilities, and absorptive capacity to hypothesize these relationships. To this end, a secondary dataset of manufacturing SMEs will be used to test the hypotheses. The results are expected to shed more light on the role of IT-enabled absorptive capacity in triggering innovative activities of manufacturing SMEs.

REFERENCES

- Chang, Y., Wong, S. F., Eze, U., and Lee, H. 2019. "The effect of IT ambidexterity and cloud computing absorptive capacity on competitive advantage," *Industrial Management & Data Systems* (119:3), pp. 613-638.
- Chen, M., Tang, X., Liu, H., and Gu, J. 2019. "Supplier Concentration and Financial Performance: The Moderating Role of IT-enabled Absorptive Capacity," In *PACIS* (p. 224).
- Cohen, W. M., and Levinthal, D. A. 1990. "Absorptive capacity: A new perspective on learning and innovation," *Administrative science quarterly* (35:1), pp. 128-152.
- Cui, T., Wu, Y., and Tong, Y. 2018. "Exploring ideation and implementation openness in open innovation projects: IT-enabled absorptive capacity perspective," *Information & Management* (55:5), pp. 576-587.
- Dong, J. Q., and Yang, C. H. 2015. "Information technology and organizational learning in knowledge alliances and networks: Evidence from US pharmaceutical industry," *Information & Management* (52:1), pp. 111-122.
- Zahra, S. A., and George, G. 2002. "Absorptive capacity: A review, reconceptualization, and extension," *Academy of management review* (27:2), pp. 185-203.