

Managing Absorptive Capacity by Dr. Surasvadee Rajkulchai

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SURASVADEE RAJKULCHAI: MANAGING ABSORPTIVE CAPACITY: THE EFFECT OF SPILLOVER CHANNEL MECHANISM AND THE IMPACT ON INNOVATION. THESIS ADVISOR: ASST.PROF.PAKPACHONG VADHANASINDHU, D.B.A., THESIS CO-ADVISOR: PROF. ACHARA CHANDRACHAI, PH.D. 297 pp.

Absorptive capacity is important to a firm and plays a crucial role in the acquisition, assimilation, transformation and exploitation of knowledge from outside firm boundaries and thereby enhances competitiveness. Despite its importance, it is seldom a focus and sometimes even overlooked until there was a reconceptualization of the concept and formation of a proposed absorptive capacity model. The model itself, however, contains some gaps such as the clarity of its dimensions, its importance as mediator, an empirical test for completion of the absorptive capacity reconceptual model, and is particularly lacking a new factor, external knowledge spillovers-.

Drawing on a knowledge spillover framework, this study proposes a 'spillover channel mechanism' as a new factor influencing absorptive capacity. This mechanism consists of cooperation and connectedness and is a specific factor simultaneously representing both cognitive and social aspects. This study posits that the spillover channel mechanism plays a strategic role in directly strengthening a firm's absorptive capacity and indirectly achieving innovation. As such, the study can also concurrently examine the mediation effect power of absorptive capacity. To empirically test the proposed model, data was collected by questionnaires surveying 2,158 electrical and electronics (E&E) firms in Thailand. Structural Equation Modeling statistical analysis is employed on the usable 305 questionnaires to assess construct validity and test the stated hypotheses.

The results indicate that the proposed model of absorptive capacity fits well with the data and three important findings are revealed. Firstly, cooperation, particularly in terms of joint planning and connectedness, especially its strength, are crucial factors directly influencing potential absorptive capacity and indirectly affecting innovation. Secondly, absorptive capacity plays the pivotal role of main mediator, indicating that it is a critical factor for enhancing both marketing and management innovation. Thirdly, the different spiller/source of knowledge spillover has a moderating affect on absorptive capacity. This study contributes to local E&E firms in Thailand, with the results of benefit not only to the recipient firms to allow them to develop strategies for efficient absorption ability from incoming knowledge spillovers, but benefits also the spiller firms and enables them to transform strategies for effective management of outgoing knowledge spillovers.

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