

The Factors Influencing Absorptive Capacity to the internationalization of small-medium enterprises in Thailand

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Abstract

Many years ago, there have many research in field of process of entering the international business. Mainly focused on resource-based theory, resource dependence theory, institutional theory and other theories. Although these theories have many concepts of competitive advantage in a variety of factors but do not focus on how to create and sustain competitive advantage under the dynamic environment .Especially, small firm with limited resources. However, there was study the absorptive capacity (ACAP) for fill this gaps by describes an approach to lead the advantage under complex environment through the firm's operations for they have highly the main performance and can be used appropriate tools, therefore in this paper review the relevant literature to create a competitive advantage through a mechanism in firm under which the compenents of ACAP. The study has follow identified 1) the factors that influence of absorptive capacity, 2) the components of absorptive capacity, 3) assessment tool to measure of ACAP into the international business of small and medium-sized enterprises, which synthesize the insights from review and integrative framework for future work.

Keywords: Factors, Absorptive Capacity, Entry mode, SMEs

1. Introduction

More than 40 years have studies on the internationalization field in order to understand the process of entering the international business of the firm (Fletcher , 2001). While an entrepreneurs of small and medium-sized enterprises (SMEs), in the past few decades has become interested in the international operations increased. It is well known that small and medium business is key to the development of a modern economy. Which is the cornerstone of the private sector that provides employment to more than half of all economic sectors, and has driven the country's economy to grow (Hessels & Parker , 2013). However, small- and medium-sized enterprises, often faced with limited financial and managerial resources for expand into the international market. (Chetty & Campbell-Hunt, 2003) include lack of operations knowledge in the internationalization whole wich related to the different environments (Hessels & Parker , 2013).

In order to examine the environment under constraints of small- and medium-sized enterprises may help to achieve the growth targets when faced with restrictions under dynamics of the environment. Firm therefore need to combine the external knowledge that will bring resources and information for usefull (Hessels & Parker , 2013 ; Street&Cameron,2007 ; Haahti et al.,2005). Although those restrictions are a barrier to growth, but the limits of the resources can be used most effectively to achieve excellent performance (Baker & Nelson,2005 ; George,2005 ; Katila & Shane ,2005 ; Starr & MacMillan,1990). To study the factors that influence business processes across the country to increase participation in their activities abroad as well as foreign markets are complex and multidimensional (Barrett , 1986). Thus, the decision to choose a suitable international market will affect operations and the firm's survival (Quer,Claver, & Andreu, 2007). Consequently have to study the environment and the availability of resources before the operation. These decisions affect to the firm's future and the selection of the country for invest (Brouthers & Hennart,2007 ; Kumar, 2000).

A few years ago, the concept of Absorptive capacity (ACAP) has been used recently to explain phenomenon that occur in the organization and describes the complexity of the operations , undeniable that ACAP is vital that were used in diversity,whether for strategic management (Zahra & George ; 2002 , Lane & Lubatkin,1998), management technology (Schilling ,1998) , international business (Kedia &Bhagat,1988) , economic (Glass &Saggi ,1998). Despite the adoption varies. It is well known that ACAP as a dynamic capability to create and exploit knowledge to enhance the competitiveness and sustainability of firms (Eisenhardt&Martin, 2000 ; Raff ,2000). ACAP is the ability to acquire and transform knowledge which the specific ability of the firm to be used to achieve its goals by Cohen and Levinthal (1990 : 128) , defined as the firm is the ability to recognize the value of new knowledge , external information then assimilate that knowledge and applied to commercial end. It has been recognized that the ability to ACAP like a dynamic ability (Teece,2012 ; Winter ,2003 ; Eisenhardt & Martin,2000). Caused by a combination of the ability to use knowledge resources through mechanisms talent within the firm then cause of the creation,