The effects of Absorptive Capacity on Operational Performance within the Context of Customer-Supplier Relationships

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Companies evolve in an environment characterized by constant innovation and where knowledge is recognized as a strategic resource. Relationships among various business partners constitute a pool of valuable, rare, and inimitable knowledge. The literature nevertheless reveals that the exchange of knowledge is difficult to convert into performance improvement within the framework of customer-supplier relationships. How can this be explained? In this article, we propose a conceptual integrative model suggesting how suppliers can improve their performance through the acquisition of knowledge within the framework of relationships developed with their customers. At the heart of this model, absorptive capacity emerges as a key variable distinguishing firms that have difficulty exchanging knowledge from those with a real aptitude for recognizing the value of new external information, assimilating it, and applying it to maintain a competitive advantage. By adopting the supplier's perspective, this paper offers an innovative perspective on the study of links between absorptive capacity (relative and absolute), knowledge acquisition, and performance improvement.

Introduction

Companies today evolve in an environment characterized by strong competitive pressures and constant innovation. Within this context, knowledge is widely recognized as a strategic resource and crucial to maintaining a competitive advantage (Teece, 1998). A firm’s competitiveness thus depends on its ability to acquire new knowledge, primarily disseminated through its network of business partners (Gulati, 1999). A company’s relationships with actors in its network thus constitute a major source of valuable, rare, and inimitable strategic resources (Gulati et al., 2000). Through its interactions with other organizations, a company can gain access to outside knowledge that cannot be acquired by the market and would be slow and costly to construct in-house (Powell et al., 1996; Hardy et al., 2003). Still, it’s not enough for a firm to belong to a network to profit from the competitive advantage offered by outside knowledge because the exchange of knowledge is limited and difficult to convert into performance improvement.

In this article, we propose to develop an integrative model explaining how suppliers can improve their operational performance through the transfer of knowledge within the framework of relationships developed with their customers. Integrating the knowledge-based view (KBV), we will examine the conditions...
favoring the acquisition of knowledge in the specific context of customer-supplier relationships evaluated from the perspective of suppliers. Our goal is to discuss the effects of absorptive capacity on the supplier’s acquisition of knowledge and performance. In this way, we aim to answer the following question:

- How does absorptive capacity affect the supplier’s acquisition of knowledge and operational performance within the specific context of the customer-supplier relationships that characterize a supply chain?

The unity of analysis of most of the research on absorptive capacity is the firm (Zahra & George, 2002; Jansen et al., 2005). We intend to contribute to the theory on absorptive capacity by examining its implications in the context of relationships in the supply chain. We focus on the customer-supplier relationship from the standpoint of the supplier. For many years viewed simply as a mechanism by which a firm obtains goods and services, the supply chain is now seen as a lever for competitive advantage (Hult et al., 2007). The chain brings together knowledge that could constitute a strong competitive advantage because an organization can acquire and integrate the knowledge it contains through the relationships it maintains within it (Gold et al., 2001). In today’s competitive environment, the management of knowledge throughout the supply chain is more than ever a key factor in performance improvement (Tu et al., 2006). But the sharing of knowledge between business partners is complex and uncertain (Powell, 1998), requiring mechanisms permitting its exchange, retention, and development.

In proposing a model integrating the key variables specific to this problem, our primary objective is to understand how absorptive capacity affects the acquisition of knowledge in the context of customer-supplier relationships. As proposed by Kale et al. (2000), it is necessary to take absorptive capacity into account to improve our understanding of the process of knowledge acquisition. Most studies on this subject have been limited to the context of strategic alliances—particularly joint ventures (Lyles & Salk, 1996; Lane & Lubatkin, 1998). Although customer-supplier relationships have often been placed in the same category as strategic alliances, there are fundamental differences between these two types of inter-organizational relationships (Mayer & Teece, 2008). In particular, the customer-supplier relationship is characterized by a noncompetitive attitude towards learning, entailing a greater symmetry of learning than in other types of alliances (Krause et al., 2007).

The possibility of benefiting from the help of customers to accelerate the acquisition of knowledge represents a sizable challenge for suppliers.

A high percentage of papers have also focused on the role of absorptive capacity in knowledge development in the specific context of R&D or innovation activities (Meeus et al., 2001; Kim & Inkpen, 2005). As noted by Lane et al. (2006), this concept also merits study in other business and inter-organizational contexts. Our second objective is thus to explore the phenomenon of knowledge acquisition in an expanded sphere of activities, that is, the supply chain environment, whatever the sector of activity of the companies in question.

To date, few papers on knowledge acquisition have focused specifically on the content of knowledge, that is, on the nature of the knowledge acquired through business relationships (Lane et al., 2001; Shenkar & Li, 1999). Yet the content of knowledge is fundamental to the knowledge-based view. Because customers represent an important source of knowledge for suppliers (Dyer & Singh, 1998; Dyer & Hatch, 2006), it seems vital to us for suppliers to introduce changes improving their capacity to absorb new outside knowledge through relationships forged with various business partners in their supply chain. Our final objective is thus to understand the relationship between the nature of the acquired knowledge and the improved operational performance of suppliers.

To achieve the objectives we have just stated, we will develop our discussion in four steps, each in a separate section of this article. In the first section, we will first summarize and integrate the literature on the concepts of inter-organizational relationships, knowledge management, and absorptive capacity. In the second section, we will propose a model to help explain the potential relationships among the various variables being studied: the nature of the relationship, absorptive capacity, the content of the knowledge acquired, and improved operational performance. In the third section, we will discuss the expected results and their implications for supply chain managers. Finally, in the last section, we will discuss the limitations of our study and avenues for future research.

Theoretical framework

The knowledge-based view argues that the firm’s principal role is the acquisition, creation, integration, application, and storage of knowledge (Kogut & Zander, 1992; Nonaka & Takeuchi, 1995; Conner & Prahalad, 1996; Grant, 1996b). According to this view, a firm’s superior performance or competitive advantage lies in its capacity to create and transfer knowledge (Kogut &
The supply chain is now viewed as a network through which a flow of knowledge contributes to the creation of value through the combining of skills, know-how, and experience with a view to attaining partially shared objectives (Spekman et al., 2002). The sharing of knowledge among members of a supply chain, especially suppliers and customers, has attracted the attention of many researchers (Håkansson et al., 1999; Andersen & Christensen, 2000; Dyer & Nobeoka, 2000; Bessant et al., 2003; Hult et al., 2004). Many others observe that the customer-supplier relationship creates an environment favourable to the acquisition of knowledge (Helper & Sako, 1995; Kotabe et al., 2003). This environment provides a place to disseminate and exchange best practices, know-how, tacit knowledge, and skills (MacDuffie & Helper, 1997; Lincoln et al., 1998; Liker & Wu, 2000; Dyer & Hatch, 2004). In this context, customers represent an important source of knowledge for suppliers (Dyer & Hatch, 2006).

We adopt the perspective of suppliers in relationships with customers because, to date, few researchers have shown an interest in suppliers as units of analysis, despite their central role in the supply chain. The supplier’s relationships with customers are a field of interaction facilitating the transfer of knowledge-particularly production know-how (Madhok & Tallman, 1998; Ward et al., 1995). As noted by Halley et al. (2006), even from the perspective of an imbalance of power favorable to the client, suppliers can benefit from these relationships and substantially enrich their portfolio of knowledge and skills. Suppliers can acquire new knowledge related to production practices and techniques such as lean production, total quality management, just-in-time, and continuous improvement. This know-how can contribute substantially to the improvement of operational performance (Cua et al., 2001).

Although most authors agree on the increased potential for improved performance linked to the acquisition of knowledge, few companies manage to fully exploit the knowledge disseminated beyond their boundaries. How can this phenomenon be explained? On this point, the crucial role of absorptive capacity in the acquisition of knowledge is the subject of broad consensus among experts in various disciplines.

Absorptive capacity

Absorptive capacity is a crucial determinant of the acquisition of knowledge (Mowery et al., 1996; Szulanski, 1996; Spekman et al., 2002). This concept was developed by Cohen and Levinthal (1990), who define it as “the ability of a firm to recognize the value of external knowledge, assimilate it, and apply it to commercial ends” (p.128). More recent research studies propose a different, more operational definition of this concept (Zahra & George, 2002; Lane et al., 2006; Todorova & Durisin, 2007). Zahra and George (2002), for instance, define absorptive capacity as “a set of organizational routines and processes by which firms acquire, assimilate, transform, and exploit knowledge from external sources” (p. 186). Other authors have transposed this concept as a dyad-level construct between two firms and have applied it to various inter-organizational relationships such as strategic alliances and joint ventures (Lane et al., 2001; Inkpen, 2002; Mowery et al., 2002). Lane and Lubatkin (1998) introduced the notion of relative absorptive capacity, also known as partner-specific absorptive capacity (Dyer & Singh, 1998), suggesting that a firm’s absorptive capacity will vary depending on the partner from which it is attempting to acquire knowledge.

Zahra and George (2002) make the distinction between potential absorptive capacity (the efforts made by a firm for the acquisition and assimilation of external knowledge) and realized absorptive capacity (the efforts made by a firm to transform and apply the acquired knowledge). They
consider potential and realized absorptive capacity the two complementary components of the absorptive capacity of a firm and suggest that a high potential for absorptive capacity does not necessarily translate into an improvement of performance. In order to take advantage of the acquisition and assimilation of external knowledge, the firm must also develop its realized absorptive capacity. The potential and realized absorptive capacity are both internal to the organization and do not take into account the external source of knowledge.

Absorptive capacity is considered to be dynamic, being closely integrated with and embedded in organizational routines and processes allowing the company to maintain its competitive advantage. It appears to be a crucial determinant of the acquisition of knowledge leading to performance improvement. Research on capacity absorption has generally taken place in the context of R&D or innovation activities (Lyles & Salk, 1996; Lane & Lubatkin, 1998) and very few studies have focused on the specific context of customer-supplier relationships. This observation leads us to deepen the study of this variable and to examine its impact on the acquisition of knowledge and operational performance within the framework of customer-supplier relationships assessed from the perspective of suppliers.

**An explanatory model**

The objective of this section is to develop a model (Figure 1) that allows us to understand and analyze the links among absorptive capacity, knowledge acquisition, the nature of the customer-supplier relationship, and the supplier’s performance. Our model focuses on the distinction between absolute and relative absorptive capacity in order to take into account the source of external knowledge (a customer in our case). Nevertheless, it also takes into consideration the distinction between potential and realized absorptive capacity, as shown in Figure 1.

As illustrated in Figure 1, we propose that the following:

P1: the acquisition of knowledge by the supplier is directly influenced by its relative absorptive capacity.

P2: the absolute absorptive capacity moderates the relationship between the relative absorptive capacity and the acquisition of knowledge.

P3 and P4: the nature of the customer-supplier relationship is linked to both the relative absorptive capacity and the acquisition of knowledge.

Related to the utilization of the acquired knowledge (realized absorptive capacity):

P5: the operational performance of the supplier is influenced by the acquisition of knowledge within the framework of the relationship developed with the customer.

To support these propositions we will synthesize the interrelationships between the key variables of our model.

**Absorptive capacity and knowledge acquisition**

The supplier’s acquisition of knowledge resulting from its interaction with its client depends on both its absolute and its relative absorptive capacity. These two concepts must be studied together to fully grasp the complexity and dynamics of knowledge acquisition within the context of the customer-supplier relationship.

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**Figure 1**

Research model
Relative absorptive capacity

Relative absorptive capacity is defined as a firm's ability to recognize and assimilate knowledge from a specific partner. It depends on inter-organizational routines promoting social interactions between the two partners and the similarities of their knowledge bases (Dyer & Singh, 1998). Inter-organizational routines can take various forms: visits to suppliers' sites, training programs for suppliers' employees, technical assistance to suppliers, and so on (Krause et al., 2000; Modi & Mabert, 2007; Mesquita et al., 2008). For example, the transfer of personnel is an effective mechanism for acquiring knowledge that is difficult to articulate and can be acquired only with time and experience (Inkpen & Dinur, 1998). This transfer of personnel can also take various forms: short-term visits or long-term transfers enabling members of each team to integrate the routines of the other (Lincoln et al., 1998).

Interactions taking place within the framework of these routines provide a favourable context for the dissemination of tacit knowledge (Krause et al., 2000; Inkpen & Tsang, 2005). Many studies have stressed the fundamental role of the intensity and frequency of interactions between the partners (Nahapet & Ghoshal, 1998; Kale et al., 2000; Yli-Renko et al., 2001) because the more informal, frequent, and open the interactions, the more opportunities are created for the transfer of knowledge (Spekman et al., 2002). Frequent interactions enable each partner to understand the location of the knowledge and expertise and who specifically possesses it (Dyer & Singh, 1998).

Relative absorptive capacity also depends on the partners' having developed overlapping knowledge bases. The similarities between the knowledge bases are revealed by the degree of complementarity of the resources, structures, compensation policies (Lane & Lubatkin, 1998), management styles, values, beliefs, and cultures (Mowery et al., 1996; Esper et al., 2007). Similar knowledge assets also facilitate the acquisition of new knowledge (Kogut & Zander, 1992; Grant, 1996a). For their part, Cohen and Levinthal (1990) note that some of the firm's pre-existing knowledge must be closely linked to the new knowledge to facilitate its assimilation and sufficiently diversified to permit the use of the new knowledge.

In reference to the existing literature, we have developed the following proposition:

Proposition 1: Relative absorptive capacity, represented by the existence of inter-organizational knowledge-sharing routines and a common knowledge base, has a positive effect on the acquisition of knowledge by the supplier.

Absolute absorptive capacity

Access to an external source of knowledge does not guarantee that a firm can acquire and internalize that knowledge (Pennings & Harianto, 1992; Inkpen, 2000). Along with the quality of customer-supplier interactions, the acquisition of knowledge is affected by the absolute absorptive capacity of the supplier. The absolute absorptive capacity of the supplier has two key dimensions: the possession of prior related knowledge and the communication mechanisms and processes deployed by the supplier (Cohen & Levinthal, 1990; Zahra & George, 2002; Todorva & Durisin, 2007).

The absorption of external knowledge has been linked to the stock of knowledge already owned by the firm (Cohen & Levinthal, 1990). In effect, prior related knowledge allows the firm to exploit new knowledge coming from external sources (Van den Bosch et al., 1999; Kim, 1998).

Many authors also stress the importance of communication structures within the firm, structures that facilitate the sharing, transfer, and integration of knowledge (Van den Bosch et al., 2003; Jones, 2006; Todorova & Durisin, 2007). This factor may be defined as the “scope and strength of structural connections that bring flows of information and knowledge to different organizational units” (Tu et al., 2006, p. 695). The formal and informal links resulting from social interactions within the company facilitate the integration and combination of knowledge held by the individuals in various complementary functions as well as the production of new knowledge (Zahra & George, 2002).

We therefore formulate the following proposition:

Proposition 2: The higher the level of absolute absorptive capacity, in terms of prior related knowledge and internal communication structure, the stronger is the relationship between relative absorptive capacity and acquisition of knowledge by the supplier.

Nature of the relationship and knowledge acquisition

The acquisition of knowledge by the supplier also depends on the nature of its relationship with its customer. The quality of this relationship will influence its relative absorptive capacity. The literature discusses various factors that can be used to characterize this relationship: commitment, trust, mutual assistance, reciprocity, and so on. These relational factors, closely linked to the quality of the relationship and the extent of collaboration, help foster a climate of transparency favourable to the sharing of knowledge.

For example, trust contributes to the acquisition of knowledge by lowering the risk of opportunistic behaviour (Gulati, 1995; Zaheer et al., 1998) and creating greater transparency in communications. Trust thus promotes the exchange of information and the sharing of knowledge between partners (Kale et al., 2000). In other words, the higher the level of trust, the more likely the partners will be to invest in learning resources (Inkpen & Tsang, 2005). Likewise, long-term relationships contribute to the development of routines promoting the sharing of knowledge (Kotabe et al., 2003). Mutual commitment in terms of the partners’ willingness to make the necessary efforts to maintain a long-term relationship is a major
contributor to inter-organizational learning (Wagner & Buko, 2005). As noted by Ritter et al. (2004), this commitment can take the form of investments in specific assets or in time (establishment, coordination, and management of the relationship)—investments supporting the establishment of long-term relationships (Kogut & Zander, 1992).

The nature of the relationship is not limited to just relational factors. To fully grasp all its dimensions, we believe it is important to include the level of integration of activities between suppliers and customers. The level of integration depends on the overlapping of high value-added activities and the deployment of coordination mechanisms among the actors involved (Lawson et al., 2008). High value-added activities include those related to the design and development of new products, production, and restocking. Coordination mechanisms include techniques and practices such as just-in-time, information systems, and the exchange of information. The more highly integrated the activities, the more likely the actors are to develop knowledge-sharing routines (Lawson et al., 2008).

From this perspective and in light of the many papers on this subject, we believe the following two propositions summarize the relational dynamic between these variables:

Proposition 3.1: A customer-supplier relationship characterized by a high level of trust and commitment has a positive effect on the acquisition of knowledge by the supplier.

Proposition 3.2: A customer-supplier relationship characterized by a high level of integration has a positive effect on the acquisition of knowledge by the supplier.

The nature of the relationship will also have an influence on the capacity to fully exploit the benefits of the knowledge acquired by the supplier. In other words, the magnitude of the benefits expected from the acquisition of knowledge will depend largely on the willingness of the actors to deploy strong embedded social links. From this perspective, we formulated the following two propositions:

Proposition 4.1: A customer-supplier relationship characterized by a high level of trust and commitment has a positive effect on the relative absorptive capacity.

Proposition 4.2: A customer-supplier relationship characterized by a high level of integration has a positive effect on the relative absorptive capacity.

Performance and knowledge acquisition

The knowledge base view of the firm provides us with a theoretical perspective that aims to explain how knowledge helps to improve performance. According to this view, knowledge is a strategic resource and a source of competitive advantage that improves performance (Grant, 1996b; Kogut & Zander, 1996; Spender, 1996).

Within the context of customer-supplier relationships, numerous studies highlight the effect of knowledge-sharing on improved supplier performance (Dyer & Nobeoka, 2000; Dyer & Hatch, 2006). The acquisition of production-related know-how (lean production, total quality management, and just-in-time) contributes significantly to the improvement of supplier performance (MacDuffie & Helper, 1997; Lincoln et al., 1998, Fynes & Ainamo, 1998; Dyer & Hatch, 2004). This notion of performance covers several dimensions (operational performance, market knowledge, financial performance, etc.) but, for the purposes of our analysis, performance is conceptualized as having just one of these dimensions: operational performance. It is evaluated according to the following indicators: cost, flexibility, quality, and production times (Dyer & Nobeoka, 2000; Kotabe et al., 2003).

More specifically, Moran (2005) argues that performance improvement linked to innovation (processes/products) entails the exchange of tacit knowledge between business partners. Indeed, the development and integration of new operations management tools and practices requires knowledge that is more technically complex and difficult to articulate (McEvily & Marcus, 2005). As a result, improving performance in terms of quality, delivery, and flexibility-subvariables linked to the innovation of products and/or processes—relies more on the acquisition of tacit knowledge than on that of explicit knowledge (Krause et al., 2007). As the many studies inventoried have lead us to conclude, supplier performance is directly influenced by the acquisition of knowledge through relationships developed with customers, bringing us to our final proposition:

Proposition 5: The improvement of the supplier’s operational performance is positively associated with the acquisition of knowledge within the framework of relationships with customers.

The general consensus among researchers is that knowledge takes two forms: “tacit,” which expresses skills, know-how, and practical knowledge; and “codified” (explicit), which consists of knowledge expressed in a tangible way, such as books, tapes, drawings, and so on. Explicit knowledge is easy to interpret and may easily be transmitted: changes in demand, new specifications, material control, supplier performance, and so on (Krause et al., 2007; Bessant et al., 2003). Tacit knowledge may include the ability to make changes to the production plan, inventory reduction through just-in-time, quality control, root cause analysis, and so on (Modi & Mabert, 2007; Mesquita et al., 2008). Because of its strategic value, tacit knowledge has attracted significant research in the management literature. Tacit knowledge, more complex and very difficult to imitate and transfer, explains the existence of a firm’s competitive advantage (Prahalad & Hamel, 1990). According to the resource-based view, keeping and controlling strategic resources significantly contributes to the performance of the firm (Wernerfelt, 1984; Barney, 1991). Because of its sticky character and the challenges associated with its transfer, tacit knowledge gives a firm a more substantial competitive advantage than explicit knowledge (Dyer & Singh, 1998).
In light of the fundamental differences between tacit and explicit knowledge, we believe the acquisition of tacit knowledge has a greater impact on performance improvement.

Proposition 5.1: Improvement in the supplier’s operational performance is more closely associated with the acquisition of tacit knowledge.

Implications for supply chain managers

In an increasingly complex and dynamic environment, a firm’s performance relies more than ever on its ability to renew its knowledge. To improve its performance, it must be able to count on the knowledge acquired through relationships developed with the various partners in its supply chain. We therefore propose a model of the potential for performance improvement offered by the acquisition of knowledge within the framework of customer-supplier relationships. By adopting the supplier’s point of view, we offer an innovative perspective on the potential links among the four variables being studied: absorptive capacity, nature of the relationship, content of the knowledge acquired, and improved operational performance.

For managers, our model highlights the importance of absorptive capacity as a factor of performance improvement. For suppliers, customers represent a wealth of knowledge. The possibility of benefiting from the help of customers to accelerate the acquisition of knowledge (via complex relationships) represents a sizable challenge for suppliers. For these efforts to meet with success, managers must view the acquisition of knowledge from a multi-dimensional and strategic perspective (Figure 2).

1. Within the framework of customer-supplier relationships, knowledge acquisition must be at the core of efforts to improve performance because the sharing of tacit and explicit knowledge generates significant benefits for all companies. Knowledge acquisition has an operational dimension generally associated with the exchange of explicit knowledge (information and data) and a strategic dimension based on the complex exchange of tacit knowledge that is attached to personal experience and is difficult to transfer.

2. Managers must recognize the value that all actors in a supply chain can contribute; for example, the knowledge mastered by some suppliers may be key, particularly in the case of developing new products or processes; however, knowledge held by customers may make it possible to predict with greater accuracy the evolution of demand or the nature of upcoming technological innovations.

3. Exchanges involve the sharing of knowledge, the nature of which may vary greatly. It is advisable to make sustained efforts with a limited number of partners because the acquisition of knowledge in the supply chain requires reciprocal exchanges. For this reason, the value of the knowledge the company wishes to share must be measured precisely. For example, it may seem less natural to share high value-added knowledge with suppliers, particularly in the case of mature products/markets or of “adversarial” relationships.

4. Participants in knowledge-sharing activities should be chosen carefully. For those playing the role of transmitter (customers), special attention must be paid to the nature and structure of the knowledge transferred; for those playing the role of receiver (suppliers), it is important to choose systems and/or individuals able to assimilate messages and accurately interpret information. The approach to customer relations management should also be reviewed because the potential for knowledge acquisition becomes an important factor in selecting partners or choosing to develop long-term relationships with them.

5. In the downstream portion of the supply chain, knowledge acquisition is generally associated with wide-ranging practices for sharing operational, tactical, and strategic information, while in the
upstream portion, knowledge acquisition is associated with limited practices for sharing operational information supported by digitized mechanisms. It is thus important to review the mechanisms used and consider the shared use of resources, especially when they meet industry standards.

**Conclusion**

Successful firms must be prepared to adapt to increasingly dynamic and turbulent environments. To do so, managers must orient their efforts and their strategies towards the acquisition and exploitation of knowledge both inside and outside the company’s traditional boundaries. Knowledge is now widely recognized as a rare, valuable, and imperfectly imitable strategic resource, a resource likely to develop a sustainable competitive advantage (Teece, 1998). As a result, the firm must acquire the support of a network of partners that will contribute to the development and acquisition of new knowledge.

Knowledge acquisition through business relationships is nevertheless not a spontaneous phenomenon. Most authors agree that certain factors either promote or hinder the acquisition of knowledge, and these factors obviously must be taken into account when a firm reviews its ability to acquire new or improved knowledge. It is precisely from this perspective that we have attempted to model the impact of absorptive capacity on knowledge acquisition. Our study has shown that the customer-supplier relationship characterizing the supply chain offers an excellent opportunity to acquire knowledge, particularly for suppliers. We thus propose an integrative model showing how suppliers can improve their operational performance through knowledge acquisition in this particular context.

Our paper thus advances the literature through several contributions. First, we demonstrated the importance of the role of absorptive capacity (and its unique characteristics) within the context of the supply chain. Although many papers have studied this concept within various types of inter-organizational relationships or in the specific context of innovation, few have specifically targeted the customer-supplier relationship with a view to exploring its effect on knowledge acquisition.

Moreover, as our second contribution, our analysis adopts an innovative multi-dimensional perspective of absorptive capacity by integrating both relative and absolute capacity. Knowledge acquisition in the supply chain is an important factor in performance improvement. The ability to master outside knowledge acquired throughout the supply chain explains part of the performance differential and competitive advantage between firms and is largely dependent on the firm’s relative absorptive capacity. As our final contribution, our article has developed an articulate profile of absorptive capacity. Our analysis could thus significantly help managers to direct their absorptive capacity with a view to improving their performance. Specifically, we have highlighted management levers with which firms can acquire and accumulate knowledge beyond their traditional boundaries.

Finally, while we have contributed to the understanding of the phenomenon of knowledge acquisition within the framework of customer-supplier relationships, our paper has certain limitations that bear mentioning. First of all, the static nature of our model limits its scope. The proposed analysis applies to static mechanisms and routines through which suppliers can acquire knowledge, but the process of knowledge acquisition has more of a dynamic nature (Simonin, 2004).

Moreover, we intentionally excluded the power variable from our model. This variable is considered by Todorova and Durisin (2007) to be a determining factor in the capacity to absorb new knowledge within inter-organizational relationships. A customer-supplier relationship characterized by an imbalance of power would provide one of the actors with an opportunity to extract more strategic knowledge without reciprocity. Instead, we chose to analyze the potential impact of power through the notions of trust and commitment—trust playing a crucial role in the willingness of partners to divulge and disseminate knowledge. Combined with a high level of commitment, it helps to reduce doubt and suspicion regarding the expropriation of knowledge by one of the actors (Argote et al., 2003), an attitude essential to the acquisition of that same knowledge by the other. A climate of trust would also reduce the need to protect oneself against opportunistic behaviour (Inkpen & Tsang, 2005).

**Bibliography**


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