

# **Orchestrating absorptive capacity: organizational catalysts of TMT's influence**

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## **Abstract**

This study aims to tackle the influence of top management team (TMT), socialization capabilities and their interactions on absorptive capacity (ACAP). Specifically, this paper examines a TMT's diversity and coordination as an "enabler" with the potential to trigger the processes involved in the generation of ACAP. The authors relied on a database comprising 96 manufacturing firms in a developing country. Due to the model suggested as well as the sample size, they opted for a PLS-SEM methodology. The empirical results show that TMT diversity is not significantly related to firm's ACAP. Additionally, they provide evidence for a mediation of the relationship between a TMT coordination and ACAP through socialization capabilities. This paper presents a theoretical framework that underscores the influence of TMT on different dimensions of ACAP. Based on the upper echelon theory, the authors suggest that this is of utmost importance given that the extent to which knowledge is acquired, integrated and exploited within the firm can be contingent on the configuration and collaborative structure of the TMT. The results show that TMT coordination influences firm's ACAP when it is complemented effectively by structural mechanisms for fostering greater communication, collaboration and cohesiveness between the members of an organization. To configure a TMT merely to have diversity or guarantee the coordination between the team members is not enough to foster firm's ACAP. An alignment of a coordinated TMT with the possibility for employees to freely communicate across functional areas and hierarchical limits is a prerequisite for the acquisition, assimilation, transformation and exploitation of external knowledge. The authors consider that this study raises areas for further consideration in efforts to understand how individual-based resources (e.g. TMT configuration) can be transformed into systemic knowledge-based capability (e.g. ACAP).

## **Keywords**

Diversity, Coordination, Absorption capacity, Top management team, Socialization skills, TMT coordination, TMT diversity, PLS-SEM