

ABSORPTIVE CAPACITY AND FIRM PERFORMANCE IN TURKEY

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Knowledge has become an indispensable factor for business survival in today's world characterized by intense competition. Therefore, development of a firm's absorptive capacity, which can be stated as its ability to acquire, assimilate, transform and exploit knowledge has become of paramount importance. This study aims to determine the relationship between a firm's absorptive capacity and its performance. The study employs questionnaire technique for data collection. The sample consists of 598 useable questionnaires obtained from firms in automotive, metal manufactured goods, food and textile industries, registered with Eskisehir Chamber of Industry (ESO) Turkey. Collected data is analyzed with SPSS. Findings parallel the literature in regards to the relationship between both firm and employee profiles and absorptive capacity. Level of absorptive capacity was observed to vary by demographic profiles of managers and firm's industry and firm size. Suggestions for increasing absorptive capacity of firms, based on research findings, are also provided.