Relational Resources, Tacit Knowledge Integration Capabilities, and Business Performance

ABSTRACT

Based on the integrative capability perspective (Henderson, 1994) and the relational view (Dyer & Singh, 1998), we examine how tacit knowledge integration capabilities (TKIC), a special case of dynamic capability, influence business performance. Our research context is the Brazilian automobile industry in which firms are currently experimenting with modular production and increasing their interactions with suppliers. Using a sample of automotive suppliers, we investigate how relational resources, such as the buyer’s trust in its suppliers and the level of supplier involvement, affect the level of TKIC, which in turn is hypothesized to affect business performance. In addition, we examine the moderating effect of various communication media on the TKIC-business performance relationship. Our findings generally confirm the importance of relational resources and TKIC on business performance. Finally, various theoretical and managerial implications are explored for future research.

Keywords: integration capabilities, buyer-supplier relationships, dynamic capabilities, trust, performance