PROMOTING ENTREPRENEURIAL ORIENTATION FOR NEW KNOWLEDGE CREATION: TRADE-OFFS IN CUSTOMER ALLIANCES OF SMES IN HIGH (INTERACTIVE PAPER)

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PROMOTING ENTREPRENEURIAL ORIENTATION FOR NEW KNOWLEDGE CREATION: TRADE-OFFS IN CUSTOMER ALLIANCES OF SMES IN HIGH TECHNOLOGY INDUSTRIES

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Principal Topic

Alliances between firms are an increasingly important aspect of strategic management and play a major role in knowledge management activities. Whereas most of the literature on knowledge management has focused on the creation, acquisition, and transfer associated with knowledge within firms, comparatively little work has been done to understand management of knowledge across firms. The rapid pace of technological change, the high uncertainty associated with emerging technologies, and increasing level of competition, forces firms, especially small and medium enterprises (SMEs) with their limited technological, human, and financial resources, to leverage their strategic alliances to face the challenge of creating and managing new knowledge. Though firms can form strategic alliances with a wide variety of organizations, including suppliers, customers, complementors, competitors, or others, downstream alliances with customers are especially useful for firms in enhancing market performance and creating new value. In this study we examine new knowledge creation associated with a downstream customer alliance of SMEs in high-technology industries. Specifically, we present a model of how organizational learning influences entrepreneurial orientation under different conditions of environmental munificence and how entrepreneurial orientation interacts with alliance orientation to affect new knowledge creation.

Method

We collected survey data from top executives of U.S.-based high-technology SMEs. The scales employed in this study were either extracted or adapted from existing scales to suit our context. The final instrument included measures for knowledge creation, entrepreneurial orientation, alliance orientation, environmental munificence, organizational learning, and control variables (firm age, firm size, CEO tenure). All measures were perceptual and all responses were measured on a 5-point Likert scale. We used hierarchical linear regression analysis to test our hypotheses.

Results and Implications

We found that the relationship between organizational learning and entrepreneurial orientation is contingent on environmental conditions, specifically environmental munificence. Our results also suggest that entrepreneurial orientation of the focal firm is positively related to knowledge creation in a key customer alliance. Lastly, our results indicated that a cooperative alliance orientation- a firm-level measure of proclivity towards alliance partners- interacted with entrepreneurial orientation to increase knowledge creation. We believe our study makes several important contributions to extant research and opens new avenues of intellectual exchange between the strategic entrepreneurship and the supply chain management literature.

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