Chapter 4

An Absorptive Capacity Perspective of Organizational Learning Through Social Media: Evidence From the Ghanaian Fashion Industry

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ABSTRACT

The Absorptive Capacity Theory was used as the theoretical lens for this study to help analyze how organizations absorb new knowledge using social media tools and applications. A survey of fashion designers and employees numbering 196 was carried out in 55 fashion firms whereas two fashion firms were used in a case study. Data analysis was performed using the Structural Equation Modelling. The findings from the study suggest that Ghanaian fashion designers do not intensively use social media to assimilate knowledge but rather to acquire, transform and exploit knowledge. The popular social media applications include Facebook. Facebook, for instance, is used on a daily basis by most Ghanaian

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Fashion designers use social media to acquire, transform and exploit knowledge through research, interaction, communication, and marketing with suppliers, customers, and other fashion designers. Future research can extend this work by looking at organizational learning and social media use in a different industry.

INTRODUCTION

Organizational learning is necessary for the successful operation of organizations. Businesses thrive on information and this information accumulates forming a knowledge base. Such knowledge can be acquired both internally and externally and must be managed properly to achieve organizational set goals and objectives (Karkoulian, Messarra & McCarthy, 2013). Therefore, it can be argued that communities that have mechanisms that create and connect relationships between individuals to work collectively for common goals is an organization (Boateng et al., 2009). According to Nonaka, Toyama and Konno (1998), critical among these mechanisms are those that result in sharing information and make the cognitive map of individuals, as employees, accessible for the greater good; thus, creating collective knowledge. Organizations learn and create knowledge through dynamic interactions between employees. Organizations have long recognized knowledge management (KM) as an important business strategy (Hull, Coombs & Peltu, 2000). A 2001 United States Government Accountability Office (GAO) report indicated that a substantial portion of the federal workforce would become eligible to retire or will retire over the next five to 10 years, and hence workforce planning is critical to ensure that agencies have sufficient and appropriate staff to account for these retirements. Usually, when people leave an organization, they take a wealth of knowledge about their jobs with them. Consequently, Lien, Hung, Yang and Li (2006) posits that firms have to pay particular attention to the enhancement of their learning patterns. One of the ways through which organizations can learn is through the use of social media tools or applications to acquire and also disseminate information both internally and externally (O’Reilly, 2005).

Quite a number of organizations have been asking what they can use social media for. Current literature demonstrates a dominance on social media and marketing (Hanna, 2011). On the other hand, in IS literature, social media has been studied from the perspectives of social media and text mining; social media and crisis management; and social media and organizational learning.

One very important area of study regarding social media is social media and text mining. He et al. (2013) carried out an in-depth case study, which applies text mining to analyse unstructured text content on Facebook and Twitter sites of the
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