

## **Effects of Entrepreneurial Decision-Making on the Realized Absorptive Capacity of Knowledge-Intensive Companies**

**TIAGO ANDRÉ PORTELA MARTINS**

UNIVERSIDADE ESTADUAL VALE DO ACARAÚ (UVA)

**LARA KESSIA MARTINS AVILA**

UNIVERSIDADE ESTADUAL DO CEARÁ (UECE)

**MARCIO DE OLIVEIRA MOTA**

UNIVERSIDADE ESTADUAL DO CEARÁ (UECE)

Agradecimento à orgão de fomento:

This study was carried out with support from the Fundação Coordenação de Aperfeiçoamento de Pessoal de Nível Superior (CAPES), Brazil.

## **Effects of Entrepreneurial Decision-Making on the Realized Absorptive Capacity of Knowledge-Intensive Companies**

### **Introdução**

Innovation has been central to business growth since the 20th century. Schumpeter's "creative destruction" and subsequent theories highlighted innovation dynamics and internal capabilities essential for firm success. Recently, sustainable innovation addressing global challenges has gained focus. Absorptive capacity, defined by Cohen & Levinthal (1990), is critical yet underexplored, particularly in the context of entrepreneurial decision-making.

### **Contexto Investigado**

Absorptive capacity comprises potential (PACAP) and realized (RACAP) dimensions, influenced by entrepreneurial decision-making through causation and effectuation approaches. These approaches dictate how firms acquire, assimilate, and exploit knowledge. The study examines how entrepreneurial decision-making impacts absorptive capacity in knowledge-intensive firms engaged in public innovation policies.

### **Diagnóstico da Situação-Problema**

Despite recognizing the importance of absorptive capacity, firms struggle to translate PACAP into RACAP. Entrepreneurial decision-making's role in this transformation remains unclear, especially within the scope of public innovation policies. This study addresses this gap by investigating the interaction between PACAP, RACAP, and entrepreneurial decision-making approaches in knowledge-intensive companies.

### **Intervenção Proposta**

The study proposes examining the influence of entrepreneurial decision-making on the transition from PACAP to RACAP in firms participating in public innovation policies. By analyzing causation and effectuation approaches, the research aims to identify strategies enhancing firms' absorptive capacities, thereby improving their innovation outcomes and policy effectiveness.

### **Resultados Obtidos**

Preliminary findings suggest that firms employing a balanced approach of causation and effectuation achieve higher absorptive capacity. This balance facilitates the effective transformation of PACAP into RACAP, enhancing innovation performance. The study highlights the need for adaptive strategies in entrepreneurial decision-making to optimize absorptive capacity and leverage public innovation policies.

### **Contribuição Tecnológica-Social**

The research contributes to understanding how entrepreneurial decision-making can enhance absorptive capacity and innovation in knowledge-intensive firms. It provides insights for policymakers to design more effective public innovation programs, fostering technological advancements and socio-economic development. The findings emphasize the strategic importance of balancing causation and effectuation in entrepreneurial practices.