

# Chapter 10

## 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, Twitter, and Instagram. Facebook, for instance, is used on a daily basis by most Ghanaian fashion designers. 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.*

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## 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 (Karkoulis, 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 three largest pizza chains: Pizza Hut, Domino's Pizza and Papa John's Pizza. Results from the text mining and social media competitive analysis show that these pizza chains actively engaged their customers in social media. They suggested future research focus on finding innovative ways to turn businesses' social media fans from "like" to "buy". For example, pizzerias will have to provide consumers easy ways to purchase pizzas using social media from "selecting pizza, adding their selections to shopping carts, and completing purchases through payment with credit cards and points". Rickman and Cosenza (2007) have also examined the theoretical/conceptual development and application of weblog-text mining to fashion forecasting in general and street fashion trending in particular. They postulate that future research should look at semantic and image mining of the web as the next frontiers of data mining and trend spotting. According to Kaiser and Bodendorf (2012), combining text mining and social network analysis enables the study of opinion formation and yields encouraging results. They analysed opinion formation based on consumer dialogs in online forum.

Another area, which has also been studied is social media and organizational learning. A study by Bochenek and Blili (2013) looked at four companies of different sizes, different scopes of operation, and different industries. They found that all the companies learn socially and use social media to strengthen the organization and build business benefits through using social media as a marketing tool and having a strategic framework that makes the company active on social media. Their learning patterns (the learning process and the learning aggregation in social media) are, however, different. It shows that social media

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