Absorptive capacity and patents: vital links in the chain of business competitiveness

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Abstract
This study focuses on the impact of knowledge-based absorptive capacity, as defined by Lane et al. (2006), and patents on the competitiveness of French enterprises. Research on this subject entailed undertaking a 17-year longitudinal study. The results of our econometric analysis provide a valuable set of answers pertaining to the fact that absorptive capacity, viewed as an exploitative/transformation/exploitative learning mode, contributes to the competitiveness of French industrial firms. In parallel, it was determined that absorptive capacity and patent applications, acting in concert, had a significant positive effect on French corporate competitiveness. In other words, it is firms that are particularly apt at absorbing innovation-oriented knowledge that reveal themselves to be the most competitive.