THE INFLUENCE OF ORGANIZATIONAL MEMORY ON INNOVATION PERFORMANCE OF PRIVATE ENTERPRISES: A MODERATING EFFECT BASED ON ABSORPTIVE CAPACITY

Shouquan Wang

Panyapiwat Institute of Management, Nonthaburi, Thailand

To survive in the fierce competition and its own limitations, private enterprises in China must innovate. Since most private enterprises lack material resources, it is realistic to rely on organizational memory to innovate. Based on the perspective of organizational memory, this paper explores the relationship between organizational memory, absorptive capacity and innovation performance. This paper collects data through questionnaire, and verifies the relationship between organizational memory and innovation performance by correlation analysis and regression analysis. It is found that organizational memory and innovation performance have a significant positive correlation at the level of 0.01, the correlation coefficient between organizational memory and innovation performance is 0.538 (P < 0.01), the correlation coefficient between declarative organizational memory and innovation performance is 0.468 (P < 0.01). The correlation coefficient between process organizational memory and innovation performance is 0.308 (P < 0.01). The results show that there is a significant positive correlation between organizational memory and innovation performance of private enterprises. Potential absorptive capacity has a significant moderating effect between organizational memory dimensions and innovation performance, while real absorptive capacity has a significant moderating effect between organizational memory dimensions and innovation performance. Thus, improving the organizational memory level and absorptive capacity of private enterprises has a positive role in promoting their innovation performance. This study examines the relationship between organizational memory, absorptive capacity and innovation performance, which expands the scope of organizational memory research, and provides a reference for private enterprise innovation from the perspective of organizational memory and absorptive capacity.

Keywords: private enterprise; organizational memory; innovation performance; absorptive capacity; private enterprises

Shouquan Wang

Ph.D. Student, Chinese Graduate School, Panyapiwat Institute of Management, Nonthaburi, Thailand.
Research interests: business administration, management, corporative design
E-mail:690510299@qq.com
Introduction

Research background
After the implementation of reform and opening up in China, the private economy has grown from small to large in a few decades, and its influence has gradually increased. However, in the new era, the competition among enterprises is intensifying, the international and domestic economic and social situation is grim, and the development of private enterprises also faces many difficulties and obstacles. In the new environment, how to overcome difficulties and enhance the driving force of the sustainable development of enterprises has become the direction that private enterprises should think about.

Realistic background
First, the present time requires enterprise innovation.

The goals by 2020: build a national innovation system with Chinese peculiarities that is adapted to the socialist market economic system and conforms to the laws of technological development, significantly improve China's original innovation ability, and make the innovation achievements in key fields among the world's top, and further optimize the national innovation environment.

The report of the 19th National Congress of the Communist Party of China also suggested that by 2035, it is necessary to comprehensively deepen the system reform, implement the development strategy driven by innovation, constantly build and improve the national innovation system, and build a modern national economic system focused on innovation. In practice, most of private enterprises are characterized by a relatively backward management level, lack of innovation awareness, lack of motivation in the development, and lack of advantages in market competition. Innovation is the main driving force of enterprise development. Private enterprises must rely on innovation to survive in the fierce market competition.

Second, the competition of enterprises requires constant innovation. Innovation can help enterprises better adapt to the external environment, enable enterprises to optimize business processes, shorten production cycles, reduce costs, and enable enterprises to obtain long-term competitive advantages.

Thirdly, the international and domestic environment requires constant innovation. In this situation, the extensive economic growth mode has no advantages. At the same time, the coronavirus outbreak in 2020 has put great pressure on the international economic development.

The international economic development is sluggish, and the competition among enterprises is intensifying. In the current situation, only by strengthening scientific and technological innovations and mastering several key technologies, enterprises can be competitive in the market.

Innovation is the main driving force of economic development.
All organizations attach great importance to innovation. In the new era, our private enterprises can grasp the characteristics of the development of the times only through continuous innovation, adapt to the requirements of the development of the times, survive and develop in the fierce competition.
Theoretical background

In the process of continuous economic development, competition between enterprises is becoming fierce, and various organizations and academic circles in the society are highly concerned about innovation.

The current academic research on enterprise innovation has mainly focused on two aspects. One of them is to define the standard of measurement and method of innovation. Most scholars believe that the measurement standard of innovation should be mainly measured by the inputs and outputs related to innovation. On the other hand, it pays attention to the influencing factors of innovation. Some scholars believe that there are internal and external factors affecting innovation from the perspective of enterprises themselves.

At present, scholars are discussing and studying the innovation of enterprises from different aspects. The research angle is more and more abundant, and a large number of research results have been accumulated. However, enterprise innovation is a complex activity. Enterprise innovation involves various internal and external elements of the enterprise.

A perfect internal management mechanism, good political support, sufficient social resources and effective management of enterprise are needed. However, in reality, enterprises have sufficient knowledge resource base, which is the goal of achieving their innovation performance objectives.

There is little research on how to fully exploit their resource usefulness and improve the efficiency of innovation in terms of the choice and use of knowledge by private enterprises. The blank point of this study provides the possibility for the development of this study. Therefore, this study attempts to explore how private enterprises can manage knowledge resources, make full use of their own resources, and achieve the goal of enterprise innovation.

Research purpose

In this paper, organizational memory is applied to private enterprises in China to find out the relationship between organizational memory, absorptive capacity, and innovation performance as well as the relationship between the three, and put forward the countermeasures of private enterprise innovation.

Literature review

Research on organizational memory

Study the concept of organizational memory

Kingston & Macintosh (2000) and others believe that organizational memory is a collection of knowledge, which stores a large amount of data and information about the organization.

Kyriakopoulos & De Ruyter (2004) and others believe that organizational memory is a collection of various data, which includes various information related to organizational activities accumulated in the long-term development of an organization. These understandings of the concept of organizational memory are based on knowledge views that consider organizational memory as a set of information accumulated in an organization that
can be used to make decisions. These studies emphasize that organizational memory is a summary of historical experience.

Huber (1991) pointed out that organizational learning is a process, and all links in this process are interrelated. In this process, there are four links: knowledge acquisition, information dissemination, information interpretation, and organizational memory. Among them, organizational memory is only an important link in the process of organizational learning.

Simon (1991) pointed out that, on the one hand, organizational memory is stored in the human brain. On the other hand, a small part of organizational memory is stored in tangible media such as paper documents and computers, and the frequent flow of people has a great impact on organizational memory. They believe that organizational memory is a process of storing, processing, and learning the relevant historical knowledge and information about the organization.

Walsh (1991) believes that because organizational memory itself has storage and maintenance properties, the information it holds can help an organization make decisions.

Stein (1995) believes that all kinds of relevant knowledge in an organization should be transformed into organizational memory, which is both explicit and implicit. The information in organizational memory can indeed support the current activities of the enterprise and provide support for enterprise decision-making.

According to the research of these scholars on organizational memory, the biggest characteristic of organizational memory is that it gradually accumulates various information related to the organization in the long-term development of the organization, which can guide the behavior of the enterprise and play a positive role in supporting the decision-making in the enterprise.

Yezhuang et al. (2003) pointed out that the formation and function of organizational memory must depend on the initiative of people, which is a process of continuous interaction and integration of people and knowledge.

Study the classification of organizational memory

From the perspective of psychology, Kyriakopoulos & Ruyter (2004) believed that organizational memory has two dimensions, declarative organizational memory, and process organizational memory. Lushan (2010) believe that organizational memory includes a long-term organizational memory system and interactive memory system according to the performance process of organizational memory. The third is divided according to the carrier of organizational memory.

Study the impact of organizational memory on innovation

First, there is a positive correlation between organizational memory and innovation performance. Zhang (2005) concluded on the basis of research: organizations play a positive role in organizational memory such as management, technology, and cultural orientation, which has a positive impact on the improvement of management efficiency. Organizations play a positive role of organizational memory such as market orientation, which has a positive impact on improving the market performance.

Ruan (2007) pointed out that improving the organizational memory and the ability of an enterprise to transform at the internal level would improve the level of the realization of
the enterprise's innovation ability. Second, there is no significant relationship between organizational memory and innovation performance.

**Study on absorbency**

**Concept of absorptive capacity**

Jie (2012) believes that absorptive capacity is the ability to perceive changes in the external environment.

Szulanski (1996) believes that absorptive capacity is the ability of enterprises to constantly match their knowledge base in the learning process, and it is a dynamic ability.

Shunjun (2015) believes that absorptive capacity is a dynamic capacity that is constantly adjusted according to different stages of enterprise technology development.

**Composite dimension of absorptive capacity**

First, it is a 3D representation of the components of absorptive capacity. This ability is reflected in identifying and acquiring knowledge, understanding and assimilation of knowledge, and transforming and applying knowledge.

The second is a four-dimensional representation of the absorbance components. Zahra & George (2002) considered that the absorptive capacity has four dimensions: acquisition, assimilation, transformation, and application. The first two components refer to the potential absorptive capacity, and the last two components belong to the actual absorptive capacity.

Zhou (2016) believes that absorptive capacity is reflected in the four links of knowledge acquisition, digestion, transformation, and development. The third view is that absorptive capacity constitutes a multidimensional perspective.

Zou et al. (2015) divided the absorptive capacity into broad and deep absorptive capacity. Broad absorptive capacity is the ability of an enterprise to identify, integrate and apply various external knowledge. Deep absorptive capacity is the ability of an enterprise to identify, integrate and apply professional knowledge related to its main business.

**Influencing factors of absorption capacity**

Li (2021) researchers have shown that when the ability to search and acquire knowledge is in a high fit intensity state, its impact on innovation performance is higher than in a low fit intensity state. Such studies show that the absorptive capacity of enterprises is affected not only by their characteristics, but also by external factors, and these factors do not affect the absorptive capacity alone, but jointly and interactively.

**Influence of absorptive capacity on innovation**

Long et al. (2008) analyzed the data of high-tech enterprises in the Pearl River Delta, and the results showed that the absorptive capacity of enterprises had a positive impact on innovation performance. Other researchers also believe that the improvement of enterprise absorptive capacity has a significant impact on innovation performance.

Li et al. (2014) studied the relationship among absorptive capacity, knowledge innovation capacity, and product innovation through the intermediary of knowledge creation capacity. The research shows that absorptive capacity does not have a linear relationship between knowledge innovation capacity and product innovation.
When the two are in the state of high fit intensity, their impact on innovation performance is higher than that in the state of low fit intensity. The role of absorptive capacity between technology acquisition and innovation performance is evident. Absorptive capacity plays a regulating role between technology acquisition and innovation.

**Research on innovation performance**

*Influencing factors of innovation performance*

Tierney & Farmer (2002) found through empirical research that there is a relationship between self-efficacy and innovation performance among employees. Employees will have self-efficacy in the process of innovation, and the generated self-efficacy has an impact on innovation performance.

Jianjun & Shenghua (2010) found that employee innovation ability is essential in the innovation process, and innovation ability as a personal factor has an impact on organizational innovation.

*Evaluation of innovation performance*

Janssen et al. (2000) and others think that innovation performance should be evaluated from three aspects: the generation of innovative thinking, the promotion of innovative thinking, and the realization of innovative thinking.

Wang & Ahmed (2004) also thinks that innovation performance should be evaluated from the final output, including enterprise behavior, product, process, market, and strategy.

**Research methodology**

This study chooses Chinese private enterprises as the research object.

This study uses questionnaires and interviews to understand the level of organizational memory and the level of innovation performance of private enterprises in China. On this basis, SPSS, Amos, and other statistical methods are used to analyze the correlation between the two.

To ensure the accuracy of the scale, the pre-test was conducted first, and the formal questionnaire was carried out and distributed on a large scale after further modification and adjustment. The scale of organizational memory and innovation performance is limited by the scale of organizational memory and innovation performance formed by Tao et al. (2014) in his doctoral dissertation, and the scale of absorptive capacity is based on the scale prepared by Dong, X. (2015).

All scales have been tested for reliability and validity. Based on the scope, this study makes appropriate revisions according to the actual needs of this study. The organizational memory scale is divided into two dimensions, declarative organizational memory, and process organizational memory, with 15 points. There are 15 points in the absorptive capacity scale and 5 points in the innovation performance scale. After the test, 14 points remained on the organizational memory scale, the absorptive capacity scale retained 15 points, and the innovation performance scale retained 5 items.

The questionnaire is distributed both offline and online by WeChat and QQ. It is planned to first distribute 100 questionnaires to private enterprises for small-scale research, to identify problems and correct them in time.
After the revision of the questionnaire, a formal research was conducted, 320 copies were distributed, and 308 valid questionnaires were recovered.

The questionnaire was rated by Likert's five-point scoring method and analyzed by spss26.0.

**Research hypothesis**

By analyzing literature, this study hypothesizes: there is a positive correlation between organizational memory and innovation performance; there is a positive correlation between declarative organizational memory and innovation performance; there is a positive correlation between process organizational memory and innovation performance; absorptive capacity regulates the influence of organizational memory on innovation performance; potential absorptive capacity regulates organizational memory and innovation performance; realistic absorptive capacity regulates organizational memory and innovation performance.

**Research content and result**

Direct effect test of organizational memory and innovation performance.

*Correlation analysis*

Table 1 - Correlation analysis between organizational memory and innovation performance of private enterprises

(made by the author)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Innovation performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>organizational memory</td>
<td>0.538**</td>
</tr>
<tr>
<td>Declarative memory</td>
<td>0.468**</td>
</tr>
<tr>
<td>Process memory</td>
<td>0.308**</td>
</tr>
</tbody>
</table>

Note: ** indicates significant correlation at the level of 0.01

Tab. 1 shows that there is a significant positive correlation between organizational memory and innovation performance at the level of 0.01 with a correlation coefficient of 0.538, while the correlation coefficient between declarative organizational memory and innovation performance is 0.468, and the correlation coefficient between organizational process memory and innovation performance is 0.308.
Regression analysis of organizational memory and innovation performance

Table 2 - Regression analysis results of organizational memory on innovation performance
(made by the author)

<table>
<thead>
<tr>
<th>variable</th>
<th>Model 1a</th>
<th></th>
<th>Model 1b</th>
<th></th>
<th>Model 1c</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>organizational</td>
<td>0.485**</td>
<td>9.783</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>memory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>declarative</td>
<td></td>
<td></td>
<td>0.357**</td>
<td>6.831</td>
<td></td>
<td></td>
</tr>
<tr>
<td>memory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>process memory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.384**</td>
<td>7.318</td>
</tr>
<tr>
<td>F</td>
<td>21.729</td>
<td></td>
<td>12.839</td>
<td></td>
<td>14.088</td>
<td></td>
</tr>
<tr>
<td>R2</td>
<td>0.302</td>
<td></td>
<td>0.204</td>
<td></td>
<td>0.219</td>
<td></td>
</tr>
<tr>
<td>Adjusted R2</td>
<td>0.288</td>
<td>0.188</td>
<td>0.204</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: ** indicates significant correlation at the level of 0.01

Tab. 2 shows that the F value of model 1a is 21.729 (P < 0.001), indicating that it passes the F test. The adjusted R2 is 0.288, which means that the control variable explains 28.8% of the variance, and organizational memory has a significant impact on innovation performance.

The F value of model 1b was 12.839 (P < 0.001), indicating that it passed the F test. The adjusted R2 is 18.8, in which the regression coefficient of declarative organizational memory affecting innovation performance is 0.357 (P < 0.01), and the regression coefficient of process organizational memory affecting innovation performance is 0.384 (P < 0.01), which indicates that declarative organizational memory and process organizational memory significantly positively affect innovation performance.

Structural equation model analysis of organizational memory and innovation performance

Test the direct impact of organizational memory on innovation performance, and construct the structural model of organizational memory and innovation performance. Each model index meets the standard and has a relatively perfect fit, as shown in Tab. 3, indicating that the actual data is in good agreement with the theoretical model.
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Table 3 - Fitting indicators of organizational memory and innovation performance structure model
(made by the author)

<table>
<thead>
<tr>
<th>$\chi^2$/df</th>
<th>RMSEA</th>
<th>GFI</th>
<th>AGFI</th>
<th>NFI</th>
<th>RFI</th>
<th>IFI</th>
<th>TLI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.24</td>
<td>0.028</td>
<td>0.943</td>
<td>0.928</td>
<td>0.961</td>
<td>0.955</td>
<td>0.992</td>
<td>0.991</td>
<td>0.992</td>
</tr>
</tbody>
</table>

Table 4 - Model test results and assumptions
(made by the author)

<table>
<thead>
<tr>
<th>Relationship between variables</th>
<th>Standardized path coefficient</th>
<th>P value</th>
<th>Influence effect</th>
<th>Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>declarative memory→innovation performance</td>
<td>0.362</td>
<td>0.000</td>
<td>significant positive</td>
<td>H1a</td>
<td>support</td>
</tr>
<tr>
<td>process memory→innovation performance</td>
<td>0.357</td>
<td>0.000</td>
<td>significant positive</td>
<td>H1b</td>
<td>support</td>
</tr>
</tbody>
</table>

It can be seen from Tab. 4 that the path coefficient between declarative organizational memory and innovation performance in the structural model is 0.362 (P < 0.001), indicating that declarative organizational memory has a significant positive impact on innovation performance, and the hypothesis H1a holds; The path coefficient between process organizational memory and innovation performance is 0.357 (P < 0.001), indicating that process organizational memory significantly positively affects innovation performance.

The main effect hypothesis test results are shown in Tab. 5. The conclusion shows that organizational memory has a positive effect on innovation performance.

Table 5 - Direct effect test results
(made by the author)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Hypothetical content</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Organizational memory is positively correlated with innovation performance</td>
<td>support</td>
</tr>
<tr>
<td>H1a</td>
<td>Declarative organizational memory is positively correlated with innovation performance</td>
<td>support</td>
</tr>
<tr>
<td>H1b</td>
<td>Process organizational memory is positively correlated with innovation performance</td>
<td>support</td>
</tr>
</tbody>
</table>

Adjust effect test

The adjust effect of potential absorptive capacity between organizational memory and innovation performance.

This part uses hierarchical regression for analysis and the results are shown in Tab. 6.
Table 6 - Adjust for the effect of potential absorptive power between organizational memory and innovation efficiency  
(made by the author)

<table>
<thead>
<tr>
<th>variable</th>
<th>Model 2a</th>
<th>Model 2b</th>
<th>Model 2c</th>
<th>Model 2c</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta</td>
<td>Beta</td>
<td>Beta</td>
<td>Beta</td>
<td>Beta</td>
</tr>
<tr>
<td>t</td>
<td>t</td>
<td>t</td>
<td>t</td>
<td>t</td>
</tr>
<tr>
<td>Organization memory</td>
<td>0.485**</td>
<td>0.423**</td>
<td>0.474**</td>
<td>0.452**</td>
</tr>
<tr>
<td>t</td>
<td>9.783</td>
<td>8.209</td>
<td>9.119</td>
<td>8.912</td>
</tr>
<tr>
<td>Potential absorptive</td>
<td>0.256**</td>
<td>0.335**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>t</td>
<td>5.074</td>
<td>6.369</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product term</td>
<td></td>
<td>0.217**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.302</td>
<td>0.357</td>
<td>0.393</td>
<td>0.377</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>0.288</td>
<td>0.342</td>
<td>0.377</td>
<td>0.377</td>
</tr>
</tbody>
</table>

Note: ** indicates significant correlation at the level of 0.01, Product term=organization memory*potential absorptive

Table 7 - The adjust effect of realistic absorptive capacity between organizational memory and innovation performance  
(made by the author)

<table>
<thead>
<tr>
<th>variable</th>
<th>Model 3a</th>
<th>Model 3b</th>
<th>Model 3c</th>
<th>Model 3c</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta</td>
<td>Beta</td>
<td>Beta</td>
<td>Beta</td>
<td>Beta</td>
</tr>
<tr>
<td>t</td>
<td>t</td>
<td>t</td>
<td>t</td>
<td>t</td>
</tr>
<tr>
<td>Organization memory</td>
<td>0.485**</td>
<td>0.423**</td>
<td>0.474**</td>
<td>0.474**</td>
</tr>
<tr>
<td>t</td>
<td>9.783</td>
<td>8.209</td>
<td>9.119</td>
<td>9.119</td>
</tr>
<tr>
<td>Potential absorptive</td>
<td>0.19**</td>
<td>0.243**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>t</td>
<td>3.694</td>
<td>4.676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product term</td>
<td></td>
<td>0.201**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.302</td>
<td>0.333</td>
<td>0.365</td>
<td>0.365</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>0.288</td>
<td>0.317</td>
<td>0.348</td>
<td>0.348</td>
</tr>
</tbody>
</table>

Note: ** indicates significant correlation at the level of 0.01, Product term=organization memory*realistic absorptive

Tab. 6 shows that the F value of model 2a is 21.709 (P < 0.001), indicating that it passes the F test. The adjusted R2 is 0.288, and organizational memory has a significant positive impact on innovation performance.

The F value of the 2B regression equation was 23.834 (P < 0.001), consistent with the F test. The regression coefficient of innovation absorptive capacity on innovation performance is 0.256 (P < 0.01), indicating that potential absorptive capacity has a significant positive impact on innovation performance.

In model 2c, the F value is 24.233, P < 0.001, indicating that the potential absorptive capacity has a significant positive regulatory effect on the relationship between organizational memory and innovation performance.
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The adjust effect of realistic absorptive capacity on organizational memory and innovation performance

The hierarchical regression method is used for analysis, and the results are shown in Tab. 7.

Tab. 7 shows that the F value of model 3a is 21.728 (P < 0.001). Through the F test, it indicates that organizational memory has a significant positive impact on innovation performance. The F value of the regression equation in model 3b is 21.356 (P < 0.001). The F test indicates that the real absorptive capacity has a significant positive impact on innovation performance. In model 3C, the F value is 21.511, P < 0.001.

The results show that the regression equation is significant, and the product term coefficient is 0.201 (P < 0.001), indicating that the real absorptive capacity has a significant positive regulating effect on the relationship between organizational memory and innovation performance.

Empirical results and discussion of adjust effect

Table 8 - Hypothesis test results of adjust effect

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Absorptive capacity adjust the influence of organizational memory on innovation performance</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>The influence of organizational memory adjusted by potential absorptive capacity on innovation performance</td>
<td>support</td>
</tr>
<tr>
<td>H2a</td>
<td>The influence of organizational memory adjusted by realistic absorptive capacity on innovation performance</td>
<td>support</td>
</tr>
<tr>
<td>H2b</td>
<td>The influence of organizational memory adjusted by realistic absorptive capacity on innovation performance</td>
<td>support</td>
</tr>
</tbody>
</table>

This part adopts the hierarchical regression method to analyze the regulatory role of absorptive capacity between organizational memory and innovation performance. The research shows that the potential absorptive capacity and the realistic absorptive capacity have a positive adjust effect on the relationship between organizational memory and innovation performance.

Discussion

(1) The organizational memory and innovation performance of private enterprises have a direct impact. The declarative organizational memory has a greater impact on innovation performance than the process organizational memory. Therefore, the two dimensions of organizational memory have different effects on the innovation performance of private enterprises.

(2) The absorptive capacity of private enterprises can significantly adjust the relationship between organizational memory and innovation performance. The innovation performance of private enterprises is not only affected by the organizational memory, but also by the organizational absorptive capacity.
Conclusion

Using organizational memory to promote innovation of private enterprises

Pay attention to the development of organizational memory
Most private enterprises are facing a state of relative lack of resources. As a knowledge resource, organizational memory is the foundation of organizational innovation. Therefore, private enterprises should fully realize the important role of organizational memory and the need to accumulate knowledge to form organizational memory.

On the one hand, private enterprises should pay attention to learning and constantly improve their ability to acquire and apply knowledge. On the other hand, maintain the smoothness and effectiveness of internal communication. Through cross-departmental communication, all departments can fully understand knowledge and give full play to the role of organizational memory in innovation performance.

Using declarative organizational memory to strengthen innovation
Private enterprises should strengthen the construction of declarative organizational memory. On the one hand, information such as facts and events can be obtained and stored in various ways.

On the one hand, private enterprises must pay attention to learning and constantly improve their ability to acquire and apply knowledge. On the other hand, keep internal communication fluid and efficient. Through inter-departmental communication, all departments can fully understand knowledge and make full use of the role of organizational memory in innovation efficiency.

Using process organizational memory to promote innovation
Private enterprises use process organizational memory to promote innovation. On the one hand, they should constantly improve organizational processes and optimize existing organizational practices. On the other hand, it is necessary to strengthen the institutionalized management of enterprises so that the organizational practices can become an automated procedure, which can ensure that the existing organizational practices can be strictly and efficiently implemented.

Pay attention to the balance between declarative organizational memory and procedural organizational memory
In the construction of the organizational memory of private enterprises, it is necessary to balance the two kinds of organizational memory. In the process of innovation, private enterprises need to balance the construction of declarative organizational memory and process organizational memory.

Improve the innovation ability of private enterprises through absorption capacity

Pay attention to the development of absorption ability
To improve the organizational absorptive capacity of private enterprises, organizations can establish inter-departmental innovation teams, strengthen communication among multiple departments, better collect and obtain knowledge and information in all aspects, and
promote the integration and cooperation of various departments in activities. At the same time, knowledge sharing is emphasized in the organization. Each department has different perspectives to acquire and understand knowledge but has a common knowledge base, which is conducive to better understanding and exchange of knowledge among members of each department, facilitating knowledge integration, and facilitating the organization to make better use of knowledge innovation.

**Strengthening innovation through potential absorptive capacity**

Private enterprises need to take full advantage of absorptive potential and improve the effectiveness of organizational innovation. The potential absorptive capacity is mainly achieved through a process of full assimilation and transformation of external knowledge into organizational knowledge. To improve the potential absorptive capacity of private enterprises, we must improve knowledge absorption capacity and strengthen the building of enterprise knowledge systems.

Once knowledge enters the enterprise from the outside, it must be digested and assimilated before it can be fully understood by employees and entered into the organizational memory system. The ability to digest knowledge determines the degree of understanding of private enterprises and influences the effect of the use of knowledge by organizations. Thus, strengthening the ability to assimilate knowledge will ultimately affect the innovative activity of the organization.

**Strengthen innovation through realistic absorptive capacity**

Private enterprises should pay attention to the effect of knowledge sharing, and can adopt cross-department cooperation and communication among employees to improve the effective communication and sharing of knowledge and achieve the goal of knowledge innovation. It is also possible to improve the fluency of knowledge flow and transfer and improve the understanding of knowledge by establishing an internal knowledge network structure. Only based on this full understanding can correct use be realized?

Private enterprises should pay attention to the construction of good organizational practices and the formation of orderly business processes, improve the organization's ability to apply knowledge, ultimately achieve product and service innovation and improve innovation performance.

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*Paper submitted* 12 January 2023
*Paper accepted for publishing* 03 March 2023
*Paper published online* 30 July 2023