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Internal Collaboration and External Collaboration with Suppliers for Organizational Innovation  
Capability: A Complementarity Perspective

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**ABSTRACT**

In order to sustain profitability and overall business success, organizations are forced to explore various ways to enhance their innovation capability. This study takes an integrated view at how internal and external collaborations would provoke and strengthen each other from the perspective of the economic theory of complementarity. Based on a sample of 201 U.S. manufacturing plants, we find that simultaneous utilization of both external collaboration and internal capabilities does in fact create synergies in realizing organizational innovation.

KEYWORDS: Innovation Capability, Complementarity, Collaboration