The paper examines how management style and practices are associated with different levels of participation in international collaboration, and degrees and types of innovation. We are interested to discover how and why some firms that are embedded within the same weak National Systems of Innovation and Sectoral Systems of Innovation differ in the way and rate of performing innovation. We employ a mixed methods approach, drawing upon a survey of 17 generic local drug manufacturers in Jordan, followed by four in-depth case studies of firms based upon interviews with the key personnel and relevant documentation.

We identify an association between the characteristics of top management and a strategy of open innovation, specifically participation in international collaboration, and firms’ innovation performance, in terms of new patents and new products. Our empirical results show that the higher the participation of firms in international collaboration, the higher the performance in innovation. A strategy of open innovation has supported two of the cases in their drive toward the technological frontier. As a result, these two firms have been able to develop their own proprietary capabilities through a combination of their R&D, acquisition, and collaboration, resulting in new products, patents and licensing deals.

Extending existing research on latecomer countries, these findings indicate that executive characteristics can provide additional explanation for the variation in the firms’ innovation performance. The research results show that top management’s international experience, external social capital and political background appear to be primary factors in distinguishing top management cognition and attitude toward participation in international collaboration. Moreover, the research results show that the characteristics of the search process for partner and technology explain differences in participation in collaboration, while top management style, integration mechanisms, and employee involvement explain differences in innovation performance.

Keywords: open innovation, alliances, leadership, pharmaceuticals