



Capability Transfer Systems: How Business Formats Develop Entrepreneurial Competence

Thayib^{1*}

*Corresponding Mail:
thayib@uinsa.ac.id

Article History:

Submitted: 19-03-2026
Approved: 21-05-2026
Published: 01-06-2026



Available at the open access
journal:
<https://sciedex.com/directiva>

Directiva - Journal of Corporate and
Creative Business Management
licensed under a Creative Commons
Attribution-NonCommercial 4.0
International (CC BY-NC 4.0).



Abstract

Entrepreneurial competence has traditionally been explained as an outcome of individual learning, experiential accumulation, and entrepreneurial action. While this perspective has generated important insights, it provides only a partial explanation of competence development in contemporary entrepreneurial environments where individuals increasingly operate within organizational arrangements that provide structured access to knowledge, routines, developmental resources, and support mechanisms. Despite extensive research on entrepreneurial learning and organizational knowledge transfer, limited attention has been devoted to explaining how organizational systems contribute to entrepreneurial competence formation. Addressing this gap, this conceptual paper develops the Capability Transfer Systems (CTS) framework by integrating insights from entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, dynamic capability, and business format research. The framework conceptualizes organizations as entrepreneurial development infrastructures that systematically facilitate competence formation through standardized knowledge templates, capability codification, and guided entrepreneurial practice. A process model is proposed to explain how entrepreneurial competence emerges through successive stages of knowledge access, capability absorption, capability internalization, competence formation, and entrepreneurial action. The study advances a new theoretical explanation of organizationally facilitated entrepreneurial competence formation, extends existing understanding of capability development, and establishes a foundation for future research on how organizations create entrepreneurs across diverse entrepreneurial contexts.

Keywords

capability transfer systems; entrepreneurial competence; entrepreneurial learning; knowledge transfer; absorptive capacity; dynamic capabilities

¹ Department of Management, Faculty of Islamic Economics and Business, Universitas Islam Negeri Sunan Ampel, Surabaya, Indonesia

1. Introduction

Entrepreneurship has long been recognized as a critical driver of economic growth, innovation, and organizational renewal. Consequently, substantial scholarly attention has been devoted to understanding how entrepreneurial competencies emerge and develop over time. The dominant perspective within entrepreneurship research suggests that entrepreneurial competence is primarily cultivated through individual learning processes, experiential discovery, and repeated engagement with entrepreneurial activities (Cope, 2005; Politis, 2005; Sarasvathy, 2001; S. Shane & Venkataraman, 2000). Within this perspective, entrepreneurs acquire valuable knowledge by identifying opportunities, experimenting with new ideas, learning from failures, and gradually refining their capabilities through accumulated experience (Corbett, 2005; Davidsson, 2015).

The emphasis on individual learning has generated significant insights into entrepreneurial development. Entrepreneurial competence has been linked to opportunity recognition, resource mobilization, strategic decision-making, risk assessment, and adaptive problem-solving capabilities (Alvarez & Barney, 2007; S. Shane & Venkataraman, 2000). Entrepreneurial learning scholars further argue that these competencies emerge through continuous interaction between experience, reflection, and action (Cope, 2005; Politis, 2005; Rae, 2005). As a result, entrepreneurship has traditionally been conceptualized as an individual-centered process in which entrepreneurial capabilities are largely self-developed through personal engagement in uncertain market environments.

Recent entrepreneurship scholarship, however, increasingly recognizes that entrepreneurial outcomes are embedded within broader organizational and ecosystem contexts rather than being solely determined by individual characteristics. Entrepreneurial success is often shaped by access to institutional support, knowledge infrastructures, network resources, and capability-building environments that influence opportunity recognition, opportunity exploitation, and venture development (Autio et al., 2018; Spigel, 2017; Stam, 2015). This emerging perspective suggests that entrepreneurial competence may be influenced not only by individual learning but also by the structures and systems within which entrepreneurial activities occur.

Despite its contributions, the dominant experiential learning perspective presents an important limitation. By emphasizing individual experience as the primary source of entrepreneurial competence, existing literature tends to overlook the role of organizational systems that actively facilitate and accelerate capability development. In practice, many individuals become business owners and successful entrepreneurs not by independently creating ventures from scratch but by entering organizational arrangements that provide structured access to knowledge, routines, business processes, managerial expertise, and decision-making frameworks. Such arrangements reduce the need for entrepreneurs to rely exclusively on trial-and-error learning and instead enable them to acquire capabilities through systematic organizational support.

This phenomenon is particularly evident in business format systems such as franchising. Unlike independent entrepreneurship, franchising provides entrepreneurs with established operating procedures, codified knowledge, standardized routines, brand resources, training programs, and ongoing managerial support (Bradach, 1997; Combs et al., 2004; S. A. Shane, 1998). Through these mechanisms, franchise systems facilitate the transfer of organizational knowledge from franchisors to franchisees, thereby reducing uncertainty and enhancing entrepreneurial effectiveness (Sorenson & Sørensen, 2001). More recent studies further demonstrate that knowledge transfer mechanisms within franchise networks influence capability development, learning effectiveness, and network performance outcomes (Gorovaia et al., 2023; Pajić et al., 2025). Consequently, franchising represents a distinctive

organizational context in which entrepreneurial competence may be developed through structured capability transfer rather than solely through individual experimentation.

The importance of organizationally facilitated learning has been extensively recognized in the broader knowledge management and organizational learning literature. Scholars have demonstrated that organizations create competitive advantages by transferring knowledge across units, individuals, and organizational boundaries (Argote & Ingram, 2000; Grant, 1996; Kogut & Zander, 1992). Research on knowledge transfer has identified numerous mechanisms through which organizations disseminate best practices, routines, and capabilities among actors within organizational systems and interorganizational networks (Hansen, 1999; Inkpen & Tsang, 2005). Similarly, organizational learning scholars have emphasized that knowledge can be accumulated, codified, replicated, and transferred through structured processes that enable individuals to perform effectively without directly experiencing the full learning journey themselves (Argote & Miron-Spektor, 2011; Levitt & March, 1988).

Relatedly, absorptive capacity research suggests that individuals and organizations can acquire, assimilate, transform, and exploit external knowledge to enhance capability development and performance (Cohen & Levinthal, 1990; Jansen et al., 2005). Dynamic capability scholars further argue that organizational systems can deliberately create, reconfigure, and deploy knowledge resources to facilitate learning, adaptation, and capability formation (Eisenhardt & Martin, 2000; Teece, 2007). Beyond knowledge acquisition, recent scholarship also highlights the importance of knowledge integration processes through which transferred knowledge is combined with existing cognitive structures and operational experiences to create actionable capabilities (Grant, 1996). Collectively, these perspectives suggest that capability development is not solely an individual phenomenon but may also be embedded within organizational structures and processes.

Although substantial progress has been made in understanding knowledge transfer, organizational learning, and capability development, a significant theoretical gap remains. Existing studies largely focus on the transfer of knowledge, routines, best practices, technological expertise, and operational capabilities (Argote & Ingram, 2000; Jensen & Szulanski, 2007). Comparatively less attention has been devoted to understanding how organizational systems transfer entrepreneurial competence itself. While entrepreneurship scholars explain how entrepreneurs learn, and knowledge management scholars explain how organizations transfer knowledge, limited research integrates these perspectives to explain how organizational systems transform non-entrepreneurs into competent entrepreneurs.

This gap is particularly evident in franchising research. Existing franchise studies have extensively examined governance structures, ownership arrangements, agency relationships, control mechanisms, and network performance (Combs et al., 2004; Dant & Kaufmann, 2003; S. A. Shane, 1996). More recent studies have explored knowledge transfer mechanisms and their performance implications within franchise networks (Gorovaia et al., 2023; Pajić et al., 2025). However, these studies generally emphasize organizational efficiency and network outcomes rather than entrepreneurial competence formation at the individual level. Consequently, the mechanisms through which business format systems cultivate entrepreneurial capabilities remain conceptually underdeveloped.

Addressing this limitation is increasingly important because contemporary entrepreneurial ecosystems contain a growing number of organizational arrangements designed to facilitate entrepreneurial participation. Beyond franchising, business incubators, accelerators, licensing systems, entrepreneurial support organizations, and platform-based ecosystems provide structured pathways through which individuals gain access to entrepreneurial opportunities. These arrangements do not merely transfer information; they often function as developmental infrastructures that shape entrepreneurial competence through structured

learning environments. Understanding how such systems contribute to entrepreneurial capability development therefore has important implications for entrepreneurship theory, organizational learning, strategic management, and business development research.

To address this theoretical gap, this paper introduces the concept of Capability Transfer Systems (CTS). Capability Transfer Systems are defined as organizational arrangements that systematically transfer entrepreneurial competencies, routines, knowledge, and decision-making capabilities from established organizations to individual operators through structured learning and support mechanisms. By integrating insights from entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, dynamic capability, and business format research, this paper develops a conceptual framework explaining how organizational systems facilitate entrepreneurial competence development.

This study makes three primary contributions. First, it extends entrepreneurship research by proposing that entrepreneurial competence can emerge not only through individual learning but also through structured organizational transfer mechanisms. Second, it contributes to the knowledge transfer literature by shifting attention from knowledge dissemination outcomes toward entrepreneurial capability formation. Third, it advances franchising and business format research by reconceptualizing such systems as capability transfer infrastructures that systematically develop entrepreneurial competence. More broadly, the paper contributes to an emerging conversation concerning how organizations function as distributed capability builders that shape the competence of semi-autonomous actors operating within broader entrepreneurial ecosystems (Adner, 2017; Jacobides et al., 2018). Through these contributions, the study offers a novel perspective on how organizations create entrepreneurs and expands current understanding of the relationship between organizational systems and entrepreneurial development.

2. Entrepreneurial Competence, Learning, and Capability Transfer

Entrepreneurial competence is widely recognized as a critical determinant of entrepreneurial effectiveness and venture success. Although scholars conceptualize the construct differently, there is broad agreement that entrepreneurial competence encompasses the knowledge, skills, cognitive frameworks, and behavioral capabilities that enable individuals to identify opportunities, mobilize resources, make strategic decisions, and create value under uncertainty (Alvarez & Barney, 2007; Davidsson, 2015; S. Shane & Venkataraman, 2000). Traditionally, competence has been viewed as an individual-level capability developed through entrepreneurial experience. Opportunity-based perspectives emphasize entrepreneurs' abilities to discover, evaluate, and exploit opportunities, while entrepreneurial judgment, innovation, and resource orchestration are considered central mechanisms underlying venture creation and growth (Alvarez & Barney, 2007; Davidsson, 2015; S. Shane & Venkataraman, 2000).

More recent research, however, suggests that entrepreneurial competence is a multidimensional and developmental construct comprising cognitive, relational, strategic, and operational capabilities that evolve through interaction with organizational and environmental contexts (Mitchelmore & Rowley, 2010). Entrepreneurs must not only recognize opportunities but also coordinate stakeholders, integrate knowledge, adapt business models, and manage organizational complexity. This broader perspective raises an important question: how do such competencies emerge and develop?

Entrepreneurship research has largely answered this question through entrepreneurial learning theory. Entrepreneurial learning is commonly defined as the process through which individuals transform experience into entrepreneurial knowledge and capability (Cope, 2005; Politis, 2005). Experiential learning perspectives argue that competence develops through repeated engagement in entrepreneurial activities, reflection on successes and failures, and

adaptation to changing circumstances. Entrepreneurs learn by creating ventures, exploiting opportunities, interacting with stakeholders, and responding to uncertainty, thereby gradually developing increasingly sophisticated cognitive frameworks and decision-making capabilities (Cope, 2005; Corbett, 2005; Politis, 2005). Narrative perspectives similarly emphasize that entrepreneurial identities and competencies emerge through the interpretation and integration of personal experiences (Rae, 2005)

Although contemporary entrepreneurship scholarship increasingly recognizes the importance of social networks, mentors, ecosystem actors, and institutional support structures in shaping entrepreneurial behavior (Autio et al., 2018) entrepreneurial competence remains predominantly conceptualized as an outcome of individual learning. Across opportunity discovery, effectuation, and experiential learning traditions, entrepreneurs are portrayed as the primary agents responsible for developing competence through direct engagement with entrepreneurial activities (Cope, 2005; Politis, 2005; Sarasvathy, 2001). Consequently, entrepreneurial competence is commonly viewed as internally generated through accumulated experience, feedback, and adaptation.

While this perspective has significantly advanced entrepreneurship theory, it presents an important limitation. Specifically, it provides only a partial explanation of competence development in contemporary environments where individuals increasingly participate in organizational arrangements that facilitate learning, reduce uncertainty, and provide access to accumulated expertise. Franchising systems, incubators, accelerators, licensing arrangements, and entrepreneurial support organizations routinely provide training, mentoring, codified routines, and structured developmental pathways. These contexts suggest that entrepreneurial competence may not always be entirely self-developed but may also be supported, accelerated, or partially transferred through organizational systems.

Insights from organizational learning and strategic management provide a useful foundation for examining this possibility. The knowledge-based view argues that organizations exist primarily as institutions for integrating and coordinating specialized knowledge dispersed across individuals (Grant, 1996). Similarly, Kogut & Zander (1992) emphasize that firms function as social communities capable of creating, transferring, and replicating knowledge more efficiently than market mechanisms. Organizational knowledge extends beyond explicit information to include routines, decision logics, skills, and experiential insights that shape performance and capability development (Grant, 1996; Kogut & Zander, 1992). More importantly, the value of knowledge depends not only on possession but also on the ability to integrate and apply it across organizational actors and contexts.

Building on this foundation, knowledge transfer research explains how knowledge moves from one actor to another. Organizations create value by transferring expertise, best practices, and routines across units and individuals, thereby reducing redundant learning and improving performance (Argote & Ingram, 2000; Darr et al., 1995). However, successful transfer is often constrained by causal ambiguity, weak relationships, and contextual differences, making transfer effectiveness dependent on organizational mechanisms and social structures (Hansen, 1999; Inkpen & Tsang, 2005; Reagans & McEvily, 2003). Consequently, knowledge transfer should be understood as a complex process involving communication, interpretation, adaptation, and application rather than simple information movement.

Yet the availability of knowledge does not automatically lead to capability development. Absorptive capacity theory addresses this issue by explaining how individuals and organizations acquire, assimilate, transform, and exploit externally sourced knowledge (Cohen & Levinthal, 1990). Learning outcomes depend not only on access to knowledge but also on recipients' ability to recognize its value and integrate it into existing cognitive structures (Jansen et al., 2005; Lane et al., 2006; Lane & Lubatkin, 1998). From the perspective of entrepreneurial competence, this suggests that organizationally provided

knowledge contributes to development only when individuals successfully absorb and apply it.

Dynamic capability theory further extends this argument by emphasizing that organizations can deliberately create, integrate, and reconfigure competencies through structured learning and developmental processes (Eisenhardt & Martin, 2000; Teece, 2007). Capability development emerges through experience accumulation, knowledge articulation, and knowledge codification, supported by organizational routines and learning mechanisms (Helfat & Peteraf, 2003). Importantly, organizations are not passive repositories of knowledge but active architects of capability development.

Taken together, these perspectives reveal an important theoretical convergence. Entrepreneurship research explains how individuals develop competence through learning (Cope, 2005; Politis, 2005). Knowledge-based theory explains why knowledge serves as a foundation for capability creation (Grant, 1996; Kogut & Zander, 1992). Knowledge transfer research explains how knowledge moves across actors (Argote & Ingram, 2000). Absorptive capacity theory explains how recipients internalize external knowledge (Cohen & Levinthal, 1990), while dynamic capability theory explains how organizations intentionally create and deploy capabilities (Teece, 2007). However, these perspectives remain fragmented with respect to entrepreneurial competence formation. Existing theories explain learning, transfer, absorption, and capability creation, but none explicitly explains how organizational systems transform transferred knowledge into entrepreneurial competence.

This limitation is particularly evident in replicated organizational environments such as franchising, where participants receive access to codified routines, training systems, mentoring arrangements, and ongoing managerial support before developing substantial entrepreneurial experience of their own (Bradach, 1997; Combs et al., 2004; S. A. Shane, 1998). Similar developmental infrastructures are increasingly present in incubators, accelerators, platform ecosystems, and entrepreneurial support organizations. These systems appear to function not merely as knowledge transfer mechanisms but as capability-building environments capable of shaping entrepreneurial competence itself.

To further clarify the theoretical positioning of Capability Transfer Systems, it is useful to compare the framework with the major theoretical perspectives that inform entrepreneurial competence development. Although each perspective contributes important insights, they differ in their primary unit of analysis, developmental mechanisms, and conceptual outcomes. Table 1 summarizes these distinctions and highlights the unique contribution of the CTS framework.

Table 1. Positioning Capability Transfer Systems within Existing Theoretical Perspectives

Theory	Primary Focus	Development Mechanism	Main Outcome	Limitation
Entrepreneurial Learning Theory	Individual entrepreneur	Experience, reflection, adaptation	Entrepreneurial learning	Limited attention to organizationally facilitated competence development
Knowledge Transfer Theory	Knowledge movement	Transfer of knowledge and routines	Knowledge acquisition	Does not explain entrepreneurial competence formation
Absorptive Capacity Theory	Knowledge utilization	Acquisition, assimilation, transformation, exploitation	Learning effectiveness	Focuses on absorption rather than competence creation

Theory	Primary Focus	Development Mechanism	Main Outcome	Limitation
Dynamic Capability Theory	Organizational capabilities	Capability creation and reconfiguration	Organizational adaptation	Primarily organization-centered
Capability Transfer Systems (CTS)	Organizationally facilitated entrepreneurial development	Knowledge templates, capability codification, guided entrepreneurial practice	Entrepreneurial competence formation	Integrates organizational and individual developmental processes

Source: Developed by the author.

Table 1 demonstrates that existing theories explain important components of capability development but remain fragmented in their treatment of entrepreneurial competence formation. The CTS framework extends these perspectives by integrating organizational and individual developmental mechanisms into a unified explanation of how entrepreneurial competence emerges through structured capability transfer processes.

Although entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, and dynamic capability research collectively provide important insights into competence development, these perspectives remain theoretically fragmented. Existing theories explain how entrepreneurs learn, how knowledge is transferred, how external knowledge is absorbed, and how capabilities are created and deployed. However, none explicitly explains how organizational systems transform accumulated organizational knowledge into entrepreneurial competence at the individual level. This fragmentation creates an important theoretical gap that motivates the development of the Capability Transfer Systems (CTS) framework.

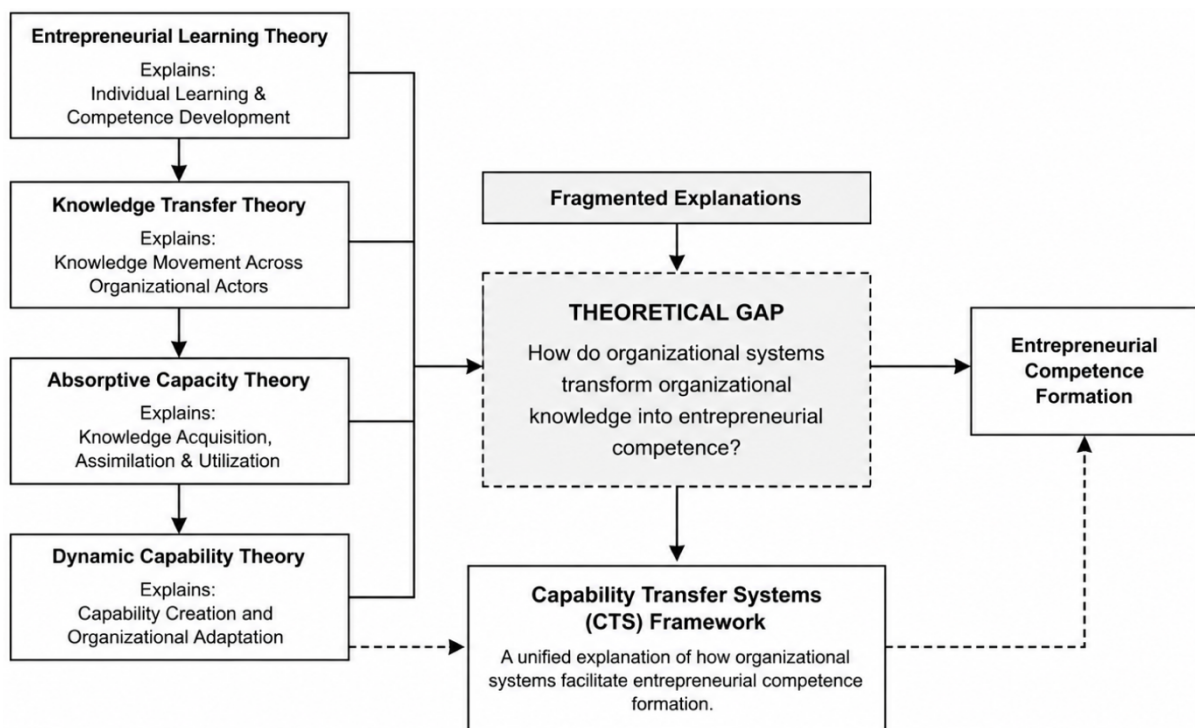


Figure 1. Theoretical Gap Positioning of Entrepreneurial Competence Formation

Source: Developed by the author.

Figure 1 illustrates that existing theoretical perspectives explain important but isolated components of entrepreneurial capability development. Entrepreneurial learning theory focuses on individual competence formation, knowledge transfer theory explains the movement of knowledge across actors, absorptive capacity theory addresses knowledge

assimilation and utilization, and dynamic capability theory examines capability creation and adaptation. However, the mechanisms through which organizational systems transform accumulated organizational knowledge into entrepreneurial competence remain underdeveloped. The CTS framework addresses this gap by integrating these previously disconnected perspectives into a unified explanation of organizationally facilitated entrepreneurial competence formation.

Accordingly, a significant theoretical gap remains. Entrepreneurial learning theory largely assumes that competence is internally generated through individual learning, whereas organizational learning and capability theories explain knowledge transfer and capability development without explicitly addressing entrepreneurial competence formation. Existing scholarship therefore provides limited understanding of how organizational systems intentionally facilitate, accelerate, and transfer entrepreneurial capabilities to individuals. Addressing this gap requires an integrative framework capable of explaining how organizational arrangements transform accumulated organizational knowledge into entrepreneurial competence.

3. Capability Transfer Systems: A Framework for Entrepreneurial Competence Formation

Business format systems have traditionally been examined as organizational mechanisms designed to facilitate growth, standardization, replication, and operational efficiency. Within franchising and related arrangements, organizations transfer established business models through operating procedures, managerial guidelines, training systems, performance controls, and brand resources that enable the replication of proven practices across multiple locations (Bradach, 1997; Combs et al., 2004; S. A. Shane, 1998). Consequently, existing research has primarily focused on governance structures, agency relationships, ownership arrangements, replication processes, and network performance outcomes (Combs et al., 2004; Dant & Kaufmann, 2003). While these perspectives have generated valuable insights, they largely emphasize organizational outcomes and provide limited understanding of how such systems influence entrepreneurial competence development among participants.

This limitation is important because business formats do more than replicate routines and operational knowledge. They also shape the cognitive frameworks, decision-making capabilities, and entrepreneurial behaviors of individuals operating within those systems. Franchisees, for example, engage in opportunity exploitation, resource allocation, customer management, local adaptation, and operational problem-solving, all of which require entrepreneurial competence (Gillis et al., 2020; Sorenson & Sørensen, 2001). Similarly, contemporary entrepreneurial ecosystems increasingly rely on incubators, accelerators, licensing arrangements, and platform-based environments that provide structured access to entrepreneurial knowledge, developmental support, and capability-building resources (Autio et al., 2018). These observations suggest that organizational systems may function not only as knowledge transfer mechanisms but also as developmental infrastructures capable of cultivating entrepreneurial competence.

To explain this phenomenon, this paper introduces the concept of Capability Transfer Systems (CTS). Capability Transfer Systems are organizational arrangements that systematically transfer entrepreneurial competencies, operational routines, decision-making capabilities, and business knowledge from established organizations to individual participants through structured learning, developmental support, and guided entrepreneurial practice. The CTS concept integrates insights from entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, and dynamic capability perspectives to explain how organizational systems contribute to entrepreneurial competence formation.

CTS differs from existing theories in several important respects. First, it extends knowledge transfer theory. Traditional knowledge transfer research focuses on the movement of information, expertise, routines, and best practices between actors, with outcomes typically measured in terms of learning effectiveness, innovation, or performance improvement (Argote & Ingram, 2000). CTS shifts attention from knowledge movement itself to entrepreneurial competence formation as the ultimate developmental outcome. Second, CTS extends entrepreneurial learning theory. While entrepreneurial learning perspectives emphasize experience, reflection, and adaptation as the primary sources of competence development (Cope, 2005; Politis, 2005), CTS argues that entrepreneurial competence may also emerge through organizationally facilitated developmental infrastructures that reduce learning barriers and provide structured access to accumulated entrepreneurial knowledge. Third, CTS extends dynamic capability theory. Although dynamic capability research explains how organizations create and deploy capabilities (Teece, 2007), the organization remains the primary beneficiary of capability development. CTS instead focuses on how organizational capability-building mechanisms shape entrepreneurial competence at the individual level.

The CTS framework proposes that entrepreneurial competence emerges through three interrelated organizational mechanisms: standardized knowledge templates, capability codification, and guided entrepreneurial practice.

The first mechanism, standardized knowledge templates, provides individuals with access to accumulated organizational knowledge in transferable forms such as operating manuals, training systems, decision frameworks, and business processes (Grant, 1996; Jensen & Szulanski, 2007). These templates reduce ambiguity and uncertainty by offering proven approaches to problem solving and decision making. Beyond operational guidance, they communicate entrepreneurial logics, managerial assumptions, and decision heuristics that influence how individuals interpret opportunities and respond to business challenges (Rivkin, 2001). Consequently, standardized templates function not only as repositories of organizational knowledge but also as developmental tools that shape entrepreneurial cognition.

The second mechanism, capability codification, refers to the transformation of organizational experience and expertise into transferable developmental resources (Grant, 1996). Through training programs, mentoring systems, coaching arrangements, performance standards, and support infrastructures, organizations convert tacit knowledge into forms that can be systematically communicated and learned. Codification does not eliminate the need for entrepreneurial learning; rather, it reduces the costs associated with independent capability discovery. Individuals gain access to accumulated organizational expertise and can therefore focus on capability application and refinement instead of generating all relevant knowledge through trial and error. In this way, capability codification creates developmental consistency and establishes common pathways through which entrepreneurial competence may emerge.

The third mechanism, guided entrepreneurial practice, provides opportunities for individuals to apply transferred knowledge within real entrepreneurial contexts. Entrepreneurial learning research consistently demonstrates that competence develops through action, reflection, and adaptation rather than through passive knowledge acquisition alone (Cope, 2005; Corbett, 2005; Politis, 2005). Accordingly, CTS combines entrepreneurial activity with organizational support. Participants engage in customer management, operational decision making, resource allocation, market adaptation, and opportunity exploitation while simultaneously receiving feedback, mentoring, and developmental guidance. This mechanism is also consistent with practice-based learning perspectives, which emphasize that competence emerges through participation in recurring organizational activities and communities of practice where knowledge is enacted rather than merely communicated (Brown & Duguid, 1991; Lave & Wenger, 1991). Through repeated cycles of action and feedback, externally provided knowledge becomes internalized entrepreneurial capability.

The integration of these three mechanisms enables organizational systems to function as entrepreneurial development infrastructures. Traditional entrepreneurship theories generally portray entrepreneurial competence as the outcome of individual experimentation and self-directed learning under conditions of uncertainty (Sarasvathy, 2001; S. Shane & Venkataraman, 2000). The CTS framework complements this perspective by proposing that entrepreneurial competence is co-produced through the interaction between organizational support structures and individual learning processes. Organizations provide access to knowledge, routines, developmental resources, and entrepreneurial opportunities, while individuals absorb, internalize, and apply these resources within practical business contexts. Entrepreneurial competence therefore emerges neither as a purely innate attribute nor as an exclusively self-developed capability, but as a developmental outcome shaped by both organizational and individual processes.

The CTS framework conceptualizes organizations as entrepreneurial development infrastructures that systematically facilitate entrepreneurial competence formation. Rather than viewing entrepreneurial competence as exclusively self-generated through experience, the framework proposes that organizations actively contribute to competence development by providing access to accumulated knowledge, codified capabilities, and guided learning opportunities. The framework integrates insights from entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, and dynamic capability perspectives into a unified explanation of organizationally facilitated entrepreneurial competence formation.

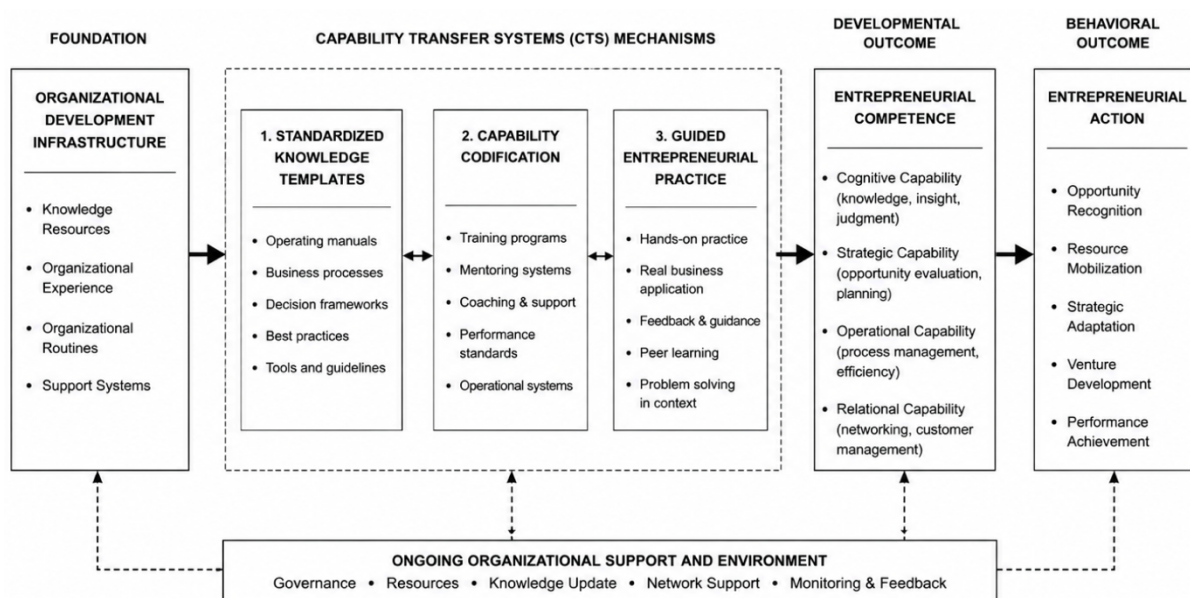


Figure 2. Capability Transfer Systems (CTS) Framework

Source: Developed by the author.

Figure 2 presents the conceptual architecture of the Capability Transfer Systems framework. The framework proposes that organizational development infrastructures provide the foundational resources necessary for entrepreneurial capability development. Through three interrelated mechanisms: standardized knowledge templates, capability codification, and guided entrepreneurial practice, organizations transform accumulated knowledge and experience into developmental resources that facilitate entrepreneurial competence formation. The resulting competencies encompass cognitive, strategic, operational, and relational capabilities that enable entrepreneurial action. Consequently, entrepreneurial competence is conceptualized not as an exclusively individual outcome, but as a developmental capability co-produced through the interaction between organizational infrastructures and individual learning processes.

Because entrepreneurial competence represents the central developmental outcome of Capability Transfer Systems, greater conceptual precision regarding its constituent

dimensions is necessary. Consistent with entrepreneurship and competence research, the CTS framework conceptualizes entrepreneurial competence as a multidimensional construct comprising cognitive, strategic, operational, and relational capabilities. Table 2 summarizes these dimensions and their developmental relevance.

Table 2. Entrepreneurial Competence Dimensions in the CTS Framework

Competence Dimension	Description	Illustrative Capability Outcomes
Cognitive Competence	Ability to interpret information, recognize opportunities, and make informed judgments	Opportunity recognition, problem framing, opportunity evaluation
Strategic Competence	Ability to formulate and adapt strategic actions under uncertainty	Strategic adaptation, resource allocation, business model adjustment
Operational Competence	Ability to execute business activities and manage organizational processes	Operational decision making, process management, implementation effectiveness
Relational Competence	Ability to build, maintain, and leverage stakeholder relationships	Network development, customer management, partnership coordination

Source: Developed by the authors based on Mitchelmore and Rowley (2010).

Table 2 illustrates that entrepreneurial competence extends beyond technical or managerial skills. Within the CTS framework, competence is conceptualized as a multidimensional capability structure that enables individuals to translate transferred knowledge into effective entrepreneurial action. These dimensions collectively represent the developmental outcomes generated through capability transfer processes.

More broadly, CTS contributes to an emerging view of organizations as distributed capability builders operating within entrepreneurial ecosystems (Adner, 2017; Jacobides et al., 2018). Rather than viewing organizations solely as mechanisms for transferring knowledge or replicating business models, the framework positions them as active creators of entrepreneurial competence. By integrating entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, and dynamic capability perspectives, CTS offers a novel explanation of how organizational arrangements transform accumulated organizational knowledge into entrepreneurial capability and provides the conceptual foundation for the process model developed in the following section.

4. The Capability Transfer Systems Process Model

The preceding section introduced Capability Transfer Systems (CTS) as organizational arrangements that facilitate entrepreneurial competence development through standardized knowledge templates, capability codification, and guided entrepreneurial practice. While these mechanisms explain how organizations provide developmental resources, an equally important question remains: how do such resources become entrepreneurial competence? Existing literature offers valuable but fragmented explanations. Knowledge transfer research explains how knowledge moves across organizational actors (Argote & Ingram, 2000), absorptive capacity theory explains how externally sourced knowledge is acquired and utilized (Cohen & Levinthal, 1990), and entrepreneurial learning theory explains how experience contributes to competence development (Cope, 2005; Politis, 2005). However, these perspectives do not collectively explain how organizationally embedded knowledge is transformed into entrepreneurial capability. To address this gap, the CTS framework proposes a process model in which entrepreneurial competence emerges through five interconnected stages: knowledge access, capability absorption, capability internalization, entrepreneurial competence formation, and entrepreneurial action.

The process begins with knowledge access, which refers to the availability of entrepreneurial knowledge, routines, decision frameworks, operational procedures, and managerial expertise that individuals can draw upon when engaging in entrepreneurial activities. Within CTS environments, organizations provide structured access to accumulated knowledge through training programs, operating manuals, mentoring systems, business templates, support networks, and standardized organizational routines (Grant, 1996; Jensen & Szulanski, 2007). This represents a significant departure from traditional entrepreneurial development pathways. Independent entrepreneurs often acquire knowledge through experimentation and trial-and-error learning, whereas participants in CTS environments gain immediate access to organizationally accumulated expertise. Such access reduces uncertainty, lowers learning barriers, and exposes individuals to proven approaches for managing entrepreneurial challenges. Nevertheless, access alone is insufficient to generate competence. Knowledge must first be interpreted and assimilated before it can contribute to capability development.

This transition occurs through capability absorption. Drawing on absorptive capacity theory, capability absorption refers to the process through which individuals acquire, assimilate, interpret, and transform externally sourced knowledge into personally meaningful understanding (Cohen & Levinthal, 1990). Knowledge availability does not automatically produce capability because individuals differ in their ability to recognize the value and applicability of transferred knowledge. Cognitive limitations, contextual differences, and varying levels of prior experience frequently influence learning outcomes (Lane et al., 2006; Lane & Lubatkin, 1998). Consequently, entrepreneurial capability development depends not only on organizational transfer mechanisms but also on recipients' capacity to absorb and utilize transferred knowledge. Within CTS environments, this process is facilitated by training programs, coaching systems, mentoring relationships, peer interactions, and continuous feedback mechanisms. These support structures help individuals interpret organizational knowledge and integrate it into their cognitive frameworks. At this stage, however, knowledge remains largely cognitive and has not yet become entrepreneurial capability.

The third stage involves capability internalization, whereby absorbed knowledge becomes embedded within recurring patterns of behavior, decision-making routines, and operational practices. Organizational learning research suggests that competence emerges when knowledge is enacted rather than merely understood (Argote & Miron-Spektor, 2011; Brown & Duguid, 1991). Similarly, routine-based perspectives emphasize that repeated action transforms abstract knowledge into stable patterns of performance (Feldman & Pentland, 2003). Within CTS environments, capability internalization occurs through guided entrepreneurial practice. Individuals repeatedly engage in customer management, operational decision-making, resource allocation, market adaptation, and problem-solving activities while receiving ongoing organizational support. Through repeated participation in entrepreneurial tasks, knowledge gradually becomes embodied within behavioral routines and practical judgment. This process transforms entrepreneurial learning from theoretical understanding into actionable competence. Rather than relying solely on externally provided instructions, individuals progressively develop confidence, autonomy, and adaptive decision-making capabilities rooted in accumulated experience. Consistent with practice-based learning perspectives, competence emerges because knowledge is repeatedly enacted within meaningful organizational contexts rather than merely communicated through formal instruction (Brown & Duguid, 1991; Lave & Wenger, 1991).

As internalization progresses, individuals enter the stage of entrepreneurial competence formation. At this point, knowledge, routines, experiences, and decision-making capabilities become integrated into a coherent entrepreneurial capability structure. Entrepreneurial competence should not be understood as a single skill or attribute but as a multidimensional configuration of cognitive, operational, strategic, and relational capabilities that collectively support entrepreneurial action (Mitchelmore & Rowley, 2010). Individuals develop the ability

to identify opportunities, allocate resources, manage uncertainty, solve complex problems, and make independent strategic decisions. Importantly, this stage marks a shift in dependence relationships. Earlier stages rely heavily on organizational guidance and developmental support, whereas competence formation reflects increasing autonomy and self-directed judgment. Consistent with entrepreneurial learning theory, competence emerges through the cumulative effects of learning, practice, and adaptation (Cope, 2005; Politis, 2005). However, the CTS framework extends this perspective by demonstrating that organizational systems can significantly accelerate and facilitate this developmental process.

The final stage is entrepreneurial action, which represents the application of entrepreneurial competence to real business situations. Entrepreneurial action includes opportunity recognition, opportunity exploitation, resource mobilization, venture development, market adaptation, and strategic decision-making (Davidsson, 2015; S. Shane & Venkataraman, 2000). This stage provides observable evidence that entrepreneurial competence has been successfully developed and operationalized. More importantly, entrepreneurial action generates new experiences that contribute to subsequent learning and capability refinement. Consequently, the CTS process should not be viewed as a linear sequence ending with competence formation. Instead, entrepreneurial action creates feedback loops that continuously reinforce and expand competence through additional cycles of learning, reflection, and adaptation. This iterative dynamic is consistent with entrepreneurial learning perspectives that emphasize the reciprocal relationship between experience and capability development (Cope, 2005; Politis, 2005). The distinguishing feature of CTS is that these learning cycles occur within organizationally facilitated developmental environments that provide ongoing support and capability-building resources.

Taken together, the CTS process model explains how organizationally embedded knowledge is progressively transformed into entrepreneurial capability. The model conceptualizes entrepreneurial competence development as a sequential yet iterative process moving from knowledge access to capability absorption, capability internalization, entrepreneurial competence formation, and entrepreneurial action, with continuous feedback and learning linking each stage. This process demonstrates that entrepreneurial competence is neither directly transferred from organizations nor entirely self-generated through individual experience. Rather, it emerges through the interaction between organizational developmental infrastructures and individual learning processes. By integrating insights from entrepreneurship, organizational learning, absorptive capacity, knowledge transfer, and dynamic capability research, the CTS process model provides a comprehensive explanation of how organizations systematically contribute to entrepreneurial competence formation and establishes the theoretical foundation for the propositions developed in the following section.

The CTS framework proposes that entrepreneurial competence does not emerge automatically from access to organizational knowledge. Rather, competence formation is a developmental process involving multiple stages through which organizationally embedded knowledge is accessed, absorbed, internalized, and transformed into entrepreneurial capability. Figure 3 summarizes the process logic underlying Capability Transfer Systems and illustrates how organizational developmental infrastructures contribute to entrepreneurial competence formation through iterative learning and action.

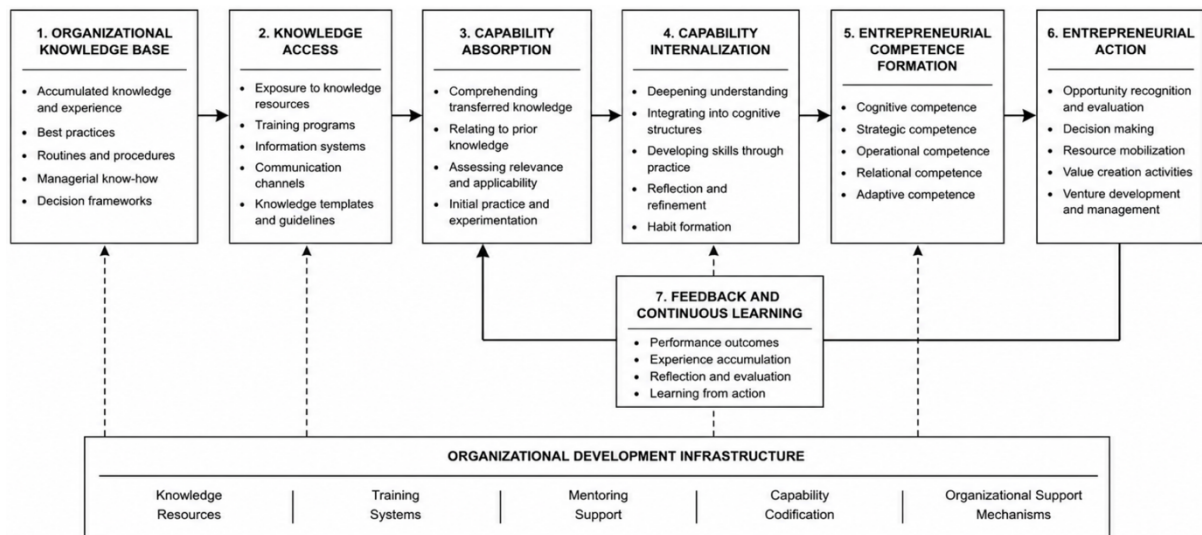


Figure 3. The Capability Transfer Systems Process Model
Source: Developed by the author.

Figure 3 illustrates the process logic underlying Capability Transfer Systems. The model proposes that entrepreneurial competence emerges through a sequential yet iterative developmental process. Organizational knowledge is first made accessible through structured transfer mechanisms, after which individuals absorb and internalize transferred knowledge through learning and practice. These processes facilitate entrepreneurial competence formation, which subsequently enables entrepreneurial action. Entrepreneurial action generates new experiences that create feedback and continuous learning, reinforcing subsequent capability development cycles. Throughout the process, organizational developmental infrastructures provide the resources, support systems, and capability-building mechanisms necessary to facilitate entrepreneurial competence formation.

5. Proposition Development

5.1 From Process Explanation to Theoretical Propositions

The Capability Transfer Systems (CTS) framework proposes that entrepreneurial competence emerges through the interaction between organizational developmental infrastructures and individual learning processes. The preceding sections established that entrepreneurial competence is not solely the outcome of independent entrepreneurial experience but may also be facilitated through structured organizational arrangements that provide access to knowledge, developmental support, and guided entrepreneurial practice. However, capability transfer is unlikely to generate uniform outcomes across contexts or individuals. Organizations differ in their ability to codify and disseminate knowledge, while individuals vary in their capacity to absorb, internalize, and apply transferred capabilities. Consequently, entrepreneurial competence formation should be understood as a contingent process shaped by the interaction between organizational mechanisms and individual developmental processes. Building on the CTS process model, this section develops six propositions that explain how organizational capability transfer contributes to entrepreneurial competence formation and entrepreneurial action.

5.2 Knowledge Templates and Entrepreneurial Capability Development

The CTS framework begins with the premise that entrepreneurial competence development depends on access to structured knowledge resources. Knowledge transfer research suggests that codified templates reduce ambiguity, facilitate learning, and improve transfer effectiveness by providing individuals with established cognitive frameworks and operational

guidance (Grant, 1996; Jensen & Szulanski, 2007) Within CTS environments, standardized knowledge templates enable individuals to benefit from accumulated organizational experience without independently generating all relevant knowledge through trial-and-error learning.

These templates do more than communicate operational procedures. They also provide decision logics, problem-solving heuristics, and entrepreneurial routines that help individuals navigate uncertain business environments. By reducing uncertainty and accelerating access to proven business practices, standardized templates create a developmental foundation that supports entrepreneurial capability acquisition.

Proposition 1 (P1). The greater the availability and quality of standardized knowledge templates within a Capability Transfer System, the greater the effectiveness of entrepreneurial competence development.

5.3 Capability Codification and Transfer Effectiveness

Access to knowledge alone is insufficient if knowledge remains highly tacit or difficult to communicate. Knowledge transfer literature consistently demonstrates that transfer outcomes depend on the degree to which knowledge can be codified and communicated across actors (Kogut & Zander, 1992). Codification reduces causal ambiguity, increases accessibility, and enhances the likelihood that organizational expertise can be effectively transferred.

Within CTS environments, capability codification transforms organizational experience into transferable developmental resources through training systems, mentoring programs, operating procedures, performance standards, and support infrastructures. These mechanisms lower the costs associated with independent capability discovery and provide structured pathways through which entrepreneurial knowledge can be acquired and applied. As organizational capabilities become more effectively codified, individuals gain greater access to accumulated expertise and are more likely to benefit from organizational learning processes.

Proposition 2 (P2). Higher levels of capability codification positively influence the effectiveness of entrepreneurial capability transfer within Capability Transfer Systems.

5.4 Absorptive Capacity as a Developmental Mechanism

Although standardized templates and codified capabilities facilitate access to organizational knowledge, entrepreneurial competence does not emerge automatically from knowledge exposure. Absorptive capacity theory argues that individuals must acquire, assimilate, transform, and exploit externally sourced knowledge before meaningful developmental outcomes can occur (Cohen & Levinthal, 1990).

Within the CTS framework, absorptive capacity functions as a critical mechanism linking organizational transfer processes and entrepreneurial competence formation. Individuals possessing higher absorptive capacity are better able to recognize the relevance of transferred knowledge, integrate it into existing cognitive structures, and convert it into actionable understanding. Conversely, even highly sophisticated transfer systems may fail to produce competence if recipients are unable to absorb and utilize available knowledge. This suggests that absorptive capacity does not simply influence learning outcomes but mediates the relationship between organizational capability transfer and entrepreneurial competence formation.

Proposition 3 (P3). Individual absorptive capacity mediates the relationship between Capability Transfer System mechanisms and entrepreneurial competence formation.

5.5 Guided Entrepreneurial Practice and Capability Internalization

Entrepreneurial competence develops not only through knowledge acquisition but also through the application of knowledge in practical contexts. Entrepreneurial learning theory emphasizes that competence emerges through action, reflection, and adaptation rather than through passive learning alone (Cope, 2005; Politis, 2005). Similarly, practice-based learning perspectives argue that capabilities become meaningful when they are enacted through recurring activities and communities of practice (Brown & Duguid, 1991; Lave & Wenger, 1991)

Within CTS environments, guided entrepreneurial practice provides opportunities for individuals to apply transferred knowledge while receiving ongoing organizational support and feedback. Through repeated engagement in entrepreneurial activities such as customer management, opportunity exploitation, resource allocation, and problem solving, entrepreneurial capabilities become embedded within behavioral routines and decision-making structures. Guided practice therefore serves as the mechanism through which abstract knowledge is transformed into practical competence.

Proposition 4 (P4). Guided entrepreneurial practice positively influences capability internalization and entrepreneurial competence formation.

5.6 Entrepreneurial Competence and Entrepreneurial Action

The CTS framework conceptualizes entrepreneurial competence as a multidimensional capability consisting of cognitive, strategic, operational, and relational dimensions (Mitchelmore & Rowley, 2010). However, competence itself is not the ultimate outcome of capability transfer. Rather, competence becomes meaningful only when translated into entrepreneurial action.

Entrepreneurial action involves opportunity recognition, opportunity exploitation, resource mobilization, venture development, market adaptation, and strategic decision-making (Davidsson, 2015; S. Shane & Venkataraman, 2000). Individuals who possess higher levels of entrepreneurial competence should be better equipped to engage in these activities effectively. Consequently, entrepreneurial competence functions as a proximal outcome of capability transfer and a direct antecedent of entrepreneurial behavior.

Proposition 5 (P5). Entrepreneurial competence positively influences entrepreneurial action.

5.7 Capability Transfer Systems and Entrepreneurial Entry Uncertainty

A broader implication of the CTS framework concerns entrepreneurial uncertainty. Entrepreneurship research frequently portrays entrepreneurial entry as a process characterized by information gaps, resource constraints, and limited prior experience (Shane & Sarasvathy, 2001; S. Shane & Venkataraman, 2000). Independent entrepreneurs often face substantial learning challenges because they must simultaneously develop business models, acquire knowledge, and build capabilities.

Capability Transfer Systems alter this dynamic by providing structured access to accumulated organizational knowledge, developmental resources, support infrastructures, and proven operating routines. By reducing the need for independent capability discovery, CTS environments lower perceived uncertainty and create more accessible pathways into entrepreneurial activity. As a result, individuals operating within such systems are likely to experience lower levels of entrepreneurial entry uncertainty than those relying solely on self-directed entrepreneurial learning.

Proposition 6 (P6). Capability Transfer Systems reduce perceived entrepreneurial entry uncertainty by providing access to structured developmental resources and organizational knowledge.

5.8 The Integrated Logic of Capability Transfer Systems

Taken together, the six propositions establish the theoretical logic of the CTS framework. The first two propositions explain how organizational systems facilitate access to entrepreneurial knowledge through standardized templates and capability codification. The third proposition identifies absorptive capacity as a critical developmental mechanism linking transfer processes and competence formation. The fourth proposition explains how guided entrepreneurial practice transforms transferred knowledge into internalized capability. The fifth proposition positions entrepreneurial competence as an antecedent of entrepreneurial action, while the sixth highlights the broader role of CTS in reducing entrepreneurial uncertainty.

The six propositions developed in this study collectively explain how organizational developmental infrastructures contribute to entrepreneurial competence formation through capability transfer mechanisms. While each proposition addresses a specific relationship within the CTS framework, their theoretical value lies in their integration into a coherent explanatory model. Figure 4 summarizes these relationships and presents the overall nomological structure of Capability Transfer Systems.

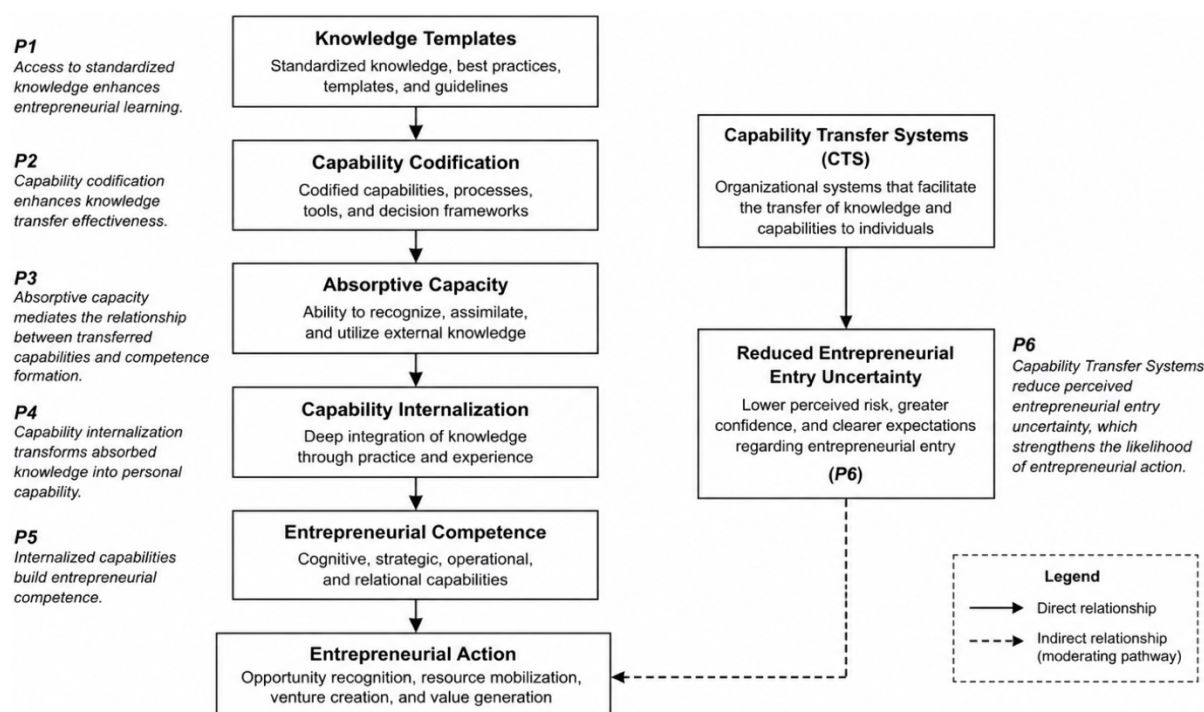


Figure 4. Integrated Propositional Model of Capability Transfer Systems

Source: Developed by the authors.

Figure 4 presents the integrated propositional structure of the Capability Transfer Systems framework. The model proposes that entrepreneurial competence formation originates from organizational mechanisms that provide access to standardized knowledge and codified capabilities. These resources contribute to competence development through absorptive capacity and capability internalization processes, ultimately facilitating entrepreneurial competence and entrepreneurial action. In parallel, Capability Transfer Systems reduce perceived entrepreneurial entry uncertainty by providing structured developmental resources and organizational support. Collectively, the model illustrates how entrepreneurial competence emerges through the interaction between organizational developmental infrastructures and individual learning mechanisms and provides a foundation for future empirical testing of the CTS framework.

Collectively, these propositions suggest that entrepreneurial competence is neither directly transferred nor entirely self-developed. Instead, it emerges through a structured

developmental process in which organizational infrastructures and individual learning mechanisms interact to facilitate capability formation. The CTS framework therefore provides a new theoretical explanation of how organizations contribute to entrepreneurial competence development and offers a foundation for future empirical research across franchising systems, incubators, accelerators, entrepreneurial education programs, licensing arrangements, and other entrepreneurial support environments.

6. Discussion

6.1 Revisiting Entrepreneurial Competence Formation

This paper began with a fundamental question that remains insufficiently addressed within entrepreneurship research: How do individuals develop entrepreneurial competence?

The dominant answer provided by existing literature emphasizes entrepreneurial learning through experience, experimentation, and reflection (Cope, 2005; Politis, 2005). Entrepreneurship scholars have traditionally portrayed competence as an outcome of individual engagement with uncertain entrepreneurial environments, where learning emerges through opportunity recognition, venture creation, problem-solving, and adaptive decision-making (Davidsson, 2015; Sarasvathy, 2001; S. Shane & Venkataraman, 2000).

While this perspective has generated substantial insights, it provides only a partial explanation of entrepreneurial competence development. Contemporary entrepreneurial environments increasingly contain organizational arrangements that systematically facilitate entrepreneurial participation and capability development. Franchising systems, business incubators, accelerators, licensing arrangements, entrepreneurial support organizations, and platform-based ecosystems all provide structured pathways through which individuals gain access to entrepreneurial opportunities, knowledge resources, and developmental support.

The Capability Transfer Systems (CTS) framework addresses this limitation by proposing that entrepreneurial competence can emerge not only through self-directed experiential learning but also through organizationally facilitated developmental processes. Rather than conceptualizing entrepreneurial capability as exclusively self-generated, the framework suggests that organizations can actively contribute to entrepreneurial competence formation through structured capability transfer mechanisms.

This perspective does not reject entrepreneurial learning theory. Instead, it extends existing perspectives by recognizing that entrepreneurial learning frequently occurs within organizationally structured developmental environments. Entrepreneurial competence therefore becomes a co-produced outcome generated through the interaction between organizational infrastructures and individual learning processes.

6.2 Theoretical Contributions to Entrepreneurship Research

The first major contribution of this paper is to entrepreneurship theory.

Most entrepreneurship research implicitly assumes that entrepreneurial competence develops primarily through individual entrepreneurial activity. Whether viewed through opportunity discovery, opportunity creation, effectuation, or experiential learning perspectives, competence formation is generally portrayed as a process driven by individual learning and adaptation (Alvarez & Barney, 2007; Cope, 2005; Sarasvathy, 2001; S. Shane & Venkataraman, 2000).

The CTS framework challenges this assumption by introducing an alternative developmental pathway. Specifically, the framework proposes that entrepreneurial competence may emerge through organizationally facilitated capability transfer processes that provide

individuals with access to accumulated entrepreneurial knowledge, developmental resources, and guided entrepreneurial experiences.

This contribution expands entrepreneurship research in two important ways. First, it broadens the explanatory scope of entrepreneurial competence formation beyond purely individual-level learning mechanisms. Second, it introduces organizational systems as active participants in entrepreneurial development rather than treating them merely as contextual conditions surrounding entrepreneurial activity.

Consequently, entrepreneurship research may benefit from moving beyond the traditional distinction between individual agency and environmental context toward a more integrated understanding of how entrepreneurial capabilities are jointly shaped by organizational and individual processes.

6.3 Contributions to Organizational Learning and Knowledge Transfer Literature

The second contribution concerns organizational learning and knowledge transfer research.

Existing knowledge transfer literature has produced sophisticated explanations regarding how organizations disseminate knowledge, routines, best practices, and expertise across organizational actors (Argote & Ingram, 2000). Similarly, organizational learning scholars have demonstrated how knowledge is accumulated, codified, replicated, and applied within organizational systems (Argote & Miron-Spektor, 2011; Levitt & March, 1988).

Despite these advances, knowledge transfer research generally focuses on knowledge movement and performance outcomes. Success is typically evaluated in terms of learning effectiveness, operational improvement, innovation, or organizational performance. Comparatively less attention has been devoted to understanding how transferred knowledge contributes to the formation of entrepreneurial competence.

The CTS framework extends this literature by identifying entrepreneurial competence as a distinct developmental outcome of capability transfer processes. This shift in focus is theoretically important because it moves beyond questions of whether knowledge has been transferred toward questions concerning what transferred knowledge ultimately becomes.

Accordingly, the framework highlights a developmental pathway linking organizational knowledge resources to entrepreneurial capability formation. Knowledge transfer is therefore not merely an information-sharing process but may also function as a mechanism through which entrepreneurial competence is systematically cultivated.

6.4 Contributions to Dynamic Capability Theory

The third contribution concerns dynamic capability theory.

Dynamic capability scholars argue that organizations create, integrate, and reconfigure competencies in order to maintain competitiveness under changing environmental conditions (Eisenhardt & Martin, 2000; Teece, 2007). Although this perspective provides powerful explanations of organizational adaptation and capability development, the organization itself remains the primary beneficiary of capability creation processes.

The CTS framework extends this logic by shifting attention from organizational capability creation to distributed capability creation. Rather than focusing exclusively on capabilities residing within organizations, the framework suggests that organizations may intentionally create capabilities among actors operating within broader organizational networks and entrepreneurial ecosystems.

This extension contributes to emerging discussions concerning ecosystem orchestration, distributed entrepreneurship, and interorganizational capability development (Adner, 2017;

Jacobides et al., 2018). Organizations are therefore conceptualized not only as repositories of capabilities but also as capability-building infrastructures that shape the developmental trajectories of semi-autonomous actors.

Such a perspective broadens the scope of dynamic capability theory by recognizing that organizational capability-building activities may generate value beyond organizational boundaries.

6.5 Contributions to Franchising and Business Format Research

The fourth contribution concerns franchising and business format research.

Franchising literature has traditionally focused on agency relationships, governance structures, ownership arrangements, resource allocation decisions, and network performance outcomes (Combs et al., 2004; Dant & Kaufmann, 2003; S. A. Shane, 1996). Although recent studies increasingly acknowledge the importance of knowledge transfer mechanisms within franchise networks (Gorovaia et al., 2023) entrepreneurial competence formation remains relatively underexplored.

The CTS framework offers a new interpretation of business format systems by positioning them as entrepreneurial development infrastructures rather than merely organizational replication mechanisms. From this perspective, franchising systems create value not only by transferring business models and operational knowledge but also by facilitating entrepreneurial capability development among participants.

This reconceptualization expands the theoretical relevance of franchising research. Rather than being viewed solely as a governance arrangement or growth strategy, franchising becomes a context for examining how organizations systematically cultivate entrepreneurial competence.

Consequently, the framework provides a bridge between franchising research and broader entrepreneurship theory, thereby increasing the theoretical significance of business format studies.

6.6 Toward a Theory of Organizationally Facilitated Entrepreneurial Competence Formation

Beyond its contributions to individual literature streams, the CTS framework advances a broader theoretical proposition: organizations can function as entrepreneurial development infrastructures.

Traditional entrepreneurship theory frequently assumes that organizations emerge because entrepreneurs create them. The CTS framework suggests a complementary perspective in which organizations also contribute to the creation of entrepreneurs. Through structured capability transfer processes, organizations provide access to developmental resources that facilitate entrepreneurial competence formation and entrepreneurial participation.

This perspective represents an important conceptual shift. Entrepreneurial competence is no longer viewed solely as the outcome of individual talent, experience, or learning. Instead, competence emerges through interactions between individual agency and organizationally embedded developmental systems.

Such a view aligns with contemporary developments in entrepreneurial ecosystems research, where capability development increasingly occurs through networks of organizations that provide access to knowledge, support resources, and entrepreneurial opportunities (Autio et al., 2018; Spigel, 2017). Entrepreneurial competence therefore becomes a distributed developmental outcome shaped by both individual and organizational processes.

Accordingly, the CTS framework contributes to an emerging theoretical understanding of how entrepreneurial capability formation occurs within increasingly interconnected organizational environments.

6.7 Boundary Conditions and Conceptual Limitations

Although the CTS framework provides a novel explanation of entrepreneurial competence formation, several boundary conditions should be acknowledged.

First, the framework is most applicable in contexts where organizations possess sufficient knowledge codification capabilities and developmental infrastructures. Capability transfer may be less effective in environments characterized by highly tacit knowledge, weak organizational support systems, or limited opportunities for guided entrepreneurial practice.

Second, entrepreneurial competence formation remains dependent upon individual absorptive capacity. Even highly sophisticated capability transfer systems cannot guarantee competence development if recipients are unable or unwilling to absorb and apply transferred knowledge (Cohen & Levinthal, 1990)

Third, the framework does not suggest that organizational capability transfer can completely replace experiential learning. Entrepreneurial competence ultimately requires active engagement, experimentation, and practical application. CTS therefore complements rather than substitutes for entrepreneurial learning processes.

Recognizing these limitations is important because it clarifies the conditions under which capability transfer is likely to contribute to entrepreneurial competence formation.

6.8 Concluding Theoretical Insight

The central theoretical insight of this paper is straightforward yet significant.

Entrepreneurial competence should not be viewed exclusively as a product of self-directed entrepreneurial learning. Instead, entrepreneurial competence may also emerge through organizationally facilitated developmental processes that systematically transfer knowledge, capabilities, routines, and entrepreneurial experience.

By integrating entrepreneurship, organizational learning, knowledge transfer, absorptive capacity, and dynamic capability perspectives, the Capability Transfer Systems framework provides a new explanation of how organizations contribute to entrepreneurial competence formation.

More broadly, the framework shifts attention from how entrepreneurs create organizations toward how organizations create entrepreneurs. In doing so, it opens new opportunities for research examining the developmental role of organizational systems within contemporary entrepreneurial ecosystems.

7. Implications and Future Research Directions

7.1 Implications for Entrepreneurship Theory

The Capability Transfer Systems (CTS) framework carries important implications for the future development of entrepreneurship theory.

For several decades, entrepreneurship scholarship has primarily focused on understanding how individuals discover opportunities, acquire resources, and develop competencies through entrepreneurial action (Davidsson, 2015; Sarasvathy, 2001; S. Shane & Venkataraman, 2000). Although these perspectives have substantially advanced understanding of entrepreneurial behavior, they frequently assume that entrepreneurial competence originates from individual learning processes.

The CTS framework suggests that entrepreneurial competence may also emerge through organizationally facilitated developmental mechanisms. This perspective encourages scholars to reconsider the traditional boundaries between entrepreneurial agency and organizational influence. Rather than treating organizations merely as contexts within which entrepreneurial activity occurs, future research may increasingly examine organizations as active contributors to entrepreneurial capability formation.

This shift has broader implications for entrepreneurship theory because it highlights the possibility that entrepreneurial competence is not solely an individual asset but also a developmental outcome shaped by organizational infrastructures. Such a perspective expands current understanding of how entrepreneurs emerge and suggests that entrepreneurial capability development may be influenced by a wider range of organizational arrangements than previously recognized.

7.2 Implications for Organizational Learning and Capability Development Research

The CTS framework also contributes to ongoing discussions concerning organizational learning, knowledge transfer, and capability development.

Existing organizational learning research has primarily focused on how organizations acquire, retain, transfer, and utilize knowledge to improve performance (Argote & Miron-Spektor, 2011). Similarly, dynamic capability research has emphasized how organizations create and reconfigure capabilities to sustain competitive advantage (Teece, 2007)

The CTS framework extends these conversations by introducing entrepreneurial competence as a developmental outcome of organizational capability-building processes. This perspective suggests that organizations may generate value not only by developing internal capabilities but also by cultivating capabilities among individuals operating within broader organizational networks.

Future research may therefore explore how different organizational structures influence the effectiveness of capability transfer processes. Such investigations could significantly enhance understanding of how organizations create value through developmental mechanisms that extend beyond traditional organizational boundaries.

7.3 Managerial Implications

The CTS framework also offers important practical implications for organizations seeking to develop entrepreneurial capabilities among participants, employees, partners, or affiliated operators.

First, organizations should recognize that entrepreneurial competence development requires more than information dissemination. Training programs, manuals, and operational guidelines are valuable but insufficient if they are not accompanied by opportunities for experiential application and developmental support. Entrepreneurial capability emerges most effectively when knowledge transfer is integrated with guided practice and continuous feedback.

Second, organizations should invest in mechanisms that facilitate capability codification and developmental consistency. Mentoring systems, coaching programs, peer-learning structures, and performance feedback mechanisms can significantly enhance the effectiveness of capability transfer processes.

Third, organizations operating within entrepreneurial ecosystems should view themselves as capability-building institutions rather than solely as providers of resources or opportunities. By intentionally designing developmental infrastructures, organizations may increase the

effectiveness of entrepreneurial participation and improve long-term entrepreneurial outcomes.

These implications are particularly relevant for franchisors, incubator managers, accelerator programs, entrepreneurial support organizations, and platform operators seeking to cultivate entrepreneurial competence among participants.

7.4 Future Research Agenda

While the CTS framework provides a conceptual explanation of entrepreneurial competence formation through organizational systems, significant opportunities remain for future theoretical refinement and empirical validation. First, future research should examine the applicability of Capability Transfer Systems across a broader range of organizational contexts. Although the present framework is primarily informed by insights from franchising and business format systems, similar developmental mechanisms may operate within business incubators, startup accelerators, entrepreneurial education programs, licensing arrangements, platform-based entrepreneurial ecosystems, social enterprise networks, and professional service organizations. Investigating capability transfer processes across these diverse settings would help establish the generalizability, contextual contingencies, and boundary conditions of the CTS framework while clarifying the extent to which organizational structures shape entrepreneurial competence formation.

A second promising avenue concerns individual heterogeneity in capability absorption. The framework identifies absorptive capacity as a central mechanism linking organizational support and entrepreneurial competence development; however, individuals differ considerably in their ability to recognize, assimilate, transform, and apply externally sourced knowledge. Future studies should therefore explore how factors such as prior entrepreneurial experience, educational background, cognitive styles, learning orientation, and entrepreneurial self-efficacy influence the effectiveness of capability transfer processes. Such investigations would provide a deeper understanding of why individuals exposed to similar developmental infrastructures frequently experience different competence development trajectories and entrepreneurial outcomes.

The CTS framework also opens new opportunities for research on entrepreneurial ecosystems. Existing ecosystem scholarship increasingly emphasizes the role of institutions, support organizations, networks, and resource providers in facilitating entrepreneurial activity (Autio et al., 2018). However, these actors may contribute not only by providing resources and opportunities but also by functioning as entrepreneurial capability builders. Future research could examine how universities, incubators, investors, mentors, government agencies, and entrepreneurial support organizations collectively participate in capability transfer processes and shape entrepreneurial competence at the ecosystem level. Such inquiry would advance understanding of ecosystem effectiveness by moving beyond resource availability toward the mechanisms through which entrepreneurial capabilities are cultivated and sustained.

Relatedly, the CTS framework suggests a broader theoretical shift toward the concept of distributed capability creation. Traditional capability theories generally assume that capabilities reside within organizational boundaries and primarily serve organizational objectives. In contrast, CTS proposes that organizations may intentionally create capabilities beyond their formal boundaries by shaping the competence of external actors. Future studies should therefore investigate how organizations orchestrate distributed capability creation, how capability-building activities influence network and ecosystem performance, how entrepreneurial competence contributes to ecosystem resilience, and how organizations balance developmental support with the need for organizational control. Addressing these questions would strengthen theoretical connections between entrepreneurship, organizational learning, strategic management, and ecosystem research.

Finally, the process-oriented nature of the CTS framework highlights the importance of longitudinal investigation. Entrepreneurial competence formation is conceptualized as an iterative process involving knowledge acquisition, capability internalization, entrepreneurial action, and continuous feedback. Future longitudinal research could examine how entrepreneurial competence evolves over time, when organizational support becomes less influential, how entrepreneurial autonomy develops, and whether the effects of capability transfer persist after individuals exit organizational systems. Such studies would provide valuable insights into the temporal dynamics of entrepreneurial development and offer a more nuanced understanding of how organizationally facilitated learning contributes to long-term entrepreneurial capability formation.

7.5 Toward a Broader Research Program

Beyond individual studies, the CTS framework provides a foundation for a broader research program examining how organizations contribute to entrepreneurial capability formation.

The dominant narrative within entrepreneurship research has traditionally focused on how entrepreneurs create organizations. The present study suggests an equally important question: how do organizations create entrepreneurs?

Addressing this question may open new avenues for interdisciplinary research linking entrepreneurship, organizational learning, strategic management, knowledge transfer, dynamic capabilities, and ecosystem studies. More importantly, it shifts scholarly attention toward the developmental role of organizational systems in shaping entrepreneurial outcomes.

As entrepreneurial ecosystems become increasingly interconnected and organizationally mediated, understanding how entrepreneurial competence is cultivated through capability transfer processes will become an increasingly important research priority.

8. Conclusion

This study was motivated by a fundamental yet insufficiently addressed question within entrepreneurship research: how does entrepreneurial competence develop? Although entrepreneurship scholars have generated extensive insights into entrepreneurial learning, opportunity recognition, and capability development, the dominant literature continues to portray entrepreneurial competence primarily as an outcome of individual experience, experimentation, and self-directed learning. Consequently, existing research provides only a partial explanation of entrepreneurial competence formation in contemporary environments where entrepreneurial participation increasingly occurs within organizationally structured systems that provide access to knowledge, developmental resources, and capability-building support. While entrepreneurship research explains how individuals learn to become entrepreneurs, and organizational learning research explains how knowledge and capabilities are transferred across organizational actors, limited attention has been devoted to understanding how organizational systems contribute to the formation of entrepreneurial competence itself. This theoretical disconnect motivated the present study and guided its central objective: to develop an integrative conceptual framework explaining how organizations systematically facilitate entrepreneurial competence formation through structured capability transfer processes.

To address this gap, the study introduced the Capability Transfer Systems (CTS) framework, a novel theoretical perspective that conceptualizes organizations as entrepreneurial development infrastructures rather than merely repositories of knowledge, governance mechanisms, or platforms for business replication. The framework advances the argument that entrepreneurial competence is neither exclusively self-generated nor directly transferred. Instead, entrepreneurial competence emerges through a developmental process

in which organizationally embedded knowledge, routines, developmental resources, and support mechanisms interact with individual learning processes. By integrating insights from entrepreneurship theory, organizational learning, knowledge transfer, absorptive capacity, dynamic capability theory, and franchising research, the CTS framework provides a comprehensive explanation of how organizational systems transform accumulated organizational knowledge into entrepreneurial capability.

The primary conceptual contribution of this study lies in its reconceptualization of entrepreneurial competence formation as an organizationally facilitated developmental process. Existing entrepreneurship theories have largely emphasized entrepreneurial agency, experiential learning, and opportunity-driven action, whereas the CTS framework demonstrates that organizations may play a far more active role in shaping entrepreneurial capabilities than previously recognized. This perspective extends entrepreneurship theory by identifying organizational systems as developmental actors that influence how entrepreneurial competence emerges, develops, and evolves. At the same time, the framework contributes to organizational learning and knowledge transfer literature by shifting analytical attention from the movement of knowledge itself toward the developmental outcomes generated by transfer processes. Similarly, it extends dynamic capability theory by introducing the notion of distributed capability creation, whereby organizations create value not only through internal capability development but also through the cultivation of capabilities among individuals operating within broader organizational networks and entrepreneurial ecosystems. Furthermore, the study contributes to franchising and business format research by repositioning such systems as entrepreneurial capability-building infrastructures rather than solely as governance arrangements or organizational replication mechanisms.

The CTS process model and associated propositions provide an important theoretical extension to current knowledge by specifying the mechanisms through which entrepreneurial competence emerges. The framework explains how knowledge access, capability absorption, capability internalization, entrepreneurial competence formation, and entrepreneurial action are linked through an iterative developmental process supported by standardized knowledge templates, capability codification, and guided entrepreneurial practice. In doing so, the study offers a coherent process explanation that bridges previously disconnected literatures and provides a foundation for future theory development and empirical investigation. Rather than treating entrepreneurial competence as a static attribute or an inevitable outcome of entrepreneurial experience, the framework positions competence as a developmental capability shaped by both organizational and individual processes.

Beyond its theoretical contributions, the study offers important implications for organizations seeking to cultivate entrepreneurial capability. The framework suggests that entrepreneurial competence development requires more than the provision of information or resources; it depends on the design of organizational systems that facilitate learning, capability absorption, practice-based development, and feedback-driven improvement. Organizations such as franchisors, incubators, accelerators, entrepreneurial support organizations, educational institutions, and platform operators may therefore enhance entrepreneurial outcomes by investing in capability transfer infrastructures that systematically support entrepreneurial development. More broadly, the framework highlights the strategic importance of organizational architectures that intentionally create opportunities for capability acquisition and entrepreneurial growth.

At the same time, several limitations should be acknowledged. As a conceptual study, the CTS framework remains theoretical and requires empirical validation across diverse organizational contexts. The proposed mechanisms and propositions have been developed through conceptual integration rather than direct empirical observation, and the relative strength of the relationships proposed within the framework remains to be tested. In addition, while the study draws heavily upon insights from franchising and business format systems,

other entrepreneurial contexts may exhibit distinct capability transfer dynamics that require theoretical refinement. The framework also assumes the presence of organizational structures capable of supporting capability transfer, which may not exist in all entrepreneurial environments. These limitations, however, do not diminish the contribution of the study; rather, they highlight important opportunities for future research and theory development.

Future scholarship should extend and refine the CTS framework through rigorous empirical investigation. Longitudinal studies could examine how entrepreneurial competence develops over time and how organizational support influences different stages of capability formation. Comparative studies across franchising systems, incubators, accelerators, licensing arrangements, entrepreneurial education programs, and platform ecosystems could help identify contextual variations and boundary conditions. Additional research should investigate the role of absorptive capacity, entrepreneurial self-efficacy, prior experience, learning orientation, and ecosystem-level support mechanisms in shaping capability transfer effectiveness. Furthermore, scholars may explore the broader implications of distributed capability creation by examining how organizations orchestrate entrepreneurial competence development across networks, ecosystems, and interorganizational relationships. Such inquiries would not only strengthen the CTS framework but also contribute to a more comprehensive understanding of entrepreneurial development in increasingly interconnected organizational environments.

In conclusion, this study advances a new way of thinking about entrepreneurial competence formation by demonstrating that organizations do not merely support entrepreneurial activity—they can actively participate in the creation of entrepreneurial capability. By introducing the Capability Transfer Systems framework, the study bridges multiple theoretical traditions and offers an integrative explanation of how entrepreneurial competence emerges through the interaction between organizational developmental infrastructures and individual learning processes. As entrepreneurial ecosystems become increasingly complex, networked, and organizationally mediated, understanding how organizations create entrepreneurs may prove just as important as understanding how entrepreneurs create organizations. The CTS framework therefore represents not only a conceptual contribution to existing scholarship but also a foundation for a broader research agenda capable of reshaping how entrepreneurship, learning, and capability development are understood in contemporary organizational settings.

References

- Adner, R. (2017). Ecosystem as Structure. *Journal of Management*, 43(1), 39–58. <https://doi.org/10.1177/0149206316678451>
- Alvarez, S. A., & Barney, J. B. (2007). Discovery and creation: alternative theories of entrepreneurial action. *Strategic Entrepreneurship Journal*, 1(1–2), 11–26. <https://doi.org/10.1002/sej.4>
- Argote, L., & Ingram, P. (2000). Knowledge Transfer: A Basis for Competitive Advantage in Firms. *Organizational Behavior and Human Decision Processes*, 82(1), 150–169. <https://doi.org/10.1006/obhd.2000.2893>
- Argote, L., & Miron-Spektor, E. (2011). Organizational Learning: From Experience to Knowledge. *Organization Science*, 22(5), 1123–1137. <https://doi.org/10.1287/orsc.1100.0621>
- Autio, E., Nambisan, S., Thomas, L. D. W., & Wright, M. (2018). Digital affordances, spatial affordances, and the genesis of entrepreneurial ecosystems. *Strategic Entrepreneurship Journal*, 12(1), 72–95. <https://doi.org/10.1002/sej.1266>
- Bradach, J. L. (1997). Using the Plural Form in the Management of Restaurant Chains. *Administrative Science Quarterly*, 42(2), 276. <https://doi.org/10.2307/2393921>
- Brown, J. S., & Duguid, P. (1991). Organizational Learning and Communities-of-Practice: Toward a Unified View of Working, Learning, and Innovation. *Organization Science*, 2(1), 40–57. <https://doi.org/10.1287/orsc.2.1.40>

- Cohen, W. M., & Levinthal, D. A. (1990). Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly*, 35(1), 128. <https://doi.org/10.2307/2393553>
- Combs, J. G., Michael, S. C., & Castrogiovanni, G. J. (2004). Franchising: A Review and Avenues to Greater Theoretical Diversity. *Journal of Management*, 30(6), 907–931. <https://doi.org/10.1016/j.jm.2004.06.006>
- Cope, J. (2005). Toward a Dynamic Learning Perspective of Entrepreneurship. *Entrepreneurship Theory and Practice*, 29(4), 373–397. <https://doi.org/10.1111/j.1540-6520.2005.00090.x>
- Corbett, A. C. (2005). Experiential Learning within the Process of Opportunity Identification and Exploitation. *Entrepreneurship Theory and Practice*, 29(4), 473–491. <https://doi.org/10.1111/j.1540-6520.2005.00094.x>
- Dant, R. P., & Kaufmann, P. J. (2003). Structural and strategic dynamics in franchising. *Journal of Retailing*, 79(2), 63–75. [https://doi.org/10.1016/S0022-4359\(03\)00011-3](https://doi.org/10.1016/S0022-4359(03)00011-3)
- Darr, E. D., Argote, L., & Epple, D. (1995). The Acquisition, Transfer, and Depreciation of Knowledge in Service Organizations: Productivity in Franchises. *Management Science*, 41(11), 1750–1762. <https://doi.org/10.1287/mnsc.41.11.1750>
- Davidsson, P. (2015). Entrepreneurial opportunities and the entrepreneurship nexus: A re-conceptualization. *Journal of Business Venturing*, 30(5), 674–695. <https://doi.org/10.1016/j.jbusvent.2015.01.002>
- Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10–11), 1105–1121. [https://doi.org/10.1002/1097-0266\(200010/11\)21:10/11<1105::AID-SMJ133>3.0.CO;2-E](https://doi.org/10.1002/1097-0266(200010/11)21:10/11<1105::AID-SMJ133>3.0.CO;2-E)
- Feldman, M. S., & Pentland, B. T. (2003). Reconceptualizing Organizational Routines as a Source of Flexibility and Change. *Administrative Science Quarterly*, 48(1), 94–118. <https://doi.org/10.2307/3556620>
- Gillis, W. E., Combs, J. G., & Yin, X. (2020). Franchise management capabilities and franchisor performance under alternative franchise ownership strategies. *Journal of Business Venturing*, 35(1), 105899. <https://doi.org/10.1016/j.jbusvent.2018.09.004>
- Gorovaia, N., Pajić, M., & Windsperger, J. (2023). Performance of knowledge transfer mechanisms: The case of franchising networks. *Industrial Marketing Management*, 115, 539–549. <https://doi.org/10.1016/j.indmarman.2023.09.019>
- Grant, R. M. (1996). Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17(S2), 109–122. <https://doi.org/10.1002/smj.4250171110>
- Hansen, M. T. (1999). The Search-Transfer Problem: The Role of Weak Ties in Sharing Knowledge across Organization Subunits. *Administrative Science Quarterly*, 44(1), 82–111. <https://doi.org/10.2307/2667032>
- Helfat, C. E., & Peteraf, M. A. (2003). The dynamic resource-based view: capability lifecycles. *Strategic Management Journal*, 24(10), 997–1010. <https://doi.org/10.1002/smj.332>
- Inkpen, A. C., & Tsang, E. W. K. (2005). Social Capital, Networks, and Knowledge Transfer. *Academy of Management Review*, 30(1), 146–165. <https://doi.org/10.5465/amr.2005.15281445>
- Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal*, 39(8), 2255–2276. <https://doi.org/10.1002/smj.2904>
- Jansen, J. J. P., Van Den Bosch, F. A. J., & Volberda, H. W. (2005). Managing Potential and Realized Absorptive Capacity: How do Organizational Antecedents Matter? *Academy of Management Journal*, 48(6), 999–1015. <https://doi.org/10.5465/amj.2005.19573106>
- Jensen, R. J., & Szulanski, G. (2007). Template Use and the Effectiveness of Knowledge Transfer. *Management Science*, 53(11), 1716–1730. <https://doi.org/10.1287/mnsc.1070.0740>
- Kogut, B., & Zander, U. (1992). Knowledge of the Firm, Combinative Capabilities, and the Replication of Technology. *Organization Science*, 3(3), 383–397. <https://doi.org/10.1287/orsc.3.3.383>
- Lane, P. J., Koka, B. R., & Pathak, S. (2006). The Reification of Absorptive Capacity: A Critical Review and Rejuvenation of the Construct. *Academy of Management Review*, 31(4), 833–863. <https://doi.org/10.5465/amr.2006.22527456>
- Lane, P. J., & Lubatkin, M. (1998). Relative absorptive capacity and interorganizational learning. *Strategic Management Journal*, 19(5), 461–477. [https://doi.org/10.1002/\(SICI\)1097-0266\(199805\)19:5<461::AID-SMJ953>3.0.CO;2-L](https://doi.org/10.1002/(SICI)1097-0266(199805)19:5<461::AID-SMJ953>3.0.CO;2-L)
- Lave, J., & Wenger, E. (1991). *Situated learning: Legitimate peripheral participation*. Cambridge University Press.
- Levitt, B., & March, J. G. (1988). Organizational Learning. *Annual Review of Sociology*, 14(1), 319–338. <https://doi.org/10.1146/annurev.so.14.080188.001535>

- Mitchelmore, S., & Rowley, J. (2010). Entrepreneurial competencies: a literature review and development agenda. *International Journal of Entrepreneurial Behavior & Research*, 16(2), 92–111. <https://doi.org/10.1108/13552551011026995>
- Pajić, M., Gorovaia, N., & Windsperger, J. (2025). Knowledge transfer mechanisms and decentralization of decision rights in interfirm networks: the case of franchising. *Small Business Economics*, 65(4), 2621–2638. <https://doi.org/10.1007/s11187-025-01050-1>
- Politis, D. (2005). The Process of Entrepreneurial Learning: A Conceptual Framework. *Entrepreneurship Theory and Practice*, 29(4), 399–424. <https://doi.org/10.1111/j.1540-6520.2005.00091.x>
- Rae, D. (2005). Entrepreneurial learning: a narrative-based conceptual model. *Journal of Small Business and Enterprise Development*, 12(3), 323–335. <https://doi.org/10.1108/14626000510612259>
- Reagans, R., & McEvily, B. (2003). Network Structure and Knowledge Transfer: The Effects of Cohesion and Range. *Administrative Science Quarterly*, 48(2), 240–267. <https://doi.org/10.2307/3556658>
- Rivkin, J. W. (2001). Reproducing Knowledge: Replication Without Imitation at Moderate Complexity. *Organization Science*, 12(3), 274–293. <https://doi.org/10.1287/orsc.12.3.274.10106>
- Sarasvathy, S. D. (2001). Causation and Effectuation: Toward a Theoretical Shift from Economic Inevitability to Entrepreneurial Contingency. *Academy of Management Review*, 26(2), 243–263. <https://doi.org/10.5465/amr.2001.4378020>
- Shane, S. A. (1996). HYBRID ORGANIZATIONAL ARRANGEMENTS AND THEIR IMPLICATIONS FOR FIRM GROWTH AND SURVIVAL: A STUDY OF NEW FRANCHISORS. *Academy of Management Journal*, 39(1), 216–234. <https://doi.org/10.2307/256637>
- Shane, S. A. (1998). Making new franchise systems work. *Strategic Management Journal*, 19(7), 697–707. [https://doi.org/10.1002/\(SICI\)1097-0266\(199807\)19:7<697::AID-SMJ972>3.0.CO;2-O](https://doi.org/10.1002/(SICI)1097-0266(199807)19:7<697::AID-SMJ972>3.0.CO;2-O)
- Shane, S., & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research. *Academy of Management Review*, 25(1), 217–226. <https://doi.org/10.5465/amr.2000.2791611>
- Sorenson, O., & Sørensen, J. B. (2001). Finding the right mix: franchising, organizational learning, and chain performance. *Strategic Management Journal*, 22(6–7), 713–724. <https://doi.org/10.1002/smj.185>
- Spigel, B. (2017). The Relational Organization of Entrepreneurial Ecosystems. *Entrepreneurship Theory and Practice*, 41(1), 49–72. <https://doi.org/10.1111/etap.12167>
- Stam, E. (2015). Entrepreneurial Ecosystems and Regional Policy: A Sympathetic Critique. *European Planning Studies*, 23(9), 1759–1769. <https://doi.org/10.1080/09654313.2015.1061484>
- Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319–1350. <https://doi.org/10.1002/smj.640>