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Microfoundations of Organizational Competence for Servitization

Abstract – Despite the various benefits of servitization, the yielded returns are often inadequate to generate sustainable competitiveness. The prevalence of this so-called service paradox is closely related to the insufficient theoretical explanation of how firms achieve competitiveness through servitization. We address this research gap by conceptually developing a framework and research propositions for competitiveness based on the Competence-based Theory of the Firm.

We achieve the following contributions: (1) presenting a structured overview of the previously unconnected microfoundations of organizational competence for servitization, and (2) developing conceptually grounded research propositions for further empirical work on competitiveness through servitization.

Keywords: **Servitization, organizational competence, microfoundations**
(JEL: L80, L22, M10, O30)

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