The capacities for acquiring, integrating and exploiting new knowledge and capabilities exert significant influence on long run organizational performance and growth. In this study we develop and test a theoretical framework that links individual and collective human capital with these capabilities. Prior research suggests that the development and organization of human capital at an individual and collective level are influential upon knowledge flows. We hypothesize that HRM and organizational cultural characteristics that emphasize strong individualist values
HRM, organizational culture and entrepreneurial capabilities

influence entrepreneurial knowledge acquisition, while those that emphasize
collectivist values influence cooperative knowledge integration. HRM practices are
hypothesized to directly influence knowledge processes, and also to mediate the
influence of organizational culture on knowledge processes. We hypothesize that
knowledge acquisition and integration processes are positively related to the
exploitation of new knowledge through creation of new products and services. We
test these hypotheses on data obtained from multiple respondents in a sample of
81 small and medium sized manufacturing firms. The study results provide support
for these hypotheses and indicate that a form of behavioral ambidexterity is needed
in order for human capital to promote knowledge-based entrepreneurial capabilities.
Implications for theory and future research are discussed.