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CONTINUITY CAPITAL: A THEORETICAL FRAMEWORK FOR THE INTERGENERATIONAL TRANSMISSION OF INSTITUTIONAL INTELLIGENCE IN PUBLIC ORGANIZATIONS

CAPITAL DE CONTINUIDADE: UM FRAMEWORK TEÓRICO PARA A TRANSMISSÃO INTERGERACIONAL DE INTELIGÊNCIA INSTITUCIONAL EM ORGANIZAÇÕES PÚBLICAS

CAPITAL DE CONTINUIDAD: UN MARCO TEÓRICO PARA LA TRANSMISIÓN INTERGENERACIONAL DE INTELIGENCIA INSTITUCIONAL EN ORGANIZACIONES PÚBLICAS

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Abstract
Public organizations invest decades accumulating institutional intelligence, yet political transitions, administrative reforms, leadership turnover, and generational replacement frequently erode that accumulated asset. Existing frameworks—including institutional memory, organizational learning, dynamic capabilities, intellectual capital, and state capacity—illuminate important aspects of this challenge but do not systematically explain how institutional intelligence is preserved, transmitted, adapted, and mobilized across successive managerial generations. This article introduces Continuity Capital, defined as the accumulated institutional asset produced by the organizational capacities of preservation, transmission, reconfiguration, and mobilization of institutional intelligence over time. The construct addresses a neglected intertemporal dimension of public administration: the capacity of organizations to transmit institutional intelligence across generations without transmitting its obsolescences. Drawing on conceptual paper methodology and integrating insights from organizational learning, dynamic capabilities, and historical institutionalism, the article develops a theoretical framework comprising four constitutive dimensions, five structural antecedents, three contextual moderators, four institutional consequences, and seven falsifiable propositions. The framework also advances the State Capacity Paradox, which highlights that organizations may display high levels of state capacity at a given moment while lacking the mechanisms required to sustain that capacity over time. In addition, the article introduces the concept of Negative Continuity Capital, demonstrating how transmission processes may reproduce institutional rigidities, obsolete routines, and dysfunctional legacies when reconfiguration mechanisms are weak. By distinguishing Continuity Capital from adjacent constructs and proposing a multimethod research agenda, the article contributes a new analytical lens for understanding institutional continuity, organizational sustainability, and the long-term production of public value in contexts marked by political and administrative disruption.
Keywords: Continuity Capital; Institutional Intelligence; State Capacity; Organizational Learning; Public Value.

Resumo

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Organizações públicas investem décadas acumulando inteligência institucional, mas transições políticas, reformas administrativas, rotatividade de lideranças e substituições geracionais frequentemente comprometem esse patrimônio acumulado. Abordagens como memória institucional, aprendizagem organizacional, capacidades dinâmicas, capital intelectual e capacidade estatal iluminam aspectos relevantes desse desafio, mas não explicam de forma sistemática como a inteligência institucional é preservada, transmitida, reconfigurada e mobilizada entre sucessivas gerações gerenciais. Este artigo introduz o conceito de Capital de Continuidade, definido como o ativo institucional acumulado produzido pelas capacidades organizacionais de preservação, transmissão, reconfiguração e mobilização da inteligência institucional ao longo do tempo. O construto busca preencher uma lacuna na Administração Pública ao focalizar a capacidade das organizações de transmitir inteligência institucional entre gerações sem transmitir suas obsolescências. Com base na metodologia de artigo conceitual e integrando contribuições da aprendizagem organizacional, das capacidades dinâmicas e do institucionalismo histórico, o estudo desenvolve um framework teórico composto por quatro dimensões constitutivas, cinco antecedentes estruturais, três moderadores contextuais, quatro consequências institucionais e sete proposições falsificáveis. O artigo também formula o Paradoxo da Capacidade Estatal, segundo o qual organizações podem apresentar elevada capacidade estatal em determinado momento sem possuir mecanismos para sustentá-la ao longo do tempo. Adicionalmente, introduz o conceito de Capital de Continuidade Negativo, demonstrando como processos de transmissão podem reproduzir rigidezes institucionais, rotinas obsoletas e legados disfuncionais. Ao estabelecer validade discriminante em relação a construtos adjacentes e propor uma agenda de pesquisa multimétodo, o artigo oferece uma nova lente analítica para compreender continuidade institucional, sustentabilidade organizacional e produção duradoura de valor público.
Palavras-chave: Capital de Continuidade; Inteligência Institucional; Capacidade Estatal; Aprendizagem Organizacional; Valor Público.

Resumen
Las organizaciones públicas invierten décadas acumulando inteligencia institucional, pero las transiciones políticas, las reformas administrativas, la rotación de liderazgos y el reemplazo generacional suelen erosionar ese patrimonio acumulado. Los enfoques existentes —memoria institucional, aprendizaje organizacional, capacidades dinámicas, capital intelectual y capacidad estatal— iluminan aspectos importantes de este desafío, pero no explican sistemáticamente cómo la inteligencia institucional es preservada, transmitida, reconfigurada y movilizada entre generaciones sucesivas de gestores públicos. Este artículo introduce el concepto de Capital de Continuidad, definido como el activo institucional acumulado producido por las capacidades organizacionales de preservación, transmisión, reconfiguración y movilización de la inteligencia institucional a lo largo del tiempo. El constructo aborda una dimensión intertemporal insuficientemente explorada en la administración pública: la capacidad de transmitir inteligencia institucional entre generaciones sin transmitir sus obsolescencias. Basado en la metodología de artículo conceptual e integrando aportes del aprendizaje organizacional, las capacidades dinámicas y el institucionalismo histórico, el estudio desarrolla un marco teórico compuesto por cuatro dimensiones constitutivas, cinco antecedentes estructurales, tres moderadores contextuales, cuatro consecuencias institucionales y siete proposiciones falsables. Asimismo, propone la Paradoja de la Capacidad Estatal, según la cual una organización puede exhibir alta capacidad estatal en un momento determinado y, al mismo tiempo, carecer de mecanismos para sostenerla en el tiempo. El artículo también introduce el concepto de Capital de Continuidad Negativo, mostrando cómo los procesos de transmisión pueden reproducir rigideces institucionales, rutinas obsoletas y legados disfuncionales. Al demostrar validez discriminante frente a constructos adyacentes y proponer una agenda de investigación multimétodo, el artículo ofrece una nueva lente analítica para comprender la continuidad institucional, la sostenibilidad organizacional y la producción sostenible de valor público.
Palabras clave: Capital de Continuidad; Inteligencia Institucional; Capacidad Estatal; Aprendizaje Organizacional; Valor Público.

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1 Introduction

Governments invest decades building the institutional intelligence needed to deliver public value consistently over time. Electoral cycles, administrative reforms, retirements, and leadership turnover regularly dissolve that accumulated stock — not because it has lost value, but because the mechanisms for transmitting it across managerial generations are absent or insufficient. The result is structural amnesia: the systematic loss of accumulated institutional intelligence at moments of political, generational, or organizational rupture, with consequences that extend beyond organizational performance to the quality, continuity, and sustainability of public services themselves.

This article introduces Continuity Capital to name that problem precisely, specify its causal mechanisms, and provide analytical tools for its systematic investigation. Before developing the construct, two prior concepts require formal definition. Institutional intelligence is the collective capacity for informed institutional judgment — the emergent property of an organization that has combined accumulated knowledge, situated interpretation, and strategic navigation into a resource enabling consistent, adaptive, and contextually intelligent public action. It is not equivalent to the sum of individual knowledge, nor to stored information, nor to documented procedures: institutional intelligence arises when accumulated experience, contextual interpretation, and navigational wisdom are held together in an organizational form capable of guiding action under uncertainty. As an epistemological resource, it enables the organization to recognize what is happening, understand why it is happening, and know how to respond — drawing on a shared institutional history that individual actors alone cannot replicate. A managerial generation, in the context of this framework, refers to a cohort of civil servants who share overlapping tenures at the mid-to-senior level of a public organization, typically spanning five to ten years. This definition distinguishes managerial generations from demographic generations, political cycles, and professional cohorts, focusing analytical attention on the transmission dynamics that occur when one cohort exits and another assumes organizational stewardship.

Two contrasting cases define the empirical horizon and illustrate the construct's four dimensions. In the United Kingdom, Pollitt (2008) documented how

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rapid rotation among senior civil servants systematically destroyed contextual and relational knowledge — each 18-to-24-month tenure too brief to transmit what predecessors had learned, producing the chronic rediscovery of known solutions. In Estonia, Margetts and Naumann (2017) show the opposite: a generation of civil servants transmitted not merely the technical solutions of the e-State but the strategic principles generating them, enabling successors to adapt those principles to new contexts. In the United Kingdom, institutional intelligence was partially preserved in documents but rarely transmitted across leadership turnovers; reconfiguration of inherited routines was inhibited by short tenure cycles; and mobilization was undermined by the systematic loss of relational knowledge. In Estonia, institutional intelligence was deliberately preserved across administrative generations; transmission was structured through mentoring and community-of-practice mechanisms; digital solutions were continuously reconfigured rather than merely replicated; and accumulated knowledge was strategically mobilized to respond to successive institutional challenges. The contrast is not one of organizational capacity at a given moment but of intergenerational transmission architecture.

These two cases, alongside three further illustrations developed in Section 3, serve as plausibilizing evidence for construct face validity, not as empirical tests of the propositions. Systematic testing requires the longitudinal and comparative designs specified in the research agenda.

Existing theoretical frameworks each address a different dimension of this problem. Institutional memory attends to what has been stored; intellectual capital to current knowledge value; organizational knowledge to knowledge creation; dynamic capabilities to organizational adaptation; state capacity to what the state can accomplish. The intergenerational transmission of institutional intelligence — how a public organization ensures that what it knows today will be available tomorrow — has not been systematically centered as a theoretical object by any of these traditions. Continuity Capital is developed to fill that gap.

Four theoretical contributions are advanced, in descending order of centrality: (1) Continuity Capital as an accumulated institutional asset for the intergenerational transmission of institutional intelligence — the primary contribution, from which all

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others derive; (2) temporalization of state capacity theory through the State Capacity Paradox; (3) an integrative intertemporal framework linking organizational learning, institutional memory, and dynamic capabilities; and (4) Negative Continuity Capital, connecting the framework to path dependence, institutional lock-in, and organizational inertia. The article proceeds as follows: Section 2 identifies the limits of existing approaches; Section 3 presents the methodology; Section 4 defines institutional intelligence and Continuity Capital and introduces the Central Proposition of Institutional Continuity; Section 5 develops the State Capacity Paradox; Section 6 establishes discriminant validity; Section 7 presents the theoretical model and seven propositions; Sections 8 and 9 address boundary conditions and Negative Continuity Capital; Section 10 proposes measurement strategies; Section 11 articulates theoretical contributions; Sections 12 and 13 cover limitations and research agenda.

2 The Limits of Existing Approaches

2.1 Institutional Memory

Walsh and Ungson (1991) established that organizations have histories leaving traces that influence present behavior; Stein (1995) distinguished declarative from procedural memory. These contributions attend to what is stored, not to the process by which stored intelligence reaches new carriers. The structural limit is threefold: emphasis on storage over active transmission; underestimation of the reconfiguration requirement (transmitted intelligence must be contextually adapted, not reproduced); and presupposition of a stable remembering agent, untenable in contexts of intense generational rupture. An archive without socialization is a well-organized cemetery of knowledge. Continuity Capital begins where institutional memory stops.

2.2 Intellectual Capital

The human-structural-relational tripartition of Edvinsson and Malone (1997) made intangible assets visible. The central limitation: intellectual capital was developed as a private-sector valuation instrument — a logic alien to public value delivery (Moore, 1995) — that treats intangibles as static stocks rather than flows requiring active management through political and generational transitions. When

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human capital carriers retire, the stock implicitly disappears. Continuity Capital theorizes the mechanism that prevents that disappearance.

2.3 Organizational Knowledge

Nonaka and Takeuchi (1995), Weick (1995), and March (1991) produced foundational contributions focused predominantly on knowledge creation, acquisition, and transformation. The SECI model theorizes how tacit and explicit knowledge are converted and amplified within an organization — but it presupposes continuous conversion flow without addressing what happens when tacit knowledge carriers leave. The emerging literature on organizational forgetting (Argote & Hora, 2017; Connelly et al., 2021; Klitmøller & Rerup, 2023) begins to address survival through disruption, but remains focused predominantly at the private firm level and on episodic forgetting rather than on the deliberate, architectured transmission of knowledge across successive managerial cohorts. The gap is precise: organizational learning explains how knowledge is created and transformed within a generation; Continuity Capital explains how already-created knowledge survives, is transmitted, and remains available and actionable across successive generations. Creation and intergenerational survival are analytically distinct processes requiring distinct theoretical accounts.

2.4 State Capacity

Evans (1995), Skocpol (1985), Fukuyama (2004), Andrews et al. (2017), and Mazzucato (2021) built a rich tradition treating state capacity as a performance attribute at a given temporal cross-section. The shared limitation — the absence of a theory of how capacity is maintained, degraded, and restored over time and through political transitions — is precisely the dimension that Continuity Capital addresses as an explanatory complement to the existing state capacity literature.

2.5 Dynamic Capabilities

Dynamic capabilities (Teece et al., 1997; Teece, 2007; Eisenhardt & Martin, 2000) explain how organizations reconfigure resources in response to environmental changes — they are exercised in the present, in response to current conditions, by a given managerial cohort. Continuity Capital asks a logically prior and analytically distinct question: how does the organization preserve and transmit the institutional intelligence necessary for future generations to continue adapting?

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Dynamic capabilities explain present-tense organizational adaptation; Continuity Capital explains the intergenerational preservation of the accumulated institutional asset from which future adaptive capacity is exercised. To be precise: dynamic capabilities are what a managerial generation does; Continuity Capital is what that generation accumulates and transmits so that the next generation can act. The two concepts operate at different temporal levels and are therefore not equivalent or overlapping. High dynamic capability coexists with low Continuity Capital whenever adaptive capacity is concentrated in individuals who do not transmit their knowledge, forcing each new generation to rebuild rather than build upon inherited institutional intelligence.

3 Theoretical Construction Methodology

This article is a conceptual paper that synthesizes and advances existing theoretical knowledge to introduce a novel analytical category (Jaakkola, 2020; Post et al., 2020). Its legitimacy rests on a precisely constituted theoretical gap and a framework meeting criteria of parsimony, explanatory power, and empirical falsifiability (Whetten, 1989; Sutton & Staw, 1995; Corley & Gioia, 2011). The introduction of Continuity Capital as a new construct is a deliberate response to the risk of construct proliferation (Bacharach, 1989; MacKenzie, 2003): a new construct is justified only when existing concepts cannot, individually or in combination, theorize the target phenomenon without loss of explanatory specificity. Sections 2 and 6 demonstrate that this threshold is met—none of the five adjacent concepts, nor any combination of them, provides a mechanism for the intergenerational transmission of institutional intelligence as an autonomous theoretical object.

Three sequential procedures were employed. First, an integrative literature review (Torraco, 2005) spanning five theoretical traditions identified the specific gap each leaves unaddressed, prioritizing publications in *Public Administration Review*, *Governance*, *JPART*, and *Academy of Management Review* from 1975 to 2025. Second, systematic conceptual comparison established discriminant validity following Venkataraman and Grant (1986) and MacKenzie et al. (2011). Third, the construct was delimited using Whetten's (1989) four criteria—What, Why, How, When—combined with the Corley and Gioia (2011) standard of relative novelty and scientific utility.

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Five illustrative cases are employed as plausibilizing evidence for construct face validity, not as empirical tests of the propositions (Eisenhardt & Graebner, 2007). They are: (1) the United Kingdom, where rapid senior civil servant rotation produced chronic structural amnesia (Pollitt, 2008); (2) Estonia, where deliberate intergenerational transmission of e-governance principles enabled adaptive continuity (Margetts & Naumann, 2017); (3) Singapore, where the Public Service Division institutionalized succession planning and knowledge codification across political generations (Painter & Pierre, 2005); (4) Brazil's federal revenue authority (*Receita Federal*), where a stable career civil service preserved technical-fiscal intelligence through successive governments (Souza, 2017); and (5) Afghanistan's post-2001 administrative reconstruction, where the substitution of indigenous institutional intelligence by international consultants produced recurrent institutional amnesia (Andrews et al., 2017). These five cases were selected to maximize variation across transmission outcomes (high vs. low Continuity Capital), institutional contexts (consolidated democracies, developmental states, post-conflict environments), and administrative traditions (Westminster, Napoleonic, developmental, patrimonial).

Readers should note that these illustrative cases are presented exclusively as plausibility probes and sources of conceptual elaboration. Their purpose is to clarify theoretical distinctions, demonstrate face validity, and illustrate the empirical relevance of the proposed framework. They do not constitute empirical tests of the propositions advanced in this article, nor do they provide confirmatory evidence regarding the existence or effects of Continuity Capital. Rigorous evaluation of the framework requires the longitudinal, comparative, and multimethod research designs outlined in Section 13.

The article is positioned as mid-range theory (Merton, 1968), focused on the intertemporal transmission of institutional intelligence in contexts of political, generational, and organizational discontinuity.

4 Continuity Capital: Definition and Central Proposition

4.1 Conceptual Foundations and the Justification for 'Capital'

The decision to conceptualize Continuity Capital as a form of capital rather than as a capability, process, or organizational attribute is deliberate and grounded

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in the theoretical properties traditionally associated with capital constructs. Capital refers to an accumulated asset generated through sustained investment, subject to depreciation, capable of producing future returns, and unequally distributed across organizations (Bourdieu, 1986; Coleman, 1988; Putnam, 1993). The concept therefore emphasizes stock rather than flow, accumulation rather than momentary performance, and long-term value creation rather than immediate operational effectiveness.

Continuity Capital exhibits these characteristics. It is accumulated through repeated investments in the preservation, transmission, reconfiguration, and mobilization of institutional intelligence. It may appreciate when organizations successfully integrate new knowledge while retaining valuable institutional experience, or depreciate when critical expertise, relationships, and institutional judgment are lost through turnover, disruption, or neglect. Like other forms of capital, it generates returns over time by increasing the availability of institutional intelligence for future generations of organizational actors.

The concept also differs from organizational capabilities. Capabilities describe what organizations are able to do; Continuity Capital refers to what organizations have accumulated as an intertemporal institutional asset. The four organizational capacities identified in this framework—Preservation, Transmission, Reconfiguration, and Mobilization—are the mechanisms through which Continuity Capital is produced and sustained, but they are not Continuity Capital itself. The distinction is ontologically important: capacities generate the asset, whereas the asset constitutes the accumulated outcome of their sustained exercise.

Conceptualizing Continuity Capital as capital therefore highlights the temporal dimension of institutional intelligence. It draws attention not only to the existence of valuable knowledge in the present but also to the organizational conditions under which that intelligence can survive, adapt, and remain available across successive managerial generations. Before defining Continuity Capital itself, it is therefore necessary to specify the underlying resource that constitutes its substantive content: institutional intelligence.

4.2 Formal Definition of Institutional Intelligence

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Institutional intelligence is the collective capacity for informed institutional judgment—an emergent organizational property produced when accumulated knowledge, situated contextual interpretation, and strategic navigational wisdom are combined into a resource that increases the likelihood of consistent and adaptive public action over time. Four analytically distinct components constitute this capacity: technical know-how (procedures, methods, and domain expertise); know-why (the strategic reasoning and historical rationale underlying organizational decisions, including the failures that shaped them); know-who (the relational networks sustaining institutional action, inter-organizational coordination, and political navigation); and know-how-to-navigate (the contextual intelligence required to operate effectively within political, normative, and institutional environments).

Crucially, institutional intelligence is neither equivalent to the sum of individual knowledge held by current members, nor to the volume of information stored in organizational systems, nor to the set of documented procedures in use. Rather, it emerges from the integration of experience, interpretation, and navigational judgment into an organizational resource capable of informing action under conditions of uncertainty. As such, institutional intelligence constitutes a collective epistemic asset that exceeds what individual actors can reproduce independently and cannot be fully replicated through external acquisition alone.

The know-how-to-navigate component is simultaneously the most tacit, the most strategically valuable, and often the most vulnerable to erosion during organizational transitions, as it is rarely codified, transmitted primarily through socialization and practice, and deeply embedded in the specific institutional environment in which it was developed. Together, these four components constitute the substantive content of institutional intelligence and provide the knowledge base from which Continuity Capital is accumulated, preserved, transmitted, reconfigured, and mobilized across successive organizational generations.

4.3 Formal Definition of Continuity Capital

Continuity Capital is the accumulated institutional asset produced by the organizational capacities of preservation, transmission, reconfiguration, and mobilization of institutional intelligence across managerial generations — ensuring that the collective learning developed by one generation of civil servants remains

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available and actionable for subsequent generations regardless of political, generational, or organizational disruptions. The four constitutive dimensions are the organizational capacities that generate this asset; Continuity Capital is the accumulated stock that results from their sustained and articulated exercise.

Synthetic formulation: Continuity Capital is the accumulated institutional asset that enables a public organization to transmit its institutional intelligence across generations without transmitting its obsolescences.

This formulation — transmit institutional intelligence across generations without transmitting its obsolescences — identifies the constitutive tension at the heart of the concept: preserving what is valuable while actively filtering what has become an obstacle. It functions simultaneously as the article's central analytical claim, as the criterion distinguishing positive from Negative Continuity Capital, and as the research hypothesis that the empirical agenda in Section 13 is designed to test. Continuity Capital is a strategic institutional asset rather than a management practice because its accumulation is cumulative and path-dependent, its degradation is frequently irreversible in the short term, and its level independently predicts the probability of future institutional performance continuity.

4.4 The Central Proposition of Institutional Continuity

Central Proposition of Institutional Continuity: Public organizations with equivalent levels of state capacity, measured at a given historical moment, may exhibit substantially distinct levels of accumulated Continuity Capital; this difference independently predicts their capacity to sustain institutional performance through political and generational transitions.

The Central Proposition operationalizes the concept's core empirical claim: state capacity and Continuity Capital are analytically separable properties with distinct determinants, distinct trajectories, and distinct policy implications. It is formulated to be falsifiable — equivalent initial state capacity, differential Continuity Capital, differential performance persistence — and designed to generate the longitudinal and comparative research designs specified in the research agenda. The term 'central proposition' rather than 'hypothesis' reflects the theory-building standard of conceptual papers (Whetten, 1989; Sutton & Staw, 1995), in which the contribution lies in framework construction rather than empirical testing.

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5 The State Capacity Paradox and the Temporal Gap

A state may be highly capable at a given historical moment and simultaneously lack the mechanisms to preserve that capacity over time. This is not a theoretical anomaly but an empirical regularity that the predominantly synchronic state capacity literature renders invisible. The State Capacity Paradox names two analytically distinct questions the literature has tended to treat as equivalent: state capacity asks what the state can accomplish; Continuity Capital asks how the state ensures it will continue to be able to accomplish this. The distinction matters beyond organizational theory: states that are capacity-rich and continuity-poor are systematically vulnerable to cycles of reform and reinvention that generate recurring public costs — rebuilding capabilities already built, relearning lessons already learned, purchasing from external consultants the institutional intelligence that once existed internally.

The distinction produces four analytically non-equivalent organizational conditions, each with distinct empirical signatures and policy implications. High state capacity with low Continuity Capital signals high present performance combined with high structural vulnerability to future disruptions — the condition documented by Pollitt (2008) in the United Kingdom, where measured capacity coexisted with chronic knowledge loss at each leadership transition. High accumulated Continuity Capital with momentarily degraded present capacity identifies an organization that has built the mechanisms to reconstitute capability from preserved institutional intelligence — the condition observable in Estonia after the collapse of Soviet administration (Margetts & Naumann, 2017). High accumulated Continuity Capital without demonstrated resilience identifies an organization whose institutional intelligence is preserved and potentially transmissible but whose mobilization capacity is insufficient to activate it under adversity — a fourth condition, analytically distinct from all three, whose empirical signature is an organization with rich institutional memory that nonetheless fails to respond adaptively to institutional shocks. These distinctions are rendered systematically visible by the measurement strategy in Section 10: state capacity is measurable through performance indicators at a given cross-section; Continuity Capital is measurable through the tripartite indicators in Table 2; resilience is measurable through post-shock recovery

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trajectories. The three constructs are separated empirically by their temporal reference (synchronic vs. intertemporal vs. crisis-triggered), their unit of measurement (output vs. accumulated asset vs. adaptive response), and their observable proxies.

The temporal gap in state capacity refers to the absence of instruments measuring not merely the current level of institutional capacity but its persistence through transitions. Standard evaluations — World Governance Indicators, OECD frameworks — measure performance in cross-sectional cuts and do not estimate the probability that measured capacity will be maintained after the next change of government. States unable to retain and transmit their own institutional intelligence become dependent on external consultants (Mazzucato & Collington, 2023) — a measurable marker of low Continuity Capital whose costs are systematically externalized to future governments and ultimately to citizens. Whether and how this dynamic operates in fragile states and highly informalized bureaucracies constitutes a research hypothesis requiring empirical examination rather than an established finding. Continuity Capital offers a promising analytical lens for investigating these dynamics comparatively.

6 Discriminant Validity of Continuity Capital

Discriminant validity rests on three analytically distinct grounds. First, each adjacent concept was developed to address a fundamentally different question (Section 2); rather than competing explanations, these concepts operate at different analytical levels and illuminate different dimensions of organizational reality. Second, existing frameworks address the four organizational capacities underlying Continuity Capital—preservation, transmission, reconfiguration, and mobilization—only partially and in isolation. Bringing these capacities together within a single intertemporal framework generates explanatory leverage that cannot be achieved through the simple relabeling or aggregation of existing constructs. Third, Continuity Capital introduces an explicitly intertemporal orientation, linking past, present, and future through a deliberate process of preserving, transmitting, adapting, and activating institutional intelligence across successive managerial generations.

The distinction from dynamic capabilities merits particular attention given the potential for conceptual overlap. Dynamic capabilities are exercised by a given

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managerial cohort to reconfigure organizational resources in response to current environmental demands; they are present-oriented adaptive properties embedded in organizational routines and available expertise. Continuity Capital, by contrast, is an accumulated institutional asset that influences whether future managerial cohorts will possess the institutional intelligence from which to exercise their own adaptive capabilities. The two concepts therefore operate at different temporal levels: dynamic capabilities describe what organizations do adaptively in the present, whereas Continuity Capital refers to what organizations have accumulated and preserved for future action. An organization may exhibit high dynamic capabilities today while maintaining low Continuity Capital if adaptive expertise remains concentrated in individuals who fail to transmit it to successors. Conversely, an organization may possess high accumulated Continuity Capital while displaying limited present dynamic capabilities if valuable institutional intelligence has been preserved but is not currently being mobilized. These are empirically distinct conditions that imply different explanatory mechanisms and policy interventions.

The distinction from organizational learning warrants separate consideration. Organizational learning—including the SECI model, sensemaking processes, and exploration-exploitation dynamics—explains how knowledge is created, acquired, interpreted, and transformed within organizations. It focuses primarily on intra-generational dynamics: how a given managerial generation learns and adapts over time. Continuity Capital focuses on a different analytical problem: the extent to which institutional intelligence remains available across successive managerial generations. Organizational learning and Continuity Capital are therefore best understood as sequential rather than overlapping processes. Learning contributes to the creation of institutional intelligence; Continuity Capital influences whether that intelligence is preserved, transmitted, reconfigured, and mobilized beyond the generation that originally produced it. An organization may learn extensively within a generation while exhibiting low Continuity Capital if that learning is not successfully transmitted to successors.

Table 1 organizes the comparison across five analytical dimensions, demonstrating that Continuity Capital occupies a distinct theoretical position that is not reducible to any adjacent construct.

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Table 1 — Discriminant Validity of Continuity Capital

Dimension	Inst. Memory	Intell. Capital	Org. Knowledge	Continuity Capital
Central focus	Storage and retrieval	Valuation of intangibles	Knowledge creation, acquisition, and transformation within a generation	**Accumulated institutional asset produced by intergenerational transmission of institutional intelligence**
Temporal orientation	Retrospective	Synchronic	Present and future (intra-generational)	**Intertemporal: preserves past, operates in present, enables future across generational transitions**
Central mechanism	Archive, retrieval, recall	Measurement and reporting	SECI model; sensemaking; exploration-exploitation	**Accumulated institutional asset produced by preservation, active transmission, contextual reconfiguration, and strategic mobilization**
Privileged context	Organizations in general	Private sector	Organizations in general	**Public sector: political cycles, retirements, administrative reforms, leadership turnover across managerial generations**
Gap left	No active transmission; archive without socialization is inert	No intergenerational dynamics; silent on carrier discontinuity	Explains creation within a generation; does not account for survival and transmission across generations	**Focal concept: accumulated institutional asset for intertemporal preservation of institutional performance across generational transitions**

Source: Authors' elaboration.

Institutional resilience (Boin et al., 2010; Boin & Lodge, 2021; Bakker et al., 2023) requires particularly careful treatment because it is often regarded as the concept most closely related to Continuity Capital. The distinction, however, is both analytic and causal and therefore extends beyond differences in terminology. State capacity refers to what the state is capable of accomplishing at a given moment; it is a present-oriented performance attribute. Continuity Capital refers to the accumulated institutional asset available when disruption occurs; it is a stock built over time through the sustained exercise of preservation, transmission, reconfiguration, and mobilization capacities. Resilience, in turn, refers to the

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capacity to maintain or recover core organizational functions under conditions of adversity. The causal relationship is expected to be directional: higher levels of accumulated Continuity Capital increase the likelihood of resilient responses because the institutional intelligence required for recovery remains available rather than being lost during disruption. At the same time, high levels of accumulated Continuity Capital do not guarantee resilience. Organizations may preserve substantial institutional intelligence yet fail to mobilize or reconfigure that intelligence effectively when confronted with crisis. Empirically, the three constructs are distinguishable through different units of observation and temporal references: state capacity is observed through performance outputs at a given point in time; Continuity Capital is observed through stock and process indicators across time; and resilience is observed through organizational responses and recovery trajectories following shocks.

Institutional memory describes what has been preserved; Continuity Capital addresses whether preserved intelligence becomes available to subsequent generations as living and actionable knowledge. Organizational learning explains how institutional intelligence is created; Continuity Capital explains how that intelligence survives, adapts, and remains usable across generations. Dynamic capabilities describe how organizations adapt in the present; Continuity Capital concerns the accumulated institutional intelligence available for future adaptive action. State capacity measures what the state can accomplish at a given moment; Continuity Capital addresses the conditions under which that capacity can be sustained, renewed, and transmitted over time.

Taken together, these distinctions suggest that the analytical value of Continuity Capital does not derive from replacing existing constructs, but from making visible an intertemporal organizational phenomenon that remains only partially observable when institutional memory, organizational learning, dynamic capabilities, resilience, or state capacity are examined separately. The framework therefore complements rather than displaces adjacent theoretical traditions while providing a more explicit account of how institutional intelligence is preserved, transmitted, reconfigured, and mobilized across successive generations.

7 The Theoretical Model

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The model is structured according to Whetten's (1989) four criteria—What, Why, How, and When—and follows Sutton and Staw's (1995) requirement that genuine theory specifies causal mechanisms rather than merely listing variables. To integrate the relationships developed throughout the preceding sections, Figure 1 presents the complete theoretical architecture of Continuity Capital. The framework synthesizes the proposed causal logic by illustrating how five structural antecedents—bureaucratic stability, continuity-oriented leadership, systematic succession planning, a reflective learning culture, and long-term-oriented people governance—foster the organizational capacities of Preservation, Transmission, Reconfiguration, and Mobilization. These capacities collectively generate institutional intelligence and, subsequently, Continuity Capital as an accumulated institutional asset. The model further incorporates three contextual moderators (political instability, administrative reform trajectory, and intelligence concentration pattern), the State Capacity Paradox, the possibility of Negative Continuity Capital resulting from failures in reconfiguration, and the institutional consequences that ultimately contribute to sustainable public value creation. By consolidating these elements into a single analytical structure, the figure provides a visual representation of the framework's central proposition: organizations exhibiting higher levels of Continuity Capital are expected to sustain institutional performance more effectively across political, organizational, and generational transitions.

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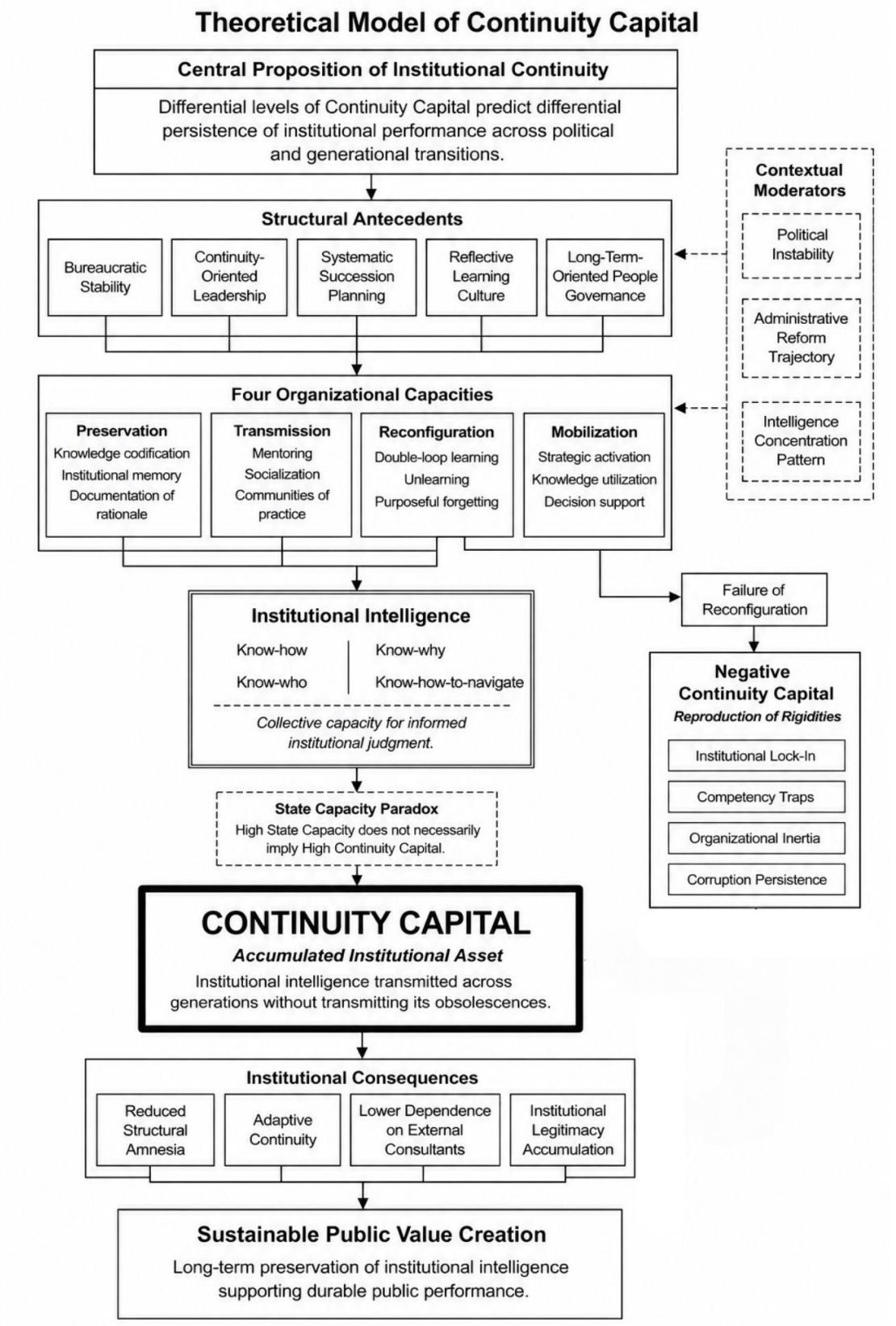
Figure 1. Theoretical Model of Continuity Capital



Source: Authors' elaboration.

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As illustrated in Figure 1, Continuity Capital is conceptualized as an accumulated institutional asset produced through the interaction of four organizational capacities. Preservation safeguards critical institutional knowledge, Transmission enables its intergenerational transfer, Reconfiguration prevents the reproduction of obsolete routines through adaptation, unlearning, and purposeful forgetting, and Mobilization ensures that institutional intelligence remains available for strategic action and decision-making. Together, these capacities determine whether institutional intelligence is transformed into a durable institutional asset capable of sustaining organizational continuity, reducing structural amnesia, and supporting the long-term creation of public value. The model also highlights that failures in Reconfiguration may generate Negative Continuity Capital, whereby transmission mechanisms preserve dysfunctional practices, obsolete routines, and institutional rigidities rather than adaptive intelligence. This distinction reinforces the framework's central argument that continuity and adaptation are not competing objectives but mutually dependent conditions for sustainable institutional performance.

7.1 Constitutive Dimensions (What)

The four constitutive dimensions are the organizational capacities whose sustained and articulated exercise produces and maintains Continuity Capital as an accumulated institutional asset. They are analytically distinct but interdependent: each is necessary, and none is sufficient in isolation. The asset does not reside in any single capacity; it is the product of all four operating in concert.

7.1.1 Preservation

Preservation is the organizational capacity to capture, record, and maintain accessible the accumulated institutional intelligence — codifying tacit knowledge into transmissible formats, documenting decision processes with their underlying reasons, and maintaining systems enabling contextualized retrieval. Effective preservation is active curation: it selects what is strategically relevant and discards the obsolete. Klitmøller and Rerup (2023) demonstrate that preservation involves power-laden choices about whose institutional intelligence is worth preserving — a dimension with direct implications for equity and inclusion in public organizations. In Singapore's Public Service Division, structured knowledge codification practices

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systematically documented not only technical decisions but the strategic rationale behind them, enabling successive cohorts to access not merely what was decided but why (Painter & Pierre, 2005).

Preservation is not a politically neutral process. Decisions regarding which experiences, narratives, and forms of institutional intelligence are documented, legitimized, or marginalized reflect organizational power structures and value systems. Preservation mechanisms may systematically privilege the experiences of dominant professional groups while underrepresenting minority groups, peripheral actors, or historically marginalized communities. Consequently, the quality of accumulated Continuity Capital depends not only on the volume of institutional intelligence preserved, but also on the inclusiveness and representativeness of what is selected. This connects Continuity Capital to debates on diversity, equity, inclusion, and epistemic justice in public administration, highlighting that institutional continuity is simultaneously a technical, political, and normative process.

7.1.2 Transmission

Transmission is the organizational capacity to transfer preserved institutional intelligence to new organizational carriers. Institutional intelligence does not propagate merely because it is available (March & Olsen, 1989): it must be actively mediated by socialization, mentoring, and collective learning. The public sector faces specific obstacles: new leadership may resist intelligence inherited from a politically different past; bureaucratic culture tends to treat newcomer integration as administrative formality rather than strategic transfer. Wenger's (1998) communities of practice represent the primary mechanism for transmitting tacit components that resist codification. In Brazil's Receita Federal, the combination of competitive career entry, internal mentoring networks, and communities of technical practice has sustained fiscal intelligence through governments with sharply divergent economic orientations (Souza, 2017).

7.1.3 Reconfiguration

Reconfiguration—the most demanding and least studied of the four organizational capacities—is the capacity to adapt inherited institutional intelligence to new contextual conditions without losing its essential learning. Argyris and Schön's (1978) double-loop learning provides the underlying epistemological model:

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not merely reproducing what was learned, but critically examining and, when necessary, revising the assumptions that originally guided it. Reconfiguration distinguishes an organization with high accumulated Continuity Capital from a merely conservative one and functions as the filtering mechanism separating functional from dysfunctional institutional intelligence—the distinction developed in Section 9. Without strong reconfiguration capacity, the accumulated institutional asset may incorporate institutional rigidity as readily as institutional wisdom.

Reconfiguration encompasses not only the adaptation and recombination of inherited institutional intelligence but also the deliberate abandonment of routines, assumptions, and practices that no longer contribute to organizational effectiveness. In this sense, organizational unlearning and purposeful forgetting are conceptualized as internal sub-mechanisms of reconfiguration rather than as separate antecedents or external moderators. Organizations with strong reconfiguration capacity do not merely transmit what previous generations knew; they actively identify what should not be transmitted and why. The capacity to filter inherited intelligence—preserving what remains valuable while discarding what has become dysfunctional—constitutes a central safeguard against the accumulation of Negative Continuity Capital. It is precisely this capacity, the ability to transmit institutional intelligence across generations without transmitting its obsolescences, that separates high-quality from low-quality accumulated Continuity Capital.

7.1.4 Mobilization

Mobilization is the organizational capacity to activate accumulated Continuity Capital at the opportune moment. Excellent preservation, transmission, and reconfiguration are insufficient without the capacity to convert the accumulated institutional asset into organizational action when needed. Mobilization depends on a culture valuing historical learning, on leaders who know where and how to access institutional intelligence, and on systems enabling agile, contextualized consultation — what Zollo and Winter (2002) term deliberate learning. In Afghanistan's post-2001 reconstruction, the substitution of indigenous institutional knowledge by international consultants suppressed mobilization: the organizational intelligence that did exist was neither accessed by new political leadership nor transmitted to indigenous successors, producing recurrent institutional cycles of reinvention that

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generated substantial costs for Afghan citizens and international partners alike (Andrews et al., 2017).

7.2 Causal Mechanisms and Structural Antecedents (Why)

The central causal mechanism is the reduction of organizational performance dependence on individual knowledge carriers. High accumulated Continuity Capital distributes institutional intelligence in systems, practices, communities, and infrastructures that survive the departure of any specific individual, reducing each new generation's learning curve and decreasing the probability of repeating institutional errors already documented in organizational history. This mechanism has direct implications for the sustainable production of public value: organizations that must continuously rebuild institutional intelligence from zero impose on citizens the costs of reduced service quality during learning periods, recurring investment in capabilities already built, and vulnerability to external advisory capture during institutional transitions. Five structural antecedents operate as enabling conditions: (1) bureaucratic stability — stable personnel with structured careers and low mid-level technical turnover (Evans, 1995; Silberman, 1993); (2) continuity-oriented leadership — leaders who invest in mentoring, succession planning, and after-action reviews; (3) systematic succession planning — formal programs preparing successors for key positions before vacancies occur; (4) organizational culture of reflective learning (Senge, 1990; Schein, 2010) — cultures that value critical interrogation of inherited routines; and (5) long-term-oriented people governance — policies that incentivize strategic competence development and reward institutional intelligence transmission.

7.3 Contextual Moderators (How)

Three moderators condition both the antecedent-to-Continuity Capital and the Continuity Capital-to-outcomes relationships: (1) political instability — greater instability simultaneously strengthens the protective effect of accumulated Continuity Capital on performance and makes it harder to build, creating a structural challenge precisely where the concept matters most; (2) trajectory of administrative reform — abrupt and recurrent restructuring lowers the conversion coefficient from bureaucratic stability to Continuity Capital because disrupted transmission networks interrupt institutional intelligence flow even with formally stable staffing; (3)

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intelligence concentration pattern — institutional intelligence concentrated in key individuals is exponentially more vulnerable to rupture than intelligence distributed in systems and communities, even at equivalent absolute levels. These moderators also shape the politics of institutional continuity: political instability generates incentives for incoming leadership to engage in symbolic rupture — deliberately dismantling predecessor programs, rebranding inherited policies, or appointing loyalists to positions requiring deep institutional knowledge — which functions as a direct moderator of the antecedent-to-transmission pathway.

7.4 The Seven Propositions

The seven propositions are organized into two groups: Propositions 1 through 6 are dimension-specific causal propositions, each specifying an antecedent, a causal mechanism, an expected outcome, and a boundary condition. Proposition 7 is an integrative architectural proposition specifying the conditional logic governing how the first six interact.

P1: *Continuity Capital and Adaptive Capacity. Public organizations with higher levels of accumulated Continuity Capital exhibit greater adaptive capacity in the face of leadership changes and institutional shocks. Effect moderated by political instability: the greater the instability, the stronger the protective effect of accumulated Continuity Capital on institutional performance. Causal mechanism: reduction of performance dependence on individual carriers of institutional intelligence. Boundary condition: organizations with mandatorily high turnover by institutional design structurally constrain this relationship.*

P2: *Bureaucratic Stability and the Moderating Effect of Reform Trajectories. Greater stability of mid-level technical staffing increases Continuity Capital accumulation across generations. Moderated by reform trajectory: organizations that experienced abrupt and recurrent restructuring show lower conversion of bureaucratic stability into accumulated Continuity Capital because disrupted transmission networks interrupt institutional intelligence flow even with formally stable staffing. The moderating effect is stronger when reforms are ideologically motivated toward institutional rupture rather than technical improvement.*

P3: *Leadership Orientation and the Transmission Dimension. Organizations with leadership demonstrating explicit commitment to institutional intelligence*

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transmission — through formal mentoring, succession planning, and after-action reviews — accumulate higher levels of Continuity Capital than those with leadership oriented toward symbolic rupture with the institutional past. Causal mechanism: institutional refounding narratives systematically disinvest in the organizational capacities that produce the accumulated asset. Consistent with public value leadership theory (Moore, 1995; Stoker, 2006).

P4: *Reflective Culture, Reconfiguration, and Political Turbulence. The reconfiguration organizational capacity — and therefore the quality of the accumulated Continuity Capital asset — is positively associated with organizational culture of reflective learning. This association is stronger in contexts of high political turbulence, where distinguishing what institutional intelligence must be preserved from what must be transformed is most critical for organizational survival. Causal mechanism: double-loop learning enables critical questioning of assumptions underlying inherited institutional routines, including deliberate unlearning of obsolete practices. Negative moderator: strong isomorphic pressure toward conformity reduces the association between reflective culture and reconfiguration.*

P5: *Continuity Capital, Structural Amnesia, and Concentration Pattern. The probability of structural amnesia is inversely proportional to the level of accumulated Continuity Capital. Degradation speed following political or generational rupture is moderated by the intelligence concentration pattern: organizations where institutional intelligence is distributed in systems and communities of practice lose accumulated Continuity Capital more slowly than those where it is concentrated in key individuals, even when initial levels are equivalent. Extends Argote and Hora (2017) to the political rupture context specific to the public sector.*

P6: *Succession Planning and Transmission Quality. Organizations implementing systematic succession planning exhibit less degradation of accumulated Continuity Capital during leadership transitions. Effect mediated by transmission quality: successors prepared by direct mentoring and community-of-practice immersion preserve more of the accumulated institutional asset than those trained exclusively by formal documentation, because the tacit dimension of institutional intelligence requires direct socialization to be effectively transferred (Polanyi, 1966).*

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P7: *Continuity Capital as Central Mediating Mechanism (Integrative). The accumulated institutional asset of Continuity Capital constitutes the central mediating mechanism between organizational antecedents and institutional outcomes. Interventions in antecedents that do not simultaneously strengthen all four constitutive organizational capacities produce attenuated effects on expected outcomes. This mediation is especially pronounced in organizations that experienced severe political ruptures in the five years prior to measurement — a pattern with direct implications for capacity-building programs that install systems without investing in institutional intelligence transmission mechanisms.*

P7 specifies that structural antecedents operate not independently but through their joint effect on the four organizational capacities that produce Continuity Capital. Bureaucratic stability alone does not generate institutional continuity if inherited intelligence is not actively transmitted to successors. Formal succession planning alone does not generate institutional continuity if successors receive documents without socialization. Committed leadership alone does not generate institutional continuity if organizational culture suppresses critical reconfiguration. Antecedents produce durable effects only when they simultaneously strengthen all four capacities. When any one fails, the causal chain is interrupted: intelligence is stored but not transferred, transferred but not adapted, or adapted but not activated at the opportune moment. P7 identifies the architectural condition distinguishing sustained institutional performance — and therefore sustainable public value creation — from transient organizational effectiveness.

8 Boundary Conditions

Continuity Capital loses explanatory power in specific contexts that also define productive research frontiers. This section distinguishes three types of boundary conditions: (i) contexts in which the concept's applicability is limited; (ii) contexts in which Continuity Capital operates differently but remains analytically relevant; and (iii) contexts in which Negative Continuity Capital (Section 9) predominates.

8.1 Contexts Limiting Applicability

Organizations with mandatorily high turnover by institutional design — military rapid-rotation systems, term-limited international bodies, temporary project

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organizations — operate on the premise that effectiveness does not depend on personnel continuity. The relevant analytical question in these contexts shifts: how do such organizations develop substitutive codification mechanisms that function despite the structural absence of accumulated Continuity Capital? In fragile states with minimal bureaucratic infrastructure, the framework's applicability requires empirical examination: the prior challenge may be building a minimally stable institutional base capable of generating institutional intelligence, rather than transmitting accumulated intelligence that may not yet exist in sufficient form. Whether and how Continuity Capital dynamics operate in such contexts constitutes a promising research frontier rather than an established claim.

8.2 Contexts of Modified Operation

In hybrid administrative systems characterized by the coexistence of stable career bureaucracies and highly rotational trust-based political appointments, Continuity Capital may accumulate within technical layers of the organization while simultaneously being disregarded by incoming political leadership. The resulting tension creates institutional decoupling: preserved institutional intelligence remains available as an accumulated asset but is not mobilized because political actors intentionally reject inherited knowledge. This phenomenon is particularly relevant in fragmented political systems, coalition governments, and presidential administrations with extensive political appointment turnover. In highly informalized bureaucracies, transmission may occur through clientelistic networks rather than institutional mechanisms — altering the carriers of Continuity Capital without eliminating the phenomenon itself, though with significant implications for its quality and inclusiveness.

The politics of institutional continuity deserves explicit theorization in these contexts. Incoming political actors may engage in symbolic rupture — rebranding inherited programs, dismissing predecessor expertise, appointing loyalists without institutional knowledge — not from ignorance of available intelligence but as deliberate political signaling. In such cases, low mobilization of the accumulated Continuity Capital asset reflects political choice rather than organizational incapacity, and interventions must target political incentive structures rather than knowledge management systems. Bureaucratic actors, conversely, may resist

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political directives that threaten accumulated institutional intelligence, creating tensions between democratic responsiveness and institutional continuity that the framework highlights but does not resolve.

8.3 Contexts of Predominant Negative Continuity Capital

When accumulated institutional intelligence is predominantly dysfunctional — captured bureaucracies, deeply corrupt agencies, organizations whose missions have become obsolete — disrupting Continuity Capital may be required for institutional renewal. Diagnosing which form of Continuity Capital predominates is a prior condition to any deliberate intervention (Section 9). A related boundary emerges from extreme technological disruption: when a new paradigm renders existing institutional intelligence obsolete faster than organizational reconfiguration capacity — as artificial intelligence-driven transformation is beginning to do across public administrations — high accumulated Continuity Capital in legacy knowledge may impede rather than enable adaptation, representing Negative Continuity Capital with increasing empirical salience.

9 Negative Continuity Capital

The same transmission infrastructure that perpetuates valuable institutional intelligence perpetuates dysfunctional practices with equal efficiency. Negative Continuity Capital names this pathology: the accumulation of institutional dysfunction through the same organizational capacities — preservation, transmission, reconfiguration failure, and mobilization — that produce positive Continuity Capital when well exercised. Recognizing this symmetry is analytically essential: without it, Continuity Capital risks misreading as an endorsement of bureaucratic conservatism.

Four theoretical mechanisms anchor the concept. Path dependence (Pierson, 2004) demonstrates that institutions can be imprisoned by prior choices whose costs increase over time, operating through the active transmission of legacies converted into structural constraints. Organizational learning myopia (Levinthal & March, 1993) shows that organizations systematically over-learn from successful past experiences, generating cognitive biases favoring reproduction of known solutions even when the institutional context has changed. Institutional lock-in (Teece, 2007) documents how competencies developed in one organizational

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paradigm become cognitive traps blocking perception of superior alternatives. Competency traps (Ahuja & Lampert, 2001; Sydow et al., 2009) describe how past success creates path-dependent incentives to continue investing in particular knowledge even when marginal returns diminish. In the public sector, where market competition forcing renewal is structurally absent, these entrapment mechanisms are more durable and harder to identify — making Negative Continuity Capital a structurally privileged condition rather than an exceptional pathology.

The relationship between positive and Negative Continuity Capital is determined by the reconfiguration organizational capacity. The challenge is precisely the one identified in the synthetic formulation: to transmit institutional intelligence across generations without transmitting its obsolescences. Organizations cultivating double-loop learning, systematically interrogating the assumptions underlying inherited institutional routines, and creating psychologically safe spaces for new civil servants to challenge received legacy extract the valuable from the accumulated institutional asset while filtering the dysfunctional. Reconfiguration in this context includes the active practice of organizational unlearning — the deliberate identification and discarding of inherited routines, assumptions, and practices that impede necessary adaptation. Purposeful forgetting is not the absence of Continuity Capital but its most demanding expression: the capacity to decide what must not be transmitted, and to operationalize that decision against the resistance of established actors whose interests are served by perpetuating the status quo.

Without reconfiguration capacity, the transmission infrastructure becomes a conduit for institutional dysfunction: preservation and transmission faithfully replicate not merely what the previous generation learned but also what it failed to unlearn. Institutional strengthening programs that invest in preservation and transmission without reconfiguration systematize the simultaneous transmission of institutional wisdom and institutional obsolescence. Diagnosing which form of Continuity Capital predominates in the accumulated asset is therefore a prior condition to any deliberate intervention.

Negative Continuity Capital connects the concept to three significant literatures: organizational inertia (Hannan & Freeman, 1984; Miller, 1990), theorizing

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the mechanism by which structural inertia is actively reproduced across managerial generations rather than merely maintained passively; the dark side of institutions (Dacin & Dacin, 2008; Lok & de Rond, 2013), explaining how institutionalized dysfunctions are perpetuated through learning processes typically associated with positive outcomes; and corruption persistence (Mungiu-Pippidi & Johnston, 2017), explaining why informal practices survive formal reform — transmitted through the same socialization channels as legitimate institutional intelligence.

10 Measurement Strategies

10.1 Minimum Observability

Table 2 distinguishes three types of indicators for each of the four organizational capacities that produce Continuity Capital: process indicators (measuring the activities constituting each capacity); stock indicators (measuring the accumulated level of the asset produced); and outcome indicators (measuring the institutional consequences of Continuity Capital levels). This tripartite structure responds to measurement validity concerns: process indicators are more directly actionable but may not capture quality; stock indicators are harder to operationalize but more directly relevant to the construct's definition as an accumulated asset; outcome indicators are most distal but most consequential. Critically, these indicators differ systematically from those of adjacent constructs: state capacity measures what the organization produces — outputs and outcomes at a given cross-section; Continuity Capital measures what the organization has accumulated and how that accumulation is exercised across time; resilience measures how the organization performs in response to shocks. Researchers can empirically separate the three constructs by applying distinct measurement logics at distinct temporal moments — synchronic output measures for state capacity, longitudinal asset-accumulation measures for Continuity Capital, and post-shock recovery trajectory measures for resilience — and by testing whether they exhibit differential predictive validity for organizational outcomes.

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Table 2 — Minimum Observability of Continuity Capital by Dimension

Organizational Capacity	Process Indicators	Stock Indicators	Outcome Indicators
Preservation	Frequency of knowledge codification events; existence of annotated decision logs	Proportion of key positions with formally documented rationale for past decisions; coverage of institutional memory audits	Reduction in time-to-competency for new appointees; fewer redundant reform cycles
Transmission	Formal mentoring coverage for new managers; frequency of cross-generational knowledge exchanges	Active intergenerational communities of practice; proportion of successors with direct mentoring exposure	Socialization quality scores; reduced learning-curve costs at transitions
Reconfiguration	Frequency of after-action reviews; instances of documented purposeful forgetting or unlearning	Proportion of policies documenting incorporation and modification of historical lessons (not mere reproduction)	Rate of adaptive policy change; reduction in competency trap indicators
Mobilization	Frequency of reference to historical institutional learning in strategic decisions; existence of rapid-access knowledge systems	Leadership survey scores on capacity to locate and activate accumulated institutional intelligence; organizational social network density for knowledge access	Institutional response speed in crises with historical precedent; reduction in external consultant dependence

Source: Authors' elaboration.

10.2 Scale Development Strategy and Multimethods

A valid and reliable psychometric scale requires four sequential stages (Churchill, 1979; MacKenzie et al., 2011). Stage 1 — Item Generation: guided by the formal definition of all four organizational capacities, with example items such as 'When senior officials leave this organization, their institutional knowledge is systematically documented before departure' (Preservation), 'New managers in this organization are paired with experienced mentors who share contextual and relational knowledge' (Transmission), 'This organization regularly questions whether inherited practices remain appropriate for current conditions' (Reconfiguration), and 'Leaders in this organization know how to locate and activate accumulated institutional knowledge when needed' (Mobilization). Items purified through expert panel review (n≥7) assessing clarity, relevance, and non-redundancy. Stage 2 — Exploratory Factor Analysis: pilot pre-testing (n≥150 public managers in ≥3 countries), EFA with oblique rotation (Promax); items with factor loadings < 0.40 or

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cross-loadings > 0.30 eliminated. Stage 3 — Confirmatory Factor Analysis and SEM: new sample (n≥300), CFA testing CFI and TLI ≥0.90, RMSEA ≤0.08, convergent validity (AVE ≥0.50), and discriminant validity by the Fornell-Larcker criterion; tests of rival models must demonstrate superiority of the four-dimension structure. Stage 4 — Predictive and Nomological Validity: longitudinal designs testing whether Continuity Capital scores predict institutional performance continuity after political transitions, controlling for initial state capacity; measurement invariance testing for cross-national comparability.

Psychometric scale development is necessary but not sufficient for construct operationalization. Some dimensions of institutional intelligence — particularly know-who and know-how-to-navigate — remain only partially observable through perception-based survey instruments. For this reason, mixed-methods designs must be treated as essential, not merely complementary. Organizational Social Network Analysis (OSNA) can map informal knowledge transmission structures, identifying the actual carriers and channels through which institutional intelligence flows across generations. Prospective process tracing (Beach & Pedersen, 2019) — applied in real time during political transitions rather than retrospectively — can identify the precise mechanisms through which institutional intelligence is transferred, transformed, or lost. Qualitative Comparative Analysis (QCA) is particularly well-suited for identifying the combinations of conditions under which Continuity Capital accumulates or deteriorates. The combination of quantitative and qualitative approaches provides the most robust empirical assessment of a construct whose most strategically valuable components are also its least accessible to standardized survey instruments.

11 Theoretical Contributions

This section assesses the article's contributions against Corley and Gioia's (2011) standard of scientific utility: what can the field see or investigate after this article that it could not before? Four contributions are advanced in hierarchical order. The primary contribution — from which all others derive — is the introduction of Continuity Capital as an accumulated institutional asset for the intergenerational transmission of institutional intelligence: a novel analytical category with a specified causal mechanism and a falsifiable research agenda. The secondary contribution is

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the temporalization of state capacity theory through the State Capacity Paradox, which separates present performance from future continuity probability as analytically distinct properties. The third contribution is the integrative intertemporal framework linking organizational learning, institutional memory, and dynamic capabilities into a coherent account of how institutional intelligence survives across generations. The fourth contribution is Negative Continuity Capital, which demonstrates that the same transmission infrastructure preserves dysfunction as readily as wisdom, and that reconfiguration — including purposeful forgetting — is the filter determining which predominates in the accumulated asset.

11.1 A New Object of Inquiry

The proposed framework helps make visible the intergenerational transmission of institutional intelligence as an autonomous theoretical problem — with a precise analytical object, a specified causal mechanism, and a falsifiable research agenda. Existing literatures have not systematically centered this question: while researchers observing structural amnesia have long identified the empirical phenomenon, no prior construct was designed specifically to theorize its mechanisms as the governance of an accumulated institutional asset across managerial generations. Continuity Capital provides that theoretical apparatus, enabling formulation of questions that prior frameworks could not address with precision — not what the organization knows at time T, but what accumulated institutional intelligence will be available at T+n after a political transition, and why. The construct offers a bridge between theories of organizational persistence and theories of institutional change, integrating temporal continuity and adaptive transformation within a single analytical framework.

11.2 A Temporal Dimension for State Capacity Theory

The framework advances a more explicit account of state capacity as a property with two analytically separable dimensions — performance level at time T and continuity probability through T+n — potentially measurable with distinct instruments. The State Capacity Paradox illustrates that high measured capacity does not necessarily imply high continuity probability, and that reforms optimizing for current performance may simultaneously erode future capacity by neglecting the organizational capacities that produce Continuity Capital. The Central Proposition of

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Institutional Continuity contributes a new evaluative criterion — continuity probability — for assessing the quality of public governance over time, one that existing measurement frameworks do not capture.

11.3 An Integrative Intertemporal Framework

The framework contributes an integrative account of how the capacities to learn, remember, and adapt — developed separately in organizational learning, institutional memory, and dynamic capabilities — are themselves subject to intergenerational transmission or loss. Continuity Capital is the accumulated institutional asset that, when present, enables organizational learning and institutional memory to survive and evolve across managerial generations. When absent, dynamic capabilities become generation-bound — each cohort's adaptive capacity is lost when that cohort departs, forcing successors to rebuild from reduced institutional intelligence rather than building upon accumulated patrimony. This reframes dynamic capabilities from a synchronic property of individual organizational actors to a diachronic property of the organization as an institution spanning managerial generations. The conceptual architecture is clear: Continuity Capital is the institutional asset; preservation, transmission, reconfiguration, and mobilization are the organizational capacities that produce it — a distinction that positions the construct within the capital tradition of organizational theory rather than the capability tradition.

11.4 Normative Complexity and the Reconfiguration Filter

The framework contributes an explicit account of why the transmission of institutional intelligence is not intrinsically valuable: its value depends on whether what is transmitted is functional or dysfunctional, and on whether the reconfiguration organizational capacity — including unlearning and purposeful forgetting — is sufficiently developed to filter between the two. Negative Continuity Capital demonstrates that the same organizational infrastructure that builds institutional wisdom also builds institutional dysfunction, and that reconfiguration determines which predominates in the accumulated asset. This prevents normative misreading of Continuity Capital as bureaucratic conservatism and connects the concept analytically to path dependence, institutional lock-in, competency traps, and organizational inertia.

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Table 3 — Synthesis of Theoretical Contributions

Literature	Gap	Article's Contribution	Advance Produced
State Capacity	Synchronic; no intertemporal preservation theory	State Capacity Paradox; Central Proposition of Institutional Continuity	Separation of capacity level from continuity probability; new evaluative criterion for governance quality over time
Organizational Learning	Explains creation within a generation; survival and transmission across generations under-theorized	Accumulated institutional asset produced by capacities of preservation, transmission, reconfiguration, mobilization; deliberate unlearning integrated	Intertemporal account of how knowledge survives generational transitions, as counterpart to intra-generational organizational learning
Institutional Memory	Storage and retrieval; inert archive without active transmission mechanism	Active transmission; contextual reconfiguration; strategic mobilization as organizational capacities producing an accumulated asset	Distinction between inert archive and accumulated institutional intelligence that is live and actionable
Dynamic Capabilities	Explains present-tense adaptation; does not account for intergenerational transmission of the intelligence enabling future adaptation	Continuity Capital as accumulated institutional asset preserving the intelligence from which future dynamic capabilities are exercised	Reframing from synchronic to diachronic; distinction between present adaptive action (DC) and accumulated institutional patrimony enabling future action (CC)
Historical Institutionalism	Path dependence as structural constraint on current action	Active agency over legacy; deliberate selection and discarding of institutional intelligence across generations via reconfiguration capacity	Path dependence converted into a strategically manageable resource; purposeful forgetting integrated as expression of reconfiguration

Source: Authors' elaboration.

11.5 Continuity Capital and Epistemic Justice

Beyond its contribution to theories of institutional continuity, Continuity Capital also has implications for emerging debates on diversity, inclusion, and epistemic justice in public administration. The preservation, transmission, reconfiguration, and mobilization of institutional intelligence are not politically neutral processes. Decisions regarding what knowledge is retained, whose experiences are recognized as institutionally valuable, and which organizational narratives become

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part of the institutional record are shaped by underlying distributions of authority, legitimacy, and institutional voice.

From this perspective, Continuity Capital is not solely a problem of knowledge retention but also of knowledge selection. Organizations do not preserve all forms of institutional intelligence equally; some forms of knowledge become institutional patrimony, while others remain marginalized, invisible, or vulnerable to loss during transitions. Consequently, the quality of Continuity Capital depends not only on the volume of intelligence transmitted across generations but also on the diversity of perspectives incorporated into that transmission process.

This perspective extends the framework beyond questions of administrative persistence and organizational learning by highlighting how institutional continuity intersects with broader concerns regarding representational diversity, inclusion, and epistemic pluralism. Future research may therefore examine how different preservation and transmission mechanisms influence whose knowledge survives organizational transitions and how patterns of inclusion or exclusion shape the long-term composition of institutional intelligence. In doing so, Continuity Capital offers a complementary lens for understanding the relationship between institutional continuity and epistemic justice in public organizations.

A further implication concerns the relationship between institutional continuity and democratic responsiveness. While Continuity Capital may enhance the preservation and transmission of institutional intelligence, its accumulation is not inherently or universally desirable. Under certain conditions, particularly when reconfiguration capacity is weak, high levels of accumulated Continuity Capital may contribute to institutional rigidity, reduce receptiveness to legitimate political direction, or impede necessary policy transformation. Democratic governance periodically requires not only continuity but also purposeful change. The framework therefore does not assume that more Continuity Capital is always normatively preferable. Rather, it invites empirical investigation into the conditions under which accumulated institutional intelligence enhances democratic governance and those under which it may constrain adaptation to legitimate political mandates.

12 Limitations

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Three substantive limitations merit analytic acknowledgment. First, the framework has not been submitted to systematic empirical testing; the five illustrative cases function as plausibilizing evidence for construct face validity, not as tests of the propositions. This is a structural characteristic of theory-building contributions (Whetten, 1989; Sutton & Staw, 1995) — the framework specifies what needs to be tested, not a claim that it has been. The research agenda is designed to address this limitation directly. Second, the illustrative cases are drawn predominantly from contexts with functional bureaucratic infrastructure; the framework's applicability to highly informalized bureaucracies, small public organizations with minimal functional differentiation, and fragile state contexts requires specific empirical investigation and may require theoretical refinement. Third, cross-national measurement invariance remains to be established: the psychometric scale proposed in Section 10 may exhibit translation challenges, institutional bias, and differential item functioning across bureaucratic traditions — limitations that the multimethod research agenda is designed to detect and address.

On three anticipated critiques: Is Continuity Capital genuinely distinct from institutional memory? Table 1 demonstrates analytical distinctiveness across five dimensions; the integration of four organizational capacities into a single construct producing an accumulated institutional asset generates explanatory surplus that relabeling cannot produce. Can the accumulated asset be measured? Section 10 provides a four-stage scale development roadmap supplemented by essential multimethod strategies, with a tripartite indicator structure distinguishing process, stock, and outcome proxies, and an explicit empirical separation from adjacent constructs. Does the framework claim universal applicability? Section 8 explicitly differentiates three types of boundary conditions and treats cross-contextual applicability as a research hypothesis requiring empirical examination, not an established attribute.

13 Research Agenda

Three prioritized empirical designs anchor the research agenda. Each is linked to specific propositions and responds to the comparative frontiers identified below.

13.1 Priority Design 1: Longitudinal Before-During-After Transition Studies

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Prospective longitudinal studies tracking organizations through political transitions — measuring Continuity Capital before the transition, documenting which organizational capacities functioned and which failed during it, and measuring performance continuity after — constitute the most direct test of the Central Proposition. This design requires measurement before structural amnesia manifests rather than retrospective reconstruction after the institutional damage is done. It tests P1, P5, and P7 directly. Natural experiments exploiting differences in people management rules within the same administrative system — agencies with systematic succession planning versus those without, subject to identical political shocks — offer particularly clean identification.

13.2 Priority Design 2: High-Turnover vs. Low-Turnover Agency Comparisons

Comparisons between agencies with high trust-based appointment turnover and agencies with stable career bureaucracies, within the same administrative system and subject to the same political transitions, test P2 and P6. This design is particularly productive in Latin American presidential systems with extensive trust-based appointment layers, where within-country variation in bureaucratic stability is substantial. For Europe, Westminster versus Napoleonic systems offer natural variation for testing P1 and P2. For Asia, Singapore, South Korea, and Taiwan offer cases where high accumulated Continuity Capital may be observable — though whether these represent genuinely high-CC instances requires empirical verification before serving as confirmatory comparisons.

13.3 Priority Design 3: Knowledge Transmission Network Analysis

Organizational Social Network Analysis of informal knowledge transmission structures — mapping who transmits what to whom, through which channels, and with what fidelity — tests P5 and P6 and directly investigates the know-who and know-how-to-navigate components inaccessible to survey instruments. Process tracing applied prospectively in real time during transitions can identify the precise moments at which institutional intelligence flows, stagnates, or is lost, generating the mechanism-level evidence needed to refine the causal propositions.

13.4 Conceptual Frontiers

Three conceptual questions merit priority attention. What is the causal relationship between accumulated Continuity Capital and organizational forgetting

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(Argote & Hora, 2017; Connelly et al., 2021; Klitmøller & Rerup, 2023) — is high accumulated Continuity Capital the systematic antecedent that prevents organizational forgetting, or are they independently determined? How does Continuity Capital interact with institutional layering (Thelen, 2004) — do successive institutional layers accumulate as Continuity Capital or produce competitive interference? Do international capacity-building programs of the IMF, World Bank, and OECD inadvertently substitute for internal institutional intelligence, reducing incentives to develop indigenous transmission mechanisms — and if so, what is the net effect on long-term Continuity Capital in recipient organizations?

Concluding Remarks

Public administration scholars have long documented the recurring loss of institutional intelligence across political transitions, administrative reforms, leadership turnover, and generational replacement. The consequences of these disruptions extend beyond organizational efficiency. When accumulated institutional intelligence is not successfully preserved and transmitted, organizations may incur repeated learning costs, governments may invest resources rebuilding capabilities that once existed, and citizens may experience discontinuities in the quality and consistency of public services. Understanding how institutional intelligence survives over time therefore represents an important challenge for both public administration theory and practice.

This article introduced Continuity Capital as an accumulated institutional asset generated through the organizational capacities of preservation, transmission, reconfiguration, and mobilization of institutional intelligence across managerial generations. The framework contributes to theory by providing a more explicit account of the intertemporal processes through which institutional intelligence is preserved, adapted, and made available for future action. Rather than replacing existing concepts such as institutional memory, organizational learning, dynamic capabilities, resilience, or state capacity, Continuity Capital complements these traditions by focusing on a phenomenon that remains only partially visible when they are examined separately: the intergenerational transmission of institutional intelligence.

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The framework also contributes to practice by identifying organizational capacities that may influence the persistence of institutional intelligence across transitions. In doing so, it offers a basis for examining how public organizations can reduce structural amnesia, strengthen adaptive continuity, and sustain public value creation over time. For comparative research, the Central Proposition of Institutional Continuity introduces a theoretically grounded basis for investigating why organizations with comparable levels of present capacity may display markedly different levels of performance persistence across political and managerial transitions.

More broadly, the framework invites scholars to reconsider continuity not as a residual by-product of organizational stability, but as an institutional achievement requiring deliberate investment, governance, and stewardship across generations. At the same time, the framework does not presume that higher levels of Continuity Capital are always normatively desirable. Under certain conditions, particularly when reconfiguration capacity is weak, accumulated Continuity Capital may contribute to institutional rigidity, reduce responsiveness to legitimate political direction, or impede necessary policy transformation. Democratic governance periodically requires not only continuity but also purposeful change. Continuity Capital should therefore be understood not as an unconditional good, but as an institutional asset whose value depends on its capacity to preserve intelligence while remaining open to adaptation and democratic renewal. If institutional intelligence constitutes a valuable organizational resource, understanding the conditions under which it is preserved, transmitted, reconfigured, and mobilized becomes an important avenue for future research. The empirical agenda proposed in this article represents one step toward that objective, offering a foundation for comparative, longitudinal, and multimethod investigations of institutional continuity in public organizations.

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