UiO **:** **Centre for Technology, Innovation and Culture**
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Market-based organizational learning in management consultancy

A case study of five small-sized management consulting companies in Norway

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Word Count: 28791

Master Thesis, Centre for Technology, Innovation and Culture

University of Oslo

Faculty of Social Science

May 2015

II

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Year: 2015

Market-based organizational learning in management consultancy- A case study of five small-sized management consulting companies in Norway

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Acknowledgements

The completion of this thesis could not have been possible without the support from many people. It is my privilege to thank you all who have contributed directly and indirectly.

First and foremost, I would like to thank my supervisor Brynjulf Tellefsen from Norwegian Business School. Your knowledge on market orientation inspires me to investigate organizational learning from a new perspective. Thank you for your constructive feedback and critical comments.

I am deeply grateful to all my informants. Thank you for your time and efforts.

I want to thank my parents for always supporting me. I am also very grateful towards my aunt Li Liu for revising the language. A special thanks to my cousin Wei Huang from the University of Tokyo. Thank you for the helpful advice on theories and literature in the field of organizational learning.

I would also like to thank all my friends for encouraging me. Especially thanks to my flatmate Xinmiao Li for useful academic suggestions. And my best friend Yang Xu, thank you for cheering me up and making me better every time when I am feeling down.

I am also grateful to my teachers and fellow students at the centre of Technology, Innovation and Culture (TIK) at the University of Oslo. Thank you for sharing your intellect with me. The study of innovation has indeed broadened my range of knowledge and deepened my insight of the world.

Shimeng Liu

Oslo, May 20th 2015

Abstract

The ongoing technological revolution accelerates the globalization process and reduces the information differential all over the world. In the era of knowledge economy, companies must nurture a few competencies in the race to stay ahead of rivals. Organizational learning is a core capability for a company to achieve competitive advantage. Increasingly, academicians started to emphasize the importance of market information processing. This study views organizational learning from the perspective of market information processing. The ultimate goal of this research is to contribute to the creation of collective knowledge and organizational memory.

Management consulting is a knowledge intensive industry, and knowledge is the power base of a consultancy. Knowledge is suggested to be one of the main forces driving the recent restructuring of the consulting industry toward an increased concentration of large, global management consulting organizations. Indeed, much scholarly attention has been devoted to organizational learning in large organizations. The extensive literature review indicates that a gap exists between the organizational learning literature and the practice of small-sized companies. This thesis intends to investigate the process on how management consultancy conducts market-based organizational learning, by examining the cases of five small-sized companies in Norway.

By interviewing founders from five small-sized companies, this study reveals that small-sized companies rarely focus on building a standardized work method and knowledge management system. The empirical study indicates that small-sized companies faced a common problem, which is to enhance the organizational memory. Thus, the original market-based organizational learning framework constrains the interaction between individual tacit knowledge and collective knowledge. By means of the knowledge conversion model, this study provides a new market-based organizational learning framework for small companies. The new framework proposes that small-sized companies can rapidly leverage individual knowledge into organizational level through a redundant condition. Further, this thesis suggests the best practice of organizational learning in small-sized consulting companies.

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1 Introduction

Innovation has been subjected to quite intensive investigations during the last decades. Innovation is not a new phenomenon. Arguably, it is as old as mankind itself (Fagerberg, 2004). The ongoing technological revolution accelerates the globalization process and reduces the information differential all over the world. In the era of the knowledge economy, competition is extremely intensive, and firms must nurture a few core competencies in the race to stay ahead of rivals (Porter, 1996).

Traditionally, companies with high R&D expenditures are regarded as innovative companies. However, Malerba (2005) argues that innovation greatly differs across sectors in terms of characteristics, sources, actors involved, the boundaries of the process, and the organization of innovative activities.

Since the early 1990s, scholars tend to focus on the critical role of market information processing. According to Tellefsen (1995b) , the strategic key to success is no longer access to capital or control over production facilities. The decisive factor is the ability to compete in the market. Increasingly, academicians started to emphasize the importance of market orientation. Kohli and Jaworski (1990) investigate the information processing behavior of firms. Together with the cultural perspective of Narver and Slater (1990), they represent the early stage of market orientation theory development.

Management consulting is an industry whose core product is knowledge itself (Sarvary, 1999). This feature of the consulting industry arose my interest to observe how consulting companies conduct knowledge management and learn from the market. Knowledge is regarded as the intangible assets and a key competitive advantage of a firm. Fagerberg (2004) believes that cultivating the capacity for absorbing (outside) knowledge is a must for innovative firms, large or small.

1.1 Background

An analysis ECON (2006), commissioned by the Norwegian Ministry of Industry and Trade, reveals that the Norwegian economy is dominated by services. The Analysis points out that close to 50% of total employment are found with the private service sectors (retail trade, transport, finance, ICT, tourism, entertainment, business consulting, domestic services etc.).

Compared to the previous typology, the analysis provided a new typology to classify the service sector in Norway into the following groups: problem solvers; producers of assisting services; producers of distributive services; assisting services; producers of leisure services. Management consulting companies create value by solving specific and unique problems for their partners (ECON, 2006). From this viewpoint, I believe that management consulting is categorized into the problem solvers group. Based in figure 1, problem solvers represent the second largest group employing approximately 227.000 in the year 2004. Thus, it is significant and meaningful to analyze companies that belong to the problem solvers group.

Employment in the service groups

■ Employment in the service groups
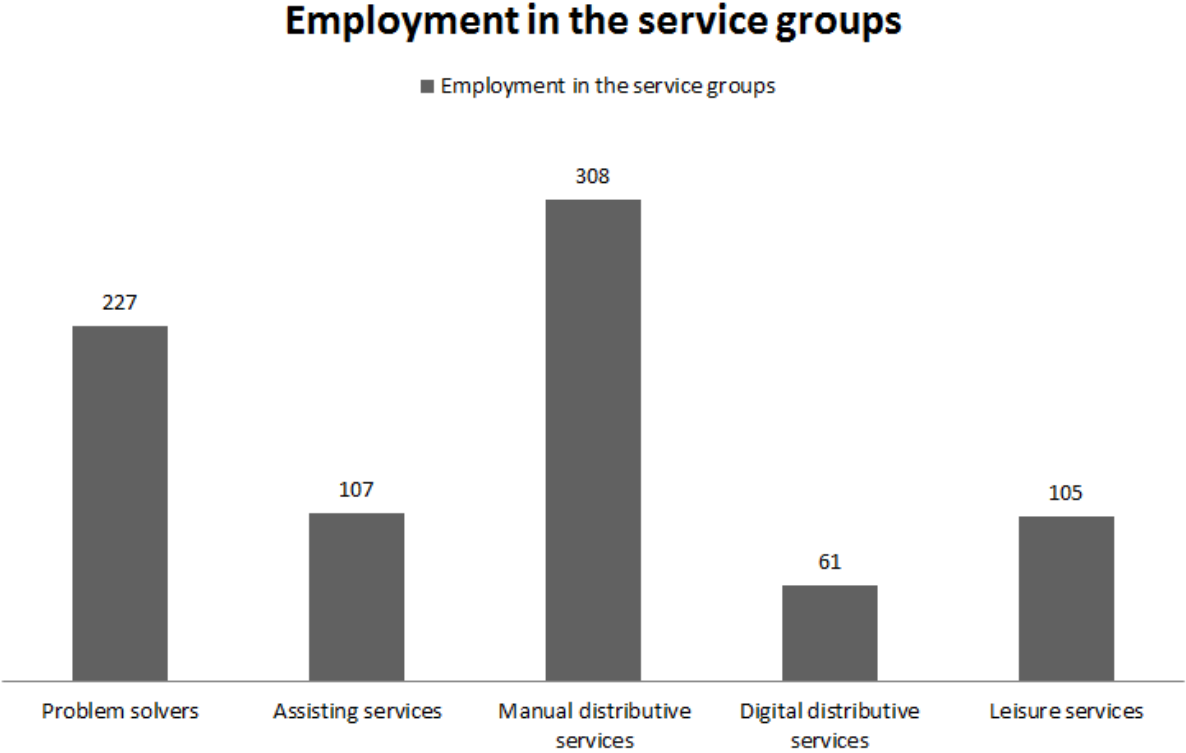
Figure1 Employment in the service groups, 2004. Figure retrieved from Econ Analysis (2006)

Companies are eager to enhance their competitiveness in the markets through market orientation. However, few know what it's all about. Even fewer have experience in implementing a market-oriented culture in an organization (Tellefsen, 1995b). An analysis on market orientation in Norwegian companies (DAMVAD, 2011) reveals that Norwegian companies are less market oriented than Danish and Swedish companies. The analysis shows that only 14 percent of Norwegian companies can be said to be market oriented. Instead of

focusing on market information processing, a number of Norwegian companies concentrate on introducing new technology and skills to their companies.

Management consulting is a project-based industry, which delivers services and solutions to customers within Finance, Economics, Technology, Human Resources, Marketing, Sales and Branding etc. Consulting activity is essentially based on the capacity of specialized companies with highly qualified staff to solve their clients' business problems (Creplet, Dupouet, Kern, Mehmanpazir, & Munier, 2001) . Due to the characteristics of management consulting, it is critical for the companies to continuously acquire knowledge from both customers and previous projects.

A report on Nordic consulting market (2013) shows that the Norwegian consulting industry comes largely from the oil and gas sector and relies heavily on a very small number of big organizations. The Norwegian consulting market is dominated by several large firms, such as McKinsey, the Boston Consulting Group, Accenture, etc.

Large consulting firms have a tradition for building their own knowledge management systems so that they can preserve collective knowledge into their organizational memories. Such knowledge then consists of routines that are reproduced through practice (Nelson & Winter, 1982). Previous research has focused on the creation of knowledge management systems in big consulting firms, and mainly explores the process of leveraging individual knowledge into the organizational level through a standardized system.

According to Fagerberg (2004), it is of particular importance for small firms that have to compensate for small internal resources by being good at interacting with the outside world. However, it remains ambiguous how small-sized consulting companies preserve knowledge at collective level. Compared to large firms with a hierarchical organizational structure, small-sized companies have a flat and flexible structure. Because of the flat organizational structure, an enormous amount of knowledge exists at the individual level.

Increasingly, scholars tend to view organizations as a cognitive entity (Argyris & Schön, 1978; Nonaka & Takeuchi, 1995) with the ability to learn and create knowledge. Learning occurs consistently, with the interaction of external and internal knowledge, and between several departments. However, the extensive literature review indicates that a gap exists between the organizational learning literature and the practice of small-sized companies.

Taking all these factors into consideration, it is natural to conclude that it is meaningful to focus on the knowledge creation process of small-sized consulting companies. Since much of the early conceptual work concentrates on large firms, research must be done to cast new light on organizational learning in small-sized companies.

My research question is:

How do small-sized management consulting companies conduct market-based organizational learning?

More specifically, four more detailed empirical research questions emerge:

1) To what extent does the founder's experience influence the learning of the company?

2) Do small-sized consulting companies have standardized work method and routines to deal with learning from projects?

3) How do small-sized consulting companies preserve knowledge and experiences accumulated from previous projects in its organizational memory?

4) What steps have been taken by small-sized companies to process market information?

The four empirical questions investigate the interaction between tacit and explicit knowledge. The empirical questions are based on the analytical framework in order to extract and organize significant findings.

This thesis sheds light on the research questions by examining the cases of five small-sized consulting companies in the Oslo and Akershus area. DAMVAD (2011) analysis shows that the most market oriented companies in Norway are more often found in Akershus, Oslo and Nordland. Focusing on the different development stages, the five cases have been divided into two groups: The Existence stage and Developed stage companies.

1.2 Thesis Outline

This thesis proceeds as follow. Chapter 1 briefly introduces the management consulting industry in Norway. In chapter 2, after a statement of organizational innovation, various concepts around learning, knowledge and market orientation are presented. Chapter 2 also describes a market-based organizational learning framework in a general way, including the

three most important elements: learning orientation, market information processing and organizational actions. In chapter 3, the research method used in the empirical study is described. This chapter also describes the selection of cases.

Chapter 4 contains the preliminary results of the empirical study and an across-case study. Chapter 5 has a discussion of the implication of the empirical findings. In order to promote collective learning and organizational knowledge, new elements have been added to the market-based organizational learning framework. Chapter 6 provides conclusions and implication for further research.

2 Analytical Framework

This chapter presents a theoretical framework of the thesis. Section 1 introduces the theory of organizational innovation including a brief summary of organizational learning and its relevant concepts. Section 2 describes the background of the market orientation concept, covering a discussion of both behavioral approach and cultural approach of market orientation concept. Section 3 provides a market-based organizational learning framework, which demonstrates the interrelations of learning orientation, market information processing behavior and organizational actions. The framework shows the connections between a positive learning orientation, increased market information generation and improvements in organizational market performance. Section 3 contains a discussion of whether this framework will be adequate for small-sized consulting companies.

Since management consulting is a knowledge intensive industry; section 4 defines different types of knowledge that may exist in a consulting company, and distinguishes the concept of information and knowledge. By means of knowledge conversion mode, this section attempts to clarify the dynamics between tacit and explicit knowledge.

Section 5 sums up the theoretical framework for the thesis. It indicates that the market-based organizational learning framework is previously designed for primarily large, well-established organizations. This section left two major questions that have yet to be addressed. First, whether the market-based organizational learning framework is suitable for small-sized companies. Second, based on the characteristics of the management consulting industry, what is the best practice of organizational learning in small-sized consulting companies?

Crossan, Lane, and White (1999) claim that a framework defines the territory and takes us a step closer to a theory. A good framework has several requirements. First, it should identify the phenomenon of interest: in this case strategic renewal. Second, the key premises or assumptions underlying the framework need to be stated (Bacharach, 1989). Third, according to Sutton and Staw (1995) and Weick (1995), it is necessary to describe the relationship among the elements of the framework.

2.1 Organizational Innovation and Organizational Learning

2.1.1 Organizational Innovation

In recent years, there has been a resurgence of academicians and practitioners interest in the field of organizational innovation. Schumpeter (1950) saw organizational changes, alongside with new products and processes, as well as new markets as factors of "creative destruction". Innovation may also be classified according to 'type'. Schumpeter distinguished between five different types of innovation: new products, new method of production, new sources of supply, the exploitation of new markets, and new ways to organize (Fagerberg, 2004). The role of organizational innovation is emphasized by Lam (2005) that, economists assume that organizational change is a response to technical change, when in fact organizational innovation could be a necessary precondition for technical innovation. OECD (2005) Oslo Manual defines an organizational innovation as the implementation of a new organizational method in the firm's business practices, workplace organization or external relations.

As a growing body of scholarly research focused on organizational innovation, Lam (2005) classifies the literature of "organizational innovation" into three different but related streams. The first stream sheds light on organizational design theories, which focus predominantly on the link between structural forms and the propensity of an organization to innovate (Burns & Stalker, 1961; Lawrence & Lorsch, 1967; Mintzberg, 1979). The second stream concerns organizational change and adaptation, and the processes underlying the creation of new organizational forms (Lam, 2005). Last but not the least; the third stream tends to focus on organizational cognition and learning process on the micro-level. Based on the efforts of previous academicians' process (Argyris & Schön, 1978; Nonaka, 1994; Nonaka & Takeuchi, 1995), this stream emphasizes the importance of the knowledge creation process. Argyris and Schön (1996) define an overarching sense of organizational learning that refers broadly to the organization's acquisition of understandings, know-how, techniques, and practice of any kind and by whatever means. The third stream of research concerns organizational change and adaptation, and the processes underlying the creation of new organizational forms (Lam, 2005).

This part of thesis follows the path of the third stream. It aims to look at organization as a cognitive entity. An innovative organization has the opportunity to gain knowledge effectively and continually. OECD (2005) Oslo Manual declares that organizational innovation can improve the quality and efficiency of work, enhance the exchange of information, and improve firms' ability to learn and utilize new knowledge and technologies.

2.1.2 Organizational Learning

According to Simon and March (1958), the concept of organizational learning in the lexicon of organizational theory can be traced five decades back (Yazdani & Hussain, 2013). Cangelosi and Dill (1965) first investigate the term organizational learning as a theory. The book "Organizational Learning: A theory in use", written by Argyris and Schön (1978) , is regarded as the most representative book of organizational learning theory. This book declares that an organization's implicit or explicit understanding of how things are done is often referred to as its theory in use. Moreover, Argyris and Schön (1978) define learning as the detection and correction of error. All organizations learn, whether they consciously choose or not - it is a fundamental requirement for their sustained existence (Kim, 1998).

Since the 1980s, the number of researches on organizational learning has grown dramatically. Both scholars and practioners investigate organizational learning concept from the aspects of psychology, economics, sociology, culture and politics. Although interest in organizational learning has grown dramatically in recent years, a general theory of organizational learning has remained elusive (Crossan et al., 1999).

The Link between Organizational Learning and Individual Learning

Organizations are made up by individuals, and the organizations accumulate knowledge when individuals learn.

Nonaka and Takeuchi (1995) point out that learning occurs to individuals first. Learning requires acquisition of knowledge and insights into the organization (Argyris & Schön, 1978; Hedberg, 1981; Huber, 1991). In many cases when the knowledge held by individuals fails to enter into the stream of distinctively organizational thought, organizations know less than their members do (Argyris & Schön, 1996). Sinkula (1994) defines organizational learning as the process through which individual knowledge is transferred to the organization so that it can be used by individuals other than progenitor.

Organizational learning is not solely a sum of individual learning. It is more dynamic and sophisticated. The level of complexity increases tremendously when we go from a single individual to a large collection of diverse individuals (Kim, 1998).

In fact, there are situations in which an organization seems to know far more than its individual members (Argyris & Schön, 1996). Yazdani and Hussain (2013) point out that Mabey and Salman (1995) categorize learning process into two main dimensions-exploitation means for utilizing the internal resources, existing procedures and knowledge while exploring new knowledge from external sources to bring innovation. This thesis looks at learning in various levels, which include the individual level, the organizational level and the inter-organizational level.

Learning Process- Single and Double Loop Learning

Single loop learning occurs in a majority of organizations. The idea of such type of learning is underpinned by a self-regulatory cybernetic system based on negative feedback. It is about detecting and correcting mistakes from previous actions according to the built-in capacity of the system (Yazdani & Hussain, 2013). It is a basic type of learning, which occurs in daily routine.

Double loop learning involves surfacing and challenging deep-rooted assumptions and norms of an organization that have previously been inaccessible, either because they are unknown or known but undiscussable (Kim, 1998). Double loop learning often occurs in line with organizational innovation. According to Argyris and Schön (1978), individual has a significant role during the double loop learning process. They suggest that the individuals should disseminate and share their knowledge within the organization and individual learning must be embedded into the organization's memory to incorporate it in the processes and practices (Yazdani & Hussain, 2013).

2.2 Market Orientation

The basic philosophy of market orientation is the realization that economic organizations exist in order to create value for their stakeholders and constituents (Tellefsen, 1995c).To clarify the term of marketing helps us to gain a deep understanding of market orientation. Previous academicians (Barksdale & Darden, 1971; McNamara, 1972) stress the marketing concept is

essentially a business philosophy, an ideal or a policy statement. Tellefsen (1995c) emphasizes marketing is primarily a function that links actors together through exchange. It can be seen as a profession, a job, or a set of activities at a cultural, societal, organizational, or individual. The former links marketing to a theoretical perspective, and the latter links marketing to a practical perspective.

Kohli and Jaworski (1990) raise the question - why we use "market orientation" instead for "marketing orientation" to indicate the implementation of marketing concept. They then assert that though the term "marketing orientation" has been used in previous writings, the label "market orientation" appears to be preferable, while, the label "marketing orientation" is both restrictive and misleading. The label "market orientation" is less politically charged in that it does not innate the importance of the marketing function in an organization. Moreover, the label is consistent with the broader "management of markets" orientation proposed by Park and Zaltman (1987) for addressing limitations in currently embraced paradigms.

Market orientation theory provides a broader viewpoint, a unique perspective of organizational learning. Market orientation focuses on both internal learning and external learning. Tellefsen (1995c) points out that you have to consider the orientation towards the totality of organizational internal and external markets that the organization depends on for its life. Learning occurs at different levels. Times of uncertainty often force companies to see knowledge held by those outside the organization. Knowledge that is accumulated from the outside is almost in desperation during times of uncertainty (Nonaka & Takeuchi, 1995). Market orientation theory allows the organization to enhance the ability of external learning.

A growing body of scholarly research has focused on the market orientation concept during the last three decades. Following the previous research and the practice conducted on market orientation theory, two broad and overlapping approaches of market orientation have been identified: the behavioral and the cultural approach.

Behavioral Perspective

The first approach is based on Kohli and Jaworski (1990) , who provided a foundation for systematic development of a theory of market orientation. They stress that during the market orientation process, the entire organization should be involved (Momrak, 2012), and a variety of departments should participate in. Based on multiple literature review and field research

(Momrak, 2012) scholars identify three aspects of market orientation: (1) intelligence generation, (2) intelligence dissemination and (3) taking actions in response to it.

First, intelligence generation refers to a host of complementary mechanisms. Intelligence may be generated through a variety of formal as well as informal means (Kohli & Jaworski, 1990). They then point out that the generation of market intelligence does not stop at obtaining customer needs and preferences, it includes an analysis of how they may be affected by exogenous factors such as governmental regulation, technology, competitors, and other environmental forces.

Next, intelligence dissemination refers to how and to what extent the generated market intelligence is communicated to others within the organization in order to create a common understanding and unifying focus within the firm. Kohli and Jaworski (1990) claim that market intelligence need not always be disseminated by the marketing department to other departments. Intelligence may flow in the opposite direction, depending on where it is generated.

The third element of a market orientation is responsiveness to market intelligence. Responsiveness is the action taken in response to intelligence that is generated and disseminated.

Cultural Perspective

The second perspective emphasizes the importance of value. According to Tellefsen (1995a), market orientation is meaningless unless markets exist, and are accepted by society as a way of creating human value for their members.

The work of Narver and Slater (1990) mainly looks at the link between market orientation and the firm's performance. This stream provides valid measure of market orientation, which consists of three behavioral components- customer orientation, competitor orientation, and inter-functional coordination- and two decision criteria- long-term focus and profitability. They also declare that for an organization to achieve consistently above-normal market performance, it must create a sustainable competitive advantage (SCA) (Aaker, 1989; Porter, 1985)

Narver and Slater (1990) regard market orientation as an organizational culture. Organizational culture refers to the fact that employees in an organization have shared norms and visions. Values like market access, ideas, information, knowledge, power, and influence may also be exchanged (Tellefsen, 1995c). Moreover, the organization's value must be in line with their customers. Therefore, the organizations may be able to create superior value for their own business and constituents.

2.3 A Framework of Market-Based Organizational Learning

The first two sections reviewed the concepts of organizational learning and market orientation. Based on the discussion of the two concepts, this section introduces a market-based organizational learning framework. The framework is clearly an attempt to explicit that a more positive learning orientation (a value-based construct) will directly result in increased market information generation and dissemination (knowledge-based constructs) (Sinkula, Baker, & Noordewier, 1997). When it comes to organizational learning, Sinkula et al. (1997) conclude that some scholars believe that behavioral change is required for learning (Fiol & Lyles, 1985); others insist that new ways of thinking are enough (Huber, 1991). This coincides with the two over lapping phases of market orientation: behavioral and cultural approach.

A growing number of scholars focus on the interrelation between organizational value, market information processing behavior and organizational action. Sinkula et al. (1997) provide a framework to test the relation of the three elements (Figure 2). They believe that organizational learning results in a more motivated learning and a positive organizational culture.

A Framework for Market-Based Organizational Learning
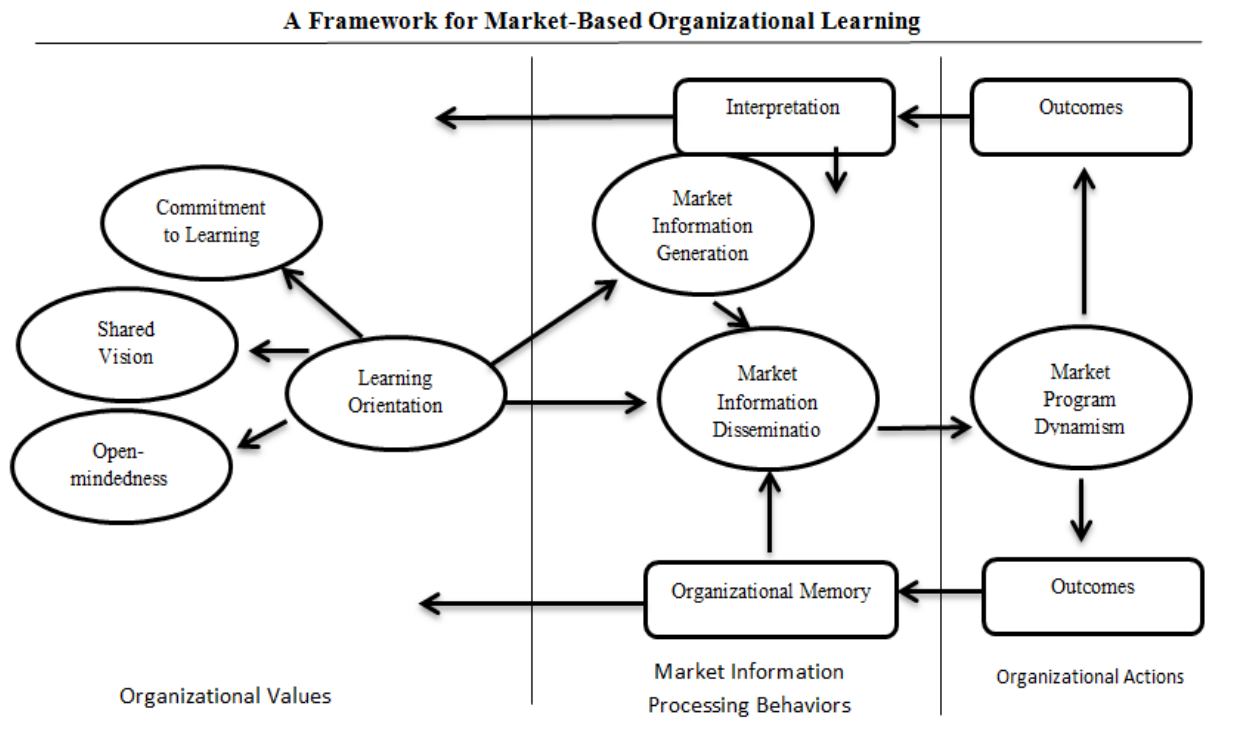
Figure 2: A framework for Market-Based Organizational Learning. Adapted from "A Framework for Market-Based Organizational Learning: Linking Values, Knowledge, and Behavior," by Sinkula et al. (1997)

2.3.1 Learning Orientation

Learning orientation influences the degree to which an organization is satisfied with its theory in use, hence, the degree to which proactive learning occurs (Sinkula et al., 1997). The framework indicates that learning is embedded in the organizational culture. According to Slater and Narver (1994), organizational culture is the pattern of basic assumption that a given group has invented, discovered, or developed in learning.

Further, a learning culture clearly is valuable to a firm's customers because that learning is directed toward understanding and effectively satisfying their current and latent needs through new products, services, and ways of doing business (Dickson, 1992).

In the framework, a learning orientation is built up with three elements (Day, 1994; Senge, 1990, 1992; Tobin, 1994):

- Commitment to learning: refers to whether an organization is likely to promote a learning culture.
- Open-mindedness: it is linked to the notion of unlearning.
- Shared-vision: refers to the members of the organization having a common belief of organization's expectation.

Commitment to Learning

If an organization places little value on learning, little learning is likely to occur (Normann, 1985; Sackmann, 1991). Argyris and Schön (1996) suggest that the "organizational environment" should be considered. A learning-oriented organization provides a flexible environment to its members. Thus, the members are motivated to acquire new knowledge. Moreover, a learning environment stimulates an organization to be more creative.

Open- Mindedness

Two concepts have to be looked at in order to understand the meaning of open-mindedness element. The first concept is the mental model, which Johnson-Laird (1983) suggests that mental models are created by human beings by developing working models of the world by making and manipulating analogies in their minds. Nonaka and Takeuchi (1995) further point out that mental models, such as schemata, paradigms, perspectives, beliefs, and viewpoints, help individuals to perceive and define their world.

The second concept is unlearning. When organizations proactively question long-held routines, assumptions, and beliefs, they are engaging in the first phase of unlearning (Sinkula et al., 1997). I realize that the concept of unlearning overlaps with the double-loop learning concept, where both of concepts are challenging deep-rooted assumptions and norms of an organization that have been previously inaccessible. Further, unlearning can be regarded as the foundation of innovation in an organization.

Shared Vision

According to Sinkula et al. (1997), shared vision influences the direction of learning, whereas commitment and open-mindedness influence the intensity of learning. Furthermore, without a shared vision, individuals are less likely to know that organizational expectations exist. Shared vision is of great importance to an organization, companies without shared vision tend

to have multiple "thoughts worlds" (Dougherty, 1989). Sinkula et al. (1997) further conclude that in the short run, an increase in learning orientation is expected to directly affect the quality and quantity of the more explicit market information processing behaviors; in the long run, an increase in learning orientation is expected to also affect the quality of information interpretation and memory functions and to indirectly increase organizational performance through the cumulative effects of all market information- processing improvements.

2.3.2 Market Information Processing Behavior

According to Slater and Narver (1994), market orientation is only one facet of a more comprehensive theory of organization, the learning organization. Sinkula et al. (1997) point out that market information processing is a necessary condition for organizational learning; essentially, it is the process by which information is transformed into knowledge (Day, 1994; Huber, 1991; Sinkula, 1994). In section 2, I mentioned that market orientation consists of three elements: intelligence generation, intelligence dissemination and taking actions in response to it (Kohli & Jaworski, 1990). Different from it, the framework argues that "information interpretation" and "embedded knowledge into organizational memory" must occur before an organization can "take action in response to it".

Information Interpretation

Information interpretation is the process by which information is given one or more commonly understood meanings (Sinkula et al., 1997). The information has to be interpreted and translated into a common language, which can be understood and communicated between organization's members. Members employ mental models in order to interpret information.

Organizational Memory

Organizations not only have the ability to learn, but also have memory. Kim (1998) points out that learning has more to do with acquisition, whereas memory has to do with retention of whatever is acquired. We need to understand the role of memory in the learning process. Walsh and Ungson (1991) posit that organizational memory is composed of six storage bins: individuals, culture, transformations, structures, ecology, and external archives. Organizational memory of course, is fundamentally the result of organizational learning. Though nonlinear and lumpy, organizational memory is related to organizational age and growth (Sinkula, 1994). The key knowledge is held by individuals, unless there is some

structure to retain it within the organizational memory (Dunford, 2000). A number of scholars(Sinkula, 1994; Slater & Narver, 1994) also believe that organizational memory is the collective knowledge of an organization and contains theories in use, shared mental models, information databases, formalized procedures and routines, and formal cultural mores that guide behavior.

Sinkula et al. (1997) further indicate that generation and dissemination activities are more overt, explicit, and observable. Conversely, interpretation and memory are more tacit, covert, and unobservable. Section four will further explore an organization's information system in the context of knowledge management.

2.3.3 Organizational Actions

Organizational action is conceptualized as an outcome measure of the learning facilitated by organizational values and market information processing (Sinkula et al., 1997). Most organizational learning theorists agree that organizational learning ultimately manifests itself through internal and external organizational actions that reflect the operationalization of changes in theory in use (Argyris & Schön, 1978; Fiol & Lyles, 1985; Senge, 1990). Organizations improve their market performance through market information processing and learning orientation. According to Sinkula et al. (1997), marketing program dynamism may be the most appropriate short-term measure of organizational learning, whereas market performance may be superior in the long run. Moreover, organizations must be able to learn at a rate that at least equals environmental change if they are to develop and maintain core competencies that have value in the market (Stata, 1992).

2.3.4 The Implementation of the Framework in the Thesis

The framework conceptualizes a market-based organizational learning process. It attempts to explore the relations between learning orientation, market information processing and organizational action. However, the framework was developed sampling primarily large, well-established organizations. It may be interesting to see how smaller; struggling organizations go about learning (Sinkula et al., 1997). Therefore, this thesis is going to explore the organizational learning of small-size management consulting organizations. The goal is to enrich the literature of organizational learning in small-sized organizations.

2.4 Knowledge Management

Knowledge is critical for any organization and is called the intellectual capital of an organization. The uniqueness of management consulting firms is that its product is knowledge itself, which indicates that the management consulting industry is a knowledge intensive industry. According to Werr and Stjernberg (2003), knowledge is suggested to be one of the main forces driving the recent restructuring of the consulting industry toward an increased concentration of large, global management consulting organizations (Kipping & Scheybani, 1994; Sarvary, 1999). Knowledge is the key element during a learning process. This section first distinguishes the two concepts- information and knowledge. Further, different types of knowledge in management consulting industry have been discussed.

2.4.1 Knowledge and Information

The terms "information" and "knowledge" are often interchangeably, there is a clear distinction between information and knowledge (Nonaka & Takeuchi, 1995). Thus information is a necessary medium or material for eliciting and constructing knowledge. It affects knowledge by adding something to it or reconstructing it (Machlup, 1983). Nonaka and Takeuchi (1995) conclude that knowledge differs from information from 3 aspects:

- First, knowledge unlike information is about beliefs and commitment. Knowledge is a function of a particular stance, perspective, or intention.
- Second, knowledge, unlike information, is about action. It is always knowledge "to some end".
- And third, knowledge, like information, is about meaning. It is context specific and relational.

2.4.2 Types of Knowledge in the Management Consulting Industry

An increasing number of scholars view the meaning of knowledge in the context of the new economy. Drucker (1993) argues that knowledge is not just another resource alongside the traditional factors of production labor, capital, and land, but the only meaningful resource today. Toffler (1990) believes that knowledge is the ultimate replacement of other resources. Quinn (1992) goes a step further by pointing out that the value of most products and services depends primarily on how "knowledge-based intangibles" like technological know-how,

production design, marketing presentation, understanding of the customer, personal creativity, and innovation can be developed (Nonaka & Takeuchi, 1995). According to the Norwegian government (Regjeringen, 2012), the European Union has recently focused on the knowledge triangle where knowledge, research and innovation are the primary components for development in society (Austheim, 2013).

Understanding the different forms that knowledge can exist in, and thereby being able to distinguish between various types of knowledge, is an essential step for knowledge management (Frost, 2010).The form of knowledge can be clarified into two types, namely explicit knowledge and tacit knowledge. Werr and Stjernberg (2003) view knowledge in management consulting firms from two perspectives: theoretical and practical knowledge, the former links to explicit knowledge and the latter links to tacit knowledge.

Explicit Knowledge- Method and Cases

Explicit knowledge or "codified" knowledge refers to knowledge that is transmittable in formal, systematic languages (Nonaka & Takeuchi, 1995). Explicit knowledge is easy to spread and learn. The "knowledge as theory" perspective views knowledge as mainly articulate or possible to articulate. At the organizational level, it is about identifying relevant knowledge and synthesizing it into generally applicable theories and methods (Werr & Stjernberg, 2003).

In a large management consulting company, working methods and tools are viewed as the first source of knowledge. Methods and tools are the shared structure or common framework in the organization, which provide an instruction of basic routines of the company to the junior consultants. Junior consultants can easily integrate themselves into the company by applying the common methods and tools. Werr and Stjernberg (2003) further point out that those newcomers were sent to courses on the methods, and experienced consultants were expected to stay updated with changes in the methods.

Previous cases are regarded as the second source of knowledge in a management consulting company. According to Werr and Stjernberg (2003), this source includes documents such as successful proposals, process models, marketing support, educational material, benchmarks, and other deliveries from previous client assignments.

The large and international management consulting companies have the tradition to synthesize their working methods and build a database of previous cases. However, this thesis investigates how small-size companies manage their explicit knowledge.

Tacit Knowledge- Experiences

Compared to explicit knowledge, tacit knowledge is personal, context-specific, and therefore hard to formalize and communicate. In this context, knowledge is mainly regards as tacit and situational. In the management consulting industry, tacit knowledge is deeply embedded into individual consultants' experiences and memories. Werr and Stjernberg (2003) regard experience as the most important source of knowledge in designing and carrying out consulting projects.

2.4.3 Knowledge Conversion

Nonaka and Takeuchi (1995) believe that tacit knowledge and explicit knowledge are not separate but mutually complementary entities. Further, they demonstrate a model of "knowledge conversion", which shows the interaction between tacit knowledge and explicit knowledge (Figure 3: Four modes of knowledge conversion).
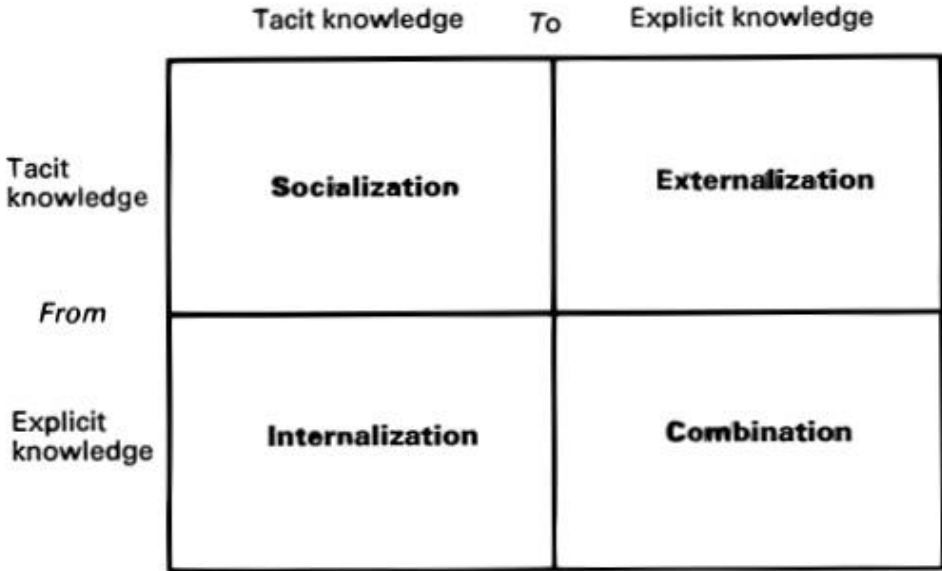

Figure 3: Four modes of knowledge conversion. Adapted from *The Knowledge-Creating Company* (p. 86), by Nonaka and Takeuchi (1995)

Socialization: From Tacit to Tacit

Socialization is a process of sharing experiences and thereby creating tacit knowledge such as shared mental models and technical skills (Nonaka & Takeuchi, 1995). In an organization, the shared experience is the foundation of "socialization". Socialization occurs through informal meetings and discussions between members. In addition, socialization may happen without verbal communication between members, whereas a member can acquire tacit knowledge through observing others' working methods. Nonaka and Takeuchi (1995) further point out that socialization also occurs between product developers and customers. Interaction with customers before and after the development each product supports the organization to improve its products and services consistently.

Externalization: From Tacit to Explicit

Externalization is a process of articulating tacit knowledge into explicit concepts. It is a quintessential knowledge-creation process in that tacit knowledge becomes explicit, taking the shapes of metaphor, analogies, concepts, hypotheses, or models (Nonaka & Takeuchi, 1995). Externalization plays a critical role in the knowledge creation process. According to Emig (1983), when we attempt to conceptualize an image, we express its essence mostly in our language. Writing is an act of converting tacit knowledge into articulable knowledge.

Combination: From Explicit to Explicit

Combination is a process of synthesizing different explicit knowledge and concepts into a body of new explicit knowledge. Individuals' most common method of acquiring explicit knowledge is learning at school and institutions. According to Nonaka and Takeuchi (1995), individuals exchange and combine knowledge through documents, meetings and telephone conversations. Moreover, reconfiguration of existing information through sorting, adding, combining, and categorizing explicit knowledge can lead to new knowledge.

Internalization: From Explicit to Tacit

Internalization is a process of embodying explicit knowledge into tacit knowledge. It is closely related to "learning by doing". For explicit knowledge to become tacit, it helps if the knowledge is verbalized or diagrammed into documents, manuals, or oral stories (Nonaka & Takeuchi, 1995).

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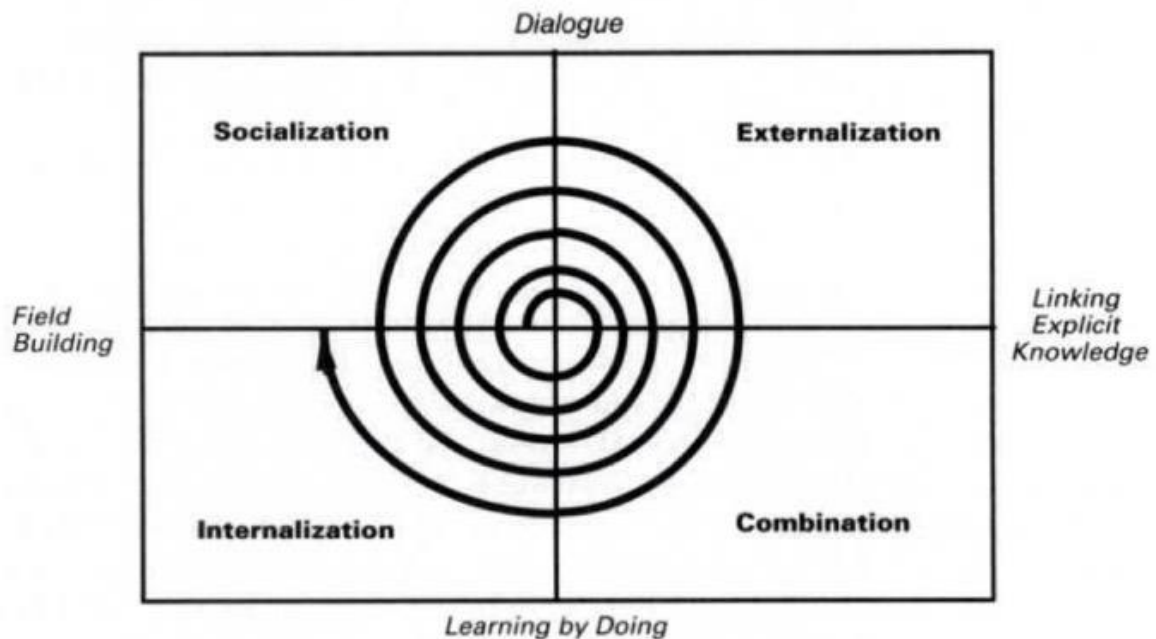
Knowledge Spiral

Figure 4: Knowledge Spiral. Adapted from *The Knowledge-Creating Company* (p. 96), by Nonaka and Takeuchi (1995)

Nonaka and Takeuchi (1995) further conclude that organizational knowledge creation is a continuous and dynamic interaction between tacit and explicit knowledge. The interaction is shaped by shifts between different modes of knowledge within a knowledge spiral (Figure 4). The Knowledge Spiral model is an extension of Knowledge Conversion; it indicates that knowledge creation is a continuous process through the dynamics of different forms of knowledge.

2.4.4 Knowledge Management

Knowledge management is a concept developed in recent years. It refers to the process of capturing, developing, sharing, and effectively using organizational knowledge (Davenport, 1994). A well-developed knowledge management system enables an organization to learn both internally and externally. Due to the uniqueness of the management consulting industry, the ability to do knowledge management is of great importance to its success. Consulting firms consider knowledge management to be a core capability for achieving competitive advantage (Chard & Sarvary, 1997; Pasternak & Viscio, 1998)

Sarvary (1999) claims that knowledge management is nothing else but a technology that transforms information into knowledge. This perspective regards organization as a machine for solely "information processing". Furthermore, Sarvary (1999) points out that knowledge management is a business process. It is the process through which firms create and use their institutional or collective knowledge. Therefore, Sarvary (1999) provides three sub-processes of knowledge management.

- organizational learning- the process through which the firm acquires information and/or knowledge.
- knowledge production- the process that transforms and integrates raw information into knowledge which in turn is useful to solve business problems, and
- knowledge distribution- the process that allows members of the organization to access and use the collective knowledge of the firm.

However, Nonaka and Takeuchi (1995) have a totally different perspective. They point out that tacit knowledge is difficult to be processed or transmitted in any systematic or logical manner. They regard knowledge management as a living organism. A good knowledge management system is based on the understanding of shared organizational visions and values. Moreover, it is a highly individual process of personal and organizational self-renewal (Nonaka & Takeuchi, 1995).

Instead of being in favor of one of the perspectives, I attempt to investigate knowledge management from both sides in this thesis. This study first explores an organization as a machine, which can be fed by bits of data and information. Furthermore, the behavior of individual consultant will be explored in order to look at how individual experience and knowledge influence organizational memory.

Challenges of knowledge management

Dunford (2000) points out that knowledge remains a major challenge to large consulting firms. It is a challenge for a large consultancy to establish effective knowledge management to ensure that the quality of information in the system is high. In order to build a standardize knowledge management system and database, every member in the consultancy has to understand the importance of the system and how to apply the system. Weiss (1999) argues that when consultants are "faced with a choice between serving clients and collecting of connecting knowledge internally, the incentives typically line up in favor of serving clients".

Large consulting companies have to make sure the system is used by its members, especially by senior consultants, uses the knowledge management system. The reason is that senior consultants can share their knowledge and experiences through the system to the organization as a whole.

2.5 Summary: Market-based Organizational Learning in Small-sized consulting Companies

This chapter provides a market-based organizational learning framework of the thesis. First, central concepts around organizational learning have been discussed. Individual learning is the basis of organizational learning. In order to achieve a high quality of organizational learning, individuals have to embed their knowledge and experiences into the organizational memory. Organizational learning is not solely the behavior of acquiring new knowledge. Moreover, it involves the improvement of organization's deep-rooted assumptions and norms through double-loop learning.

Second, the concept of market orientation is the foundation for readers to understand market information processing. The framework reveals that information generation and dissemination represent a logistical system of information processing. On the other hand, information interpretation and organizational memory relate to an interpretive system.

The previous literature review reveals that a theory gap exists of how small-sized organizations conduct market-based organizational learning. Therefore, this thesis attempts to investigate how small-sized organizations learn.

The development of a thoroughly analytical framework is of great importance to the thesis. Yin (2009) points out that novices may think that the purpose of a literature review is to determine the answers about what is known on a topic; in contrast, experienced investigators review previous research to develop sharper and more insightful questions about the topic.

3   Methodology

This chapter introduces the research method in the thesis. In section 1, emphasis is placed on the presentation of qualitative case study as methodical approach. I identify reasons of utilizing case study as research method. Section 2 concerns the access and selection of cases. This section further provides the criteria that influence the selection of cases. Section 3 provides an overview of data collection process, which includes both document review and semi-structured interview. The procedure of data analysis has been addressed in section 4. Section 5 discusses the validity and reliability of the research. Further, the ethical considerations have been illustrated.

3.1 Qualitative Case Study as Methodical Approach

The thesis investigates small-sized consulting companies' organizational learning and market information processing by a qualitative stance. Qualitative research is concerned with elucidating human environments and human experiences within a variety of conceptual framework (Winchester & Rofe, 2000). Thomas and Magilvy (2011) announce that qualitative researchers tend to focus their attention on depth by identifying a single phenomenon while burrowing deep. From this perspective, qualitative research is an adequate research method to pursue.

Case study is applied as research method in the thesis. Baxter (2010) announces that case study is more an approach or methodology than a method because there are important philosophical assumptions about the nature of research that support the value of case research. Yin (2009) provides a twofold, technical definition of case studies. The first part begins with the scope of a case study, while the second includes data collection and data analysis strategies.

1. A case study is an empirical inquiry that
    - investigates a contemporary phenomenon in depth and within its real-life context, especially when
    - the boundaries between phenomenon and context are not clearly evident.
2. The case study inquiry
    - copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result,

- relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result,
- benefits from the prior development of theoretical propositions to guide data collection and analysis.

There are three reasons behind the selection of case study as research method. Firstly, Yin (2009) points out that most important condition for differentiating among the various researches is to classify the type of research question being asked. The thesis explores how small-sized consulting companies conduct market-based organizational learning. The case study is one study method that is most appropriate for "how" and "why" questions (Yin, 2009). Considering the type of research question, case study is appropriate to this research.

The second reason is that the case study method allows investigators to retain the holistic and meaningful characteristic of real life events (Yin, 2009).This research covers several topics within organizational learning, such as knowledge sharing and market information dissemination. I intended to analyze these topics under a real-life phenomenon. A case study approach allows me to conduct an in depth research.

Third, according to Yin (2009), the case study's unique strength is its ability to deal with a full variety of evidence—documents, artifacts, interviews, observation and so on. In this thesis, a various investigative techniques have been applied to deal with multiple sources of evidence. Documents review and interview are the main methods of data collection.

Although case study is widely used as a distinctive form of empirical inquiry, many researchers still criticize this strategy. The greatest concern has been on the lack of rigor of case study research (Yin, 2009). A systematic procedure should be followed. Some researchers also claim that another most commonly criticized case study research is its supposed lack of generalizability (Campbell, Stanley, & Gage, 1963; Flyvbjerg, 2006). The counter-argument is that generalizability should not be a problem if case study research is designed appropriately and the analysis is attentive to the tension between concrete and abstract concepts (Baxter, 2010). The concern of generalizability will be further explained in validity part. Yin (2009) points out that the third frequent complaint about case studies is that they take too long, and that they result in massive, unreadable documents. Thus, Yin (2009) provides alternative ways of writing the case studies, including ones in which the traditional, lengthy narrative can be avoided altogether, which will be applied in the thesis.

3.2 Selection and Access of Cases

Multiple-case study has been conducted in this thesis. Yin (2009) considers single- and multiple-case designs to be variants within the same methodological framework and no broad distinction is made between the so-called classic (that is, single) case study and multiple-case studies. Traditionally, a number of scholars consider multiple-case design has a different methodology than single-case design. However, Yin (2009) considers single- and multiple-case designs to be variants within the same methodological framework. Thus, no broad distinction exists between the single- and multiple- case design.

The selection of cases follows replication, but not sampling logic (Yin, 2009). To examine how small-sized companies conduct organizational learning, I conducted interviews with founders and partners from five small-sized consulting companies in Norway. First, the number of case needs to be concerned. Yin (2009) states that one should think of this decision as a reflection of the number of case replications—both literal and theoretical—that you need or would have in your study. Compared to single-case study, a multiple-case study is both time consuming and complicated. Considering the limited time and resources, 5-6 cases are the most appropriate for my research.

Yin (2009) emphasizes that researchers need sufficient access to the potential data, whether to interview people, review documents or records, or make observations in the "field". Given such access, cases should be chosen that will likely illuminate the research questions. According to the literature review (Lewis & Churchill, 1983) and document analysis, I concluded that small-sized companies have several development stages: (1) Existence stage, (2) Survival stage, (3) Success stage.

Considering the access to potential data and limited capabilities, I simplified the three stages into Existence stage and Developed stage. Five cases were carefully selected based on three criteria: (1) all of the founders have previous experiences from consulting or knowledge related industries; (2) the organizational structure of companies in Existence is simple structure with one owner; (3) companies in the developed stage have a highly flexible project-based structure (Mintzberg, 1979). Therefore, based on the organizational structure and development stage, I divided the five cases into two groups. Group 1 consists of two companies in Existence stage, and group 2 contains three companies in the Developed stage.

As far as experiences and assumption are concerned, the most efficient way to get access to small-size consulting companies is through incubator and accelerators. Therefore, I first searched Innovasjon Norge's webpage, which contains the contact information of several incubators and accelerators in the area of Oslo. In this way, three firms have been successfully contacted via email. Additionally, I was invited to Friday's beer of an incubator. This is a precious opportunity to network with the potential interviewees. Sometime we find a case, and sometime a case finds us (Bradshaw & Stratford, 2010). Through the Friday's beer, I was lucky enough to get to know founder of a consulting firm who is willing to participate my research as well. The last two cases are selected via LinkedIn, which is a business-oriented social networking.

It should be admitted that each research has its drawbacks. The limitation of this research is to get a reasonably representative sample of companies in the management consulting industries. Bradshaw and Stratford (2010) point out that researcher should resist any anxiety about questions related to the validity of case-based research. This research is conducted on the basis of five small-size consulting firms in Oslo and Akershus area in Norway. The ideal number of cases is 8 to 10. However, the limited time and resources do not allow me to conduct more than six cases. Further research could be done by investigating more cases in other regions in Norway.

3.3 Data Collection

According to Yin (2009), the six most commonly used sources in doing case studies are documentation, archival records, interviews, direct observations, participant-observation, and physical artifacts. No single source has a complete advantage over all others. In order to gather the most persuasive empirical data, this thesis elaborates multiple methods to collect data.

3.3.1 Documents

Reviewing of documents allows researcher to learn more details about the cases that being studied (Yin, 2009). First, the document review, such as government paper and business report, provides invaluable information of the management consulting industry and economic situation in Norway. These information allows me to gain a deep understand of the research

background. Second, according to Yin (2009), documents are helpful in verifying the correct spellings and titles or names of organizations that might have been mentioned in an interview. Although this study is anonymous, the document review enables me to gain a comprehensive background study of the cases. Based on the knowledge accumulated from document review, I was able to contact participants and conduct interview correctly.

However, documents also received some critical comments, for the reason that some of them are written for some specific purpose or specific audiences. Yin (2009) suggests that investigator is a vicarious observer, and the documentary evidence reflects a communication among other parties attempting to achieve some other objectives. This can avoid the investigator to be misled by documentary evidence.

3.3.2 Interview

Interviews are among the most familiar strategies for collecting qualitative data (DiCicco-Bloom & Crabtree, 2006). An interview is a data-gathering method in which there is a spoken exchange of information (Dunn, 2010). Interview is the main tool of gathering empirical data in this research. The in-depth interview enables researcher to gain deeper understanding of each informant's meaning. Interviews also are essential sources of case study information (Yin, 2009). By means of interview, this thesis attempts to explain the informants' distinct opinions and meanings toward each topic, which cannot be achieved by the other research methods. The interviews focused on the interviewees' attitude toward marketing information processing, knowledge management and organizational learning.

Semi- Structured Interview

In order to investigate the organizational learning and market information processing of companies, semi-structured interview is employed in this research. This form of interview has some degree of predetermined order but maintains flexibility in the way issues are addressed by the informant (Dunn, 2010). The interviews will be guided conversations rather than structured inquiry. In other words, although you will be pursuing a consistent line of inquiry, you actual stream of questions in a case study interview is likely to be fluid rather than rigid (Rubin & Rubin, 1995). For this reason, semi-structured interview is more appropriate to case study method than other interview structures. Compared to the other two methods, semi-structured interview is a content focused method.

Despite semi-structured interview, Dunn (2010) also mentions the other two major forms of interviewing: structured and unstructured interview. A structured interview uses an interview schedule that typically comprises a list of carefully worded and ordered questions and topics. This method of interview emphasizes that researcher needs to ask question in the same order. Crucially, though, this method limits the informant to response to each question more flexibly. This limitation constrains the distinction of each informant.

Further, unstructured interview is not adequate for the research in this thesis either. It lays more stress on informants, and it focuses on personal perceptions and personal histories. The questions you ask are almost entirely determined by the informants' response (Dunn, 2010). This research aims to investigate interviewees' reflections on questions relating to different topics. Thus, an interview guide is necessary to be applied. Dunn (2010) claims that interview guides are usually associated with semi-structured forms of interviewing.

Interviewing Practice

I contacted my informants through e-mail. My supervisor gave me invaluable advices of how to compose a convictive proposal. He also emphasized the importance of gaining consent from the informants. Informants should be made aware of their rights during the interview (Dunn, 2010). Based on Dunn (2010), I developed an information and consent form. My first email to the informants included three parts. In the first part I introduced myself and my study field. I also explained how and where I found their contact information. In the second part, I straightly pointed out my research topic and the significance of this research. The last part proposed the possible date to undertake the interview. Five semi-structured interviews were conducted at the companies' locations, from November 2014 to January 2015.

A well-designed interview-guide is significant for the success of the interviews. An interview guide or aide-memoir (Burgess, 1982) is a list of general issues you want to cover in an interview. The guide may be simple list of key words or concepts intended to remind you of discussion topics (Dunn, 2010). The interview-guide is carefully formulated on the basis of theoretical framework of the thesis. The interview-guide is divided into four parts: (1) background questions of the company; (2) questions about market orientation and information processing; (3) knowledge management and organizational learning; (4) closing the interview. The interview-guide has a pyramid structure. One of the advantages of the interview guide is its flexibility (Dunn, 2010). The informants' time is valuable and limited. An interview guide

allows me to make full use of the time to collect data. A guide can cover all the topics that will be discussed in this thesis.

Questions that are prepared before interview and then read out formally may sound insincere, stilted, and out of place (Dunn, 2010). As a "first time interviewer", the interviewing process is challenging, especially when it is semi-structured interview.

The interview starts with easy questions about the informant's background and motivation to start new business. The first part also contains questions about the company's history and the informant's duties or responsibilities in the company. This allows the informant to become accustomed to the interview, interviewer, and topics before they are asked questions that require deeper reflection (Dunn, 2010). This part of interview has the function of relationship establishing. The informants became more communicative after the "storytelling" process. More abstract and general questions are asked at part 2 and part 3.

To be honest, I also experienced some responses that might damage my confidence in some degree. For example, the informant asked "Sorry, I do not really understand what you mean by this question". This might be embarrassing, but it forced me to improve my interview skills. Another challenge I have been facing is closing the interview. I attempted to use verbal cue "is there anything you would like to add?" at the end of the interview. I also used the non-verbal cue proposed by Dunn (2010) to close the interview, such as looking at the watch and stopping or unplugging the audio recorder. Additionally, Dunn (2010) also emphasizes the most critical issue in closing an interview is to express not only thanks but also satisfaction with material that was collected. Therefore, I usually had a short conversion with the informants in the end of an interview, so that I can express my gratefulness to the informants.

During the interview, the interview-guide reminds me the most important topics that the thesis intends to mention. Interview is a dynamic process; the feedback from each informant is of great help in improving the interview questions, both wording and ordering of questions. The major disadvantage of using an interview guide is that you must formulate coherent question wordings "on the spot". This requires good communication skills and a great deal of confidence (Dunn, 2010). Based on the background and characteristic of each, I also adjusted the interview-guide to adapt different companies.

Recording

Audio recording and note-taking are the two main techniques for recording face-to-face and telephone interviews (Dunn, 2010). In this research, audio recording is the main technique of recording. Audio recording has been taken for all five interviews. In order to gain permission to record the interviews, the "information and consent form" was provided to the informants in advance. A digital recorder was used to record all of the conversations. The audio recording technique allows me to be a more attentive and critical listener. Audio or video recording can allow for a natural conversational interview style because the interviewer is not preoccupied with taking notes (Dunn, 2010).

However, Dunn (2010) points out two weaknesses of audio taking technique. First, an audio recorder may sometimes inhibit an informant's responses because the recorder serves as a reminder of the formal situation of the interview. For this reason, I placed my digital recorder on the table where it is not so obvious.

Second, an audio recorder does not keep a record of non-verbal data, nonaudible occurrences, such as gestures and body language will be lost unless you are also using a video recorder or taking notes (Dunn, 2010). For this reason, I also used taking-note technique to keep the important non-verbal languages of informants.

Analyzing Case Study Evidence

An overall analytical strategy is of great importance of analyzing data. According to Yin (2009), the data analysis of case study highly depends on an investigator's own style of rigorous thinking.

Transcribing the interview data is the first step of data analysis. Recorded interviews should be transcribed as soon as possible after the interview (Dunn, 2010). The immediate data transcription allows me to recall the memories of informants' non-verbal languages. By means of online software Transcribe, I converted the digital record into text form. I have to admit that the transcription work is time-consuming. However, it is worth to do. Through the transcribing process, I reviewed the significant statements made by the informants. I also made notes of the meaningful statements.

I started the data analysis by reviewing the empirical research questions. Based on the empirical research question, I made four categories to classify information: (1) individual

experiences; (2) knowledge management; (3) market research and information generation; (4) information processing. Start with a small question first, then identify your evidence that address the question (Yin, 2009). I read the five interview texts for several times, and put important information into the four categories separately. The individual case analysis provides me a preliminary understanding of the empirical evidences. I also conducted the across-case analysis to address the differences and similarities among the cases. Across-case study allows the readers to recognize individual experience in a generalizable way (Ayres, Kavanaugh, & Knafl, 2003).

3.3.3 Validity and Reliability of the Thesis

It is critical to judge the quality of this research. Among different tests, Yin (2009) believes that the quality a research depends on the validity and reliability of the research method. Thomas and Magilvy (2011) claim that validity and reliability are ways to establish trust or confidence in the findings or results of a research study. This section examines the validity and reliability of the research from different aspects. Yin (2009) offers a logical set of statements that researcher can judge the quality of any empirical social research. Four widely used tests have been developed to test the quality of the research.

First, construct validity concerns identifying correct measure for the concepts being studied study (Yin, 2009). This research investigates organizational learning conditions in small-sized companies. Both the theory chapter and discussion chapter concern organizational learning conditions in large companies. The primary consideration is to help the readers to recognize the differences exist between large and small companies. Besides, Thomas and Magilvy (2011) emphasize that one's own preconceptions, such as personal feelings, biases and insights, can affect the research. This indicates that researcher has to avoid the subjective judgments during the data collection process. As a result, I employed a broader range of sources as evidences in this study.

Second test concerns internal validity, which seeking to establish a causal relationship, whereby certain conditions are believed to lead to other conditions, as distinguished from spurious relationships (Yin, 2009). It allows others to recognize the experiences contained within the study through the interpretation of participants' experiences (Thomas & Magilvy, 2011). In order to interpret the empirical data accurately and correctly, I conducted the data analysis carefully. Besides the individual case study, I also analyzed the similarities and

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differences across cases. The goal is to elicit the significant evidence from participants' experiences. The findings chapter presents the preliminary results of the empirical study.

Third, external validity can define as generalizability, which involves the extent to which you can make some form of wider claim on the basis of your research and analysis, rather than stating that your research is entirely idiosyncratic and particular (Mason, 2002). External validity is extremely important during the research design process. However, Yin (2009) points out that external validity problem has been a major barrier in doing case studies. Critics typically state that single cases offer a poor basis for generalizing. This research follows the multiple-case study approach. Moreover, the theoretical framework covers a wide range of literature from both organizational learning and market orientation. The multiple-case study allows me to replicate the same logic of the research. Moreover, a set of theory has been used to support the replication procedures.

The fourth test refers to reliability of the research. Briefly, such a data collection procedure can be repeated, with the same results. The goal of reliability is to minimize the error and biases in a study Yin (2009). For the purpose of achieving the reliability of the research, I documented the research procedure carefully in this chapter. Further, this chapter also presents the criteria of case selection.

3.3.4 Anonymity and Ethical Consideration

From the aspect of ethical consideration, this research provides a consent form to the informants. The goal is to codifying the rights of the informants. A major concern of the methodology chapter is the anonymity of the cases. Yin (2009) claims that the accurate identification of cases and informants has positive outcomes. It provides the readers an opportunity to recollect previous information they learned about the cases. A number of scholars support this viewpoint. However, I made a choice to not disclosure the cases and informants. Based on several reasons, this research offered anonymity to the cases and informants.

First, instead of focusing on individual companies, this research regards small-sized consulting companies as a whole. The ultimate goal is to elicit the organizational learning situations of small companies in different development stages. From this perspective, the anonymity of cases will not constrain readers to interpret the empirical evidence. Second,

management consulting is a competition intensive industry, and small companies have a relative vulnerable position compared to large companies. Anonymity allows small consultancies to keep their competitive advantages.

3.4 Presentation of Cases

Following the structure of the theoretical framework, this chapter presents how market-based organizational learning occurs. Small businesses vary widely in sizes and capacity for growth (Lewis & Churchill, 1983). They are characterized by independence of action, differing organizational structures, and varied management styles. According to the organizational structures and development phases, the five cases have been divided into two groups. Group 1 consists of two companies (Note: A and B), which are in the Existence Stage. Both of the companies have a simple structure that the owners supervise everything. Group 2 contains three companies (Note: C, D, E) in a Developed Stage.

Company A

Company A is an advisory and consulting company, which started in the year 2013. The company is located in Kongsberg and Oslo, but it provides services all over Norway. Company A supports companies in important business decisions on business development, finance & accounting, sales and marketing. Company A's unique concept is to deliver service to small accounting companies, and to support the transition of those companies into consulting-oriented companies.

Company B

Company B started in May 2014 and is located in a business incubator in Oslo. Company B delivers a range of services to consultants, problem solving and programming & IT development. The company assists its customers to evaluate different technologies and feasibilities of the technologies; it also provides unique solutions based on customers' requirements. Moreover, the company focuses on data analysis, which helps its customers to extract data and interpret technical data into business intelligence. Today, company B mainly serves small- and medium-sized companies. The company is in the startup phase, and struggles to find the exactly market segment it can work with.

Company C

Company C is a small management consulting company, which was established in 2012. Company C is located in the city center of Oslo. Its main focus is human resource and management consulting, which helps its clients put the best-suited executives in place. The firm believes that human factor is crucial for an organization, and it is the key to distinguish between a well-run and a poorly managed company. Two partners, a psychologist and an economist, established the company. A combination of financial skills and strong professional understanding of human resource allows the company to up with the right solutions. Company C has the goal to build a long-term collaboration with its clients.

Company D

Company D is a consulting and financing management company, which was established in 2000. The company supports a range of company to increase their business through market research, business planning and development, networking, match making events, investment forums and funding processes. The company mainly focuses on business development and provides guidance and support to entrepreneurs, and it has an extensive network both inside and outside Norway. The customers of Company D consist of start-up and small-sized companies with IT backgrounds. Company D's experienced team is known for their integrated knowledge and an extensive network of contacts. The team is made up of five partners, and each of them has years of experiences in consulting.

Company E

Company E is a management-consulting agency that works with communication, branding, and advertising. The company helps its customers to make strategy around branding and marketing by working alongside customers to solve their problems. The customers of the organizations are those who buy communications services. The company started from a co-working space in Oslo. The co-working space is a house holding a number of start-up firms, which focus on cultural and creative industry. The company has 15 employees—too big to be a part of the co-working space—so the company moved to the fourth floor of the house, and works as an associate member.

4 Findings

In this thesis, five small-sized companies is the sample of cases. Each founder's background and his or her motivation of starting one's own business have been introduced. The method of how individual consultant improves their knowledge has been presented as well. The following is how the executive's individual experiences and knowledge influence organizations' memory. Moreover, In order to help readers to gain a deeper understanding of each company's organizational culture, this chapter also presents the value of each company. Next, this part of thesis investigates how organizations gain new skills and knowledge from previous projects. Based on double loop learning theory, the knowledge management system of those organizations has been discussed. Finally, this chapter also reports on how small organizations collect market information and conduct market research. The informants describe the market information processing of their organizations. The experimental results reveal how organizations use market intelligence and networks to plan for the long-term business.

4.1 Group 1

4.1.1 Company A

(1) Individual Experiences and Motivations to Start New Business

The founder of company A (Note: informant A) attends the interview. The informant has played an active role in a big IT company in business development. After that, he worked for himself as an advisor and consultant for seven years. He said, "I accumulated knowledge from previous experiences, mainly in business management, sales and marketing" (informant A, personal communication, December 1, 2014).

Informant A believes that accounting industry is going to change in the future. This belief drives him to define small-sized accounting companies as his potential customers. The informant said, "Accounting industry changed a lot from being an industry where people keep detailed records of money a company has spent, to a more consultative industry" (informant A, personal communication, December 1, 2014). The informant believes that company A will help the traditional accounting companies to transform and adaptive to the market change.

The initiation of this new business is based on a thorough market research and also the belief that "some of us in the industry must go in front of others" (informant A, personal communication, December 1, 2014).

(2) Learning Orientation

The empirical findings show that informant A has attended a number of business conferences. Moreover, the company holds conferences as well. He expressed that "through the conferences we can keep ourselves up to date. We need to know what happens right now. It is also a way we can network and build relationships" (informant A, personal communication, December 1, 2014). For instance, the informant also benefited from Blue Ocean Strategy at a conference. Informant A mentioned that Blue Ocean strategy allows him to focus on business from new perspective. The informant wanted to establish a company, which is attractive to both customers and employees. An interesting finding is that the informant has a viewpoint differs from others. He said, "Today at school, you can learn accounting as a basic skill, but you need further education from other fields. That is your individual competitive advantage" (informant A, personal communication, December 1, 2014).

(3) Knowledge Management System

Company A does not have a knowledge management system yet, because the company is in the very early phase. Informant A said that they did not finish any long-term project yet, but they would have evaluation meetings and feedbacks both in the company and among the clients.

(4) Market Information Processing

Company A conducts market research through networking and in-house research. He pointed out that "a lot of companies have market research, but no one uses the market information for further developing their strategy" (informant A, personal communication, December 1, 2014). He also gave an example of small accounting companies that are limited in providing accounting service. Informant A believed that in order to become competitive, those companies have to be more sensitive to the market change. There are so many companies working on consulting. But if the company does not have a network, it will not be able to compete with others. What he said implicates the intense competition in consulting industry.

Therefore, companies have to define their competitive advantages before they compete with others.

(5) Long-term Business Plan and Market Performance

When it comes to long-term business plan, informant A first looked back at that part of his career when he played an active role in a small company for seven years. The retrospect was not that exciting. He said, "When I managed a small company for seven years, I had to spend 90 percent of the time to serve my customers. Therefore, I do not have enough time to sell new projects. And to be honest, I believe from the long-term perspective, you will not succeed if you work alone by yourself" (informant A, personal communication, December 1, 2014). What he said indicates that for small-sized firms, the common challenge is finding a balance between sales and product. He further mentioned that "As a small firm in consulting industry, you need others to sell for you; otherwise, you'll need an extensive network" (informant A, personal communication, December 1, 2014). The informant is positive and optimistic of today's situation. Company A has already promoted some clients through the founder's network. Informant A also shared his new way of doing business: "We want to become partners with small accounting firms all over Norway. And we will support them with consulting services. At the same time, we want to share their networks in the local market" (informant A, personal communication, December 1, 2014).

Informant A also expressed he is eager to employ one who has knowledge in the field of marketing and website design. He emphasized that not only his company but also his customers will need more services in marketing. Company A focuses on building a good reputation. The informant said, "I must let others know me, and know what I can do for them" (informant A, personal communication, December 1, 2014). Typically, a consultant gains a good reputation through the delivery of good result. Besides, social media is an efficient way to promote business. According to the informant, "the traditional media is both expensive and inefficient. For example, advertisement through newspapers costs a lot, but spreads very slowly" (informant A, personal communication, December 1, 2014). The informant believed that social media, such as LinkedIn, Facebook and Google, are the first choice for small-sized company to expand their influence.

4.1.2 Company B

(1) Individual Experiences and Motivations to Start New Business

The founder of Company B (Note: informant B) attends the research as an informant. Informant B has an academic background in IT and engineering. He had worked fulltime as a consultant at a big IT company for four years, and then he started his own business. The company established in 2013; however, the founder started to work at projects in May 2014. The reason that the informant started to work for company B is that "I was pretty sure that there was a market" (informant B, personal communication, November 24, 2014). Informant B also believed that working with a small company is flexible and it takes less time to make decisions; in a big company, all employees have to agree on the direction of the company. Moreover, the informant mentioned that compared to other founders in the incubator, he has knowledge within both IT and management. This is his competitive advantage. However, the informant admitted that the company is facing some difficulties: "I still struggle to find what exactly I should do, and who my customers are, and where I can find those customers" (informant B, personal communication, November 24, 2014).

(2) Learning Orientation

Since company B is at the early stage of business, the founder has to learn from the scratch. Informant B has attended a number of business conferences, and he mentions that during the business conferences he got a chance to network with different people. The informant said, "The conferences enable me to gain knowledge about both consulting and IT. Besides, it is a perfect opportunity to meet technical people, project manager, marketing people and programmers" (informant B, personal communication, November 24, 2014). Moreover, since the customers of Company B are mainly IT companies, the founder puts a great effort to learn new technology. Today, company B mainly serves small technology-oriented companies.

(3) Knowledge Management System

The empirical findings show that in company B, the founder learns from project feedbacks and mistakes. The informant said, "For the first project, I have to learn from the scratch. For instance, I have to sign a contract, and the legal stuff has to be a concern" (informant B, personal communication, November 24, 2014). This indicates that the founder follows the principle of learning by doing. He turned information and experiences into knowledge through each project. But he also admitted company B does not have a formal system to preserve knowledge at the moment.

What interested me about Company B is that the founder's background is a combination of technology and management. Therefore he knows what kind of data is valuable for his own company. He explained, "Companies usually have a lot of technical data, which are useful for business, however, they do not know how to make sense of those data" (informant B, personal communication, November 24, 2014). What he said points out the fact that technical data is usually too complicated for managers who do not have a technology background. He further said, "What I used to do is to extract data from different system, and merge them together" (informant B, personal communication, November 24, 2014). An implication of this is that the founder's individual memory and experience have influenced the company deeply, especially the small-sized companies.

(4) Market Information Processing

I asked the informant how he collected market information. The informant admitted that the marketing part was not established very well and the company B has not done so much in-house market research yet. He further said, "After several months' working with my company, I realized that it is important to understand the market. It does not help to create something that is best in the world if there is no market" (informant B, personal communication, November 24, 2014). It is true that in a big organization, one can focus on what he or she is good at doing. However, in a small organization, one has to take on multiple tasks, develop new skills and learn new method.

(5) Long-term Business Plan and Market Performance

When it comes to sales and long-term business plan, the informant admitted that it is more difficult than he thought to build relationships with customers. He emphasized, "If you are small, no one knows you" (informant B, personal communication, November 24, 2014). Informant B has mentioned that he is still trying the best way to meet the potential customers. He further told me that he is working on fixing his website, and stimulating his company through social media, such as LinkedIn. Informant B does not have so much research into his competitor, but it is obvious that he cannot really compete with large companies. He added that "For me, I cannot really compete with big companies; I cannot go for big project as a small-sized company" (informant B, personal communication, November 24, 2014). What he said indicates that it is a limitation of being a small-sized company when it comes to choose project. The reason is that small companies have to take projects matching their size.

4.1.3 Cases in Group 1

Cases A and B are both in the Existence Stage, which have less than two years' experiences. Systems and formal planning are minimal to non-existent. The company's strategy is simply to remain alive (Lewis & Churchill, 1983). According to the empirical findings, A and B are facing the same challenge. In simple terms, companies have difficulty to get enough customers. The reason is that the companies are young, so the founders still attempt to maximize the spread of influence through both social media and social network.

In addition to the challenge presented previously, company B has difficulties of identifying its market segment, whereas A does not. The reason is that the two founders have different academic backgrounds and experiences, which lead to different performances of their organizations. An implication of this is that the founder's individual memory and experience have influenced the company deeply, especially the small-sized companies. According to Sinkula (1994), organizational memory is related to organizational age and growth.

4.2 Group 2

4.2.1 Company C

(1) Individual Experiences and Motivations to Start New Business

One of the partners in company C (Note: informant C) participates in the research. The informant holds a degree in psychology and has broad experience in retailing, industry, ICT, culture and academia. Moreover, she is an experienced consultant of the ability of individual candidates and management teams to tackle demanding challenges.

 She worked with psychological service and recruitment before she started to work with management consulting. She has more than ten years' experiences in a management consulting company. She worked seven years as a consultant and became a partner the last three years. She mentioned the most direct reason to start their own business is that "At that time, it was a generation change in that company, and considering the integration of old and young generation, we realize that we won't have fun with it" (informant C, personal communication, January 22, 2015). And informant C also emphasized that she was confident to start her own business. Since she has worked with management consulting for many years, she knows the market very well.

(2) Learning Orientation

The value proposition of the company is that "commitment, integrity and trustworthiness permeate everything". Company C has successfully delivered more than five hundred candidates to their demanding clients. The interview with the partner offers an overview of the co-working situation in the firm. The informant emphasized, "It is a feeling of controlling your own life; take on the project you want" (informant C, personal communication, January 22, 2015). What she said indicates that the company has a free and flexibly organized culture, which motivates informant C to work for her own. Informant C mentioned that she and her partner attend business conferences. However, attending conference is not the main way for them to gain knowledge.

(3) Working on Projects and Knowledge Management

As mentioned previously, two partners - a psychologist and an economist founded Company C. In addition, a project assistant works on customer relationship management system. The project assistant focuses on desk research for projects. The two partners were colleagues before they started their own business. Therefore, they are familiar with each other's skills and work methods. The way of dealing with project in company C is that partners work together on all projects, and there is one project manager for each project. As stated by the informant, a project manager has to make sure that the customer relation is taken care of and to follow up during the whole project. A project manager is the main contact person for the customer. "We have a lot of discussions, but we agree on the big lines" (informant C, personal communication, January 22, 2015). The two partners have been able to communicate along the process of each project through weekly meeting and informal communication, regardless who is the project manager. Informant C is satisfied with their current work method, and she said "Our company has a slim structure, which allows us to work based on our knowledge and experiences" (informant C, personal communication, January 22, 2015). Though the company has only two partners, they are efficient. According to the informant, in the company, there are fewer people who do not actually produce money.

When asked whether company C summarizes each project after it has been done, informant C answered, "Yes, when we have finished the projects, we'll send a link with questions to our customer and the final candidates" (informant C, personal communication, January 22, 2015). The client's feedback on projects is quite an opportunity for organizational learning.

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Informant C also explained "As long as the client has been through all of the process with us, they will receive a mail to answer a questionnaire; they are going to value the process, the quality of our" (informant C, personal communication, January 22, 2015). The informant described that the client is going to evaluate the process by score from "1" which indicates, "not satisfied" to "6" which means "excellent". When company C got the score below '4' or '3', partners call the customer to get the feedback on what was really going on with the process, and how they can do better. Company C also benefits from the feedback process of candidates "In addition, candidates that did not get a job this time, has chosen us to be headhunters for the next time" (informant C, personal communication, January 22, 2015). What she said implies that the importance of communicating with the clients both during a project and after the project has been done.

It seems to have a certain positive result when the company concentrates on the customer's feedback. The customers have the feeling that they have been taken care of; even if their contracts with the company are terminated. Company C regards project feedback as valuable source of improving their work method. This coincides with the double loop learning theory of (Argyris & Schön, 1978). Double loop learning occurs when organizations challenge its long-held assumptions about its mission, strengths, values, culture, and looking for new ways of development to understand the relationships and systems that are relevant to the issues and events (Yazdani & Hussain, 2013).

Additionally, informant C mentioned that the company has an internal meeting after each project evaluation. Through the internal meeting, the two partners submit successful proposals and documentations that produced in previous projects. Furthermore, they discuss about problems existed in each project and share their experiences and new thoughts with each other. Internal meeting is an excellent way of knowledge sharing in Company C.

The empirical findings show that company C has clear routines for learning from previous projects. The interviewee's reflection may inspire other small-sized consulting firms so that a well-formulated knowledge management routine enables the company to learn by doing. However, company C does not build a standardized database or system to store the data and knowledge produced by those projects. Informant C claims, "Since we always ask for feedback, we do not make statistic of it, and we take every feedback on individual basis. So as long as it is two of us, we take everything on the individual basis" (informant C, personal communication, January 22, 2015).

(4) Market Information Processing

The market research method varies according to the scale of the company. Informant C has been asked who has the responsibility to do market research and to collect market information. The informant said, "We do both. It is very important that once a week, we discuss what kind of project is interesting for both of us, and what kind of customers we shall contact to get a meeting to present us" (informant C, personal communication, January 22, 2015). She then added that no one has the special role for information collecting. Informant C stresses that the firm makes a great efforts to follow the trend of the market, and the research they do is basically qualitative, not statistic research. She goes on to say, "I think it is very important to underline that we do everything with fresh eyes" (informant C, personal communication, January 22, 2015). An implication of this is that Company C conducts market information processing at the individual level.

(5) Long-term Business Plan and Market Performance

For Company C, it is critical to have a certain control over the long-term business plan. Informant C emphasized that an organization has to have the ability to deal with projects in various fields. She said, "When one project is finished, you have to be sure you have another one. Straightly speaking, you do not know if you have any business after three months" (informant C, personal communication, January 22, 2015). It proves to be right that finding the balance between sales and producing challenges all firms. The ability of small company is limited. Therefore, company has to be sure that the project is within the company's scale.

The informant pointed out that they choose projects based on two principles. First, the project has to be a market value creating project. The informant said, "When you get a project, you have to be sure that you can solve it" (informant C, personal communication, January 22, 2015). However, it does not mean that the firm will merely work on the easy to solve projects. It is just the opposite. The two partners pick up the projects that can help them to create market value and good reputation. Second, the project fees have to be equal to the amount of time the firm has spent. Small-sized firms have the limited time and cash flow. The informant told me, "If the fee is low, then you definitely cannot use the same amount of time unless it is a very market value creating project" (informant C, personal communication, January 22, 2015).

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Besides, the informant also believed that a network means a great deal to her company. Network is about trust in small business, and it leads customers to build relationship with a company. The partners contact most of the candidates and customers through their personal network.

4.2.2 Company D

(1) Individual Experiences and Motivations to Start New Business

One of the partners of Company D (Note: informant D) has participated in the research and attended the interview. The informant is a partner and a senior advisor who has an academic background with a combination of electric engineering and management. Before he started to work with management consulting, he had worked several years in product management and value chain management. Today, his role in the company is a co-founder and vice president of sales and marketing. In addition to company D, the informant also works with other clients in different projects, which are not competing with company D.

Informant D pointed out that there are mainly three reasons motivating him to work with new business. Firstly, the informant and his partners believe that there is a market for business development. They intend to assist skilled entrepreneurs to build and grow their business. Based on the thorough research of the start-up business, Company D concludes that the financial situation of start-up companies is usually highly unstable with limited cash flow. Informant D said, "The challenge of working with a start-up company is the lack of money and the uncertainty of success" (informant D, personal communication, December 16, 2014). Therefore, company D supports its customers to raise capital and search investors.

Secondly, although the informant mainly works on sales and marketing, he has the insight in technology and engineering. He believed that to work with company D allows him to link his previous education with his experiences.

Last but not least, it was the feeling of involvement that drove him to start new business. He expressed that, "I can learn from all aspect of a project in a small company. If I work for a large company, typically I can only be involved in part of the project" (informant D, personal communication, December 16, 2014). This indicates that consultant has to be multi-tasking in order to work in a small company.

(2) Learning orientation

To be able to provide best practice to customers, partners have to acquire new knowledge. The fact is that a number of clients that the company served are technology-oriented companies. Thus, the partners have to maintain the knowledge they already have accumulated. Besides, they need to extend their knowledge and understanding of management in technology-oriented companies. Regarding individual learning and knowledge accumulation, informant D said, "Yes, I have attended some of the business conferences, which are targeted on certain topics" (informant D, personal communication, December 16, 2014). For example, informant D currently joined a conference about big data. He mentioned that the conference allows him to gain understanding of the basic elements of big data. He, then, further explained, "Sometimes the company does not need to know everything about big data. The most important thing is to know what kind of data is available, what is good for the company, and how we can get all those data and interpret them, as well as how we can use that interpretation" (informant D, personal communication, December 16, 2014). What he said indicates that small-sized company cannot ignore the role of information interpretation.

(3) Working on Projects and Knowledge Management

Company D's organizational culture is deeply rooted in the belief that entrepreneurs can change the world. The company focuses on innovation and attempts to find new method to work with projects, and wants to build long-term relationship with the customers. Within company D, the partners are equal, and they work as a team. Informant D mentioned that the co-working environment is extremely flexible, the circumstance in his company is of great freedom, and they are involved in all of these processes. What they are doing is very motivational. Informant D further points out that the partners communicate with each other during the process in each project.

In company D, the evaluation of project happens both during and after each project. Informant D said, "We believe that each customer is unique. So we have meetings with clients during each project, and we also have internal meetings among our partners" (informant D, personal communication, December 16, 2014). The informant further emphasized that learning from previous projects and mistakes is of great importance to the company. As stated by the informant: "From those feedbacks, we find mistakes that we can avoid the next time, and we also find problems that we are good at solving" (informant D, personal communication,

December 16, 2014). However, company D does not work systematically with knowledge management. The informant admitted that company D does not send customers formal questionnaire. The informant believes that company D should have a knowledge management system in the future. Since each client is unique, informant D said, "We should have a clear knowledge management strategy in the future" (informant D, personal communication, December 16, 2014). Empirical findings illustrate that company D worked with knowledge management and learning from previous mistakes. But the challenge is how to establish a clear knowledge management system when it comes to long-term business plan.

The empirical evidence also shows that Company D has a large network of investors, a database with over 3,000 people who are business angel and business investors. The database has categories of what industry the investors are engaged. This allows Companies D to have quick matches between their customers and the investors. The database allows the company to work effectively and productively.

(4) Market Information Processing

In order to have all the information available about the customer, the consultant should understand the business of the customer. The role of informant D in the company is a co-founder and vice president of sales and marketing. However, he is not the only one who conducts market research and collects market information. Informant D announced that, "All the partners have the responsibility of following the market trends" (informant D, personal communication, December 16, 2014). What the informant said points out that in small-sized companies; everyone has to be multi-tasking. Furthermore, the informant explained that the company has a principle: everyone should bring back useful information and share with others after each project. This indicates that company D focuses on information processing and communication. The interesting findings demonstrate that what sets Company D apart from the others is: "We have a network with student interns and start-up companies. Therefore, we get help whenever we need to conduct any kind of market research. It is kind of outsourcing" (informant D, personal communication, December 16, 2014). And the informant further explained that the usage of outsourcing usually depends on the expense and the size of the project.

Company D offers market research service for its customers, such as help customers to identify market segments. Informant D mentioned that small-sized companies have to make

decisions based on information. He also pointed out "the main problem is that usually the customer does not know how much money they can spend on acquiring knowledge. The finance situation of those clients is usually not very stable" (informant D, personal communication, December 16, 2014). That is to say the service company D can offer depends on the expense the customers can afford.

(5) Long-term Business Plan and Market Performance

Informant D also believed that it is of great importance to find a balance between sales and producing. The informant said, "We have a database of potential clients that we can approach. We also organize events and attend innovation fora" (informant D, personal communication, December 16, 2014). He further emphasizes, "The most important way to approach new clients is through networks. Our partner's personal network is the main way for us to get business" (informant D, personal communication, December 16, 2014). A long-term business plan is a long going activity, which happens parallel with the current projects. What he says indicates that an experienced consultant owns not only knowledge, but also customer relationship.

An implication of this case is that companies have to consistently find new ways to promote themselves. Instead of just depending on a database, companies have to be creative and innovative to have an access to new customers.

4.2.3 Company E

(1) Individual Experiences and Motivations to Start New Business

One of the founders of company E (Note: informant E) attends the interview. Informant E is also the chairwoman of the board in the co-working space. On behalf of company E and the co-working space, she participates in the research. Informant E started to work with design and communication in the early 1990s, and she has over 25 years' experiences in the area of design and communication. She also worked in the field of management and branding strategy consulting. Today, the informant works in sales and strategy for company E.

There are mainly two reasons motivating informant E to start her own business. The first reason is that she realized large companies have a problem of not being flexible enough. Informant E said that "I used to work for a big agency, and the thing is, when the finance

crises hit, it is those big organizations that are hurt first. And it is a trend that big companies are downsizing now" (informant E, personal communication, January 27, 2015). Secondly, when a consultant works for a small company, it is easier for the consultant to decide which project he or she will work on. Small-sized companies have the advantage of easily changing its direction and to adapt to different conditions and circumstances as they occur.

(2) Learning orientation

The co-working space was established in 2012 and specializes in the creative and cultural industry. The reason that she started the co-working space is very simple. Informant E said, "When we started the co-working space, we only wanted to sit in a place like this" (informant E, personal communication, January 27, 2015). The empirical evidences suggest that company E, as an associate member of the co-working space, can benefit from the co-working space. The informant added that the co-working circumstance is very healthy "because we are big and small at the same time." The informant further said, "Everyone is responsible for their own success, and everyone in here knows that my success is depending on others who also have success. We believe that co-operation is the new competition" (informant E, personal communication, January 27, 2015). This is in fact a collaborate economy.

There are many ways for a company to accumulate knowledge. Company E gains new knowledge through business conferences. The informant mentioned that members in company E attend business conferences, and they also speak at conferences. She further pointed out that it was extremely inspiring to attend business conferences. The company has the opportunity to build relationship with potential customers. However, attending conference is not the only way of learning. "There are many other ways to get inspiration than to sit in a room for a whole day, listening to people talking" (informant E, personal communication, January 27, 2015).

(3) Working on Projects and Knowledge Management

Company E has a project-based organizational structure with flexible organizational culture. Partners are equal with each other.

The systematic knowledge management system is easier to achieve in big consulting companies than small companies. The information mentioned, "We have evaluation meetings, but if the project is very small we do not do that unless something went wrong" (informant E,

personal communication, January 27, 2015). Company E focuses on learning from mistakes feedbacks. When the company is able to learn from mistakes, it is thereby capable to conduct double loop learning. However, informant E admitted that "we do not have a specific knowledge management system, and I wish we can arrange things here like that. So I think that is the only old fashion part about us actually" (informant E, personal communication, January 27, 2015). The empirical evidence suggests that company E does not have a formal knowledge management system or database.

(4) Market Information Processing

Companies have to constantly follow the trend of the market, and to collect market intelligence. When it comes to the question of who is responsible for information collecting and market research, the informant said everyone in the company has the responsibility. Informant claimed that "When you are a company with only five employees, normally, you do not specify too much of the positions" (informant E, personal communication, January 27, 2015). From the aspect of finance, a small company usually cannot afford to have a market research specialist. The informant mentioned that it is normally the huge international companies that have the ability to conduct market investigations, focus groups and so on. However, it is a luxury for small companies to do it. Moreover, with regards to the fact that every employee has to follow the trend of the industry, everyone has to keep his or her insight of the market. Informant E emphasized that "Everyone needs to be on top of their issues, if only one person issues the responsibility for the insight, others maybe just close their ears and eyes and focus on what they do" (informant E, personal communication, January 27, 2015). She added, "In our industry, insight is the whole foundation of being a good partner for the client." Company E applies the method of in-house research to collect market information. Furthermore, talking with clients is another way. Informant E further points out that "Talking with clients enables us to gain a deeper understanding of the clients and their business, and we may get the marketing reports from the clients" (informant E, personal communication, January 27, 2015). The informant also mentioned that usually it is only big companies that can afford to conduct market research such as market investigations and focus groups.

(5) Long-term Business Plan and Market Performance

The informant stated that "small firms struggle with sales, because many are not sales people, when they start new business, they have to make cold calls" (informant E, personal

communication, January 27, 2015). The empirical evidence shows that members of small-firms have to do more multi-tasking than ever before. Informant E has the experiences of sales and creating new business. Moreover, she also shares her own philosophy of planning for long-term business: "My concept has been to over sale, to sale more than I have capacity for." The informant further explains that "because it is better to have much to do than have little to do. And I can hire freelancers" (informant E, personal communication, January 27, 2015). However, the over-sale method may not be suitable for other companies, since Company E has a broad network of freelancers who can work for the company.

4.2.4 Cases in Group 2

The organizational structure in group 2 echoes with Mintzberg's (1979) organization archetype-Adhocracy, which indicates a highly flexible project based organization designed to deal with instability and complexity. Problem solving teams can be rapidly reconfigured in response to external changes and market demands (Mintzberg, 1979). Companies with this character usually have the ability to be innovative and adaptive. This organizational structure differs from the traditional hierarchy structure. Partners in each company all have senior experience and specialties in various fields. Partners in the small-sized consultancy cooperate with each other based on the need of a project.

Companies in group 2 have a relative stable market position and they know who their potential customers are. Companies at this stage have relatively enough customers. However, the company may still have a limited number of employees supervised by a sales manager or a general foreman (Lewis & Churchill, 1983). This statement coincides with the empirical evidences that small-sized companies do not have market specialist. Instead, every member in the company has to make efforts and see the market trends. Periodical meetings enable partners to acquire knowledge from previous projects and to share their experiences. Further, companies in group 2 conduct market information processing through internal meetings.

4.3 Across-case Study

Last two sections analyze each case separately, and it presents the significant statement of each informant. This section presents an across-case study. According to Ayres et al. (2003), the purpose of the across case strategy was to compare the experience of all participants and

identify categories of significant statement that were common among them. In this thesis, the objective of conducting across- case study is to gain an overview of the empirical findings, and to interpret significant findings by regarding the five cases as a whole.

4.3.1 Motivation to Start New Business

All of the five informants have worked for large companies before they started their own business. They accumulated experiences through their previous jobs, and the experiences become valuable sources of knowledge when they work on new business. Moreover, the informants gained insights into both existing and potential markets by working for large companies. Further, the experiences and insights encouraged them to establish their own business.

Another factor that leads consultants to start their own business is the limitation and restrictions of large companies. Large companies have highly systematic routines and hierarchical structures, which forcing its employees to work with partial problems and follow standardized procedures with strict rules. Thus, working at a large company may inhibit consultants to exploit their ability and new thoughts.

Some of the informants directly expressed they were not satisfied with their last jobs due to the bureaucratic culture. Therefore, the desire to search for new opportunity and development drove the consultants to start new business. They are eager to work in an organization with a flexible organizational environment and an innovative culture. All of the five informants have distinct backgrounds, and their backgrounds and experiences influenced them to select one or several particular fields to work in.

4.3.2 Learning through Different Ways

Similarities

According to the findings of each case, all of the five informants agree that small-size organizations have a flexible co-working environment that enables them to be creative. The five companies consistently gain new knowledge through several ways, and each of the informants emphasized the importance of learning, both at individual level and at organizational level. In general, the five companies accumulated knowledge through four ways.

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First and foremost, consultants acquire knowledge from the outside of the company, such as going to school or participate in business conferences. With the development of the consulting industry, consultants have to enrich their knowledge consistently. To attend conferences is a common method to accumulate new knowledge for the five companies. A business conference is often organized on a particular topic and convenes people with different backgrounds but same interest. A conference usually contains a series of activities, which lasts one or a few days. At a conference, the consultants can acquire knowledge about a particular issue, which they are interested in. Meanwhile, a conference allows the consultants to gain up-to-date information of their competitors and customers. However, consultants attend conference not merely to acquire knowledge; they build relationships with potential customers and partners through face-to-face meetings and networking. New ideas and tools inspire consultants during a conference, and this may lead to the improvement of their work method.

Second, materials and documentation produced in previous projects are useful learning sources for consultants. This included documents such as successful proposals, process models, marketing support, educational material, benchmarks, and other deliveries from previous client assignments (Werr & Stjernberg, 2003). The empirical evidence indicates that the five companies regard materials and documentations as an expedient source, which consultants can directly extract knowledge from. An implication of this is that materials and documentations are valuable sources for small-sized companies to acquire knowledge.

The third way of learning is through project feedback. The project feedback tells how well or badly the quality of a project the company has done and in which way the company could improve itself until the next project. Project feedback also reveals the errors and mistakes in each project. Through detecting and correcting errors, companies are able to challenge its deep-rooted assumptions and norms that have previously been inaccessible. This way of learning coincides with Argyris and Schon's (1978) concept of double loop learning. All the five cases indicate the critical role of learning from project feedback. However, what is interesting about the empirical findings is that in none of the cases do they have a standardized database for storing the knowledge extracted from project feedback. The reason is that consultants can directly acquire knowledge at the individual level without storing it into a system. Therefore, it is not necessary to build a database and store the knowledge at the organizational level.

Knowledge sharing within the company is the fourth way of learning. Consultants share their knowledge and experiences with each other through formal meetings and informal communication. The empirical findings show that companies organized internal meetings alongside each project. Consultants adjust their work method through internal meetings with his or her colleagues. Further, the significant role of internal evaluation meeting after each project cannot be ignored. Consultants discuss the critical successful factors of the project. At the same time, they also identify errors and mistakes to be avoided in the future. During internal meetings, consultants share their experiences of how to solve problems under particular situations and environments. Since the company is small, the consultants can also share knowledge through daily communications with each other. An additional finding is that companies located in incubators more easily gain new knowledge from other co-workers.

Differences

The cases have many similarities when it comes to learning. However, their learning methods also vary under different situations.

First, according to the empirical evidence, the five informants attend different conferences dependent on the particular fields that their companies work with. Both Company B and Company D serve IT-oriented customers. Thus, in order to leverage the quality of projects and services, the consultants in these two companies are required to have insights and understanding of the newest IT intelligence. Company A defines its market segment as small-sized accounting firms, and company A intends to help accounting firms to enhance their positions on market. Therefore, founder of company A is interested in the field of management strategy and marketing, and he attended business conference, such as Blue Ocean Strategy.

Second, based on the company's development stage and knowledge structure of the informants, the five companies extract different levels of knowledge from previous documentations and materials. Companies in group 1 are in the Existence Stage, and the companies' systems and formal planning are minimal to nonexistent (Lewis & Churchill, 1983). Unlike companies in the Existence Stage, companies in group 2 are in Developed Stage with well-formulated routines. Thus, the goal of these companies is to improve its work methods by eliminating or adding activities.

Third, the companies collect project feedback in different ways. This paragraph mainly focuses on companies in group 2. Company C sends a link with questions to customer after each project in order to ask for customer's feedback of a project has been done.

The customer evaluates a project from several aspects, such as the quality of service and the process of the project. Company C and D, by contrast, do not have any formal questionnaire; instead, they arrange evaluation meetings with their customers. Informant C emphasized that if the project is very small, they will not ask for customer feedback unless something went wrong. Informants C and D both mentioned that their companies need a more standardized knowledge management system in the future.

Knowledge sharing is the fourth way of learning for small-sized companies. Firms in group 1 have a simple organizational structure with only one owner. Therefore, internal knowledge sharing between members does not exist in this group. Companies in group 2 are small-sized companies at the Developed Stage. The organizational structure of these companies is partnerships without hierarchy, and the partners are equals. As a result, companies in group 2 share knowledge through internal meetings and informal daily communication.

4.3.3 Market Information Processing

Similarities

All of the informants uniformly agreed that market information processing is of great importance to their companies. In order to gain success, everyone has to follow the market trends. Firstly the company has to identify who its potential customers are and what kind of services customers need. Secondly, the company has to observe its competitors and define their strengths and weaknesses.

There is common consensus that everyone needs to have the insight in the market. However, none of the companies has a member who has the particular role of market information collection. The empirical evidence shows that there are two reasons of why no one has this particular role. First, the cash flow is limited in a small-sized company; as a result, the company cannot afford to have a person who solely collects market information. Second, even if the company can afford to have a member with this particular role, the company still believes that all of the members should gain insight. Within the consulting industry, the

understanding of both customers and competitors is the power base for a consultant. Senior consultants are used to keep themselves up to data with new intelligences and knowledge.

The way the companies generate market intelligence is similar to traditional in-house market research. Companies gather secondary information from a variety sources, such as reports from business associations, government reports and online databases. Further, the company's reports and documentations are also internal sources of secondary data. However, small-sized companies rarely collect primary data through interviews, observations and focus groups. This echoes what informant E said, it is a luxury for small-sized companies to conduct this kind market research.

Companies interpret market information into useful organizational knowledge. Intelligence interpretation allows the company to translate market information into a common language, which can be easily understood by its members. Thus, the company has to ensure that a common language exists in the organization. Interesting empirical evidence is that in small-sized companies the partners are familiar with each other's work methods, so information dissemination can directly occur at the individual level. Internal meetings are the most widespread way of information dissemination in small-sized companies. Partners share the information they collected and identify opportunities and challenges existing in the market. Further, they adjust and improve the company's strategy based on information.

Through market research, a company sets its targets and achieves its goal. Market information provides an opportunity for individuals to monitor their performance and keep up-to-date to the modern society. Eventually, a company can store the past lessons into its organizational memory and maintain a steady pace of long-term learning (Sinkula et al., 1997) based on market information processing.

Differences

According to the empirical findings, most of the companies conduct in-house market research. However, company D has a network with student interns, which enables D to collect primary data through a wider range of method than the other small-sized companies. An implication of this is that small-sized companies may also consider buying external services, such as outsourcing.

Empirical findings reveal that a company's ability to conduct market information processing is deeply embedded into the background of its founders. Informant B admitted that it remains difficult for him to identify the right market segment of his company, since he has an IT-oriented background. On the other hand, his background allows him to perceive and interpret the valuable technical data, which is complicated for managers who do not have technology background.

4.3.4 Market Performance and Long-term Business Plan

Similarities

The five informants all expressed their desire of balancing sales and producing. In brief, there are mainly two challenges for the companies to plan for long-term business. First, they have to ensure that the project they are going to work with is within the company's scale. Small-sized companies have limited time and capacity, so they cannot really compete with large and middle-sized companies for big orders. Second, small-sized companies have to make sure that the project is market value creating. Companies build and accumulate reputation through each project, especially for small-sized companies. Previous customers and clients may become references when companies approach new potential customers in the future.

The empirical evidence also shows that the consultant's personal network is a prerequisite for small-sized consulting company to promote its project. The five informants highly emphasized how they benefited from their personal networks. They approach potential customers and clients through networking. Further, the importance of a consultant's reputation can never be denied. A good reputation is a consultant's most valuable asset and competitive advantage. It is fundamental for building trust between a consultant and his or her customers. In conclusion, both the network and reputation of a consultant is the long lasting competitive advantage for the company.

Differences

Although all of the informants emphasized the importance of finding the balance between sales and production, not all of them are expert in sales and marketing. Company B in the Existence Stage still struggles to promote its business through different ways. The informant admits that the competition is tougher than he imagined.

Moreover, the informants believe in different concepts when it comes to sales. Company C and D focus on market value creating projects. Moreover, informant C also pointed out that the project fees are also taken account of. Because the company has to ensure that the project fee can cover the amount of time they spend on it. In order to broaden their business, both company A and B mentioned the importance of social media, such as LinkedIn and Google search. According to the informant A, social media is an efficient way for small-sized companies to stimulate the market.

4.4 Summary

This chapter has presented the empirical findings from field work and provided an across-case study of the five cases. According to the theoretical framework, the process of data analysis consists of four steps. First, the investigation of founders' motivation to start new business reveals that individual's knowledge and memory highly influenced its organizational memory. The second step explores the degree to which the company is learning-orientation. It also shows how company accumulates knowledge from previous projects. The third step views how company conducts market information processing and indicates that every member has to follow the market tendency. The last step is to look at how the company balances sales and production, and indicates that individual consultant's network and reputation are of great importance to a small-sized company.

The empirical findings show that the advantage of working in a small-sized company is that the consultants get an opportunity to perceive a project from different aspects. Small-sized companies usually have a flexible organizational environment with a collaborative culture. Strong corporate cultures indicate that employees are like-minded and hold similar beliefs and ethical values (Davoren, 2015). On the other side, a drawback as well as an advantage of working in a small-sized company is that the consultant has to follow the whole process of a project. Even a senior consultant has to tackle both advanced and extremely basic tasks, which may take up a large part of time the senior consultant could spend on more valued expert tasks. However, the consultant will see the whole picture of a project as well.

The primary purpose of this chapter is to present the organizational learning at small-sized companies. The ultimate goal of this chapter is to provide an understandable fundament for

the discussion chapter. Next chapter will discuss the market-based organizational learning by means of the knowledge conversion mode (Nonaka & Takeuchi, 1995).

5   Discussion

The aim of this study is to investigate how small-sized management consulting companies conduct market-based organizational learning. Before starting discussion about important evidences and suggested propositions, last chapter presents significant statements and thoughts that emerged from the empirical study. Based on the across-case analysis, similarities and differences among the five cases have been given.

The theory chapter provides a market-based organizational learning framework (Sinkula et al., 1997) and introduces central concepts around organizational learning. However, the majority of the organizational learning literature focused on large or middle-sized companies that have hierarchies ranging from top management to junior employees. Few studies have been done on market-based organizational learning in small-sized companies. Therefore, this thesis attempts to concentrate on companies with small scale. In order to adapt the characteristics of the small firms, one or several elements may be added or eliminated from the market-based organizational learning framework.

Management consulting is a project-based industry where the product is knowledge itself. This chapter defines different types of knowledge that exist in a consultancy. The objective is to gain a deep understanding of market-based organizational learning process in small-sized consulting companies.

5.1   Moving Individual Tacit Knowledge to Organizational Level

Knowledge is the central element in management consulting industry. Consulting firms consider knowledge management to be a core capability for achieving competitive advantage (Chard & Sarvary, 1997; Pasternak & Viscio, 1998). According to Nonaka and Takeuchi (1995), learning occurs first for individuals. Organizations accumulate knowledge when individuals learn. Individuals' tacit knowledge development is the fundament for organizational knowledge creation. Based on literature review and empirical findings, this section investigates how consulting companies accumulate knowledge from individual's tacit knowledge and move the knowledge to the organizational level.

Due to different organization scales, this section discusses knowledge creation in large companies and small-sized companies separately. The role of the organization in the organizational knowledge-creation process is to provide the proper context for facilitating group activities as well as the creation and accumulation of knowledge at the individual level (Nonaka & Takeuchi, 1995).

5.1.1 Large Companies- Standardized Methods and System

In a large company, both an advanced information technology and a standardized knowledge management system are the fundaments for successful knowledge creation and management. Large companies create and manage individual tacit knowledge mainly through two ways: (1) develop a work method at organizational level; (2) adopt a system and store useful knowledge into the system.

Developing a Standardized Work Method

The theory chapter labels three categories as knowledge sources for learning, namely methods and tools; cases; and experience. The typical organizational structure of large consultancies is hierarchies ranging from junior consultant to senior consultant and partners. According to (Lam, 2000; Mintzberg, 1979; Tidd, Bessant, & Pavitt, 1997), this organization archetype is called Professional Bureaucracy where individuals and functional specialization have power based on unique knowledge. Senior consultants usually hold knowledge within a specialist domain, and it is difficult to coordinate across discipline and disseminate knowledge to the organization as a whole. Therefore, large consultancies develop methods and tools to stimulate knowledge sharing in the organization. A standardized work method based on earlier learning by employees helps junior consultants tackle daily routines and basic tasks. The shared work method enables an individual to transfer his or her knowledge to others in the organization.

The development of work methods is a process of articulating tacit knowledge into explicit concepts, called Externalization. Nonaka and Takeuchi (1995) believe that unless shared knowledge becomes explicit, it cannot be easily transferred to and used by the organization as a whole. Werr and Stjernberg (2003) further claim that the externalization supports the establishment of a shared view of the consultants' activities, which facilitates collaboration and communication between consultants in projects.

Project feedback- builds a standardized system

Management consulting is a project-based industry, and companies have to enhance the ability of knowledge accumulation. Werr and Stjernberg (2003) explain that the database includes such as successful proposals, process models, marketing support, educational material, benchmarks, and other deliveries from previous client assignments.

Large consulting companies are adopting systems for accumulating knowledge from previous projects. A knowledge management system enables consultants to share their experiences and knowledge systematically. And it supports a consultant to deal with new projects under specific situations. Through the system, consultants translate their individual tacit knowledge into explicit knowledge. Knowledge stored in the knowledge management system becomes a valuable organizational memory asset.

Barriers for knowledge sharing in large companies

Knowledge is the power base in a consultancy, and client companies benefit from this knowledge sharing. Although a number of large companies have benefited from the standardized work method and knowledge management systems, knowledge sharing remains difficult for large companies. According to Dunford (2000), there is a market for knowledge in organizations, therefore it is not surprising that some potential "knowledge-sellers" believe that they benefit more from hoarding their knowledge than from sharing it. In line with Werr and Stjernberg (2003), a client relation was owned by a senior consultant. As a result, knowledge differentials exist with the organization. Sharing knowledge may lead to senior consultants losing their advantages. Thereby, senior consultants typically have slower response to knowledge sharing activities than juniors.

Although a knowledge management system helps junior consultants integrate into the company, it seems to be less useful for the seniors. Weiss (1999) argues that when consultants are "faced with a choice between serving clients and collecting connecting knowledge internally, the incentives typically line up in favor of serving clients". This indicates that senior consultants tend to spend most of their time to deal with projects and build customer relationships. Knowledge sharing may turn into an extra burden for them. From the strategic perspective, the intention to keep information and knowledge secret hinders individuals to share their knowledge.

Besides the subjective factors of individual consultants, the nature of knowledge conversion also inhibits the quality of knowledge sharing in an organization. A large proportion of knowledge sharing occurs when individuals externalize their tacit knowledge into explicit knowledge. Externalization creates conceptual knowledge (Nonaka & Takeuchi, 1995). However, knowledge is embodied in many phenomena. Only a relatively small amount takes written form; most is in informal, undocumented practices and artifacts such as stories told between colleagues (Dunford, 2000). In other words, tacit knowledge cannot be fully represented into codified and explicit knowledge. Therefore, the quality of knowledge stored in the organization may not as good as at individual level.

There is no doubt that other knowledge conversion processes also exist in large companies, such as knowledge conversion through socialization. However, due to its organizational structure, externalization is the most common form of knowledge sharing in large companies. A conclusion may be drawn from this section is that the hierarchical structure of large companies can constrain their knowledge sharing.

5.1.2 Knowledge Sharing in Small-sized Companies

Last section concluded that large companies convert individual tacit knowledge into organizational level explicit knowledge. The empirical findings, on the other hand, show that the knowledge sharing of small companies differs from large companies in several aspects. Based on their organizational structure, the findings chapter divides the five cases into two groups. Group 1 consists of two companies in the Existence Stage, and both of the companies have only one founder. Group 2 comprises of three companies in the Developed Stage.

Development of work method

According to Mintzberg (1979) structural archetype, companies in Group 1 have a "simple structure", an organic type centrally controlled by one person but can respond quickly to changes in environment. In this stage, the main problems of the business are obtaining customers and delivering the product or service contracted for (Lewis & Churchill, 1983). Informants in Group 1 emphasized that when they started to work on projects, they had to do things from scratch. Companies at this stage lack a formal knowledge and work methods system to tackle project-related tasks. The way a consultant deals with the project is deeply embedded in his or her personal experience.

In most situations, own experiences cannot ensure a consultant to successfully handle all aspect of a project. Thus, a consultant has to consistently absorb new knowledge and method alongside a project. In other words, this is a process of learning by doing, and it coincides with the knowledge conversion mode- internalization. Internalization produces "operational knowledge" about project management, production process, new product usage, and policy implementation (Nonaka & Takeuchi, 1995).

Companies in Group 2 have a flat and flexible organizational structure. Senior consultants are partners of the company, and they work as a problem-solving team toward projects. The empirical findings show that companies in Group 2 do not focus on formulating a standardized work method either. Two reasons may lead to this condition.

First, junior consultants can be quickly involved into a large company by applying a common work method or tool. Work method provides an instruction to junior consultants the way of tackling daily routines and basic tasks. However, companies in Group 2 are established and operated only by senior consultants. The partners of each company have diverse backgrounds but shared vision. At this point, it seems superfluous to develop a standardized work method.

Second, the way small companies deal with a project is that one partner works as project manager, while other partners assist the project manager with their multifunctional knowledge. Partners in a small company have shared experiences, which is the fundament of knowledge sharing at the tacit individual level. This supports the socialization (Nonaka & Takeuchi, 1995) concept of knowledge conversion mode. The shared experiences act as a common language in a company, which ensure that the partners can understand each other's tacit knowledge relatively easily.

Project feedback Double loop learning

All of the informants emphasized that their companies put a great effort into analyzing the project-feedback from their customers. In general, companies ask for project-feedback in two ways. First, companies send a link with formal questionnaire to customers, so the customers can evaluate the quality of projects by filling in the questionnaire. The second method is that companies arrange a formal meeting with customers to discuss the quality of the project. Project-feedback reveals errors and mistake that can be avoided by next time. Further, it provides the company an opportunity to improve its working process and leverage its service quality.

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However, according to the empirical findings, small-sized companies do not have a standardize system to manage data from previous projects. Companies in Group 1 are at the Existence Stage, and the owners directly supervise their companies' activities. Once the company receives a project-feedback, the owner will directly combine the explicit knowledge of the feedback into his individual tacit knowledge base. This echoes the knowledge conversion mode of internalization. When experiences through socialization, externalization, and combination are internalized into individuals' tacit knowledge bases in the form of shared mental models or technical know-how, they become valuable assets (Nonaka & Takeuchi, 1995).

Group 2 consists of companies in the Developed Stage, and the partners collaborate in each project. All of the three companies mentioned that once their companies receive a project-feedback, they would arrange an internal meeting to discuss the merits and mistakes of each project. Partners communicate and share knowledge through meetings, and they restructure their own knowledge systems rapidly.

Both of groups learn from the process of detecting and correcting errors. Lewis and Churchill (1983) define error is for our purposes any feature of knowledge or knowing that inhibits learning. This learning process is called double loop learning. Through double loop learning, small-sized companies detect errors, and improve their working process by turning errors into successes. Individual consultants exchange and combine different explicit knowledge, and internalize this knowledge into their individual tacit knowledge. Nonaka and Takeuchi (1995) point out that tacit knowledge of individuals is the basis of organizational knowledge creation. Thus, the individual's experiences and knowledge influence the organizational memory in small-sized companies. From the long-term perspective, the accumulation of individual's tacit knowledge will further lead to the change of the organization's norms and behavior. An implication of this section is that small-sized companies do not need a standardize database to learn from previous project. Instead, double loop learning enables the individual consultant to internalize explicit knowledge into their tacit knowledge, which further influences the organizational memory.

5.2 Market Information Processing

This section investigates market information processing in light of the knowledge conversion model. The first part explains why every member has to gain market insight. Further, I discuss four primary constructs of market information processing.

The empirical findings show that nobody has a particular role of market information processing in small-sized companies. This phenomenon exists for a number of reasons. First, cash flow is extremely limited in small-sized companies, especially companies at the Existence Stage. As a consequence, small-sized companies usually cannot afford to have one who solely takes the responsibility of information collection. Second, in order to keep abreast with customers and competitors, every member needs to acquire customer perceptions. Last but not least, compared to large companies, small-sized companies have a flexible and flat organizational structure. Therefore, information dissemination occurs at the individual level first.

The theory chapter explains that market information processing consists of four primary constructs: information generation, information dissemination, information interpretation, and organizational memory (Day, 1994; Dixon, 1992; Huber, 1991; Sinkula et al., 1997). Based on the knowledge conversion model, this section analyzes how interaction between tacit and explicit knowledge occurs during market information processing.

Information generation

Information generation is arguably the most important element of market information processing because, without it, there is no opportunity for the firm to keep abreast of its customer and competitor (Sinkula et al., 1997). The limited number of cases illustrate that small-sized companies collect market information from each project. Companies interact and have dialogues with customers continuously. At this point, the communication between company and customer occurs mainly at the explicit level via media like telephone communication, sending emails, and face-to-face meetings. Further, Nonaka and Takeuchi (1995) also assert that interaction with customers is a never-ending process of sharing tacit knowledge and creating ideas for future.

Additionally, the empirical evidence clearly suggests that it is a luxury for small-sized companies to conduct complex market research, such as observations and focus groups. Small-sized companies generate market information primarily through in-house market research, and this action may be sporadic and irregular. Small-sized companies reconfigure

existing information through sorting, adding, combining, and categorizing explicit knowledge (Nonaka & Takeuchi, 1995). It is a process of combining that systematizes explicit knowledge into an individualized knowledge system that is only partly shared with colleagues. In conclusion, small-sized companies generate market information and convert it to knowledge through socialization and combination.

Information Interpretation

Information interpretation is a critical construct between information generation and dissemination. However, the literature review reveals that previous research often neglected the critical role of information interpretation. The shared mental model plays a significant role in interpreting information through an organization.

According to Day (1992) and Senge (1990, 1992), the effectiveness of market information processing ultimately depends on the degree to which the mental models used for interpreting information are adequate representations of reality and, especially, whether the assumptions about the market and the key relationships between actions and outcomes are accurate and shared throughout the organization. This implies that a shared mental model is indispensable to ensure the interpretation of market information in an accuracy way. The first section indicates that consultants who have shared mental model can share their individual tacit knowledge with each other easily. Partners of the cases have shared experiences, which allow them to interpret information in an adequate way.

Information Dissemination

Information dissemination is the process by which information is shared and diffused horizontally and vertically throughout the organization (Argyris & Schön, 1978; Jelinek, 1979). Due to the simple structure of small-sized companies, its information dissemination process is not as complicated as in large consultancies.

Companies in Group 1 have "simple structure" with only one owner. The owner is the business, and is the major supplier of energy, direction, and capital (Lewis & Churchill, 1983). As a result, the owner can directly internalize the interpreted market information into one's knowledge base. This enables the owner to response to market changes rapidly.

Group 2 are companies at Developed Stage, and the partners are equal with each other. The partners are expected to stay updated with the newest market insights. This condition leads to

that each partner holds a piece of unique market information and interprets the information individually. As a result, information differentials may exist within the company. In order to reduce the information differentials and promote multifunctional knowledge, small company has to raise information dissemination throughout the organization.

When the information held by individuals needs to be shared, consultants disseminate it basically through two ways. First of all, companies arrange periodically meetings so that partners can share information rapidly and efficiently. Information shared at a meeting is in the form of explicit knowledge. During the meetings, consultants combine and reconfigure different bodies of explicit knowledge into their own knowledge system.

Another way of sharing market information occurs at tacit level, when partners have informal communications with each other. For explicit knowledge to become tacit, it helps if the knowledge is verbalized or diagrammed into documents, manuals, or oral stories (Nonaka & Takeuchi, 1995). For example, a consultant may already internalize market information into one's tacit knowledge before he or she share it with others. At this stage, the consultant can directly share one's new insights to colleagues through informal communication, such as story telling. And this way of information sharing refers to socialization.

Organizational Memory

The theory chapter introduces the concept of organizational memory. Organizational memory exists both in tacit and explicit forms, but mostly tacit. Individual's actions and behaviors can be recorded in the knowledge management system as shared beliefs and experiences. Further, the organizational memory stores those experiences and behaviors in the form of collective knowledge for future use. All organizations continuously produce and accumulate collective knowledge. However, Sinkula (1994) argues that organizational memory is related to organizational age and growth.

The first section mentions that large companies have standardized system and database to retain collective knowledge, such as formalized procedures and routines. Therefore, individual knowledge can be systematically synthesized and preserved into organizational memory.

The condition at small-sized companies is not the same. Organizational memory is influenced by the founders' knowledge plus any additional knowledge acquired prior to its birth (Huber,

1991). An enormous amount of knowledge exists at individual level stimulating learning among members at the individual level through socialization. On the other hand, it inhibits the creation of collective knowledge. Pasternack and Viscio (1998) argue that the key knowledge in an organization is held by individuals, unless there is some structure to retain it within the organizational memory. When a person leaves the organization "a mass of knowledge goes right out the door with that person". The situation appears to be problematic and has been increasing the instability of small consultancies. Small consultancies would benefit from finding solutions for enhancing their organizational memory. A major goal of the next section is to discuss the possible methods to resolve this problem.

5.3 Best Practice of Market-based Organizational Learning

This section proposes the best practices of market-based organizational learning for practioners at small consultancies. The empirical findings prove that founders have to start market-based organizational learning before they establish new business. Consequently, this section has implications for small-sized companies in three stages: (1) preparation stage, (2) existence stage, (3) developed stage.

5.3.1 Preparation Stage

The data analysis shows that some founders lacked a thorough market research before they started their new business. This may make it difficult to find potential customers. For example, founder of Company B has struggled to identify the exact market segment for his company. He admitted that the lack of market research inhibits the company to approach potential customers. An implication drawn from this is that founders must acquire market research skills. Huber (1991) argues that what an organization knows at its birth will determine what it searches for, what it experiences, and how it interprets what it encounters.

Individuals extend their knowledge base through several ways. First, consultants accumulate experiences from their jobs. Empirical findings reveal that founders of the companies have experiences from large consulting firms. When experiences through socialization, externalization, and combination are internalized into individuals' tacit knowledge bases in the form of shared mental models or technical know-how (Nonaka & Takeuchi, 1995), they

have been stored in individual's tacit knowledge base. Second, consultants have to ensure that they have the ability to generate and interpret market information either by themselves or through outsourcing. Unfortunately, their cash flow is limited. As a result, learning how to collect market information by oneself is the best solution. Learning from school or conferences is the best method of combining different bodies of explicit knowledge. Last but not least, sharing others' experiences and lessons will leverage one's tacit knowledge. Consultants can re-experience others' story by attending business conferences or by talking with entrepreneurs.

5.3.2 Existence Stage

A challenge many companies have faced in the Existence Stage is to maximize the spread of their influences. As mentioned, the main problems of companies in Existence stage are obtaining customers and delivering the product or service contracted for (Lewis & Churchill, 1983). Consultants approach potential customers through their personal networks. The personal network is the most valuable asset for a consultant. Consultants have started network building ever since they started their careers. And the personal network is rooted in his or her tacit knowledge. Further, the importance of consultants' reputation can never be denied. It is the basis of trust between consultants and customers. Besides network and reputation, small-sized companies have to maximize their market influence through methods, such as social media. The empirical evidence indicates that companies in the Existence Stage focused on spreading their influences, and the use of social media is regarded as the most efficient way.

Interaction with customers before product development and after market introduction is a never-ending process of sharing tacit knowledge and creating ideas for improvement (Nonaka & Takeuchi, 1995). Companies can build customer relationship and promote new projects by continuously communicating with customers.

5.3.3 Developed Stage

Besides maximizing the spread of influence, a major challenge for companies in the Developed stage is to enhance organizational memory. Section 2 reveals that the degree to which small-sized companies stored and preserved knowledge into their organizational memory is low. Organizational knowledge creation is a spiral of the interaction between different modes of knowledge. Therefore, Nonaka and Takeuchi (1995) propose five

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conditions at the organizational level to advance collective learning: Intention, Autonomy, Fluctuation, Redundancy and Requisite Variety.

Autonomy and Requisite Variety

The first two conditions that promote the knowledge spiral organizationally are autonomy and requisite variety. Based on the data analysis we found that the two conditions are already rooted in the nature of small company. This may explain the flat and flexible organizational structure, which encourages collective learning.

First, autonomy is the condition that provides an autonomous circumstance, which motives individuals to create and acquire knowledge proactively. From the viewpoint of knowledge creation, such an organization is more likely to maintain greater flexibility in acquiring, interpreting, and relating information (Nonaka & Takeuchi, 1995). The empirical findings show that small-sized consulting companies have a flat and flexible organizational structure. All of the informants emphasized the benefit of the flexible organizational structure. It gives the consultants a feeling of control of their own job and motivates them to improve their knowledge base. Moreover, individuals can generate information from different sources and interpret the information by their own methods. In summary, small-sized consulting companies already have the nature of autonomy. What they missing are collective learning.

Second, requisite variety refers to that an organization's internal diversity must match the variety and complexity of their environment in order to deal with challenges posed by environment (Ashby, 1956). The flat organizational structure allows members to have an equal access to the collective knowledge and necessary information. This structure leads to the elimination of information differential in the organization.

Intention and Fluctuation

The third and fourth conditions for advancing the knowledge spiral are intention and fluctuation. By promoting these two conditions, an organization is able to enhance its learning orientation through shared vision, commitment to learning and open-mindedness.

The knowledge spiral is driven by organizational intention, which is defined as an organization's aspiration to its goals. It is important to conceptualize a vision about what kind of knowledge should be developed and operationalized into a management system for implementation (Nonaka & Takeuchi, 1995). This supports the contention that shared vision

(Day, 1994) is a crucial foundation for proactive learning. Without a shared vision, individuals are not able to ensure that their individual tacit knowledge can be upgraded to the organizational level.

The empirical evidence implies that partners of the cases, in fact, already have shared experiences. However, it is difficult to store individual knowledge into the organization's memory bank. As a result, the companies have to consistently strengthen shared vision among partners. Partners have multifunctional knowledge and backgrounds, and this may lead to different ways of accumulating and interpreting knowledge and information. In an ambiguous environment, even if one is motivated to learn, it is difficult to know what to learn (Sinkula et al., 1997). Thus, shared vision influences the direction of learning and provides a collective interpretation of different sources of information. Further, with a shared vision, partners can achieve a consensus easily and response to changes rapidly. Without intention it would be impossible to judge the value of information or knowledge perceived or created (Nonaka & Takeuchi, 1995).

Although individual learning is a key ingredient of collective learning, Nonaka and Takeuchi (1995) argue that instead of relying solely on individuals' own thinking and behaviors, the organization can reorient and promote them through collective commitment. In order to stimulate the learning culture of the company, small-sized companies have to raise the collective commitment to learning among partners.

Nonaka and Takeuchi (1995) point out that fluctuation allows individual to question the validity of one's basic attitudes toward the world. The fluctuation condition echoes the "open-mindedness" element in the market-based organizational learning framework. Day and Nedungadi (1994) argue that mental models, deeply held images of how the world works, limit us to familiar ways of thinking and acting. The theory chapter introduced the concept of unlearning, which refers to the degree an organization is willing to change previous beliefs and routines. An organization with open-minded members tends to react quickly to different situations and bring unexpected opportunities to the organization.

Redundancy

The fifth condition that advances knowledge spiral organizationally is redundancy. This condition may provide a circumstance that accelerates individual tacit knowledge sharing at the organizational level. Nonaka and Takeuchi (1995) point out that the concept of

redundancy refers to the existence of information that goes beyond the immediate operational requirements of organizational members. In a company, redundancy means to share multifunctional information between different departments or members throughout the company. Small companies attempt to conceptualize formalized procedures and meaningful information at the Developed stage. Therefore, redundancy is especially important in the concept development stage, when it is critical to articulate images rooted in tacit knowledge (Nonaka & Takeuchi, 1995)

The main channels of information dissemination in small companies are periodical meetings and informal communication. The concept of redundancy increases the frequency of information dissemination and allows the members to interpret information from new viewpoints. Individuals are able to invade each other's functional boundaries (Nonaka & Takeuchi, 1995) and acquire situation-specific information.

However, redundancy is not the same as sharing inefficient and unnecessary information. In contrast, companies have to enhance the tension between knowledge creation and knowledge sharing. One way to deal with the possible downside of redundancy is to make clear where information can be located and where knowledge is stored within the organization (Nonaka & Takeuchi, 1995).

Individual Memory and Redundancy- new elements of the framework

This section discusses possible conditions that can enhance organizational memory. In general, autonomy and requisite variety are rooted in the nature of small companies. Furthermore, intention and fluctuation can be promoted through a learning orientation. Redundancy appears to provide a new perspective of promoting learning across the organization. Considering the characteristics of small-sized companies, a great amount of knowledge is solely available to the individual. Therefore, it is critical to ensure that individual knowledge can be converted to the organizational level rapidly and frequently.

Based on the discussion, I believe that a redundancy condition allows an organization to upgrade its organizational memory continuously. The theory chapter illustrates the market-based organizational learning framework (Sinkula et al., 1997) for primarily large, well-established organizations. However, the empirical evidence indicates that small-sized companies cannot directly employ the original learning framework. Its constraints in small-

sized companies are obvious. The major limitation is to preserve individual knowledge in the organizational memory.

Recall that the research question is: "how small-sized management consulting companies conduct market-based organizational learning?" I recognized that small-sized companies struggled to stimulate collective knowledge. It seems unrealistic for small companies to increase the expenditure on knowledge management system or information databases. Develop a knowledge management system refers to a long-term strategy and a continued improvement program for small companies to retain its organizational information and knowledge. From a short-term perspective, organizations need a shared cognitive system to enhance their learning culture. The extra information held by individuals across different functions helps the organization expand its knowledge-creation capacity (Nonaka & Takeuchi, 1995).
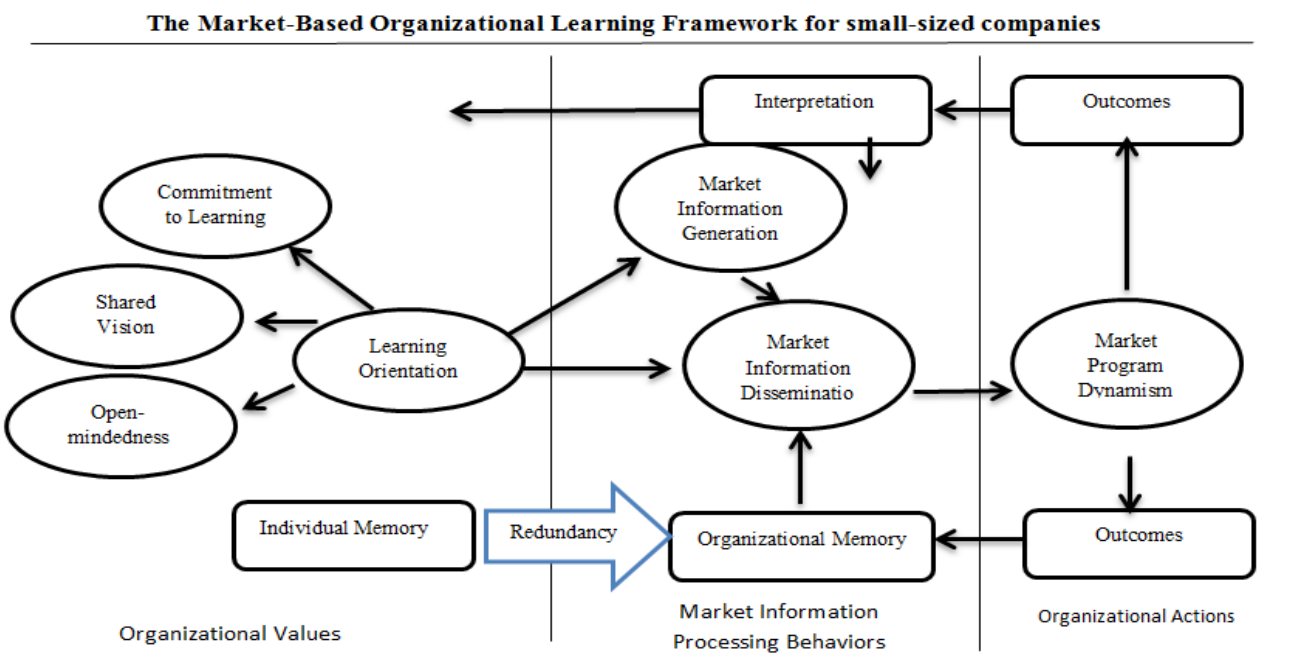

Figure 5: The market-based organizational learning framework with new elements. Based on the original figure of Sinkula et al. (1997)

Thereby, in order to promote collective knowledge for both the short- and long-term, this thesis proposes a new framework (Figure 5) based on the original one (Sinkula et al., 1997). A new element "Individual memory" has been added to the framework. Further, the new framework linked "Individual memory" with "Organizational memory" through

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"Redundancy". By advancing a redundant condition, individual memory can be leveraged into the organizational level through the knowledge spiral. This will further enhance companies' market orientation and innovation ability.

6 Conclusion

This thesis investigates market-based organizational learning processes of small-sized consulting companies. Two types of tacit and explicit knowledge have been clarified. The objective has been to explore the knowledge conversion process under different conditions. The ultimate goal of the research is to contribute to the creation of collective knowledge and organizational memory.

Indeed, much scholarly attention has been devoted to organizational learning in large organizations. Scholars have focused on the interaction between different departments and throughout the hierarchies in large companies. The organizational learning activities in small-sized companies received less attention than they deserved. The number of small business has been increasing rapidly during the last decades. Therefore, research on small business has significant implications to both academicians and practioners.

All organizations learn, large or small. What they learn affect how they search, what they pay attention to, and how they interpret what they find (Sinkula, 1994). Based on the market-based organizational learning framework, the internal knowledge and experiences emerged from previous projects are the most valuable treasure to consulting companies. Besides the internal knowledge, this study emphasizes market information as a critical source of external knowledge for an organization.

By interviewing founders from five small-sized companies, I answered the four empirical research questions. First, the founder's individual knowledge based highly influenced the development of small business. A common motivation of starting new business is that all founders are pursuing a flexible work environment. The empirical evidence also shows that each founder continuously gains new knowledge through several ways. Second, small-sized companies rarely focus on building a standardized work method. The way consultants deal with project deeply rooted in their previous experiences. Third, instead of building a standardized knowledge management system, small-sized companies usually preserve knowledge at individual level. Empirical findings reveal that most small-sized companies do not have the capacity and cash flow to create a database to store knowledge. Fourth, the market information processing in small companies differs from large companies. Partners have to be multi-task, and every consultant has to gain new insight and keeps up-to-date to new trend. Consequently, each partner holds a part of important knowledge and information.

The empirical study indicates that small-sized companies faced a common problem, which is to enhance the organizational memory. The original market-based organizational learning framework constrains the interaction between individual tacit knowledge and collective knowledge. This problem leads to that when a partner leaves an organization; the small consultancy may lose a great amount of knowledge. In order to overcome this difficulty, this study provides a new market-based organizational learning framework for small companies. The new framework adds new elements on the basis of the original one. Therefore, through the redundant condition, small companies can rapidly leverage individual knowledge into organizational level, and further store the collective knowledge into organizational memory.

6.1 Implications

Practical Implication

A succeed small-sized company experiences several development stages. In order to enhance learning ability, companies have to apply adequate methods to learn. Practioners have to firstly identify the development stages of their business, before they started to conduct organizational learning.

In preparation stage, founders have to acquire skills, such as market research and market information analyze. The empirical evidence indicates that the knowledge and experiences, founders accumulated from previous jobs, played a significant role in their new business.

In the existence stage, small companies have to maximize their influences through different methods. Consultants' personal networks are regarded as the most efficient way to promote business and potential customers. Moreover, founders have to stimulate the market through several ways, such as attend business conferences and utilize social media.

In the developed stage, the main challenge is to promote collective knowledge. Besides accumulating individual knowledge, consultants need to focus on knowledge sharing within the organization. It is of great importance that companies can provide channels for members to communicate and share knowledge.

Above all, regardless which stages the companies are in; learning is the ultimate goal for every company. The learning ability enables companies to performing particular activities more efficiently than competitors (Porter, 1996).

Theory Implication

From the behavioural perspective, the thesis investigates organizational learning by examining the market information processing. This perspective believes that learning occurs alongside the organization's information generation, interpretation and dissemination. An organization accumulates its collective knowledge through market information processing. Moreover, the market-based organizational learning framework also highlights the importance of the cultural perspective. The learning orientation component in the framework enhances the learning culture.

I conducted the research by utilizing the knowledge conversion model. The basis for applying this model is to view the organization as a cognitive entity. By exploiting the interaction between tacit and explicit knowledge, the companies' learning activities have been represented in the form of socialization, combination, externalization and internalization. Further, this thesis provides a new market-based organizational learning framework by adding new elements to the original framework.

6.2 Limitations and Further Research

No research is perfect. The limitations of this research are as follows. First, the sample is very small. This affects the certainty of how representative the five cases are of the whole population. Secondly, only one partner in each consultancy has been interviewed. Thus, only one type of position that of the founder/leader has been represented. Thirdly, the cases are all located in the Oslo and Akershus area, which is the most market oriented area in Norway (DAMVAD, 2011). We can therefore not be sure that the research results represent the organizational learning conditions in Norway. Finally, due the anonymity of the cases, future researchers cannot replicate the study in the same companies.

Suggestions for Further Research

Take into account the research limitations; further research can be done in other regions in Norway, especially in Troms, Møre og Romsdal and Hordaland, where the rate of market orientation is lower (DAMVAD, 2011). Research can also be done in other Nordic countries, allowing comparative study of small-sized companies across borders.

The thesis proposes a new market-based organizational learning framework. Further research could examine whether there exists channels for promoting collective learning other than meetings and individual communication. It would be interesting to conduct research with all members of small consulting companies. This will allow the researcher to explore the knowledge sharing activities in greater depth. In other words, further research can examine other reasons that promote and constrain knowledge sharing in an organization.

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Appendix

Appendix 1: Interview guide

Part A: Background Questions of the company

1. Can you briefly describe the history of your company?

2. How long have you been working with your company, and in which positions?

3. How many employees does your company have?

4. What advantages do you have by being a small-size company?

5. Are there any challenges you faced by being a small-size company?

Part B: Market Information Processing

6. In your company, who is responsible for collecting market information? How do they generate market information?

7. In general, what kind of market strategy does your company have?

8. When you find something important about your customers, is it difficult to change your strategy if needed?

9. How much communication happens between your company and the customers? And how important has this communication been?

10. Does your company help your customers to generate business intelligence? And in which way you interpret business intelligence?

11. To what degree do you think business intelligence is importance for your company?

12. Have you faced any difficulties in working with projects because your company lacked the knowledge of your customers or your competitors?

Part C: Knowledge management and Organizational learning

13. Project output: After you deliver each project, does your company have any summary of these projects?

14. How do you handle feedback from your customers including complaints?

15. Does your company attend conferences in consulting industry? If yes, how often? Do you think those meetings are useful?

16. Competitive advantages: anything your company can, your competitors cannot?

Part D: Closing

Well, I have no more questions. Thanks for your time.

Appendix 2: The Information and Consent Form

Interviewer: Shimeng Liu, Center for Technology, Innovation and Culture

Usage of information:

- Permission to record the interview must be given in advance.

- All transcribed material will be anonymous.

- Tapes and transcripts will be made available to informants who request them.

- Informants have the right to change an answer.

- Informants can contact interviewer at any time in the future to alter or delete any statements made.

- Informants can discontinue the interview at any stage.

- Informants can request that the audio recorder be paused at any state during the interview.

By signing this document, the interviewer confirms that he will commit to the description above.

By signing this document, the interviewee confirms that he or she is familiar with the above information, and agrees to participate in the research project.

Interviewer:

Interviewee: