The linkage between organizational learning and strategic renewal. A case study within the fishing industry

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Abstract

This study attempts to investigate the linkage between organizational learning and strategic renewal. The investigation itself is performed as a single case study within the fishing industry and has been embedded at the company that has undergone many strategic actions in recent years. The study mainly focuses on organizational learning, strategic renewal, and the strategic process itself.

This thesis addressed the research question of *what is the linkage between organizational learning and strategic renewal*. The research will focus on organizational learning and integration of strategy trough empirical research that investigates the process of strategic renewal utilizing a framework of organizational learning. The study also demonstrates the fundamental processes that forge the tension between exploration and exploitation, showing the challenge of strategic renewal. Therefore, the study shows how an organization makes use of the theory behind organizational learning and strategic renewal to be sustainable and thriving in such a rapidly changing environment, as well as an importance of knowledge acquiring from external resources in order to take appropriate actions to comply with firm's environment and gain a competitive advantage. Also a new model on how organizational learning occurs and flows through a company and its linkage to strategic renewal was elaborated. The study has theoretical and practical implications and suggestions for further research.

Key words: organizational learning, strategic renewal, strategic process, absorptive capacity, competitive advantage

1. Introduction

Recent studies have emphasized that conceiving organizational learning is the prime means of achieving the strategic renewal in a firm (Crossan, Lane, & White, 1999). Both long and short-term strategies would be shaped and re-shaped according to changes in the environment to ensure that the organization would meet the expectations set forth by the stakeholders and also to ensure the future growth of its capabilities. Competitive advantages is maintained by having a flexible and dynamic structure that allows for new learning from internal and external resources to be processed and implemented in the day to day routines and processes of the organization. Crossan and Berdrow (2003) have defined strategic renewal as an organizational capability to interpret its environment and to incorporate its findings in line with new strategies, structure, process and products. Allowing for quick and decisive actions to be taken in line with environmental shifts is therefore crucial for an organization to maintain the competitive edge.

1.1 Research Approach

For several reasons the linkage between organizational learning and strategic renewal within the fishing industry is important to map out.

First of all, this industry is one that is constantly undergoing change due to the volatile nature of the resources at hand. What might be a lucrative business model for the organizations operating in this environment today might be subject to changes that can be imposed either by governmental bodies, shifts in the market due to consumer preferences or the depletion of the natural resources that form the bases of operations tomorrow. These shifts in the environment that could be imposed from many different aspects of the business is what drives the organizations to learn and in turn enable strategic renewal to take place, creating new routines and processes within the organization. Some strategic renewal actions being carried out could also be considered proactive, like investments in processing

equipment on the fleet itself or investments in new buildings. Because the Russian government rewards this kind of pro-active investments with bigger quotas, positioning via investments is of the utmost importance to enable for growth of the company, it is of particular interest to study strategic renewal within a Russian context. It is also important for the industry itself to investigate what makes some organizations thrive and flourish under these conditions and how they accomplish this. Secondly, to understand the mechanisms that contribute to a sustainable environment for the company that operates and not only sustain but and also grow under these conditions while at the same time safe guarding the natural resources that is their foundation must be an important question to analyse for all of us. Lastly, the organizations that have experience over time in the fishing industry also have the tacit knowledge of how to profit without endangering the sustainability of the resources they manage. Therefore, to investigate how a company can obtain and evolve this knowledge is important to the organizations within the industry.

1.2 Research Question

The main research problem that is raised in this thesis is: 'Why some fishing companies sustain strategic renewal while others have no success?' In order to investigate this problem, organizational learning, contextual factors of learning, organization environment, and acquiring of external knowledge were taking into consideration, and the research question is formulated as: *What is the linkage between organizational learning and strategic renewal?*

To substantiate the research question, the following sub-question is raised.

- How to measure the capability of using external sources as a useful resource for organizational learning and strategic renewal?

There are many factors that can lead to success or fail in the company's strategic renewal. It happens frequently that there are great ideas and preconditions for the renewal to

occur, but in fact these actions might lead to understanding of the lack of existing knowledge, communication problems in the group and between the different organizational levels, as well as disability to acquire knowledge form external resources and failure to adapt to a constantly changing environment. Thus, all the above mentioned factors will be considered in this research.

In this study, a literature review elaborating on organizational learning and strategic renewal will be conducted. There will be a methodology part that shows how the research question will be investigated. Based on data analysis, the findings chapter will be presented, as well as the linkage between theory and findings that will be shown in the discussion part. Finally, the conclusion will be drawn in the last chapter. The conclusion will answer the research question and sub-question and propose suggestions for further research.

2. Literature review

The following theoretical part contains a summary of literature review on some of the most significant, and, therefore, most mentioned studies of organizational learning and strategic renewal, that has been conducted within the last few decades. It was important to get an outlook of various theories within this certain research area and find out a suitable theoretical framework for my thesis. The 4I framework of organizational learning, elaborated by Crossan et al. (1999) and how it explains the phenomenon of strategic renewal (Crossan & Berdrow, 2003) is selected as a framework for the discussion part of this thesis, because it provides an adequate interaction between organizational learning and strategic renewal.

Learning itself is a conscious, analytical process. "*Learning* is the development of insights, knowledge, and associations between past actions, the effectiveness of those actions, and future actions" (Fiol & Lyles, 1985, p. 811). However, the ties between experience, knowledge, and consciousness are more complicated than normally presumed (Crossan et al., 1999).

Organizational learning is defined as "the process of improving actions through better knowledge and understanding" (Fiol & Lyles, 1985, p. 803). "All organizations learn, for better or worse, and the challenge is to understand the pattern of organizational learning and manage it within its unique context" (Crossan & Berdrow, 2003, p. 1103). Nevertheless, it is essential to detail organizational learning in the beginning and further to evaluate whether the organizational learning process is appropriate for the organization, given its context (Crossan & Berdrow, 2003). The supposition that learning will enhance future performance exists, but the question is arising regarding a distinct explanation of learning and measurement of it (Fiol & Lyles, 1985).

2.1 Individual learning

Individuals' learning is certainly essential in organizational learning. "Organizations have no other brains or senses than those of their members" (Hedberg, 1981, p. 6). Organizations fairly often know less than their members.

Simon (1991, p. 125) sees two ways of an organization to learn: "(a) by the learning of its members, or (b) by ingesting new members who have knowledge the organization didn't previously have". Individual learning in organizations is a more social, rather than individual, phenomenon. Individuals should acquire new knowledge and efficiently integrate it into groups, before organizational learning can take place (Simon, 1991).

Learning is a conscious, analytical process whether it is at the individual, group, or organization level. "Intuition is the beginning of new learning" (Crossan et al., 1999, p. 527).

Weick (1995) defined *intuiting* as "the preconscious recognition of the pattern and/or possibilities inherent in a personal stream of experience" (as cited in Crossan et al., 1999, p. 525). The recognition of subconsciousness is crucial for understanding how people discern something new for which there was no prior explanation (Underwood, 1982).

Neisser (1976) gives the explanation of intuiting as a process of (past) pattern recognition supporting it with an example of chess masters to explain expert intuition. In the process to superior solutions, it would have taken much deliberation and planning to become the obvious thing to do without any conscious thinking. Tacit knowledge is the result of information acquired over time and training (Polanyi, 1967). Hence, in the identical situation we will recognize the pattern and know what to do.

However, Nonaka and Takeuchi (1995) state that intuition may lead the actions of the individual, but intuition is complex to share with others. Some scholars have recognized metaphors as a critical link in the progression from intuitive individual insight further to shared interpretation. Metaphors make a transfer from the known to unknown in order to help

to explain intuition and share it with others (Tsoukas, 1991). Metaphors provide individual insight to others and mark the beginning of the interpreting process (Crossan et al., 1999).

Whereas intuiting process is concentrated on the subconscious process, *interpreting* focuses on conscious elements of the individual learning process. Individuals establish cognitive maps regarding to areas they operate in (Huff, 1990). Language is a crucial element in the process of cognitive maps development. It helps individuals to name and start to explain their insights (such as feelings, experience, etc.) and subsequently make definite connections between them.

Interpreting depends on a domain/an environment within which individual and organization operate, and sources of information is essential for the interpretive process understanding (Crossan et al., 1999). Weick (1979) asserts that people are more likely to see something when they believe it rather than believe it when they see it. Every person is different what has an effect on how he/she thinks, acts, interprets the data and develops own cognitive maps. Therefore, equivocality is a problem of both individual and shared understanding within a group, which can be usually cleared up through a group interpretive process (Weick & Van Orden, 1990).

As a social activity interpreting allows individuals to communicate and create shared understanding of an environment. Within a group of people with different background and individual understanding, even high-grade information can still be equivocal, containing diverse meanings (Daft & Huber, 1987). It is here that language helps to reduce the equivocality by means of interpreting, up to the point when the common direction of activities and group dynamics are set (Daft & Weick, 1984; Hurst, Rush, & White, 1989). As far as the interpretive process is over and the group got shared understanding of the data, the integrating process begins.

2.2 Organizational learning

Many theorists assume that organizations cannot do anything on their own and that they only have what people bring, since only people and alliances of people can have goals (Cyert & March, 1963; Hunt, 1968). "Organizations, as such, do not learn; members of organizations learn" (Hedberg, 1981, p. 6). Therefore, although organizational learning takes place by means of individuals, the conclusion that organizational learning is just a sum of their members' learning, is wrong (Hedberg, 1981).

Learning occurs permanently over time and through different levels. Besides, it makes a sort of tension between exploration (new learning feed forward) and exploitation of obtained knowledge (feedback) (Crossan et al., 1999; March, 1991). The feed forward process provides the flow of new ideas and actions from the individual to the group and to the organization levels; whereas feedback process allows institutionalized knowledge being utilized by individuals, affecting how people act and think (Crossan et al., 1999). The probability on new learning to be institutionalized in a great extent depends on the group dynamics and social processes that can contribute to or impede the organizational learning.

Integrating is a process "of developing shared understanding among individuals and of taking coordinated action through mutual adjustment" (Crossan et al., 1999, p. 525). The coherence among group members is an essential condition for conversation, and shared practice creation (Seely-Brown & Duguid, 1991). Language is a powerful tool that promotes conversations and dialogues, and gives the possibility to group shared meaning to be created (Daft & Weick, 1984). "Dialogue and joint action are crucial to the development of shared understanding" (Crossan et al., 1999, p. 525).

The evolution of the language within an organization is a precondition for learning and renewal. Conversation and dialogue can be used not only for transferring, but also for evolving new meaning and shared understanding (Crossan et al., 1999).

However, as well as on interpreting phase, the context of the integrating process is important. The conception of "communities of practice" created by Seely-Brown and Duguid (1991), reveals the need for individuals to understand the situation in which practice occurs in order to influence learning and innovation processes.

Weick and Roberts (1993) consider storytelling as a critical part of the learning process. Actual practice is what has been gathered and shared by community members through stories based on own experience and background. In such a way, stories become a part of the collective memory capturing the wisdom of generations.

Integrating process itself is ad hoc and informal, but as far as action is coordinated and becomes periodic and significant, it will be institutionalized (Crossan et al., 1999).

Institutionalization is a way for the organization to make use of the individual members and group knowledge. The organization aims to aggregate the patterns of individuals' interaction by formalizing them (Crossan et al., 1999). The organization has a tendency to formalize coherent actions into routines by means of plans, procedures, and structures. Once the routine is created, the organization utilizes it to reach the commercial ends (Simons, 1991; 1994).

As far as something is institutionalized, it exists for a certain period of time independent of individuals. The tendency of changes in systems, structures, and routines is weak. That is why any organizational changes have more radical, rather than incremental nature (Crossan et al., 1999). The transfer of learning, though, takes time to proceed from individuals to groups and from groups to the organization.

2.3 The Individual-Organizational learning dilemma

Individual learning is significant for organizations; however, organizational learning is not just the sum of every participant's learning (Fiol & Lyles, 1985). The conclusion that organizational learning is just the aggregate outcome of the organization's members'

individual learning is not accurate. But at the same time organization obtains knowledge

through its individual members and, hence, affected by individual learning in either direct or

an indirect way (Kim, 1993). Organizational learning is more complex and dynamic than

individual learning. "The level of complexity increases tremendously when we go from a

single individual to large collection of diverse individuals. The learning process is

fundamentally different at the organizational level" (Kim, 1993, p. 6).

March and Olsen (1975) also make a differentiation between individual and

organizational learning in their model of organizational learning. The changes in the

environment can have an effect on individual beliefs and thus trigger a different set of

individual and organizational actions stimulating a new cycle of learning (Kim, 1993). Daft

and Weick's model (1984) shows the organization as an interpretation system which does not

explicitly deal with individuals. Individual learning is motivated mainly by environmental

responses, and organizational learning takes place when the whole cycle is completed (Kim,

1993).

The organization itself has perceptive systems and memories. Just as individuals

develop their personalities, habits and beliefs over time, organization develops its own

structures, views and attitudes. "Members come and go, and leadership changes, but

organizations' memories preserve certain behaviors, mental maps, norms, and values over

time" (Hedberg, 1981, p. 6). Individuals are not necessarily always keeping knowledge

obtained personally or in groups. Some learning is applied in systems, routines, structures,

and strategy of the organization (Crossan et al., 1999).

2.4 The 4I framework of organizational learning

The 4I framework of organizational learning elaborated by Crossan et al. (1999)

includes four related sub processes – intuiting, interpreting, integrating, and institutionalizing.

These four processes, as it was suggested by Cangelosi and Dill (1965), take place on three

levels: individual, group, and organization. The levels of learning determine the structure through which organizational learning occurs. The dynamic process of organizational learning occurs not only over time and across the levels, but it also establishes a tension between assimilating new learning (feed forward) and exploiting what has already been learned (feedback) (Crossan et al., 1999).
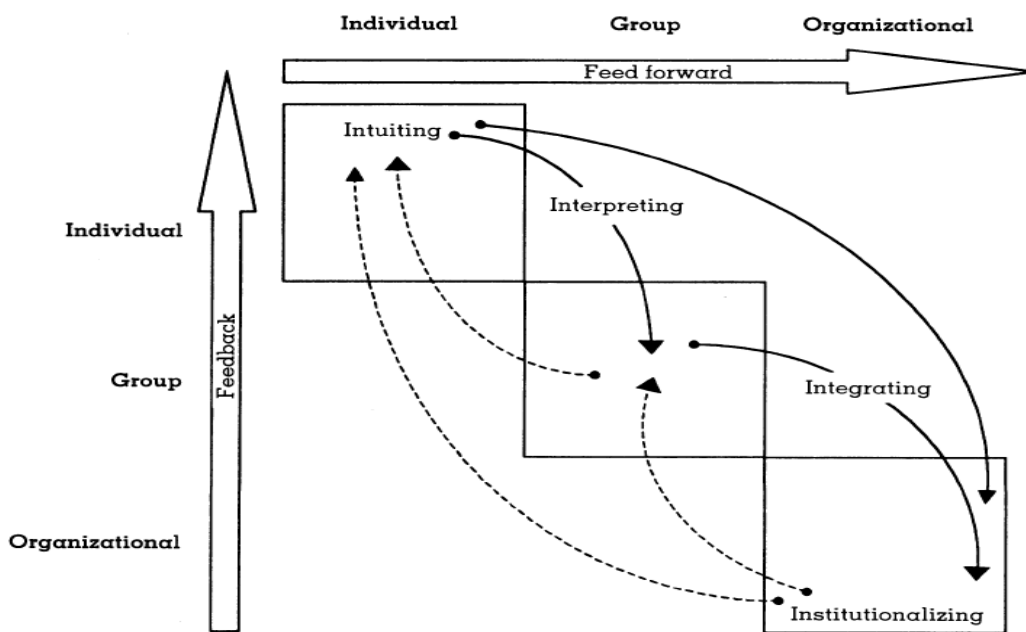
Figure 1. Organizational Learning as a Dynamic Process

Note. Crossan et al., 1999, p. 532

Table 1 illustrates the distribution of the processes on different levels. Thus, intuiting and interpreting are considered to take place at the individual level, interpreting and integrating arise at the group level, and integrating and institutionalizing occur at the organizational level. However, even though the sequence of the processes is existing, there is some "spillover" from level to level; and due to human nature not every process occurs at every level (Crossan et al., 1999).

Table 1

Learning/Renewal in Organizations: Four Processes through Three Levels

Level	Process	Inputs/Outcomes
Individual	Intuiting	Experiences Images Metaphors
Group	Interpreting	Language Cognitive map Conversation/dialogue
Organization	Integrating	Shared understandings Mutual adjustment Interactive systems
	Institutionalizing	Routines Diagnostic systems Rules and procedures

Note. Crossan et al., 1999, p. 525

Intuition is a uniquely individual process. Intuiting may occur within a group or organizational context, but the recognition of a pattern comes from an individual. An organization is not capable to intuit, this is unique human prerogative.

Interpretive process contains the development of language primarily through an interactive conversational process which spans individual and group level, but does not extend to the organizational level (Crossan et al., 1999).

Interpreting and integrating processes naturally blend together when group member interaction takes place. The development of shared understanding and coordinated actions by members of the group is a prerequisite to the integrating process. The process of institutionalizing occurs when the organization may establish formal rules and procedures, and routine actions that could be replicated. As well as Argyris and Schön (1978) state that learning occurs only when new knowledge is converted into other behavior that is replicable. Thereby it could be conclude that the organization with its own rules and routines exists independently of any individuals (Crossan et al., 1999).

2.5 Internal and external factors of learning

According to Fiol and Lyles (1985), there are four contextual factors influence the feasibility of learning; culture, strategy, structure and environments.

Organization's *culture* represents shared beliefs, principles and norms that have impact on organizational action-taking and is also utilized for prediction of the occurred actions. The organization's strategic attitude is linked tightly to its culture that partly regulates strategy and the path of organizational change (Fiol & Lyles, 1985).

Strategy determines the goals, objectives and actions available for accomplishing it. The organization's strategic attitude partly determines its learning capacity "by providing a boundary to decision making and a context for the perception and interpretation of the environment" (Fiol & Lyles, 1985, p. 805).

The organization's *structure* carries out an essential role in determining learning processes. There is a necessity for different decision making structures in the same organizational unit relying on the grade of flexibility that is needed, such as a centralized structure that tends to strengthen past behavior or a decentralized structure that tends to support shifts of beliefs and actions and therefore diminish the cognitive workload of the individuals by reducing the information demands, and by that facilitating the adaptation of new patterns and associations (Fiol & Lyles, 1985).

In cases where the internal and external *environment* is too sophisticated and dynamic for the organization to handle, an overload could take place and learning will not occur since it demands change as well as stability among learners and their environments. A high degree of stability inside the organization can lead to low motivation for learning and changing of settled behavior (Fiol & Lyles, 1985). Standard procedures that become institutionalized can delay the search for new procedures when the environment changes (Kim, 1993). Hence, a definite amount of stress is necessary for learning to take place (Fiol & Lyles, 1985).

All organizational storages of learning (such as culture, structure, systems, and procedures) need to be aligned with the firm's strategy (Vera & Crossan, 2004). In other words, the learning accomplished by individuals and groups that is embedded in the nonhuman aspects of the organization should be coherent with the firm's vision and goals (Crossan et al., 1999). Therefore, as learning has an impact on the firm's strategy, same way strategy influences the firm's learning by means of a tie between decision making and a context for the understanding and interpretation of the environment (Fiol & Lyles, 1985).

Miles and Snow (1978) argued that the strategic stance of the company is closely tied to its culture, and that an extensive belief system partly determines strategy and the course of organizational changes. Applying Miles and Snow's (1978) typology of business-level strategy, a prospector strategy encourages in individuals the aspiration for new challenges and opportunities, besides of flexibility when obtaining new learning. Whereas, a defender strategy promotes risk dislike in individuals and creates motivation to achieve efficiency.

Organizational performance is conditioned by long term survival and growth. Therefore a foremost prerequisite of strategic management is an alignment between the organization and its environment that provides the rivalry and the endurance of the company in long term (Fiol & Lyles, 1985; Mintzberg, Ahlstrand, & Lampel, 1998). "Alignment implies that the firm must have the potential to learn, unlearn, or relearn based on its past behaviors" (Fiol & Lyles, 1985, p. 804). This alignment is a dynamic process that surely occasionally stretches resources and capabilities (Hamel & Prahalad, 1993). Interaction with the environment forces an organization to learn in order to understand the reality by observing the results of its acts. Effective learning gives the organization the opportunity to cope with problems in a more efficient way (Hedberg, 1981).

Barr, Stimpert, and Huff (1992) concluded that "renewal hinges not so much on noticing new conditions, but being able to link environmental change to corporate strategy and to modify that linkage over time" (p. 15).

Organizational adaptation is the core of strategic management since it is the crucial for dealing with changes taking place in the environment and entails the continuous process of making strategic choices (Fiol & Lyles, 1985). Organizations have latitude and alternative in how they adapt to a changing environment and this contribute to the capacity of organizations to learn with time. Therefore, organizational performance influences the organization's ability to learn and to comply with a dynamic environment (Fiol & Lyles, 1985).

Organizational learning is recognized as a way to evolve capabilities that are appreciated by customers, are complicated to imitate, and therefore facilitate to competitive advantage (Crossan & Berdrow, 2003). Learning facilitates organizations to create an organizational understanding and interpretation of their environment and to initiate the assessment of feasible strategies (Fiol & Lyles, 1985). The need for alignment between organizations and environments is important. Since the alignment changes over time, the company must be able to reinterpret its environment and assimilate its understanding into new processes, products, strategy and structure (Crossan & Berdrow, 2003).

2.6 Strategic renewal

"Strategic renewal presents both opportunities and challenges for organizations" (Agarwal & Helfat, 2009, p. 281).

Strategic renewal according to Agarwal and Helfat (2009, p. 282) "includes the process, content, and outcome of refreshment or replacement of attributes of an organization that have the potential to substantially affect its long-term prospects".

However, an organization and its managers are not able to predict confidently what factors will be critical for success in the future, in this way factors that have the potential to influence an organization's long-term prospects significantly are also strategic (Agarwal & Helfat, 2009). There are many strategic *attributes* that could be potentially critical to an organization's future, such as goals, products and services, polices that determine how a firm competes in product markets with regard to rivals, scope and diversity of businesses, organization structure, administrative systems, and polices that define and coordinate work (Rumelt, Schendel, & Teece, 1994). As well as other scholars have suggested, critical resources, capabilities, routines, and people (individuals and teams) affect an organization's ability to succeed in the future (Agarwal & Helfat, 2009).

The need for renewal is never ending, and the viable company has to have the capability to regularly improve its alignment with internal and external demands (Huff, Huff, & Thomas, 1992). High-quality resources and capabilities that they provide, give the opportunities for the development of the organization in the future. Hence, strategic opportunities for the future depend very heavily on the current state of the organization (Nelson, 1991; Winter, 1987).

2.7 Strategic renewal and its link with organizational learning

Organizational learning can be conceived of a principal means of achieving the strategic renewal of an enterprise (Crossan & Berdrow, 2003). Renewal itself demands that organization explores and learns new possibilities while exploiting old certainties in organizational learning (March, 1991). March (1991) describes *exploration* as search, variation, risk taking, experimentation, play, flexibility, discovery, innovation, whilst *exploitation* includes things as refinement, choice, production, efficiency, selection, implementation, execution. The distinguishing elaborated by March (1991) has been further considered by Volberda, van den Bosch, Flier, and Gedajlovic (2001) and reflected into two

distinctive actions. Exploitative strategic renewal actions that develop the current range of activities and fall within the current geographic scope and explorative strategic renewal actions that introduce new activities to the current repertoire of the organization, or that increase the geographic scope of the firm (Volberda et al., 2001).

The tension between exploration and exploitation and the processes of recognizing and managing those are crucial challenges of renewal and, thus, is a principal requirement in a theory of organizational learning (Crossan et al., 1999).

Processes at the organizational level, especially institutionalization, have a critical link to strategy. It contains such nonhuman elements as systems, structures, procedures, routines, and strategy (Crossan & Berdrow, 2003). Analysis at the organizational level demonstrates the significance of aligning these nonhuman elements with the competitive environment (Mintzberg et al., 1998).

The feedback process in the 4I framework creates the tension of strategic renewal. Institutionalized learning, on one side, and the processes on intuiting, interpreting, and integrating, on the other side, that should be managed in the condition of an ever changing environment (Crossan & Berdrow, 2003).

The prerequisites for renewal to be strategic are as follow; the renewal should be comprised of the whole enterprise, not only individuals and groups, and it should realize that the organizations function in an open system, rather than having focus just on internal processes (Duncan & Weiss, 1979).

Organizational learning is strategically important as a way to provide a sustainable competitive advantage (DeGeus, 1988; Stata, 1989).

2.8 Absorptive capacity

In recent decades one of the most important conceptions to come from organizational research is absorptive capacity (ACAP) (Lane, Koka, & Pathak, 2006). It has been argued

that the organization absorptive capacity depends on the ability to recognize what value that lies in new external information, how to incorporate this new knowledge, and finally how to capitalize on it. It is an essential part of organization innovative capabilities (Cohen & Levinthal, 1990).

There are four dimensions given to absorptive capacity; acquisition, assimilation, transformation and exploitation (del Carmen Haro-Domìnguez, Arias-Aranda, Llorèns-Montes, & Moreno, 2007). *Acquisition* describes the organizations capacity and efficiency for recognizing and acquiring external knowledge (Zahra & George, 2002). *Assimilation* defines how an organization internalizes and makes use of new knowledge, via routines and internal processes (Szulanski, 1996). *Transformation* describes the organization's ability to make changes to and enhance internal routines in order to merge new knowledge and existing knowledge (Zahra & George, 2002). *Exploitation* could be defined as organizational capacity based on routines (Cohen & Levinthal, 1990). It entails how the organization makes use of new knowledge to either improve on existing knowledge and capabilities or when assimilated, use it to create new goods or services that the organization can capitalize on at a later stage (del Carmen Haro-Domìnguez et al., 2007)

At the organizational level borrowing rather than inventing is the most common practice for making innovative actions, but simultaneously the organization should allow for knowledge to be created within the company itself also. It is important that balance is kept between the two as depending too much on the novel activity of others might weaken the organization from the inside to the point where they cannot make use of knowledge created internally (Jones et al., 2001).

It is important to take into consideration that the organization cannot rely solely on exploitation of external knowledge to keep their competitive advantage. As knowledge gained on the free market is also easily accessible to the competitors. In those cases the

exploration of new technologies within the organization itself will provide a more sustainable advantage as this knowledge is not easy for competitors to get a hold of (del Carmen Haro-Domìnguez et al., 2007). Maintaining secrecy and protecting internal knowledge is also important to keep the competitive advantages derived from expanding internal absorptive capacities.

Regardless of how important absorptive capacity is for an organization, or how they structure themselves to acquire, maintain and expand knowledge, since "absorptive capacity is intangible and its benefits indirect" (Cohen & Levinthal, 1990, p. 149), there is a great chance that the appropriate or optimal level of investment in this area is not reached. In regards to organizational learning, absorptive capacity is the factor that will determine how well an organization makes use of new knowledge and benefits derived thereof.

3. Methodology

This chapter covers the research methodology of the thesis. Research strategy, research design, data collection and analysis are going to be discussed.

According to Adams, Khan, Raeside, & White (2007, p.19)

Research is a diligent search, studious inquiry, investigation or experimentation aimed at discovery of new facts and findings; or, broadly, it may relate to any subject of inquiry with regard to collection of information, interpretation of facts, and revision of existing theories or laws in the light of new facts or evidence.

Research methodology is "a way to systematically solve the research problem" (Kothari, 2004, p. 8). Research methodology has many dimensions and research methods compose just a part of the research methodology. Therefore, research methodology contains not only research methods, but also explains logically why to use certain methods in the context of the particular research in order for the research to be assessed, either by the researcher himself/herself or by others. *Research methods* refer to "methods the researchers use in performing research operations" (Kothari, 2004, p. 7-8). Consequently, all the methods that the researcher uses to conduct the research are termed as research methods, which are used for data collection, statistical techniques to establish relationships between the data and unknowns, and for the evaluation of the accuracy of the received results (Kothari, 2004).

3.1 Research Strategy

There are two commonly used strategies in research; quantitative and qualitative methodologies (Walliman, 2006). These two different methodologies entail the utilization of different methods of data collection and analysis; "give rise to different language or research with different emphases" (Neuman, 2014, p. 167). In a quantitative study, a researcher emphasizes on precisely measuring variables and test hypothesis, tries to verify or falsify a relationship or hypothesis that he/she already has in mind (Neuman, 2014). According to

Harwell (2011), the quantitative strategy of research tends to maximize objectivity, replicability, and generalizability of findings, and it is usually concerned about prediction. Quantitative analysis is driven by statistics, and it refers to counts and measures of things, and is largely independent of the researcher (Berg, 2001; Bhattacherjee, 2012). The nature of quantitative research is frequently described as deductive (Harwell, 2011). Conclusions about a phenomenon or behavior base themselves on theoretical or logical reasoning and an initial set of premises. The conclusions must be true if the initial premises and reasons are correct (Bhattacherjee, 2012). The most common characteristic of quantitative method is the assumption that only a single "truth" exists, independent of human perception (Lincoln & Guba, 1985).

An inductive orientation of qualitative research aims to draw conclusions based on facts or observed evidence (Bhattacherjee, 2012). Thus, a researcher develops a theory or outlook for a pattern of subject on the basis of the data that has been collected. "Qualitative procedures provide a means of accessing unquantifiable facts about the actual people researchers observe and talk to or people represented by their personal traces" (Berg, 2001, p. 7). In this way, the researcher has an opportunity to share understandings and perceptions of others and to study how people organize and give implication to their daily activities. Thus, for understanding of social phenomenon via the participant outlook, qualitative strategy is more applicable and adjustable (Brinkmann & Kvale, 2008). Nevertheless, it is vital for qualitative data to be relevant, and that the analysis is executed with a high degree of proficiency.

Lincoln and Guba (1985) noted that both quantitative and qualitative research strategies emphasize truth, consistency, applicability, and neutrality by means of different methods to ensure quality. However, the choice of strategy is determined by the particular research question of the study. The research question of this thesis is "What is the linkage

between organizational learning and strategic renewal?" which indicates for the researcher that the qualitative method would be applicable in this case. Hence, the attitude to answer the research question and the above discussed, primarily will lead this study to the qualitative strategy with its greater interpretive data analysis approach.

3.2 Research Design

This subchapter will include the discussion regarding the relationships between ideas and theory, as well as in what manner the empirical research process of the thesis was practically implemented.

As far as the research problem has been clearly formulated, the researcher should develop a research design that means to present the conceptual structure within which research would be conducted. The development of the design facilitates research to be as efficient as possible. Thus, the objective of research design is to provide the accumulation of relevant evidence with minimum input of effort, time, and money (Berg, 2001). The option of research design and research strategy is interdependent.

Bryman and Bell (2011) distinguish five types or research design, such as: experimental, cross-sectional, longitudinal, comparative and case study. *Experimental* study is intended to test cause-effect relationships by separating cause from the effect in time, having an experimental group that is exposed to a treatment ("treatment group") and a "control group" that is not; and observing how the mean effects vary between subjects in these two groups (Bhattacherjee, 2012; Bryman & Bell, 2011). This design is rare in business and management research since it is difficult to achieve the requisite level of control when dealing with organizational behavior (Bryman & Bell, 2011). *Cross-sectional* (social survey) design mostly suits quantitative strategy, since this design allows for collecting a lot of data, measuring independent and dependent variables at the same point in time (Bhattacherjee, 2012; Bryman & Bell, 2011). *Longitudinal* design consists of repeated cross-sectional

surveys to find out how time influences the results, giving the possibility to establish causation among variables. However, the design tends to be expensive and time consuming (Walliman, 2006). *Comparative* design implies the comparison of two or more cases in order to clear up an existing theory or create theoretical insight as an outcome of contrasting findings discovered through the comparison (Bryman & Bell, 2011). The last research design, *case study* is an in-depth investigation of a problem in one single case over an extended period of time (Bhattacherjee, 2012). Case design suits for investigation a phenomenon in a social group, community, system, organizations, event or even a person. "There is a tendency to associate case studies with qualitative research. Because of providing intensive and detailed information about the case by particular observation or interviews, it can be favorable for qualitative method" (Bryman & Bell, 2011, p. 23). As a result of the chosen strategy, research question and the discussion above, the single case study was selected as a research design for this thesis.

Yin (1994) describes the case study as "a way of investigating an empirical topic by following a set of prespecified procedures" (p. 15). On the other side, Stake (1994) considers case study as "not a methodological choice, but a choice of object to be studied" (p. 236).

The choice of this single-case design was made according to Yin's (1994) five single-case rationales, that is critical, unusual, common, revelatory, or longitudinal case. Thus, this research is a critical case, which is critical to theoretical propositions. The theory should have defined a distinct set of circumstances within which its propositions are considered to be true. The single case then can be used to figure out whether the propositions are correct or whether some alternative set of explanations might be more appropriate (Yin, 1994).

3.3 Data Collection

Based on earlier chosen strategy and design, the method for data collecting will be introduced.

Qualitative research is commonly associated with three main sources of data, which are: participant observation, unstructured and semi-structured interviewing and the examination of documents (Bryman, 1989).

Qualitative data is a source of well-grounded, rich descriptions and explanations of processes in identifiable local context. The chronological flow is obvious and it is clearly seen which events lead to which consequences, that evolves into worthwhile explanations. Well-collected qualitative data has its focus on naturally occurring, ordinary events in natural setting, thus there is a strong handle on what "real life" looks like (Miles & Huberman, 1994).

The advantage of interviewing is that the interviewer can describe the aim of the investigation more explicitly and what kind of information he/she wants (Best & Kahn, 1995). The most typical type of interviewing is individual face-to-face verbal interchange (Fontana & Frey, 1994). According to Bryman (1989), there are two types of interview: unstructured and semi-structured. Qualitative research interviews are relatively loosely structured (Bryman, 1989). Unstructured interviews are not following a prepared schedule. The interviewer uses an own memory note which reminds him/her of topics to be covered, at the same time giving an interviewee significant latitude over how and what he/she wants to say. The interviewer goes along the drift of the discussion following the issues that the interviewee believes to be important for the matter of the conducted study. In this way, the interview is more like conversation rather than formal question-and-answer format. This unstructured interviewing is usually contrasted with semi-structured interviewing. Conducing the semi-structured interview, the researcher has a schedule and list of questions in form of interview guide; however, deviations may occur if interesting themes appear from what respondents say in order to get their vision of things (Bryman, 1989). In this study the

interviews were semi-structured, what gave considerable latitude to respondents to give extensive information regarding the subject of the research.

The researcher had the opportunity to make an internship lasting for four months in the Murmansk branch of the company. During this period of time the researcher build up personal trust and connections with employees; this provided the possibility for open dialog and thus reducing irrelative formalities. Open observation and day to day presence in the working environment provide the researcher with the chance to observe the informants in their actual work, the way they perform tasks and solve problems, and internal collective interactions. Also some pivotal knowledge, like building location and office space separation, company structure and department division, working hours and day structure, were gathered by observations. The observations are contributed facts related to empirical context, providing the researcher with a better context understanding of interviews and interview transcriptions.

The choice of sample within a particular case is the matter of making choices about persons, places, and events to observe. Here, training and intuition will tell the researcher what is a good sample (Stake, 1994). The question of sampling derives from the issue of defining the population on which the research will focus. Sample is a small group or subset of population, which researcher will investigate in order to get knowledge that will be representative for the total population under study (Cohen, Manion, & Morrison, 2007).

Probability sampling design is most commonly used by social scientists. Probability sampling design allows the researcher to specify the probability of each sampling unit's inclusion in the sample as a single draw from the population (Frankfort-Nachmias & Nachmias, 2008). The use of stratified sampling enables to "ensure that different groups of a population are represented adequately in the sample so as to increase the level of accuracy when estimating parameters" (Frankfort-Nachmias & Nachmias, 2008, p. 171). The core idea

in stratified sampling is to utilize available information on the population in order to divide it into groups in such a manner that the elements within each group are more alike than are the elements in the whole population. In this way from the population of the whole company was created a set of strata, which are three different departments of the company; financial, commercial, and fleet. The choice was made based on variables the researcher is interested in studying; organizational learning and strategic renewal. The selection of the sample in the strata is based on the criteria related to the variables the researcher is studying. The criteria of sample selection were determined on the length of experience in the company, and particular knowledge about company's strategy. Based on the criteria, the researcher initially chose 10 people to be interviewed, but 3 out of 10 were unavailable for interviews. Therefore, the final sample included 7 people from three different departments of the company. The distribution of the sample is reflected in Table 2.

Table 2

Sample Distribution

	Financial department	Commercial department	Fleet department
Managers	1	1	1
Employees		2	2
Total	1	3	3

Preparation for the interview is a critical stage. Interviewer should have a clear conception of what information he/she needs (Best & Kahn, 1995). For this reason, the interview guide has been developed in accordance with the research question and the literature review. The interview guide starts with general questions, following up with more detailed questions. The interviews consist of open-ended non-leading questions. The interview questions are as follows (Appendix A):

Table 3

Interview Guide with Research Topics

Research topics	Questions asked
Context	What is your title, and please describe your experience and background working in this company?
	What are your company strategy, goal and vision?
Historical background	Can you give your point of view on the changes your company sustained in the past decade?
Strategy and strategic renewal approach	How quick do you respond to market changes and in which manner is this done? • Can you, please, give some examples?
	What are the main triggers for changes in the industry your company operates?
	Who usually makes decisions and how are the decisions regarding strategy incorporated into business? • Can you, please, give some examples?
	Does your company strategy aim for consistent renewal, and how is this documented and reported? (Strategy plan: old and updated)
	Has your company done any market research to find out if there are any possibilities for further development and if yes, in what areas?
	How effective and efficient do you exploit acquired knowledge in order for your company to achieve a competitive advantage?
	Is there any collaboration between this company and other institutions to execute renewal projects?
Organizational learning Individual level	How do you utilize and share your individual knowledge to perform better in your current position? • Can you, please, give some examples?
	How easily do you recognize the pattern based on your own experience for solving a given problem?
Group level	Do you belong to, or work in, one or more groups? What group?
	In what way do you verbally communicate with other members of this group in order to develop a shared understanding of a task or problem?
	How is the flow of information between management and employees within the group?

Organizational level	What is your general assessment of the ability of your company to create and assimilate new knowledge?
	How is the company's ability to change routines, diagnostic systems, rules, procedures and/or strategy?
	How does the company respond to internal ideas/suggestions for making such changes?
	How does the company respond to external pressure for making such changes? • Can you, please, give some examples?
Future	How do you see the development of your company in the foreseen future?
	What are the major challenges for the future and what are the factors that will facilitate the ability to deal with these challenges?

The interview guide was first tested with one of the managers in order to find out and make sure that the interviewees understand and recognize questions the same way as the researcher. First of all, in the beginning of every interview, the researcher gave a brief introduction to the 4I model of organizational learning with short description of processes and levels to make sure that the informant understands the research topic. However, an additional explanation was required for some interview questions to put the informant on the right track. Since the interview guide is extensive, the test helped to detect the actual timespan of the interview conducted, as well as, the order of the questions. The test and the interviews revealed that it is complicated to keep the order of the questions. In all cases the interviewee overleap from one to another question to some extent. That is why, the order of the questions varied in every interview.

The interviews are preferable to be recorded because it is convenient and eliminate the necessity of writing during the interview, which may be distracting for both interviewer and informant (interviewee) (Best & Kahn, 1995). However, one of the interviewees did not want to be recorded, so the researcher took written notes during the interview and completed it immediately thereafter.

All the interviews were face to face, with strong focus on the research question and took between sixty and seventy five minutes. The secondary data, such as advertising leaflet to support case description, was collected through the company's sources.

3.4 Case Description

This subchapter will describe the chosen case company, its background and relevance to this study.

The historical background of Murmansk area in Russia is tightly connected with commercial fishing, and the problem of strategic renewal is immediate among fishing companies. Incumbents are typically principal characters in shaping their industry and thus usually concerned with strategic renewal (Agarwal & Helfat, 2009). Therefore, one of the companies with a strong market share was chosen for the purpose of this study.

The company was established in 1993 with two branches in Murmansk and Petrozavodsk, Russia. The main activity of the company at that moment was cod and haddock fishing and delivery of the chilled product to the consumers. Thereafter, the company was growing, acquiring vessels of domestic and foreign construction in order to increase the volume of production and to extend manufacturing range.

The last fifteen years from 2001 and until the present day the company introduces different strategic renewal actions apart from the main cod and haddock fishing activity, as presented in detail in Table 4. However, crab catching within the timespan would become the main activity along with fishing. The researcher does not measure if the strategic renewal was successful or not.

Table 4

Strategic Renewal Actions of the Company the last fifteen years

	Strategic renewal action	
Year	**Commencement**	**Termination**
2001	Transport fleet activity	
2001	Ashore plant for fish and sea products processing	
2002	Scallops fishing	
2002	Shrimps fishing	
2004		Termination of scallops fishing by reason of low market demand and problems with distribution
2004		Termination of shrimps fishing because of market price slumping
2004	King crab catching; fleet re-equipping and activity development	
2010		Termination of transport fleet operation because of unprofitability and its disability to attract new orders
2010		Sale of ashore plant by reason of high cost equipment and inability to obtain a market niche for product distribution
2011	Acquisition of two competitive crab fishing companies; obtaining greater fleet and quotas	
2014	Competitive fishing company takeover; obtaining greater fleet and quotas	
2016	Pilot project of fish protein hydrolysate manufacturing	
2016	Snow opilio crab quota obtaining; start of catching activity	
2016	The contract for newbuilding in Russian Federation is signed	

The company currently owns fifteen vessels of different types, as well as vessels

under time- and bareboat charters. All vessels are well equipped for catching and processing

at the open sea during the period of fishery. Freshly caught fish and crab raw materials are

processed on the vessels' plants to frozen end products, which then is packed and stored in

holds until transshipment to transport vessel or discharge in the port can be done. Fish and

crab raw materials are caught solely in its natural environment of the Barents sea, together

with modern certified fish plants equipment, that enable them to produce highly competitive and quality products, that have high demand on both domestic and export markets.

Currently the company is active in the areas of fishing and crab catching, processing of raw fish and crab right on board of fishing vessels and ashore, as well as transportation of end products, ships repair and maintenance, logistics, distribution and sales of end products on domestic and export markets. Additionally, the company constantly carries out the activity aimed towards fishing industry development, creating new job positions, conducting projects for active stakeholders' collaboration within the industry. The company has its managing office in Saint-Petersburg, fleet operating office in Murmansk, as well as representational offices in Moscow and Petrozavodsk. The company has nine departments; administrative office, financial, statistics and document control, IT, purchase, legal, commercial, fleet, and service and maintenance. There are about 800 employees in the company both onboard and ashore. For the purpose of this thesis financial, commercial, and fleet departments were chosen to investigate, since the informants in these departments were expected to be the most familiar with the research question.

During the time of the internship in the company, the researcher noticed a rational combination of friendly environment with still quite hierarchic structure. All informants and the rest of employees had a friendly attitude to the researcher, and were ready to assist in order to obtain necessary information. The company has its own building of five floors close to the port area with smart distribution of the departments among floors. Therefore, the location combines the advantages of being close to the city, and at the same time has direct access to the port facilities for needs of the company's daily activities.

3.5 Data Transcription

Transcribing the interviews that have been previously recorded is a task that most likely will take certain amount of time. Bryman (1989) expressed that when performing the

interview itself, the researcher should note how the interviewee answers, not just word for word, but also how those words were spoken. It is not certain that all the information provided in an interview can be of any use in the particular research being carried out. Therefore, the researcher should use discretion when choosing what parts of the interview is to be transcribed to written form and what can be discarded. As a starting point the interviewee's own words are the original form of the data that is to be converted to written form. To get familiarized with the information portrayed in the interview and obtain a grasp on the subject matter, the researcher first had to listen to it many times before continuing to converting it into written form.

As the researcher was not so well acquainted with this kind of task, she was learning carefully as the work progresses. The informants in the company were Russian, so the interviews were conducted in Russian. Further the quotations from the Russian interviews were translated to English by the researcher. Every transcription was stored in its own separate file. The researcher also checked every transcription several times to make sure to capture the essence of what was said and what was important for the research. The transcribed data gave very good insights for further work on the thesis.

3.6 Data Analysis

Miles and Huberman (1994) define analysis as consisting of three concurrent flows of activity: data reduction, data display, and conclusion drawing/verification. Interaction of these three activities is shown on Figure 2, and then will be described.
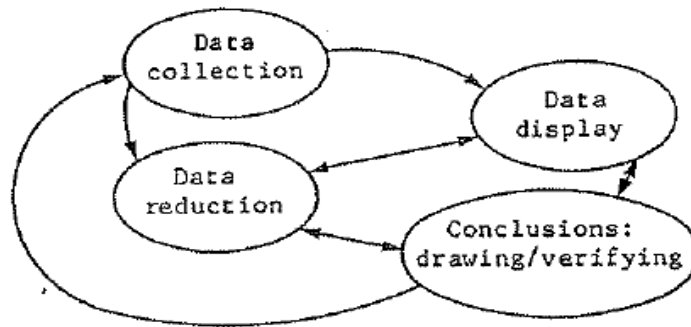
Figure 2. Components of Data Analysis: Interactive Model

Note. Miles and Huberman, 1994, p. 12

According to Miles and Huberman (1994, p. 10), "data reduction refers to the process of selecting, focusing, abstracting, and transforming the data that appear in written-up field notes or transcriptions". Often data reduction occurs on the stage when the researcher decides which conceptual framework, which case, which research question, and which data collection approach to choose. Data reduction is a part of the analysis. The researcher makes analytical choices of which data chunks to code, which to remove, and which patterns best summarizing a number of chunks. Data reduction leads data to be sharpened, sorted, focused, discarded, and organized in such a manner that the final conclusions can be drawn and verified. The data reduction/transforming process continues after the fieldwork, until the moment when the report is complete (Miles & Huberman, 1994).

The second flow of analysis is data display. Display is "an organized, compressed assembly of information that permits conclusion drawing and action" (Miles & Huberman, 1994, p. 11). Better displays of data lead to valid qualitative analysis. Information that is organized in immediately accessible, compact form, help the researcher to see what is happening and either draw justified conclusions or move to the next step of analysis (Miles & Huberman, 1994). After reduction or "data condensation" (Tesch, 1990), the data has been displayed in a table.

The third and final stage of analysis is conclusion drawings and verification. The main reason for data to be condensed and displayed is to support in drawing conclusions. As Miles and Huberman (1994) noted, from the start of the data collection phase the researcher begins to decide what things mean by noting regularities, pattern, explanations, casual flows, and propositions, at the same time holding these conclusions lightly. Therefore, the final conclusions of this study were drawn after the data has been properly collected, organized, and analyzed.

All the facts that have been collected went through all three above mentioned stages and have been reflected in a table from the transcribed data and observation notes. The interview data were collected to discover how issues progressed over time, to find out where and how ideas were advanced and integrated, to comprehend how the strategic renewal process affected and was affected by the learning which occurred. Firstly, the researcher coded data deductively producing a list of categories based on literature review and utilized framework. The examples of some deductive codes are; company's strategy, decision making, consistent renewal and knowledge exploration and exploitation. Further during data analysis few inductive codes emerged that was not initially in a list of categories. For instance, the division for managers and employees were not meant to be in the beginning, but was coded after data was collected. When the data collection was completed, a new table has been made to classify the answers from informants in order to have an explicit presentation. The table was organized according to the interview guide question sequence. In order to draw conclusions and see the difference efficiently, the table was organized with regard to two headings; managers and employees. The table is presented in the end of Findings chapter for the further discussion. The process entailed the researcher to interact constantly back and forth between the data and the analysis.

3.7 Reliability and Validity

Reliability and validity are crucial to the effectiveness of any data-gathering procedure (Best & Kahn, 1995). It should be established that a measure meets the researcher's aim and, that it has adequate properties (Bryman, 1989). Reliability refers to "whether or not you get the same answer by using an instrument to measure something more than once" (Bernard, 2006, p. 54).

Regarding the reliability of this study, the researcher developed and formulated interview questions wisely, intended for valuable data collection during a field work. It was noted that the answers of informants slightly varied, but still had the same meaning and contained alike information. The detailed description of the researcher actions and data analysis process were given in this chapter. Since reliability relates to the question of whether the result of a study is repeatable, the interview guide and the selection of informants were presented. This way the researcher may assume that the data is reliable.

Validity, in its turn, refers to "the accuracy and trustworthiness of instruments, data, and finding in research" (Bernard, 2006, p. 53). Validity is "quality of data-gathering instrument or procedure that enables it to measure what it is supposed to measure" (Best & Kahn, 1995, p. 208). The interviewees seemed to be reliable and truthful when providing their information. But to avoid prejudice in the data collection, and to make sure that the interview questions was factually sound and objective, researcher would make sure to ask them in alternative ways.

Good research practice requires the researcher to triangulate, which means to use multiple methods and data sources to increase the validity of research findings (Mathison, 1988). Methodological triangulation refers to the use of multiple methods in the examination of a social phenomenon. Therefore, two methods were implemented into this study: observations and semi-structured interviews. The researcher followed the between-methods

triangulation strategy. "The rationale for this strategy is that the flaws of one method are often the strengths of another: and by combining methods, observers can achieve the best of each while overcoming their unique deficiencies" (Denzin, 1978, p. 302).

3.8 Ethical Considerations

The integrity of the company where the research was conducted has been maintained by codifying the name as "Company". Alike, the integrity of interviewees has also been maintained by codifying each as Informant 1, Informant 2, Informant 3, etc. To ensure anonymity the name and position of participants is not revealed. This gives the added benefit that the persons interviewed feel more relaxed which in turn may lead to more openness and lets them speak more freely. The interviews were held in familiar and private areas, like the office of the interviewee or a meeting room with only the interviewer and the interviewee present. The presence of other people during interview might affect the responses of interviewee (Neuman, 2014).

The interviewees were also informed that the information given would be confidential and only used to obtain information regarding this research project the strategic renewal aspects of the company.

In the cases where the informants let the researcher to record the interview, they were also assured that this would only be used to ensure that the quality of the information given would be maintained, when transcribing, and that no recordings would be presented to anyone else or stored for future use. Even though, one participant did not want to be recorded and in that case his/her discretion was followed.

The researcher was not at any point asked to sign any confidentiality agreement, but in line with the ethics of research performed at the company, the procedures and the methods of how the research should be carried out were agreed upon beforehand. "There needs to be prior agreement between the researcher and the organization regarding the precise data

collection strategies and techniques that will be used as well as regarding associated issues of confidentiality and anonymity" (Jupp, 2006, p. 209).

It has also been agreed that all gathered material sensitive or otherwise, would be codified and only used in purpose of the research. The researcher assured the company that information gained would not be copied or passed on to any third party interests.

In such a manner, when conducting this study, all of the main ethical considerations were reckoned.

4. Findings

In this chapter the findings of the study will be presented. The organization of this chapter is in accordance with the literature review and the two variables under investigation: organizational learning and strategic renewal.

The informants were split into two categories: managers and employees, since the analysis displayed a diversity of answers among these two categories. The managerial informants were between forty five and fifty five years old with long experience from managerial positions and in general in the industry, while employees were in the age of thirty five to forty five years old with approximately ten years of experience. The informant distribution by categories was given in Table 2.

4.1 Organizational learning

Since the questions were divided within the interview guide according to three levels of the 4I framework, the first question was "How do you utilize and share your individual knowledge to perform better in your current position?" All the informants gave positive answers stating that *individual* experience and knowledge play an important role. Managers and employees of the company have long experience within the fishing industry, which helps to recognize problems immediately and, therefore, sustain a high level of performance. Though, managers still have greater background and experience that has been highlighted in their answers:

> *I came to this company when they were at the first stage of the development with few employees involved and just a couple of vessels for coastal fishing. Now I have almost twenty years of experience in this company and I have been through different changes in company's activities and structure, as well as the growth of mine and other departments.*

My experience in the fishing industry started in 80s and through all my working background I have been closely connected to the industry. I can easily track changes within last thirty years and my individual knowledge play a crucial role for decision making within my domain.

I know the industry and the processes inside and out. My career started from the position of ordinary seaman on board a ship. There I would deal with actual fishing until I were promoted to the director of the fishing company. Now as a manager of this company I can make wise decisions based on my experience and knowledge of not only internal processes within the company, but also considering conditions at sea. Onboard personnel play a key role in fishing, processing and delivery of the product.

The researcher observed a strong confidence and very positive attitude in utilizing individual knowledge, as well as the high degree of willingness to share knowledge with coworkers for effective and efficient performance.

For the question of belonging to any *group*, the researcher most frequently got an answer that the informant considers him/herself as a member of department that he/she works in. However, while employees see themselves only as a member of department (as a group), managers also see themselves as a part of the intergroup where heads of departments communicate in order to provide an appropriate information flow within the company. For this purpose, top managers and the director of the company have meetings three times per week. At these meetings the discussions of work processes take place, decisions regarding fulfillment of current activities, problems solving, opinions sharing, and the directions of action for every department are agreed.

It was noted by one of the interviewees that even though the company is one whole mechanism, the same information can launch different processes and diverse procedures in certain departments, whilst other departments might not be affected at all.

As far as we get information that the vessel is going to call the port, commercial department has to get ready to provide customs procedures and further product transportation, at the same time fleet department has to think of possible vessel maintenance and provision, and, for example, legal department keep its normal working process if there is no any extraordinary situations.

All the informants stated that the communication among group members always has a positive attitude. Colleagues are willing to share knowledge and make common decisions regarding the procedures and workload distribution. The departments have their own shared electronic data base that makes the information access and exchange available for all the participants in their daily activities. The reaction for problem solving is very fast and actions are always made in a very professional manner. Intergroup communication is also open and welcome, which is facilitating quick response for any tasks or problems.

Even though the company has more hierarchy rather than flat structure, the communication between management and employees occurs in an open friendly manner. The information flow is structured in a way that all concerned get informed in due time in face-to-face meetings or by means of e-mails, thus facilitating proactive decisions.

Questions about *organizational level* were the most controversial for the informants. General assessment regarding the ability of the company to create and assimilate new knowledge was positive. The interviewees claimed that the company, its founders and top management are open-minded and all information are always processed carefully in order to find new avenues for development, as well as to sustain a competitive advantage. New knowledge that has been field-tested, are usually implemented into systems, routines, and

strategy. For all critical changes and new knowledge the company responds quickly and proactively. However, external factors may promote changes faster rather than internal factors.

> *Commercial fishing business is connected with ever-changing market prices and regulations, which are external environment factors that demand immediate reaction to sustain the pressure and competition. We implement changes into systems, routines, and strategy as fast as we acquired new important knowledge in order to provide effective and efficient organization's performance*, as was underlined by one the managers.

4.2 Strategy and strategic renewal approach

The most frequently mentioned main triggers for changes in the fishing industry were the following: changes in regulations, currency fluctuations, social living standards, market pricing policy, distribution area, quota size, and internal and external economy situation in general. The dependency of fishing quota is especially highlighted since it rules what kind of goods to produce (for example, if it is whole gutted fish or fish fillet that involved more leftovers of raw material). The market demand also forms the strategy of fish processing and the type of end product is subject to customer requirements. Currency fluctuations affect the choice of internal or external market delivery. Economic and political situation, like, for instance, sanctions in Russia in 2014 for import of some agricultural products and fisheries, which dropped import of fisheries for almost fifty percent and, therefore, increases the demand on internal market.

Constant development of the company, effective and efficient fishing, improvement of financial situation, fleet renewal and re-equipment as well as productivity gains and improvement of fishermen working conditions onboard are seen by all interviewees as a company's strategy. "The business is in a large extent depending on biological resources and

correspondingly on quotas that the government, being the owner of bio resources, allocates within the fishing industry" as was mentioned by manager.

The company during its twenty three years history went through many changes and tried out many kinds of activities, which has been reflected in Table 4. At the moment the company has two main equally powerful activities; fishing and crab catching.

The right for bio resources utilization is redistributed among Russian fishing companies takes place every ten years. "The company of course wants to get the greatest quota possible for both fish and crab fishing, but also should take into consideration own capability for exploitation of marine resources" as manager commented.

Marine resources exploitation record always is taken into consideration and plays an important role for government to make a decision regarding quotas distribution. Strategic decision for company's resources allocating and efficient fishing is one of the main issue for fishing season planning.

Next redistribution of the bio resources quotas is coming in 2018, which will imply new development prospects for the company. Possible new upcoming extension of quota distribution period will give a solid base for the company to invest into new buildings. The more the company and financial institutions are sure about return of their investments, the more willingly resources will be allocated without high risk of failure. Fleet growth will give an opportunity for more effective and efficient quotas exploitation, as well as new jobs and steady development of the company.

Another important issue in connection with the above said is governmental mechanism of business stimulation that is implemented for fishing industry. Fishing companies that sign up contracts for new buildings on Russian shipyards get some preferences regarding greater percentage of fishing quota. Hence, stimulation of country economy, growth and development of fishing industry, and particularly the company

advancement among rivals take place. The company has taken a proactive step in 2016 and signed up a contract for newbuilding on one of the Russian shipyards. The manager indicated "This will not only provide a steadfast stance of the company in quotas distribution period, but it will also open up a new era in fleet renewal".

Market research has mainly two objectives: monitoring of prices for fisheries on internal and external markets, as well as monitoring for innovations and prices regarding fishing gears. "There is a direct interdependence between price and market that dictates if we are to sell or to store goods until the price is more favorable", as manager mentioned.

Active collaboration with other institutions is generally done in order to control and preserve bio resources. Smart resources withdrawal without any damage for resources replenishment is the key factor for healthy environment and a prerequisite for the fishing industry's successful growth and development.

The main directions of the strategy are usually formed by founders during the board meetings in Saint-Petersburg office of the company. Company's departments also have a say regarding the feasibility and fulfillment of the plans. Development prospects and strategies are usually reflected in board meetings' protocols. Protocols are confidential; therefore, the researcher could not have an opportunity to get acquainted with those documents.

All the informants stated that they actively collect and utilize information from internal and external sources. All the employees are encouraged to share their ideas, having willingness to discuss those with colleagues and management. However, the founders and board members always have the last word; the development and implementation of any particular idea is strongly depending on their decision.

Table 5 reflects the summary of the main findings based on the analysis of the interviews and observations. The table introduces the coded data from findings in respect to the literature review. The summarized table mitigates the further discussion.

Table 5

Summary of the main findings

Codes	Managers	Employees
Company strategy	Sustainable growth and development; Fleet renewal; Productivity gains; Improvement of fishermen working conditions	Generation of profit; Quality of product; Permanent development
Respond to market changes	Immediately	Quick
Main triggers for changes in the industry	Changes in regulations; Currency fluctuations; Price policy; Internal and external market conditions; Size of quotas and its interdependency with type of end product	Changes in regulations; Currency fluctuations
Decision making regarding strategy	Board members and top management	Top management
The aim for consistent renewal	Yes	Yes
Market research	Monitoring of prices for fisheries on internal and external markets; Monitoring on innovations and prices regarding fishing gears	Monitoring of prices for fisheries on internal and external markets
Exploitation of acquired knowledge	Active usage of information from internal and external sources; Close discussion with top managers and board members	Active utilization of internal information
Collaboration with institutions	Regarding bio resources monitoring	Regarding bio resources monitoring; product quality; employees proficiency
Individual knowledge utilization	Active	Active
Communication in group	Strong	Strong
Communication between groups	Strong on management level	Mostly via managers
The flow of information between management and employees	Active	Active
Assessment of knowledge creation and assimilation	Good	Good
Ability to change routines, rules, procedures and/or strategy	Flexible and innovative; open for changes	Ready for changes according to environmental conditions; the founders are the main mechanism to implement changes
Respond to external pressure	Yes, always updated and ready to respond	Yes, following the instructions from management

The decision to divide the main findings into two categories of managers and employees was made because differences in questions perception and understanding as well as power distribution what will be further discussed. First of all it should be noted that manager informants have in general broader overview of the processes within the company rather than employee informants. It is clearly visible in regards to the question of company strategy where the managers gave broader prospections for sustainable growth and development, fleet renewal, productivity gains and working conditions improvement while the employees mostly stress on profit generation and permanent development in general. Among main triggers for changes, the managers again elaborated the question better and took into consideration diverse directions. It is obvious that the managers have a closer interaction with the top management and board members that provides better flow of original information, while the employees mostly get information already processed by the managers. The managers also utilize external sources of information more actively and respond to changes more independently rather than the employees who tend to follow instructions from the management.

5. Discussion

In the Findings chapter the results of the empirical study were presented, but not discussed. This chapter will discuss the relevance of the findings toward the literature.

The 4I framework is a substantial tool in helping to understand the process of organizational learning and strategic renewal, as well as it helps to measure the feed-forward and feedback processes to observe interorganizational differences associated with strategic renewal (Crossan & Berdrow, 2003). The findings show that all the informants had a positive attitude towards examined variables of organizational learning and strategic renewal. The phenomenon of organizational learning was investigated and further organized in this chapter according to four learning processes of intuiting, interpreting, integrating, and institutionalizing on individual, group, and organization levels.

Individual learning

"For intuitions and interpretations to be shared and integrated they need to be articulated in a form and a language that others can access and understand" (Crossan & Berdrow, 2003, p. 1100).

The difference between entrepreneurial *intuition* – which derives from the ability to draw parallel or similar situations and make new connections to assume future possibilities – and expert intuition – which derives from the ability to recognize past patterns – were supported by the empirical study. All the interviewees attributed to the entrepreneurial style of intuitive insights, showing the ability to use individual knowledge and experience for problem solving and tasks performance. However, some certain individuals, like for instance founders of the company, were the first ones to see the possibility of the important strategic step to start a new activity of crab catching. The informants identify the founders as the primary source of this intuitive insight. Expert intuition is more intrinsic for top management with rich background and long experience in the fishing industry.

The informants frequently gave credit to top management/founders to be the source of new *interpretations* to guide the renewal process. Employees are usually not entitled to plan or make decisions regarding strategic actions, and are simply told what to do. But at the same time they are still welcome to take initiative in the working processes and actively sharing and discussing certain tasks and problems to create common language and shared understanding. Experiences, images and metaphors refer to input and outcomes of the intuiting process, while language, cognitive map and conversation and dialog are inputs and outcomes of the interpreting process. According to Crossan et al. (1999), all these may argue that individual learning has occurred.

All informants though claimed that understanding of strategic actions is usually developed at the top level, and afterward the decisions are provided to be executed. The founders and the board of management communicate strategy, vision, and operational execution and provide those to managers, who in turn provide necessary insights to employees. The process spells out acceptable behaviour, along with changes in systems, standards, and monitoring. According to Crossan and Berdrow (2003), such top-down orientation to learning provides an efficient way to change behaviors throughout the organization. In the case company, a hierarchical approach is taken to ensure swift and decisive implementation of changes needed to maintain and develop the competitive advantages during times of change in their environment. The way it works in practice is that organizational learning and strategic renewal are pushed from the top, providing the necessary knowledge and awareness on affecting factors on strategic renewal process to the employees, and in that way ensuring that all branches of the organization works in symbiosis to achieve the goals set by the top management.

Organizational learning

As far as participants acquired individual knowledge and formed shared understanding, the knowledge should be integrated, further institutionalized, and adapted to the ever changing environment. The *integration* of a view should be an open and participative process (Senge, 1990). The aim of the integrating, which is coherent, collective action, is to develop shared understanding among individuals and take coordinated actions through mutual adjustments (Crossan et al., 1999). Integration processes of the case company took place by holding everyone accountable for both the problem and the solution. The founders identified the right language to bring their novel idea to others and promote it clearly relying on analogies attracting foreign specialists with greater experience in the field for further development of the idea.

The integration process in the company is often tightly managed, though, all the respondents assess management actions as a right and innovative decisions, and were supportive and interact actively, without showing any hesitation in processes fulfillment. In general, the founders and managers are the ones who provide outlooks and elaborate a common vision for the organization's strategy and operations. The employees were encouraged to accept this common vision and to change their views to comply. The managers in turn negotiated diversity in their perception and in this way provided a solid base to achieve an acceptable common stand. The integration process was difficult in the areas requiring exploration/exploitation trade-off, like resource allocation (March, 1991). The balance of resources allocation was a challenge, to support enough main fishing activity and pay sufficient attention to novel activity of crab catching. The customers showed interest to the new product and the market demand for crab products was high, as well as the demand for fisheries kept high most of the time. So the company avoided tough resources allocation,

and split them in a smart way between two activities. In hindsight, it can be concluded that the process of integrating has been very efficient.

"Having been integrated and accepted ideas must then be *institutionalized* in order to impact the future of the organization" (Crossan & Berdrow, 2003, p. 1100). The management of the case company determined changes and expected the idea to be institutionalized. The institutionalization process is easier if the individuals who bring the idea forward have power and influence, just how the founders have been doing in the investigated case company.

To change the routines, systems, and strategy, the whole organization should be included into integrating and institutionalizing processes. The group dynamic and social processes play a crucial role in order to whether it will encourage or discourage the organizational learning and interconnected strategic renewal (Crossan et al., 1999; Crossan & Berdrow, 2003). All members and departments of the studied company were highly encouraged in the process of the crab catching strategic action, what in turn helped to provide shared understanding of the processes to be institutionalized.

The company steadily reviews its institutionalized learning and decides what fit and what do not fit the organization, incrementally changing routines, systems, structure, and strategy. As well as constant development of trustworthy relationships between the management and the employees takes place in the company continuously.

Integrating process is focused on changing in individual's understanding and actions through coherent, collective action. Institutionalizing is embedding individuals and groups learning by means of systems, structures, and procedures. The process of institutionalizing sets organizational learning apart from individual learning. Shared understandings, mutual adjustment, and interactive systems refer to input and outcomes of the integrating process, while routines, diagnostic systems, and rules and procedures are inputs and outcomes of the

institutionalizing process. According to Crossan et al. (1999), all these may argue that organizational learning has occurred.

Strategic renewal

According to Miles and Snow (1978), classification of organizations' strategic types, the case study company can be referred to as a prospector organization. The company attempts to face the entrepreneurial problem of locating and exploiting new products and market opportunities, just how it was with shrimps, scallops and crab catching. The company thrives in changing business environments, and succeeds by continually examining the market for new opportunities. The problem of coordination of diverse business activities is solved by being decentralized and operating four branches, having few levels of management, and encouraging collaboration among different departments and units. Decentralized structure supports shifts of beliefs and actions, reducing the information demands and facilitating the adaptation of new patterns and associations (Fiol & Lyles, 1985).

Agarwal and Helfat (2009) distinguish two types of strategic renewal: discontinuous strategic transformations and incremental renewal. Major changes may provoke a company to fundamentally modify one or more aspects of its strategy and organization. Incremental strategic renewal, as a proactive activity, may enable firms to manage with changes in the external environment as they occur, and thereby decrease the need for a greater and more difficult transformation later on. Proactive incremental renewal can include experimentation outside of the core business, or it can comprise incremental adjustments to the core business of the company (Agarwal & Helfat, 2009). The case study company seems to choose proactive incremental renewal as a side experimental activity of crab catching apart from the main core business of cod and haddock fishing, shaping the external environment to its advantage and using dynamic capabilities purposefully extending and modifying the organization's resource base (Helfat et al., 2007). Though, when an incremental change has

been made in the organizational structure, it is complicated to determine whether it is just a change or if it is a response to environmental events (Fiol & Lyles, 1985).

Management should be conscious of keeping a certain balance between explorative and exploitative strategic renewal actions, as well as external and internal strategic renewal actions are in general considered necessary to secure firm success (Agarwal & Helfat, 2009). Though every particular company can face their own challenges when achieving such a balance, depending on the industry it operates in. The company gains from experience how to allocate resources between exploitation and exploration in order to achieve an adequate balance between returns from fishing and crab catching activities.

Also managers should be aware that they might be craved to enhance their company's absorptive capacity; as well as various types of strategic renewal actions are probable to be affected differently by performance feedback (Cohen & Levinthal, 1990).

Absorptive capacity

The recognition of new external information, as well as understanding how to incorporate and make use of it is referred to the organization's absorptive capacity (Cohen & Levinthal, 1990; Zahra & George 2002). The access to external knowledge and resources can bring an advantage to a company if duly and proactively implemented.

Zahra and George (2002) presented four dimensions of absorptive capacity; acquisition, assimilation, transformation and exploitation.

The company's performance displays that they are highly proactive in order to acquire external information due to their strong position in the industry. This fact reveals the company's *acquisition* to recognize and acquire knowledge from external resources (Zahra & George, 2002). *Assimilation* defines how well the company's staff can internalize and utilize new knowledge. Having a good reputation and highly experienced personnel, it may be recognized, that both managers and employees have good abilities for external knowledge

perception (Zahra & George, 2002). *Transformation*, which is a third dimension of ACAP, describes the organization's ability to make changes to and enhance internal routines in order to merge new and existing knowledge. As the informants underlined, the company actively collaborate with external institutions in order to obtain new knowledge and combine it with own insights and inferences. Three mangers also pointed out, even though the company has a large power gap, the employees always have the possibility to provide own vision and share ideas with managers and colleagues. It can therefore be argued that there is a prerequisite for knowledge transformation process (Zahra & George, 2002). In regards to the fourth dimension, *exploitation*, most of the informants claim that the team has the ability to perform this stage efficiently and adapt to changes more or less easily. This is compatible with the statement of Lane and Pathak (2006, p. 833) that "developing and maintaining absorptive capacity is critical to a firm's long-term survival and success because absorptive capacity can reinforce, complement, or refocus the firm's knowledge base".

What is good at one particular moment in time is not always good at another time. The investigated case showed that the right decision regarding exploration new possibilities of crab catching and proactive actions towards changing environment can give a strong competitive advantage in competition for primacy. Most changes to the systems and structure were focused on gaining efficiencies while delivering products to the customers and get profit (Crossan & Berdrow, 2003). The company started from re-equipping of two fishing vessels to crab catching vessels and when seeing the profitability of the activity, they re-equipped eight more vessels in a short course of time. The company gained the momentum to get a competitive advantage and to provide product to the market.

The way of introducing change in the company has shown empirically to be a very effective way to respond to changes in the environment. At the same time, this rapidly gaining of traction in new markets whilst increasing the knowledge base of the company in

general, and in that way initiating organizational learning. Organizational learning is therefore linked with and hinges on individual learning to occur first (Crossan et al., 1999). As in all strategic changes implemented in an organization, there is always some feedback from departments that reports back to the initiator/s as to what can be done and how, and also what cannot be done and why. This kind of feedback might force the management to change their needs or in some cases push the company to innovate in order to reach their goals.

This study reveals that strategic renewal is tightly linked to the processes of organizational learning in order to properly handle the tension between exploration of new possibilities and exploitation of old certainties. These two activities, exploration and exploitation, demand the development and utilization of knowledge from internal and external sources for their stable maintenance. Activities identified with exploitation are concrete and considered logical as they have been emerged through processes of intuiting, interpreting, integrating, and institutionalizing. The examples could be further fishing production and an execution of mature plans and strategies, as well as fishing fleet refinement including new building. While exploration activities are still gaining meaning and become explicit only as they move through the 4I process, therefore they lack logic and are difficult to support and defend. As an exploration activity it could be seen the experimentation with crab catching with risk taking involvement since there was not any previous experience in the company regarding commercial crab catching.

5.1 Summary of the Discussion

The discussion chapter is summarized in Table 6. In the table, the findings are arranged according to the theories, as well as in order if they are supported or not supported by existing theory. The findings not supported by existing theory may possibly contribute to new theories.

Table 6

Outline of the findings in relation to theory

Theory	Findings supported by theory	Findings not supported by theory
Organizational learning and strategic renewal	- Learning is a conscious analytical process (Crossan et al., 1999) - Individual learning is essential for organizational learning (Hedberg, 1981) - Organizational learning is not just a sum of every participant's learning (Fiol & Lyles, 1985) - Intuition is complex to share with others (Nonaka & Takeuchi, 1995) - Individual learning is a social phenomenon (Simon, 1991) - Interpreting process depends on an organization's environment (Crossan et al., 1999) - Learning enhance future performance (Fiol & Lyles, 1985) - Organizational learning and its unique context (Crossan & Berdrow, 2003) - Communities of practice (Seely-Brown & Duguid, 1991) - Organizational learning is a way to provide a sustainable competitive advantage (DeGeus, 1988; Stata, 1989)	- Explicit understanding of learning by individuals and its benefits for organization - Individuals' influence on different learning processes - Top-down orientation and hierarchical approach of management - Essential role of leaders in learning processes
Internal and external factors of learning	- Culture, strategy, structure and environment are considered as factors influence the feasibility of learning (Fiol & Lyles, 1985) - Interpretation of the environment (Fiol & Lyles, 1985) - Decentralized structure reduces the information demand (Fiol & Lyles, 1985) - Organizational adaptation to a changing environment (Fiol & Lyles, 1985) - Strategic stance of the company closely tied to its culture (Miles & Snow, 1978)	- The relevance of learning for different industries and environments - National culture
Strategic renewal	- Tension between exploration and exploitation of obtained knowledge (Crossan et al., 1999) - Organization explores and learns new possibilities while exploiting old certainties (March, 1991) - Certain balance between explorative and exploitative strategic renewal actions (Agarwal & Helfat, 2009) - Refreshment or replacement of organization's attributes (Agarwal & Helfat, 2009) - Resources, capabilities, routines, and people affect an organization's ability to succeed in the future (Agarwal & Helfat, 2009) - Alignment of systems, structures, procedures, routines, and strategy with the competitive environment (Mintzberg et al., 1998)	- Reasonable resources allocation between exploration and exploitation activities

	- The renewal should be comprised of the whole enterprise, organization is an open system (Duncan & Weiss, 1979)	
Absorptive capacity	- The ability of organization to absorb new external information (Cohen & Levinthal, 1990) - Four dimension of absorptive capacity are considered (Zahra & George, 2002)	- External knowledge is a "raw material" for organizational learning and strategic renewal

6. Conclusions and Limitations

This chapter contains concluding remarks, limitations and suggestions for further study.

6.1 Concluding Remarks

The research question of the study is: - *What is the linkage between organizational learning and strategic renewal?* The answer to the research question is that the linkage between the two investigated variables of organizational learning and strategic renewal is contained in a success regarding the sustainable performance and growth of the company by means of reasonable resources allocation between exploration and exploitation activities.

In addition to the research question, the sub-question is also answered in the study. The sub-question is: - *How to measure the capability of using external sources as a useful resource for organizational learning and strategic renewal?* External knowledge can be called a "raw material" for organizational learning and strategic renewal. Therefore, the answer to the sub-question is that absorptive capacity is one way to measure the capability of external knowledge for organizational learning and strategic renewal. Absorptive capacity and its dimensions is an appropriate tool to follow the processes and to detect what are weaknesses and strengths of knowledge acquisition in due time.

In order to present the main findings of this thesis in a vivid way, the model presented in Figure 3 has been elaborated by the researcher.
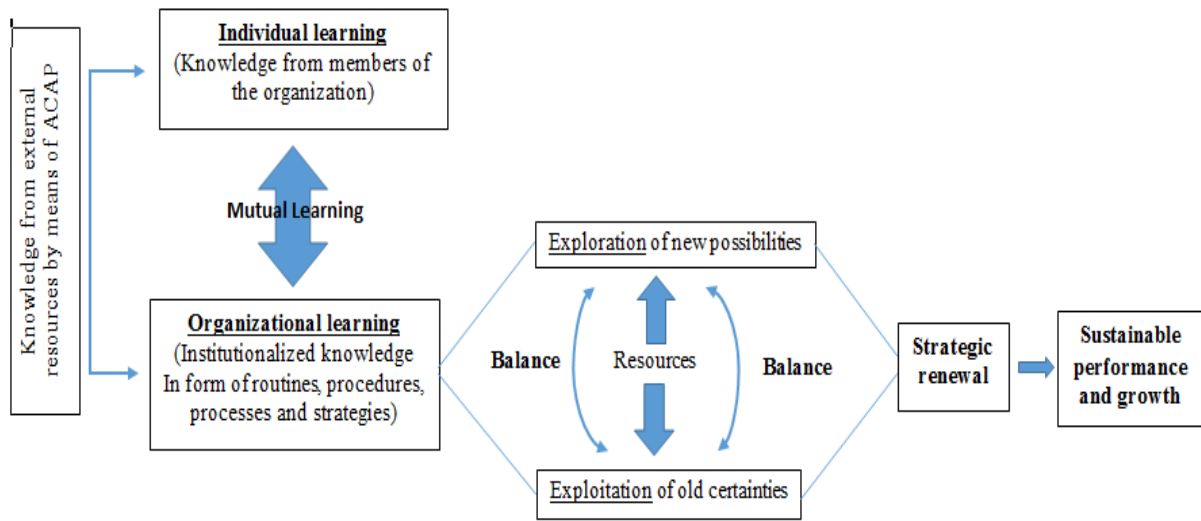
Figure 3. Model on how organizational learning occurs and flows through a company and its linkage to strategic renewal

This study has theoretical and practical implications. The theoretical implication is that it supports the existing literature by measuring and identifying organizational learning and its link with strategic renewal. The study also identifies several aspects of organizational learning, strategic renewal and absorptive capacity that are not included in existing theory. The practical implications relate to the question of reasonable resources allocation awareness, the solution regarding the tension between exploration and exploitation actions for strategic renewal to be fulfilled, as well as an importance of knowledge acquiring from external resources in order to take appropriate actions to comply with firm's environment and gain a competitive advantage.

6.2 Limitations and Suggestions for Further Research

This study has some limitations that provide suggestions for further research.

The empirical part of the study is based on a single case, which results to obstacles in generalization of its findings. The sample size of strategic renewal actions and the data

collected by means of interviews and observations may be too modest to observe some significant effect even though it is presented. Also, there were three managers and four employees informants, so because of the small amount of managers and unavailability of the founders as a main source of strategic renewal, the findings might not be fully covered with their interpretations. So it could be improved by including more interviews. The conduction of quantitative study to support the findings might have an impact on the ability of the generalization.

Further research on organizational learning and strategic renewal will benefit from using diverse contexts, lenses and literatures. Investigation of these two phenomena can reflect to literature that study new entrants and incumbents on market, diversification and industry dynamics, with high potential to yield new insights. Since thinking and actions of individuals to some extent are conditioned by national culture, the nationality of management on political, sociological, and psychological reasoning is important to take into consideration. The in-depth investigation of cultural dimensions by studying cases from different cultures and perhaps also multiple-cases to compare will be appropriate.

The further study of leadership's role as it relates with the 4I framework processes with particular focus on the role and types of leadership with strength on themes arising from power, political, national, psychological, and other dimensions to provide the understanding the factors that impact learning across levels and processes and essential role of leaders in those processes. As well as the theory of organizational learning should be seen not only from hierarchical perspective, but also takes into account that individuals influence at least some of the learning processes. Processes at the organization level, particularly institutionalization, are entitled to further discussion due to their crucial link to strategy. Overall, linking organizational learning theory with the phenomenon of strategic renewal is considered a fruitful perspective for future research.

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Appendix A. Interview guide

Research topics	Questions asked
Context	What is your title, and please describe your experience and background working in this company?
	What are your company strategy, goal and vision?
Historical background	Can you give your point of view on the changes your company sustained in the past decade?
Strategy and strategic renewal approach	How quick do you respond to market changes and in which manner is this done? • Can you, please, give some examples?
	What are the main triggers for changes in the industry your company operates?
	Who usually makes decisions and how are the decisions regarding strategy incorporated into business? • Can you, please, give some examples?
	Does your company strategy aim for consistent renewal, and how is this documented and reported? (Strategy plan: old and updated)
	Has your company done any market research to find out if there are any possibilities for further development and if yes, in what areas?
	How effective and efficient do you exploit acquired knowledge in order for your company to achieve a competitive advantage?
	Is there any collaboration between this company and other institutions to execute renewal projects?
Organizational learning Individual level	How do you utilize and share your individual knowledge to perform better in your current position? • Can you, please, give some examples?
	How easily do you recognize the pattern based on your own experience for solving a given problem?
Group level	Do you belong to, or work in, one or more groups? What group?
	In what way do you verbally communicate with other members of this group in order to develop a shared understanding of a task or problem?
	How is the flow of information between management and employees within the group?
Organizational level	What is your general assessment of the ability of your company to create and assimilate new knowledge?
	How is the company's ability to change routines, diagnostic systems, rules, procedures and/or strategy?
	How does the company respond to internal ideas/suggestions for making such changes?
	How does the company respond to external pressure for making such changes? • Can you, please, give some examples?

Future	How do you see the development of your company in the foreseen future?
	What are the major challenges for the future and what are the factors that will facilitate the ability to deal with these challenges?