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SCHOOL OF BUSINESS, ECONOMICS AND LAW

‘Old Milk in a New Bottle’

The Role of Knowledge Management Systems in
Management Consultancy Firms

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Abstract

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Background and problem: Knowledge intensive firms (KIFs), which among others include management consultancy firms, have lately received increasing amounts of attention from scholars. This industry is considered to be highly knowledge-intensive and many firms display sophisticated digital systems for managing their knowledge. However, previous research has indicated a lacking usefulness of theoretically based knowledge - knowledge that these systems are claimed to facilitate. This seemingly inconsistency made us wonder about the role of knowledge management systems in management consultancy firms.

Aim of study: The purpose of this study is to create a better understanding of the role of knowledge management systems in management consultancy firms. In order to enhance such understanding, this study aims to describe the characteristics of knowledge management systems in management consultancy firms and to analyze the consequences knowledge management systems has for these firms and their consultants.

Methodology: This thesis has explored the role of knowledge management systems in management consultancy firms through a multiple case study. The study was conducted using a qualitative approach and the empirical data was primarily gathered through a total number of 15 semi-structured interviews.

Analysis and conclusion: The empirical findings of this study suggest that there is a de-coupling between the stated purpose of the knowledge management systems and their actual use in management consultancy firms. Based on these findings, it can be argued that these systems are used more for legitimizing and marketing purposes.

Key words: Knowledge management systems, Management consultancy firms, Institutional theory

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List of abbreviations

- **KIFs** Knowledge-Intensive Firms
- **PSFs** Professional Service Firms
- **MCFs** Management Consultancy Firms
- **KM-systems** Knowledge Management Systems

1. Introduction

1.1. Background

Knowledge-intensive firms (KIFs) have received increasing amounts of attention from scholars over the past 20 years (e.g. Starbuck, 1992; Løwendahl, 1997; Empson, 2001), all emphasizing knowledge as the crucial *input* for these firms. There are however contrasting views and Alvesson (1993) published an article in the early 1990s in which he argued that the concept of ‘knowledge-intensive’ should be redefined as ‘claims to be knowledge-intensive’. Based on two isolated case studies of KIFs, a computer consultancy firm and an advertising agency, Alvesson concluded that formal knowledge, defined as theoretically based knowledge gained through education and formal training, only played a modest role within KIFs. Instead, other skills and personality traits such as creativity, social skills, flexibility, and communicative skills were stressed as highly important for the employees in their work activities.

Although being a limited element in the daily work of these employees, formal knowledge was still perceived to have some significance for these firms but more for the sake of being socially recognized as an expert rather than to actually be one (Alvesson, 1993). KIFs have thus developed rhetorical skills in order to pose as experts to compensate for the ambiguity of knowledge and the difficulties with explaining what they are actually offering their clients. In an article published eight years later, Alvesson (2001) still stresses this notion and states:

“In the absence of the existence of tangible qualities available for inspection, it is extremely important for those claiming to be knowledge-intensive to nurture an image of being so.”

Alvesson’s view (1993, 2001) is however not unchallenged, especially since knowledge-intensity is still perceived as a key characteristic for KIFs 20 years later after his first article (e.g. Von Nordenflycht, 2010). Through the emergence of the research field of Knowledge Management, the perception of knowledge as crucial for KIFs has become further consolidated. Employees are seen as the main repositories of knowledge, and organizations must thus find ways to store, transfer, and disseminate

knowledge throughout the organization in order to avoid the risk of knowledge losses (Szulanski, 1996). Devotees of Knowledge Management tend to adopt one of two perspectives; either focusing on the ‘people side’ of Knowledge Management or being more interested in the technology aspects (Alvesson & Kärreman, 2001). The latter perspective has gained much ground lately and many managers within KIFs equate knowledge management with the process of codifying and storing knowledge into different electronic repositories and databases (Alavi & Leidner, 2001; Sveiby, 2001).

One industry that is believed to be in the forefront of knowledge management is the management consultancy industry (Empson, 2001). Kubr (1986) defines management consulting as a professional service that aims to help managers analyze and solve problems faced by their organizations and to improve performance or seize new business opportunities. Firms devoted to management consulting are moreover often referred to as the ‘archetype’ of KIFs (Suddaby & Greenwood, 2001; Alvesson, 2004). In order to support their employees in terms of sharing knowledge and to provide them with what they believe to be the right tools for sharing knowledge, management consultancy firms have invested heavily in different knowledge management systems (Criscuolo et al., 2007).

There is an abundance of academic journals and literature about the knowledge management in management consultancy firms (Empson, 2001) and previous research has focused on studying and explaining *how* management consultancy firms in fact manage knowledge and how it should be done (see e.g. Hansen et al. 1999; Criscuolo et al., 2007; Ambos & Schlegelmilch, 2009). The focus of these ‘normative’ studies has been to suggest new technologies, systems, practices, and procedures as well as improvements for existing ones for how to manage knowledge more efficiently. However, research has shown a lacking use of these systems (Ambos & Schlegelmilch, 2009). This is often justified either by the poor attitudes among the employees (see e.g. Ambos and Schlegelmilch, 2009) or by the insufficient processes and the need for technology and system improvements (see e.g. Fahay & Prusak, 1998).

This seemingly overconfidence in, and preoccupation with, knowledge management systems and finding what is best practice entail several questions when considering Alvesson’s (1993) notion of ‘claims to be knowledge-intensive’. Supposing that

Alvesson is right, the role of knowledge management and knowledge management systems within KIFs become unclear. Could it just be seen as ‘old wine in a new bottle’¹, with knowledge management systems being the ‘new bottle’, reinforcing this claim of being knowledge-intensive, namely the ‘wine’? Or has the expiration date, as if it was milk, of Alvesson’s (1993) notion passed long since, as new views of knowledge and knowledge management have gained a foothold?

1.2. Problematization

Alvesson’s (1993) study does however have some shortcomings. First, by considering the range of firms that can be argued to be KIFs, it could be questioned whether an advertising agency is representative in terms of demand for esoteric and formal knowledge or not. The found significance of for example creativity for the work of these employees is not that surprising for such firm.

Second, in the same way organizations can be categorized into knowledge-, labor- and capital-intensive firms based on their main input (Starbuck, 1992), firms can be divided into different sub-categories (Løwendahl, 1997). A common sub-categorization of KIFs is ‘Professional service firms’ (PSFs), in which advertising agencies, computer consultancy firms as well as management consultancy firms can be placed (Løwendahl, 1997; Von Nordenflycht, 2010). By not having touched upon other sub-categories of KIFs, the generalizing statements about KIFs made by Alvesson (1993) may lack proper foundation.

PSFs are however generally considered the primary example of KIFs (Starbuck, 1992; Alvesson, 1995), with management consultancy firms being labeled the KIF ‘archetype’. When studying the role of knowledge management systems in KIFs and whether Alvesson’s (1993) notion still holds some validity or not, management consultancy firms thus appear to be an appropriate category of firms to study.

1.3. Purpose and Research Questions

By considering the background and the problematization above, *the purpose of this study is to create a better understanding of the role of knowledge management*

¹ An old but still viable concept being presented as if it were a new one (Colarelli, 2003).

systems in management consultancy firms. In order to enhance such understanding, this study aims to describe the characteristics of the use of knowledge management systems in management consultancy firms and to analyze the consequences the use of knowledge management systems have for these firms and their employees. By focusing on the industry of management consulting in particular, this study sets out to provide new insights and perspectives to the study by Alvesson (1993) as well as the ‘normative’ studies of knowledge management in management consultancy firms.

Well in line with this purpose, the main research question posed in this study is: *How do management consultancy firms use knowledge management systems?* In order to answer this question, two additional sub-questions will be explored and answered throughout this study:

1. *What characterizes the use of knowledge management systems in management consultancy firms?*
2. *What are the consequences of the use of knowledge management systems for the management consultancy firms and their consultants?*

The intent of this study is thus to provide new insights and possible explanations to the role of knowledge management systems within management consultancy firms and why such great emphasis is placed on managing knowledge. It is important to note that the expression ‘knowledge management’ does in this study primarily refer to the management of knowledge rather than referring to the research field of Knowledge Management. Furthermore, although discussing the role of knowledge within these firms, the aim of this study is not to make a contribution to the myriad of definitions of the concept. Such discussion would place too much claim on this study. That being said, however, previous research and different views of knowledge are necessary for enhancing the reader’s understanding of the material and the study as such.

2. Literature Review

2.1. The Management of Knowledge

2.1.1. The Intangible Nature of Knowledge

When trying to define knowledge, it might be difficult to avoid getting into a never-ending philosophical discussion about its true meaning. But what seems to be a generally agreed definition among Western philosophers, that “knowledge is justified, true belief” (Nonaka & Takeuchi, 1995), is not however very useful for organizational purposes. Empson (2001) makes the distinction between the views of knowledge as ‘an asset’ on the one hand, and knowledge as ‘a process’ on the other hand. According to Empson (2001), treating knowledge as an asset and as an objectively defined commodity has been the dominating approach in business history.

Contrary to earlier beliefs held by many scholars, knowledge is more and more perceived as a ‘process’ rather than as an ‘asset’ (Empson, 2001) and many contemporary scholars perceive knowledge as being intangible, and thus harder to capture and transfer (e.g. Wiig, 1993; Davenport & Prusak, 1998; Neef et al., 1998; Styhre, 2003). Such view has implications for how knowledge could be managed by organizations. Although not being contemporary, Berger and Luckman (1967) join in and perceive knowledge as something that is socially constructed, transmitted and maintained by social interactions and should therefore not be seen as an objective reality. Knowledge is created in the interaction between individuals and disseminated continuously in that interplay.

According to Styhre (2003), knowledge is often mistakenly confused with the tangible and physical assets of an organization. Knowledge should be perceived as superior to both data and information as it derives from information, which in turn derives from data (Boisot, 1998; Davenport & Prusak, 1998; Awad & Ghaziri, 2004). Davenport and Prusak (1998) argue that knowledge should be perceived as a ‘framework’, residing within individuals, through which they perceive, evaluate and absorb information and experiences. Several other scholars echo this notion by claiming that knowledge is about belief, perspective, commitment, intention, meaning

(Nonaka & Takeuchi, 1995), and that it is context-specific (Sandberg, 2000), and about common sense (Awad & Ghaziri, 2004). Wiig (1993) summarizes these views by arguing that knowledge is used to interpret and make sense of the specifics of a situation i.e. information.

Knowledge could thus be defined as individuals' ability to process and make sense of the world. The context, our held beliefs, perspectives, commitment, etc. further influence this ability or framework. For the purpose of this study, we adopt such view and claim that our ability to perceive, evaluate and absorb information and experiences thus depend on our current knowledge stock.

Both Nonaka and Takeuchi (1995) and Tiwana (2002) add that knowledge is also about 'action'. As mentioned, knowledge is what allows interpretations of information, which in turn influence our decision-making (Nonaka & Takeuchi, 1995). Tiwana (2002) states that knowledge is "information available in the right format, at the right time, and at the right place for decision-making." In brief, knowledge guides our decisions, which in turn guides our actions (Wiig, 1993; Boisot, 1998; Neef et al., 1998). Thus in addition to our definition stated above, the knowledge stock of individuals also affects their decisions and their actions.

2.1.2. Emphasis on Explicit Knowledge

A common way of defining knowledge is by dividing the concept into 'explicit' and 'tacit', with explicit knowledge being articulable and storable and tacit knowledge being more internalized, difficult to codify and residing in the human mind (Polanyi, 1962; Nonaka, 1991; Wiig, 1993; Nonaka & Takeuchi, 1995). Although knowledge rarely can be articulated due to its tacit form (Swan et al., 1999; Styhre, 2003), Swan with colleagues (1999) claim that organizations seem overconfident in their belief that knowledge can be stored and shared among individuals and groups, aided by some sort of electronic repository or IT system, without its meaning being lost. The idea is that the dependence on the single individual should thus be reduced and his or her knowledge could be used by others and thus leveraged. Starbuck (1992) adds an additional perspective on this matter and the popular usage of electronic repositories for storing knowledge. According to Starbuck, the mere storing of knowledge in these repositories does not mean that it will be useful in the future. In order to be fully

comprehensible, it must be translated into contemporary language and be understood in its new context.

2.1.3. Approaches for Managing Knowledge

Although having lost ground in favor of tacit knowledge (Wiig, 1993), the idea of codifying knowledge into explicit knowledge for storing and sharing remain popular among KIFs (Alvesson, 2004). Such idea also remain popular among many scholars and the research field of Knowledge Management includes an abundance of ‘normative’ studies and research that highlights such approach for managing knowledge.

One such study that has gained a lot of ground is the article ‘What’s Your Strategy for Managing Knowledge?’ (1999) published by Hansen, Nohria and Tierney. They propose what can be viewed as best practice and highlight ‘codification’ as one of two approaches for managing knowledge in management consultancy firms, henceforth referred to MCFs. The codification strategy is based on a ‘people-to-document’ approach in which knowledge is codified and later stored, usually in some kind of electronic repository such as a database. The knowledge can later be accessed and reused by anyone within the firm. This approach allows the expert to use already existing knowledge without having to interact with the person that initially developed that knowledge (Hansen et al., 1999; Ambrosini & Powell, 2012).

The second strategy suggested is a ‘person-to-person’ approach, namely ‘personalization’, in which knowledge is shared through interaction rather than through documents as described above (Hansen et al., 1999). Individuals are believed to possess the core of knowledge and therefore it cannot be codified and stored. This approach is more time-consuming compared to the former and instead of investing heavily in IT and databases, firms adopting this strategy focus on creating favorable conditions for social networks and to form a corporate culture, which encourages social interaction.

Hansen with colleagues (1999) claim that firms must emphasize one of these approaches in order to excel and prescribes an 80/20-percentage split between these two approaches in which the non-emphasized strategy should be seen as

complementary. Firms pursuing a codification strategy must, for example, still interact face-to-face and attend meetings and firms pursuing a personalization strategy should perhaps employ smaller databases in which they can store some valuable documents and read up on new topics.

This recommendation can however be questioned, particularly regarding how one should measure such split. Ambos and Schlegelmilch (2009) have studied MCFs, including both strategy consultancy firms and operations consultancy firms, and the critical issues that these firms face when managing knowledge. These scholars reject the recommended split suggested by Hansen with colleagues (1999) and claim that their findings instead indicated a 60/40 split. Such conclusion can also be questioned, based on the same reasoning as above. They are however in favor of discussing what they refer to as a ‘codification-personalization continuum’, since extreme positions regarding strategic choices in this respect seem rare.

The more contemporary scholars, Ambrosini and Powell (2012), provide us with additional nuance on this matter. They abandon the question of what strategy to emphasize and suggest a more pluralistic approach where these two strategies complement each other with the opportunity of serving different purposes. As stated by Hass and Hansen (2007) in their study, the use of documents does not outperform the use of person-to-person interaction and vice versa. Instead they facilitate different kinds of knowledge. One finding of this study was that the firms pursuing the codification strategy often searched for information in the database, and then contacted its originator for more input and nuance (Hass & Hansen, 2007).

2.1.4. Knowledge Management Systems

Regardless of what approach or split of approaches these ‘normative’ studies recommend, the usage of some sort of electronic repository or IT system, i.e. KM-system, is always emphasized (Hansen et al., 1999; Hass & Hansen, 2007; Ambos & Schlegelmilch, 2009; Ambrosini & Powell, 2012). Alavi and Leidner (2001) state that the usage and the purpose of these systems depend on how the organization perceives knowledge.

If the organization defines knowledge as a 'state of mind', the KM-systems will aim to provide access to sources rather than to provide knowledge as such. Such view corresponds to the findings of Hass and Hansen (2007) and the fact that the KM-systems were used to find the originator of the material stored in the system. If it is perceived as an 'object' on the other hand, as many organizations do, the purpose of KM-systems is generally to capture, store and transfer knowledge. Such view is well in line with the codification strategy proposed above by Hansen with colleagues (1999), but is however opposed by the definition of knowledge adopted in this study. KM-systems cannot capture, store and transfer *knowledge*, and these systems must thus contain something else.

Fahay and Prusak (1998) state that organizations might believe that they are managing knowledge, thus shaping their KM-systems and their procedures based on those beliefs, whilst they are actually managing something else. Managers do also seem unwilling to develop a working definition of knowledge and thus tend to confuse knowledge with other concepts, such as data and information. Davenport and Prusak (1998) state that knowledge is often mixed up with data and information since they are indeed intertwined; yet never joined.

Whereas knowledge can be seen as this framework used in order to perceive, evaluate, absorb and understand information and experiences, data and information can be perceived as something different (Nonaka & Takeuchi, 1995; Davenport & Prusak, 1998). Data is claimed to be unprocessed, objective, and raw facts about events (Awad & Ghaziri, 2004; Davenport & Prusak, 1998; Styhre, 2003). It might not however be as objective as what is generally agreed since data is usually chosen and brought to attention by people (Sanchez, 2001).

Information, on the other hand, can be perceived as being context-specific, processed and aggregated data with meaning and value added to it (Davenport & Prusak, 1998; Neef et al., 1998; Styhre, 2003). Keeping these different definitions in mind, it could be argued that the KM-systems primarily contain data and information rather than knowledge, as knowledge resides within people, in this case the employees of these firms.

2.2. Management Consultancy Firms

2.2.1. Management Consulting as a Profession

As suggested above, and also stressed by several scholars (e.g. Pfeffer, 1994; Empson & Morris, 1998; Alvesson, 2004; Ambos & Schlegelmilch, 2009; Von Nordenflycht, 2010) knowledge primarily resides within individuals, thus making the knowledge base of the employees the most important asset for MCFs. As the business landscape changes and new organizational and managerial practices are developed on a continuous basis, management consultants must continuously learn new things and gain new knowledge as the old practices and knowledge becomes obsolete (Kubr, 1986). In order to understand the work carried out by management consultants and what MCFs actually offer their clients, it is important to look into the profession of management consulting as such.

Knowledge is believed to be key to firms' sustainable competitive advantage (Nonaka, 1991; Grant, 1996; Spender, 1996; Empson & Morris, 1998; Dyer & Nobeoka, 2000; Awad & Ghaziri, 2004), and such claim seems even more true for management consultants and MCFs since knowledge is the product that they are supposedly offering and selling to their clients (Suddaby & Greenwood, 2001; Ambos & Schlegelmilch, 2009). Management consulting is however, unlike for example the medical profession, not an established profession and does not have an established 'body of knowledge', meaning a uniform set of activities and terminology (Kubr, 1986; Løwendahl, 1997). Management consultants do, however, often belong to other established professions such as engineering, and a first characteristic for MCFs, as well as for PSFs in general, is that the people working within these organizations usually hold a degree of higher education (Løwendahl, 1997). The fact that these consultants do not share a body of knowledge do not however necessarily mean that management consultants do not behave as professional as doctors. MCFs and the management consulting profession are also claimed to have norms or codes of conduct. A second characteristic of these firms is 'an altruistic service to clients'. The need of the client should thus be superior to the urge of earning money. Nevertheless, consultants are under the constant pressure of billing their time externally to clients (Taminiau, 2009).

In order to serve their clients, management consultants can assume two different roles; the ‘expert’ or the ‘speaking partner’ (Styhre, 2011). The former involves teaching the clients and provide material and solutions. The latter involves listening to the clients and to help them reflect and gain new insights on their situation. Kubr (1986) agrees and states that the role of the consultant is not to be running the operations of an organization or to be in charge of the decision-making. Management consulting is rather described as a “method of providing practical advice and help”.

Management consultants cannot be expected to be experts on each topic, thus making the role as a ‘speaking partner’ or even a ‘careful listener’ more justified (Styhre, 2011). The consultants do however often have different specializations and areas of expertise (Kubr, 1986), usually linked to the scientific development of that particular field (Løwendahl, 1997). A management consultant can thus be claimed to be a special kind of ‘knowledge worker’, standing with one foot in academia and the other in the domain of practice (Czarniawska & Mazza, 2003). They must balance between the two and translate the concepts and models from the business schools in order to be able to use them more operatively in the industry and the public sectors.

2.2.2. The Knowledge of the Management Consultants

Alvesson (1993) does however claim that consultants are often assigned to jobs for which they have little or no formal education, making the ability to adapt to new tasks and contexts a significant skill. Although founding this claim on a study of a computer consultancy firm and an advertising agency, Alvesson continues by saying that his impression of management consultants is that they also generally work with various tasks for which the ability to adapt outweighs the importance of formal education. The term ‘knowledge worker’ for describing management consultants, as done by Czarniawska and Mazza (2003) above, might thus be somewhat misleading based on Alvesson’s (1993) findings.

Alvesson (1993) questions the very idea of ‘knowledge-intensity’, something that is not surprisingly claimed to be a characteristic of PSFs, hence also MCFs (Løwendahl, 1997). The problem revolves around the ambiguous nature of the concept of knowledge (Alvesson, 1993). If defining knowledge as formalized and theoretically based, it could perhaps be possible to measure knowledge-intensity in terms of

number of years of education and formal training. Such definition does not however cover all aspects of knowledge and could be seen as merely representing one ‘pole’. The other ‘pole’ could be represented by for example interpersonal, somatic, cultural, and creative skills. Alvesson claims the first category, what he refers to ‘formal knowledge’, to cover too little and the second one to cover too much. Although being aware of its limitations, Alvesson sticks to the definition of knowledge as being derived from education and formal training in his study.

Such definition of knowledge becomes flawed when studying MCFs, since management consultants must for example be dedicated, flexible, able to handle uncertainty, have great interpersonal skills and the ability to maintain contacts and informal networks – elements that Alvesson (1993) himself claims can be included into the concept of knowledge. The presence of these skills and attributes are further emphasized by Løwendahl (1997) who states three additional characteristics of PSFs: (1) the demand for ‘discretionary effort and personal judgment’ by the consultant, (2) the ‘interaction’ with the client in order to access complementary information and input, and (3) the need for a high degree of ‘customization’ to the client’s unique and complex challenges. The latter is something that according to Alvesson (1993) requires creative skills.

Although not agreeing with Alvesson’s (1993) definition, the term ‘formal knowledge’ will be used in this study to describe theoretically based ‘knowledge’ primarily gained through education and formal training. According to our definition, formal knowledge cannot be perceived as knowledge. The choice of using this expression does ease the application and discussion of Alvesson’s findings and arguments. However, it is important to note that formal knowledge can turn into knowledge if it changes the general perception of reality. But for the purpose of this study, formal knowledge is defined as details about for example industries, processes, solutions, and courses of actions. Formal knowledge can thus in contrast to knowledge be stored and shared through codification (Hansen et al., 1999) and the use of KM-systems.

2.2.3. The Role of Knowledge Management Systems

As the reasoning and definitions above show, KM-systems cannot contain knowledge as it is defined as a tacit framework residing within the human mind, and KM-systems rather facilitate the storing and sharing of formal knowledge. Such conclusion does thus entail one major question. If KM-systems do not contain knowledge and formal knowledge lacks importance for MCFs as suggested by Alvesson (1993), the questions *why* these firms place such emphasis on the management of knowledge in the first place and *what* role the KM-systems play arise.

Alvesson and Kärreman (2001) could provide some valuable guidance on this matter. By having studied an international consulting firm, they state:

“In the end, the actual substance in the systems seems less significant, although in some cases it is perceived as very helpful. To a high degree it is rather their symbolic value that brings meaning to the knowledge management systems. The technology is important, but more as a powerful symbol for the cutting edge quality of the company, than for any substantial reasons...”

Such conclusion seems well in line with Alvesson’s (1993) study and his description of knowledge in KIFs as ‘institutionalized myths’. Just like the KM-systems carry a symbolic value, Alvesson (1993) states that the ‘knowledge work’ in KIFs can be perceived as ‘symbolic action’, by which the clients should be assured and convinced that these firms have something specific to offer (Alvesson, 1993). The ambiguous nature of knowledge implies difficulties for KIFs in terms of communicating their contribution to their clients. These firms have thus developed rhetorical skills in order to communicate both internally and externally that they should be relied upon because they possess valuable knowledge.

Stakeholders and clients must be convinced about the expertise of these organizations and the superiority of rationality (Alvesson, 1993). Knowledge work as symbolic action thus makes it more important to pose as an expert than to actually be one. In order to be successful one must behave and act ‘expert-like’. The knowledge must thus be emphasized and symbolized in actions, structures, talk etc.

The role of knowledge, as well as KM-systems could thus be believed to be something different than what is generally agreed. It can among other things be used

to persuade and convince the clients about the MCFs' claimed expertise and knowing and it can be used to create legitimacy for these organizations (Alvesson, 1993). Since KIFs seem to rely more on the beliefs about their expertise, Alvesson (1993) explore the institutionalist position (see e.g. Meyer & Rowan, 1977) in order to better understand the role of knowledge in these firms.

2.3. Institutional theory

Historically, organizations were seen as entities consisting of people who acted rationally with the goal of maximizing one's own utility (Eriksson-Zetterquist, 2009) but with the entry and development of the institutional theory that view has become challenged and questioned by different scholars (e.g. Meyer & Rowan, 1977; Powell & DiMaggio, 1983). Meyer and Rowan (1977) doubt the rationality and objectivity in organizations, considering it as merely a myth and Alvesson (1993) joins in and questions that rationality of KIFs and the true role of knowledge.

2.3.1. Institutions

In order to fully understand the institutional theory it is vital to understand the meaning of 'institutions'. People often think of institutions as some sort of organizational entity, often within the public sector. It does, however, have a different meaning in this context. According to Czarniawska (2005), an institution could be seen as a process built up by patterns of collective action, which is taken for granted and thus become normative.

An institution can be seen as an organization of individuals creating shared patterns of collective action. These patterns create order, stability and predictability since it normatively controls the behavior of the individuals. These norms set the rules of the game and new entrants have to comply since they are taught how things always have been done (Scott, 1995). Based on the above, an institution could thus be anything from a nation to an organization, a family, a religion etc.

For the purpose of this study, the management consultancy industry will be perceived as an institutional environment in which the MCFs have to cope with the external pressure and expectations from society and stakeholders. The similar actions and structures employed by these firms create patterns of collective action, something that

in turn creates taken-for-granted norms. MCFs thus partake in the creation and shaping of the very norms that they have to adjust to, or at least pose as if they are adhering to.

2.3.2. The Myth of Rationality

Organizations cannot shield themselves from the external world and they must therefore reflect the contemporary expectations held by the different stakeholders of the organization: the expectation of rationality (Meyer & Rowan, 1977). The norm of rationality is however, according to Meyer and Rowan, an institutionalized myth. Society continues to believe in this myth and it is kept alive by organizations pretending to be rational. Feldman and March (1981) does for example state that people seem over-concerned with information and that organizations place strong symbolic value on information. By gathering information they wish to pose as rational, careful and reliable. What is interesting is that organizations seem to gather more information than they can actually use, thus paradoxically behave more irrational than rational (Alvesson, 1993). This preoccupation with information does however project an image of them as being more rational, especially since they construct and use ‘formal structures’ built on rational theories and beliefs (Meyer & Rowan, 1977).

By incorporating institutional rules, practices, and procedures that are institutionalized in the society these organizations pose as rational, thus gaining the trust and the legitimacy needed from society. These rules might be supported by legislation or public opinion, or even be taken for granted. More easily put, in order to gain legitimacy organizations must do what is expected or at least make society believe that that is what is being done. Legitimacy is in turn crucial for these organizations to survive.

Meyer and Rowan (1977) describe the formal structure as a ‘blueprint for activities’. The organizational chart is part of this blueprint along with listings of all the departments, positions, programs and offices within the company. Rational theories tell us how these activities should be integrated and fitted together, glued together by explicit goals and policy documents, in order to form a formal structure that is assumed to be the most effective one. According to Meyer and Rowan (1977),

established theories believe that the coordination and the control of these activities are absolutely decisive for the competitiveness and the survival of the firm. They find this belief problematic and claim that there is a gap, a ‘loose coupling’ or even a ‘de-coupling’, between the formal structure and the day-to-day activities of the organization.

During the day-to-day work activities, employees might for example violate rules and ignore formalized procedures – all which are established elements of the formal structure. Different technologies and procedures for e.g. accounting, production and data processing are used as examples of different technologies that have become institutionalized myths (Meyer & Rowan, 1977). These are thought to be essential for the organization and even if they are not used appropriately or at all, organizations pose as responsible, modern and rational. Staw and Epstein (2000) found empirical proof showing that the implementation of a new technology, yet never fully implemented, did not have any significant effect on the firm’s financial performance on the one hand but did change the image of the company as being more innovative and legitimate on the other hand.

The survival of the organization, which is directly associated with the gain of legitimacy and resources, does hence not depend on the day-to-day work activities of the firm as much as the formal structure that the organization adopts. The ‘de-coupling’ does however allow the organizations to uphold their legitimizing formal structures without interfering with their daily activities. The expectations held by society and different stakeholders create further pressure on organizations to adopt their formal structure in order to gain legitimacy, which also in turn make them more similar (Meyer & Rowan, 1977).

3. Methodology

3.1. A Qualitative Approach

We chose to conduct this study using a qualitative approach for the collection of empirical data due to three reasons. First of all, we regarded a qualitative approach to be a necessity in order to obtain rich descriptions, well in line with Bryman and Bell (2011), of the KM-systems and their characteristics. Second of all, we needed qualitative data to be able to capture all the nuances (Jacobsen & Sandin, 2002) found in the complex role of knowledge and KM-system within these firms. Such approach provided us with a more thorough view of the KM-systems within the firms and their consequences for the consultants and the firms themselves. Third and final, a qualitative approach provides flexibility (Bryman & Bell, 2011). This allowed us to adjust the theoretical framework to better correspond to unanticipated empirical findings and thus enabling a slight shift of our research focus during the research process.

3.1.1. A Multiple Case Study

A case study is an in-depth analysis of a single contemporary phenomenon and thus provides a deep understanding of, for example, a place, an organization or a specific event (Yin, 2009). However, since the initial intent of this study was to compare the differences in knowledge management in larger and smaller MCFs, multiple cases had to be included in the study. When studying multiple cases, the study can be turned into a comparative study with less depth and instead designed to provide a better understanding of a phenomenon through the comparison of different cases (Yin, 2011). When conducting such comparative study, using a qualitative approach, the study takes the form of a multiple case study (Bryman & Bell, 2011).

The initial intention of this study was to compare the *differences* in terms of knowledge management in larger and smaller MCFs. However, it became evident in an early stage that few differences were to be found and it was the *similarities* among the firms, regardless of their size, that struck us the most. The fact that all firms had similar approaches for managing knowledge made us curious about the role of KM-systems within these firms.

Although having shifted research focus and abandoned the idea of comparing the knowledge management in larger and smaller MCFs specifically, this multiple case study was still appropriate with our new course. Yin (2009) states that researchers are better equipped to decide whether the gathered data can make up for generic patterns or not when conducting a multiple case study. Thus, this design enabled us to draw conclusions based on all four cases and thus being able to identify patterns, something that would not have been possible using a single case study.

3.1.2. A Descriptive Study

This study aims to answer *how* MCFs use KM-systems and describe the characteristics of these KM-systems and what consequences they bring. In line with Patel and Davidsson (2003), a descriptive approach was employed as it is appropriate when answering questions such as ‘how?’. The choice to conduct a descriptive study was also motivated by the vast array of existing previous studies and literature, since a descriptive study is preferable when there already exists a considerable body of previous research (Patel & Davidsson, 2003). Previous research about knowledge management, PSFs and KM-systems made it possible for us to limit the study to one, rather slim, specific field.

3.2. Case Selection and Description

The selection of cases was made based on three criteria. First, the cases had to be devoted to management consulting or have a branch devoted to management consulting. Management consulting is defined by Kubr (1986) as a professional service that aims to help managers analyze and solve problems faced by their organizations and to improve performance or seize new business opportunities.

Second, since the initial research focus was to compare the knowledge management systems in larger and smaller MCFs, naturally both larger and smaller firms, measured only in terms of number of employees, had to be included in this study. According to the Commission of European Communities (2003), the staff headcount for small enterprises should not exceed 49 employees. However, in order to widen the range of cases possible to study in this category, medium sized enterprises, which

headcount should not exceed 249 employees, were also included in our definition of ‘smaller’ firms. Smaller firms are thus defined as firms with no more than 249 employees and larger firms are defined as firms with 250 employees or more. Third, as in line with Yin (2009), sufficient access to the firms was needed in order to gather necessary data. Contact was established with several firms fulfilling the first and the second case-criteria, some of which declined to participate.

In order to achieve greater accuracy when drawing general conclusions the choice fell on two larger and three smaller cases and further contact was made to schedule interviews. This type of sample is a ‘typical sample’ chosen to represent the most common ways of the studied phenomena (Devers & Frankel, 2000). The inclusion of several cases was also motivated by the intention of avoiding drawing conclusions and making general statements based on limited data, something which is a common mistake in case studies (Eisenhardt, 1989). When compiling the study, the decision was made to leave out one of the smaller firms since they only agreed to participate in one interview. Due to the realization that only one conducted interview would not suffice, the decision to omit that interview and thus that firm was made.

In order to gain access we had to comply with the wishes of the firms to protect sensitive information and thus, all firms were given full anonymity. The four participating cases are therefore henceforth referred to as Alpha, Bravo, Charlie and Delta.

3.2.1. Alpha

Case A, henceforth referred to as ‘Alpha’, is a business branch of Firm A, devoted to management consulting and employs approximately 5.000 people worldwide. Alpha is thus defined as a larger firm in this study. Although being its own business branch, Alpha partakes in the expansion and usage of Firm A’s global infrastructure for intra-firm knowledge sharing. Firm A is more than 20 years old and operates on a global scale with more than 100.000 employees worldwide. According to the firm’s website, they search for both experienced consultants as well as inexperienced applicants. Applicants should hold a Bachelor’s or a Master’s degree, depending on which role the applicant applies for.

3.2.2. Bravo

Case B, is like Alpha, a business branch devoted to management consulting. This branch, henceforth referred to as ‘Bravo’, employs approximately 20.000 people worldwide and is thus defined as a larger firm. Bravo partake in the global infrastructure for intra-firm knowledge sharing for Firm B. Firm B has been running for more than 20 years and has more than 100.000 employees worldwide. The firm hires both graduates and more experienced consultants.

3.2.3. Charlie

Case C, henceforth referred to as ‘Charlie’, is in comparison to the above-mentioned cases a smaller MCF with a workforce of approximately 30 employees, thus defined as a smaller firm. Management consulting is the main business of this firm, serving primarily the Swedish market. The firm is approximately 30 years old and searches primarily for experienced consultants, but do also hire university-graduates occasionally.

3.2.4. Delta

The final case in this study, Case D or ‘Delta’, operates like Charlie primarily on the Swedish market. This smaller firm was founded during the mid-2000s and employs approximately 60 employees. Management consulting is the main line of business. Delta is described as a firm with relatively low employee turnover and only four people are said to have left the company since 2007. A significant part of the staff was recruited from another consulting firm.

Table 3.1.

Cases	Size of firm	Staff Headcount (approx.)
Alpha	Larger firm	5.000 employees
Bravo	Larger firm	20.000 employees
Charlie	Smaller firm	30 employees
Delta	Smaller firm	60 employees

3.3. Qualitative Methods

The choice of conducting qualitative interviews was initially made due to one reason. As we were not allowed access to observe the knowledge management activities and procedures within the firms, we instead decided to ask for the consultants' views. This choice of method became further consolidated after having shifted the research focus. Because the new aim was to study how MCFs *use* KM-systems in particular, it became increasingly important to get access to consultants' perception of how they use the systems as part of their day-to-day activities.

3.3.1. Interviews

The collection of empirical data took place in March 2014 and a total number of 16 interviews were conducted. 15 interviews are included in this study since one was omitted as mentioned above. Before the interviews were held, an interview guide was prepared with interview questions (see Appendix 7.1.). Although we are aware of the downsides, the questions were sent to each participant in advance upon request of the participants themselves. The benefits of spontaneity may have been reduced as the respondents were allowed to prepare their answers in advance. However, few respondents seemed to have prepared answers for the questions prior to the interview. After a few interviews had been conducted and as a consequence of the unanticipated findings, some questions were slightly modified in order to better correspond to the newly set research focus. We are aware of that such action might have had an impact on our study. We do however believe that such impact has not been significant, as all interviewees highlighted similar topics, regardless of the questions asked.

The interviews were designed in a semi-structured way with open-ended questions. This design allowed us to define specific themes for the interview, but leaving the questions adaptive to the situation (Bryman & Bell, 2011). This granted us as well as the interviewees the increased freedom of discussing the most important aspects and the interviewee was allowed to put additional emphasis on what he or she perceived as most important. We regarded this as a necessity when dealing with the complexity of concepts such as knowledge and knowledge management.

The questions were designed based on a ‘funneling technique’ (Patel & Davidsson, 2003). The interviews began with the respondent giving us a general idea of him- or herself and the firm, and then continued by providing a more in-depth understanding of the KM-system and their characteristics and usage. We strove to ask short, specific questions to limit the risk of misinterpretations (Kvale, 2007; Awad & Ghaziri, 2004) and to minimize the ‘interview effect’, which is the act where the interviewer leads the interviewee an intended answer instead of the accurate one (Svenning, 2003). This design of the questions is to ensure the validity of the interviews (Awad & Ghaziri, 2004).

All interviews except one, which was conducted over the phone, were held face-to-face at the different offices of the firms. Such practice provide a more comprehensive understanding of the context in which the interviewee operates since it allows a more personal and informal connection while observing factors as body language and tone of voice (Jacobsen and Sandin, 2002). On all interviews except two, due to time restraints, we were both present. During the interviews, one asked the majority of the questions while the other one took notes. Due to the fact that that we both were present, clarifying and complementary questions could be asked to a greater extent and we could perceive more of the factors mentioned above in order to increase the reliability of the research (Kvale, 2007). Another action that limited the partiality was that we could combine our impressions afterwards to provide a more thorough picture of the interview as a whole (Awad & Ghaziri, 2004).

The interviews were held in Swedish. We have freely translated the respondents’ terminology and quotes included in this study into English. These translations have been made carefully and in agreement with both researchers in order to ensure that meaning and nuances have not been lost during the translation process. All interviews lasted one hour and they were recorded with the permission of the participants in order to get all the quotes and facts right. After each interview a quick recapitulation was made in order to catch the impressions and comments while they were still vivid to be used later in the analysis (Kvale, 2007).

3.3.2. Interviewee selection

In line with the chosen approach and the research questions posed in this study the participants had to be management consultants, thus having experience of the firm's KM-systems. Løwendahl (1997) states that one characteristic of PSFs is that the employees hold a degree of higher education. This was thus used as an important selection criterion. The respondents partaking in this study have an academic background in industrial engineering, civil engineering, technology management, business administration, or systems science. Although being dispersed, all respondents' backgrounds fulfill the criterion above.

Contact was established with one person within each firm, which helped us to schedule interviews with interviewees fulfilling our criteria. In order to receive more nuanced views and attitudes towards the management of knowledge, the request of respondents with different degrees of experience within that particular firm was made. We believe that this criterion, or request, have been met for all cases. However, due to the low employee turnover at Delta the range of experience is smaller.

This sample is a 'typical sample', but also a so-called 'convenience sample', due to the accessibility and the restriction that the firms selected participants for us based on their availability (Bryman & Bell, 2011).

Instead of using the respondents' real names, each respondent was given a name consisting of a letter and a number. The letter corresponds to the first letter in the case name and the number corresponds to the interviews' chronological position (see Table 3.2. below). We believe to have received more honest and comprehensive responses due to the fact that the participating respondents have been anonymized (Yin, 2009). A summary of the interviewees is shown in Table 3.2. including the number of respondents and the range of years the respondents have worked in their firm.

Table 3.2.

Cases	No of Respondents	Ranges of years in firm
Alpha	4 (A:1 – A:4)	3 – 9 years
Bravo	2 (B:1 – B:2)	2 – 5 years
Charlie	5 (C:1 – C:5)	2 – 30 years
Delta	4 (D:1 – D:4)	6 – 7 years

3.3.3. Saturation

A common problem when conducting interviews is to know how many interview subjects will be sufficient for the study, and the answer depends on the purpose of the study (Kvale, 2007). In this case, when the purpose is to create a better understanding of the role of KM-systems in MCFs, the interviews aim to obtain as rich descriptions as possible. Such descriptions facilitate the process of drawing well-founded conclusions. According to Kvale (2007) a satisfactory number of interviews are reached when presumably little new knowledge will come from further interviews. A complete saturation has probably not been met in this study, mostly since only two interviews were conducted at Bravo. The answers provided by all respondents did however correspond more or less to the answers provided by their colleagues, something that indicates that some degree of saturation has been fulfilled.

3.3.4. Secondary Data

Secondary data was gathered from the firms' homepages as well as from material provided to us by the participants. This data served as a complement to the interviews, and Yin (2009) refers to the term *triangulation* when data is gathered from several sources as a mean to increase both the validity and reliability of the study. The data gathered from the interviews was thus compared and crosschecked with the public information that was shown outwards to clients and the public.

3.4. Data Analysis

An 'abductive' approach has been employed when conducting this study as the theoretical framework and the empirical fieldwork have been developed

simultaneously (Dubois & Gadde, 2002). Such approach allowed us to deviate from the pre-set course (Patel & Davidsson, 2003) as we received unanticipated responses.

During this ‘back-and-forth’ motion, the empirical data was analyzed continuously using a step-by-step model for data reduction, as proposed by Ryen (2004). This technique involves processing all gathered data and then dividing it into different categories depending on the purpose of the study. This model served as a guideline during the data analysis, in the search for cross-case patterns (Eisenhardt, 1989).

The analytical process began by organizing and compiling the gathered data firm-wise. The responses provided by the interviewees working within the same firm were crosschecked in order for us to comprehend the overall picture of the case and to identify any inconsistencies among the answers. This process involved close reading of the notes and us listening through all recordings from the interviews.

As a second step, the data was compiled in such a way that facilitated cross-case-pattern analysis. The following comparative parameters were constructed based on the main subjects from the interviews: ‘KM-systems’, ‘Dedicated time for knowledge acquisition’ and ‘Working in projects’. Aided by this new comprehensive overview, enabled by the comparative parameters, similarities in terms of approaches for managing knowledge in all four cases became evident, and especially so concerning their KM-systems.

4. Empirical Findings and Analysis

4.1. Knowledge Management Systems

All four firms store documents and material derived from the projects in some kind of electronic repository after project closure. Alpha and Bravo generally refer to their repositories as ‘databases’ whilst Charlie and Delta generally refer to theirs as ‘intranet’. The term ‘KM-systems’ will be used henceforth and will refer to all four firms’ IT structures, regardless of the term used during the actual interviews. Although the size, the technical specifications, and the structure of these systems differ between the cases, all respondents state the same purposes. The KM-systems are primarily used (1) to store and share knowledge within the firm and (2) to store project summaries or credentials. Furthermore, they are also used (3) to aid the firms’ sales processes.

4.1.1. Storing and Sharing Knowledge

Being part of larger organizations, both Alpha and Bravo use and partake in the expansion of their respective company’s KM-system with the stated purpose of codifying, storing, and transferring knowledge. The materials that both Alpha and Bravo upload into their respective KM-system include offers, deliverables, methods and processes. A:2 states that “the client owns the material, and we own the knowledge”, meaning that the material produced and paid for by the clients belong to them whilst the formal knowledge such as the course of action, presentation layouts belong to Alpha. It is generally up to the consultants to maintain the KM-systems and to remove obsolete material that is no longer valuable and useful. However B:1 claims that this should be done more frequently. A:2 also mentions that, before uploading the material into the KM-system, the consultants at Alpha are supposed to ‘scrub’ it, meaning removing client-specific and sensitive information that others should not have access to. However, as being a consultant often includes simultaneous involvement in multiple projects and spending most work hours at the clients’ locations, they are often forced to prioritize between different work tasks due to time restraints. Although the task of uploading documents from projects is often mandatory, the frequency of uploads and the quality of the uploaded documents varies. B:1 addresses the problem of people not uploading by saying: “it is always

hard to get people to do something extra.” What is noteworthy about this quote is that the consultant refers to the mandatory task of uploading documents as “something extra”, indicating that this is not a highly prioritized task.

The KM-systems of Charlie and Delta are considerably smaller compared to Bravo’s and Alpha’s, and C:2 states that they cannot afford to carry high costs for more advanced systems. Their KM-systems are structured through the use of a folder-system. The minimum requirement for the Delta consultants is to upload the deliverables, and it is generally up to the consultant to upload the material that he or she believes is useful for the rest of the firm. Everything from meeting notes to PowerPoint presentations are uploaded, and just like in Alpha, sensitive information about the clients should be removed prior the upload. Charlie have integrated virtual project rooms into their KM-system in which documents can be shared among the team members during the project. They do however lack clear routines for what to upload into the KM-system, but a project summary or reference case, henceforth referred to as a ‘credential’, should always be uploaded after project closure.

4.1.2. Credentials

However, Charlie is not the only firm that uploads a credential after project closure, as this is a requirement in all four firms. The length and the content of the credentials differ somewhat, but the given purposes are the same. A credential is a one or two pages long project summary including information about the project’s participants, purpose, objectives, results, deliverables, and who to contact for questions. A respondent from Bravo states one major benefit of these credentials by saying:

“It is a way to reduce the volume of data into a manageable amount.” (B:2)

The credentials are claimed to serve two purposes, namely to (1) show potential new clients what has been done in the past and (2) to inform internally about different projects. Several respondents, stretching over all four firms, use these credentials when entering a new project in order to find colleagues that have experience of similar projects and thus hopefully possess knowledge within that particular area. Many consultants reveal, however, that not all credentials are uploaded or even written. C:4 estimates that approximately 75 % of the credentials at Charlie are done, and continues by saying that one is not sanctioned if one does not write the credential.

The focus tends to be on the next client and new projects. Similarly, B:2 says that “It is far from everyone who makes the credentials”. These firms seem to have a dualistic attitude to these credentials. On the one hand, the credentials are described as a way to show potential clients about what has been done in the past, and on the other hand, both the consultants and the firms seem to give a lower priority to the credentials. The consultants do not always write the credential and move on to the next project, and some firms do not sanction the consultants if they do not write them. The value of writing and storing the credentials can thus be questioned.

4.2. Lacking Use of Knowledge Management Systems

Although not everyone is contributing to the KM-systems, it is evident that all of these firms attempt to codify and store knowledge in their KM-systems, well in line with the codification approach suggested by Hansen with colleagues (1999). A:2 even says: “I believe it is in the nature of the business to upload things in different ways”. Such statement indicates that the existence of some sort of KM-system is prevalent among MCFs in general. Several downsides and challenges with the KM-systems are however brought to our attention during the interviews. One such downside that is mentioned is the lacking structure of these systems and the difficulties in finding useful material. A respondent from Delta pinpoints this problem by saying:

“It is not optimal, I don’t know where I can find things and I get lost. I have started to use the search feature and then I always get something, but then instead maybe too much.” (D:4)

Other downsides that are mentioned during the interviews are the ‘information overflow’ and the consultants’ time restraints. Although having more developed KM-systems and departments working on improving the structure, both Alpha and Bravo suffer from the problem of information overflow. Old documents are seldom removed, resulting in a continuous accumulation of material. This growth in material goes for all four firms. B:2 says the following about this accumulation:

“There are huge amounts of information in a firm with far more than 100.000 employees... We have to work harder with the utilization rate... The structure exists, we just have to use it.” (B:2)

This quote reveals a somewhat guilty conscience for not utilizing the KM-systems, and it might also indicate that the amount of formal knowledge needed to fulfill the

clients' needs i.e. to do a fully satisfactory performance as a consultant, does not correspond to the amount of information available in these systems. In fact, the need for formal knowledge is seemingly much less.

We also found that the attitudes towards formal training and courses, by which consultants usually gain formal knowledge, vary greatly among the respondents. There are those who emphasize the value of it and there are also those who lack faith in it as a way to gain knowledge. A respondent from Alpha explains the benefits by saying:

“...It is great to have the more theoretical parts as well. One gets a lot of practical tips and ideas.” (A:4)

In contrast to the positive attitude towards formal training above, the following quotes clearly illustrate the negative attitude held by some respondents:

“If you get 90 % from learning by doing, maybe you will get 10 % from formal training.” (A:4)

“There is no point in reading.” (C:5)

“The ‘worst’ thing you can do is working with training sessions, it is preferable you work with something more client-related.” (D:4)

The last quote by D:4, besides showing a negative attitude towards formal training, can also be seen as highlighting the work as a consultant, in terms of being under constant pressure from the concept of ‘billable time’ i.e. the need for consultants to charge the client for their work (Taminiau et al., 2009). The following quote shows the constant trade-off the consultants face everyday: when choosing between acquiring additional formal knowledge and delivering to clients, the latter is always preferable.

“When it comes to in-house training, I guess there is some sort of saturation since we actually have quite a few. But our projects takes a lot of time and when prioritizing between in-house training and delivering projects, we simply cannot have that many training sessions.” (A:2)

This factor might be able to explain this scattered view of formal training above. The fact that most consultants seem to have little faith in formal training, indicate that the formal knowledge taught during those training sessions lacks importance for the

consultants. The fact that management consultants bring different kinds of knowledge when entering the consultancy industry due to their dispersed academic backgrounds also indicates such lack of importance.

In an effort to explain this lack of faith in formal knowledge C:2 states that people who see the company from the outside might think that it would be good for MCFs to have a standardized way to capture and use the knowledge of the firm. According to this respondent, reality does not however correspond to those beliefs, and the knowledge stored in KM-systems is not that useful. Following comments are also recurrent when discussing the KM-systems:

“I don’t think we use the written documentation that much.” (C:2)

“I don’t use it very often. It is easier to just ask someone.” (D:1)

Many consultants thus seem to utilize their informal network in the search for knowledge and input, well in line with Hansen with colleagues’ (1999) personalization approach. Whether the downsides and problems mentioned are the reasons or not remain unanswered, but it is evident that the personalization approach complements and somewhat makes up for the deficiencies related to the KM-systems. All respondents emphasize the gain of talking to colleagues in order to acquire new knowledge and one respondent from Alpha states that:

“You rather work on finding the right people and get help in person than finding the right material.” (A:3)

A consultant working for the same firm highlights the difficulties of belonging to a global KM-system by saying:

“It is perhaps easier to find stuff with good quality in the informal network than online. When you search online you might find a business case written in Italian that you cannot use.” (A:1)

Although flaws and problems with the KM-systems have been brought up during every interview, it is important to note that the consultants’ attitudes towards the KM-systems and which approach they prefer differ somewhat. Some prefer to start looking in the KM-systems in the search for valuable documents, and only contact its originator if he or she does not fully comprehend what is codified while others prefer

to turn to someone else directly in the search for knowledge and further information on whom to contact for additional insights.

The empirical findings of this study indicate that all four cases, regardless of size, employ both these approaches. On the one hand, the KM-systems are used to store material and documents and on the other hand, the employees turn to their colleagues in search for knowledge and clarifications. Thus, in contradiction with both Hansen with colleagues (1999) and Ambos & Schlegelmilch (2009), we believe that firms employ a more ‘pluralistic approach’, well in line with the findings of Ambrosini & Powell (2012). This statement is further strengthened by B:2 who stresses the importance of using both the KM-system and the informal network in order to get the job done:

“We have methods we are supposed to use but every project is different from the other so you often have to alternate between the two.” (B:2)

Although seeming to employ a pluralistic approach, all respondents experience several downsides and difficulties with the KM-systems. KM-systems are often neglected in favor of personal networks or only used as a way of finding the person(s) with the desired knowledge. However, regardless of the quality of the KM-systems and the strength of the consultants’ informal networks, the undisputedly best way to acquire knowledge, as all respondents emphasize, is learning by doing.

4.3. Learning by Doing

Learning by doing does in this context refer to the process of acquiring new knowledge while working on various projects and assignments. One of the respondents from Bravo says that:

"You learn naturally by being in the project. It is what allows you to develop as a consultant and become more valuable for the company." (B:2)

In order to enhance that development during the projects all firms create for the project customized teams comprised of consultants with different degrees of seniority and areas of expertise to promote mutual learning. This approach also facilitates training of junior consultants since they can obtain new knowledge and skills from their more experienced colleagues. D:3 highlights the importance of ‘puzzling’, as in

allocating resources, and of assembling the teams on thoughtful grounds. On the one hand, colleagues can teach each other and thus, knowledge gaps of the consultant can be filled, and on the other hand clients are served with the right skill and competences. The following example is used by D:2 when explaining their philosophy about project work. If the project only requires one consultant working full-time, Delta insist that two or more consultants, working part-time, should carry out the assignment. In their view this creates a win-win situation, since the consultants learn and the client will be provided with more insights, skills, and knowledge from a project team comprised of more than one consultant.

This emphasis on teamwork and learning by doing raises, once again, the question about the importance of managing formal knowledge through the use of KM-systems within the firms. Alvesson (1993), in contrast to other scholars (e.g. Hansen et al., 1999; Suddaby & Greenwood, 2001; Ambos & Schlegelmilch, 2009), downgrades the importance of the formal knowledge and instead emphasizes personal skills and traits such as flexibility, social skills and creativity. Respondent C:1 claims that the mantra is always: “new client, new solution”, something that partly confirms Alvesson’s claim that for example creativity is more important. C:1 continues by stating that one must always be able to see every new project as a unique situation and to have the ability to analyze, understand, and then create simplified models based on reality. The emphasis on such ability could be seen as a sign of a knowledge-intensive business according to the view proposed by e.g. Nonaka and Takeuchi (1995) i.e. a framework in order to perceive, evaluate, and absorb information and experiences.

The purpose of the KM-systems and the formal knowledge stored in these systems can thus be questioned. All firms have KM-systems and emphasize the importance of them. Still, we have found that what characterizes the KM-systems is that they are not used extensively. Instead there is a uniform belief that the best way to learn as a consultant is to be a part of projects first-hand. We thus wonder; what make the firms continue to invest capital in the KM-systems when there seems to be a lack of faith in the formal knowledge they contain, and apparently little practical use for it among the consultants?

4.4. Confliction Between Structure and Use

The inconsistencies found between the formal structure and the operational core in the firms, i.e. between the existence and the lack of use of the KM-systems, could be seen as an example of ‘de-coupling’, as described by Meyer and Rowan (1977). This de-coupling could be the result of these firms’ search for legitimacy from the public and their stakeholders, something that is also indicated by several respondents. As Meyer and Rowan (1977) states, organizations must act in accordance with what is expected of them, or at least pose as if they are, in order to gain legitimacy. Alvesson (1993) claims that it is more important for these firms to pose as experts and to seem rational, rather than actually being experts. B:1 sheds light on this de-coupling by saying that:

“It is not necessarily the industry-specific knowledge that is the most important when in a project searching for a solution. But being able to show that you possess it is a hygiene factor to get the project in the first place.” (B:1)

The formal knowledge, in this case the industry-specific knowledge, is thus seemingly not the most important thing for these firms when solving the clients’ problems. Such statement seem to be well in line with Alvesson’s (1993) findings that KIFs have to be perceived as experts and to be able to show that one possesses knowledge somehow. Formal knowledge is thus essential for earning client’s trust in the first place. Being able to present a university degree could perhaps also strengthen such gain of trust. The KM-systems seem to play an important role in order for these firms to gain the trust and the legitimacy that they need. Two respondents from Charlie highlight the importance of storing credentials by saying that:

“The documentation is of importance for marketing purposes, which means it is of importance for our [Charlie’s] brand. Because, when new clients show interest in us, we can tell them: we have done a lot of things here.” (C:5)

“No one will hire us if they don’t believe in us... This is what we know and we can prove it because we have done it before... It is the credential that is the most important thing for us: like a receipt of the knowledge.” (C:2)

What is noteworthy is that these quotes come from respondents working in smaller firm, with less developed KM-systems. What is also intriguing is that C:2 labels the credential as a ‘receipt of knowledge’. By storing documents and credentials in the

KM-systems, the firms can ‘prove’ to their potential clients that they possess the necessary knowledge by showing them all the credentials of previous projects and assignments. As Starbuck (1992) however points out, the storage of knowledge does not mean that it will be useful and valuable in the future since it is dependent on the context.

Unlike wine, that gets better with age, knowledge, and formal knowledge in particular, is perishable and better compared with milk. To exemplify this metaphor, imagine yourself buying a milk carton in the grocery store. As proof of your purchase you will receive a receipt. When you get home, you store the milk carton in the refrigerator and place the receipt in the desk drawer. After some time, the milk will become old and after some additional time it will sour and can no longer be consumed. Just like with the milk, much of the formal knowledge stored in these databases will become obsolete, even though the credential, i.e. the receipt, still exists. This may not however matter in the eyes of the public and the MCFs can thus continue to emphasize their whole knowledge stock and their internal knowledge networks when presenting their offerings.

The larger firms, Alpha and Bravo, emphasize their networks of industries and employees spanning over 100.000 professionals worldwide as well as countless projects, everything accessible through their KM-systems. Charlie and Delta on the other hand tend to promote the experience of their consultants, which they pass on the co-workers and clients. However, there seems to be a consensus that they all should be able to access all their previous work through a KM-system. A respondent from Alpha states the role of their KM-systems by saying:

“They do not hire me personally, they hire Alpha and expects me to have the complete knowledge capital of Alpha when going into the project.” (A:1)

According to Bravo’s website, the knowledge stock of their firm grows every day as they carry out more projects and that all employees always are able to access that global, collective knowledge base in order to provide the best solutions for the client. It is however highly doubtful that everything is used, or even needed for solving the problem at hand, as B:1 points out, in the beginning of this section, when describing the industry-specific knowledge as a hygiene factor.

Based on the search for legitimacy as proposed by Meyer and Rowan (1977), the MCFs should aim to project an image externally of that each consultant has the collective knowledge of the whole firm behind him or her in order to comply with external expectations. This is done through the existence of KM-systems as part of a formal structure for display outwards, despite the limited use internally. The formal structure thus protects the operational core from interruptions while gaining legitimacy externally, leaving the everyday business untouched, hence a de-coupling (Meyer and Rowan, 1977).

4.5. Consequences of a De-Coupled Industry

The consequences for the consultants of the de-coupling seem to be a constant feeling of guilt for not using the systems the way they are supposed to be used. As stated earlier, being a consultant means being under the constant pressure of billing clients for your time at work. D:4 stated the following above: “The ‘worst’ thing you can do is working with training sessions, it is preferable you work with something more client-related.” This quote highlights the day-to-day work as a consultant. The consequence of working under the pressure of billable time is seemingly, which is in line with Taminiau et al. (2009); if you cannot charge anyone for your hours spent working; your hours at work were spent improperly. Thus, it seems like the consultants are forced to prioritize between delivering the projects ‘by the book’ using the KM-systems or getting the job done using other seemingly quicker and simpler ways. In this battle between activities the choice is always the latter even though it causes frustration among the consultants since the KM-systems were not utilized in the process.

One further aspect linked to the frustration is the structure and function of the KM-systems. It seems as if many consultants regard the investments in the systems as a signal from higher managerial levels of an underlying wish for the consultants to use them. However, the systems are apparently not constructed for use in the day-to-day activities of a consultant. The consultants trying to use it thus get frustrated due to the lack of user friendliness. The quote by respondent D:4 also clearly illustrates this problem:

“It is not optimal, I don’t know where I can find things and I get lost. I have started to use the search feature and then I always get something, but then instead maybe too much.” (D:4)

As for the firms, two major consequences of a de-coupled industry can be identified. First, these MCFs seem to invest considerable amounts of money in KM-systems that they not use internally to such great extent, something that could be seen as a waste of resources. Another consequence of this de-coupling is however that these firms gain legitimacy from for example external stakeholders by having these systems. Several respondents have pointed out the importance of giving the impression of having the complete knowledge stock of their firm behind you in order to get hired. In line with Meyer and Rowan (1977) the firms do what is expected of them and thus the KM-systems are used as receipts of their knowledge as a part of the sales process.

These consequences can be discussed based on the findings of Alvesson (1993). His notion of questioning the knowledge-intensity KIFs and dismissing it as just a ‘claim of being so’ triggers a discussion regarding its applicability today. As stated, when Alvesson (1993) conducted his study, there were no KM-systems, yet the claim of the firms is the same today as it were back then. On this matter, C:5 states:

“I can see this over the course of many years. Before the Macintosh, we had internal meetings and went through things. We got Macintoshes in 1984, which made the writing of project plans a lot easier. Before that you had to have a secretary who could write everything down and file it... The project plans were shorter in the end of the 1980s. Today you write so many words it does not even make sense. But regardless, nobody ever reads what you have written anyway”

This quote highlights the fact that few people read what is filed, regardless of storage medium. The file cabinets in the 1980s were not used for internal knowledge sharing and what was stored inside was left mostly collecting dust. Still, the existence of the file cabinets can possibly be seen as a way to uphold the image externally of possessing knowledge and thus being knowledge-intensive. Today, all MCFs have more or less sophisticated KM-systems, something that further have increased the claim of being knowledge-intensive. Still, the internal use of the formal knowledge found inside is, just like in the 1980s, lacking. Instead they are seemingly used outwards to legitimize the business through the display of countless projects, large networks etc. Thus, it is possible that Alvesson’s (1993) findings are still valid today

because the importance of the formal knowledge stored is seemingly not as important for the work of a consultant as other features such as social and communicative skills.

We commemorate the metaphor of formal knowledge as milk. If considering the storage mediums as the bottle, and the formal knowledge as the milk residing within, we can see that it is just the storage mediums that have changed into digital form. Regardless if the formal knowledge is stored in a file cabinet or a KM-system, it is left mostly untouched eventually becoming obsolete and useless. The formal knowledge stored will, just like milk, perish as time passes (Starbuck, 1992). The knowledge stored in these KM-systems could be seen as ‘old milk’ as it is perishable and does eventually become sour and unconsumable. The KM-systems are seemingly just a ‘new bottle’, replacing the dust-collecting file cabinets.

5. Concluding Remarks

5.1. Conclusion and Discussion

As the purpose of this study is to create a better understanding of the role of KM-systems in MCFs, one of the study's aims is to describe the main characteristics of the KM-systems. All four participating firms have such systems, although them being different in terms of structure and design. All respondents state that the main purposes of these systems are to store and share knowledge within the firm and to store credentials. Having concluded that these systems do not contain knowledge, we turn to Alvesson's (1993) definition of formal knowledge to describe what is being stored in and retrieved from these KM-systems. The consultants in all four firms are supposed to store considered valuable documents such as meeting notes, PowerPoint presentations, deliverables and offers in these systems; but as our empirical findings suggest, there is a lack of faith in formal knowledge among the respondents. All consultants favor working in projects above all other methods for knowledge acquisition, thus leaving the KM-systems rather untouched or not used extensively. The main characteristic of KM-systems in MCFs can thus be concluded to be the apparent de-coupling between the stated purpose and actual usage of the systems.

What is interesting is that all firms still place emphasis on codifying and storing presumably important documents in their KM-systems. The fact that few people read and utilize those documents indicates that these systems are used for other purposes. Our empirical findings suggest that MCFs use their KM-systems in order to sustain the claim of the industry of being knowledge-intensive. As claimed by Meyer and Rowan (1977), organizations always have to be one step ahead of their clients in terms of knowledge, or at least act as if they are. By having these systems, MCFs can reduce the ambiguity of knowledge and project an image of them being rational and knowledgeable. A major consequence of these systems is thus that these firms can gain legitimacy from external stakeholders. Thus, these systems and the formal knowledge facilitated by them carry more of a symbolic value than being useful and rational (Alvesson, 1993).

Other ‘symbolic actions’ carried out by these firms include the hire of applicants that hold a higher degree of education. As already stated, formal knowledge lacks importance for these firms (Alvesson, 1993), thus making the degree more important than the actual knowledge acquired during the education. Similarly, the KM-systems are seemingly used to show new potential clients what the firm has accomplished in the past. The KM-systems do thus seem to play an important part of the sales process and to show how much knowledge the firm has accumulated over the years, rather than aiding the consultants with the sharing of knowledge.

The KM-systems do also entail consequences for the consultants and can, just like for the firms, be seen as a double-edged sword. On the one hand, in line with Alvesson (1993), the KM-systems seem to aid the consultants’ own strive to pose as experts as it can be claimed that the single consultant possesses the collective knowledge stock of the entire organization through the KM-system. On the other hand, many consultants feel guilty for not using the KM-systems to a greater extent, especially since a lot of resources are being invested in them. However, due to the constant pressure from the obligation of billing your time and time restraints from spending time at different clients locations, many consultants get frustrated over their current position: caught in the middle of a de-coupled business.

To summarize, we would like to describe the role of KM-systems in MCFs as a way for these firms to legitimize their business and to gain the trust from their potential clients, stakeholders as well as from the society. In contrast to the stated purpose of KM-systems, to facilitate the storing and sharing of knowledge, these systems are more characterized by this de-coupling between these firms’ formal structures, the KM-systems, and the daily work carried out by the consultants. The firms gain legitimacy as a consequence of this de-coupling, whilst the consultants can use other methods and tools in their work.

Another notable conclusion is that the lacking use of formal knowledge suggested by Alvesson (1993) seem to still be valid today. A considerable amount of the formal knowledge stored remains untouched and eventually become ‘inconsumable’. Meanwhile, the dust-collecting file cabinets of the 1980s seem to have striking similarities with how the KM-systems are treated today. Thus, it seems reasonable to

conclude that formal knowledge stored in KM-systems can be seen as ‘old milk in a new bottle’.

5.2. Contribution

Although questioning the importance of formal knowledge for these firms, it is important to state that we do not seek to question the knowledge-intensity in the business per se. On the contrary, we believe that knowledge is key for management consultants in their work. However, the firms’ claim of being able to manage it completely is doubtful due to the complexity of the knowledge concept. There already exists a considerable body of previous research regarding Knowledge Management in KIFs, but by having studied the role of KM-systems within MCFs from an institutionalist point of view we argue that study makes three major contributions.

First, normative studies such as Hansen with colleagues (1999), Ambos and Schlegelmilch (2009) and Ambrosini and Powell (2012), all assume that knowledge can and should be managed through the use of KM-systems. We argue that knowledge is more or less impossible to codify and thus very hard to manage by using KM-systems. As these studies fail to identify this de-coupling, they continue to emphasize the importance for these firms to manage their knowledge and thus contributing to the normative pressure and the expectations held by society. In order to maintain legitimacy, these MCFs have to comply with such pressure. This creates a spiral seemingly hard to break free from, as they never ask themselves *why* knowledge should be managed at all. In line with Alvesson and Kärreman (2001), this study provides an alternative view of KM-systems by highlighting their limited internal usefulness. This study strengthens their conclusions since it shows similar results, although including several cases of various sizes.

Second, important contributions are also made to the study conducted by Alvesson (1993). As today’s society is characterized by hardened competition as a result of continuous globalization, it seems as if it has become increasingly important for KIFs to pose as being knowledge-intensive and to prove oneself of being rational. The emergence and the consolidation of KM-systems could well be seen as way for organizations to deal with these new expectations from external stakeholders. Another factor that may also motivate the existence of KM-systems is the need for clients to

justify their choice of consultancy firm, both internally and externally. As clients spend large amounts of money on something that is both hard to define and not yet developed, it becomes increasingly important for MCFs to ‘display’ their expertise as well as the for the clients to justify why so much money is being spent.

The previous mentioned criticism of Alvesson’s (1993) study suggested in this thesis, about the shortcomings concerned with making generalizable statements about KIFs by studying a computer consultancy firm and an advertising agency, has lost some ground since this study of MCFs seems to be in line with Alvesson’s findings. It seems reasonable to suggest that Alvesson’s (1993) notion still have some validity today, in combination with the need for proving oneself rational has apparently become more important. In order to comply with that progress, the KM-systems might have been introduced to fill the role of the old file cabinets.

Third and final, this study may also have practical implications for those who use or intend to use KM-systems. As this study shows, there are several pitfalls with KM-systems that firms should try to avoid, including information overflow and an insufficient structure of the system. KM-systems do however prove to fulfill some internal purposes. One such purpose is to facilitate the process of finding people with the appropriate knowledge. Before investing in a new or an already existing KM-system, the needs of the organizations should thus be considered and mapped before making such investment, in order to employ a KM-systems suited for the organizational needs.

What is noteworthy, and perhaps one of the main contributions of this study, is the notion that even though the need for a KM-system were to be perceived as non-existing, it might still be of utter importance for a firm in order to gain the legitimacy needed, and ultimately secure the survival of the firm. It might be important to project an image both externally and internally, as suggested by Alvesson (1993), by having a KM-system. Externally, there seems to be expectations from stakeholders that firms should have such systems. Internally, it is important to strengthen the employees’ self-images of possessing valuable knowledge. The knowledge must be emphasized and symbolized in actions, structures, and talk in the consultants’ day-to-day activities. What could be perceived as a waste of money could thus simultaneously be

perceived as an important investment, although not being used in the employees' day-to-day activities.

Hence, organizations and practical users of KM-systems might be forced to manage a de-coupled business. On the one hand, formal knowledge lacks importance for the daily work and on the other hand, a KM-system might be a necessity in order to survive. By keeping the KM-systems simple and in line with the organizational needs, the consultants' frustration could be reduced while the organization still can gain legitimacy by having a less expensive system for display. By keeping it simple and by having clear routines, pitfalls such as information overflow could more easily be avoided.

5.2.1. Limitations and Suggestions for Future Research

A number of limitations have been necessary when conducting this study. First, even though this study aims to provide generalizable statements of MCFs and the management consultancy industry, the study only includes four cases, all operating in Sweden. This does not necessarily mean however that these firms do not operate abroad. The limitations in terms of number of firms and the geographical position of the studied firms are consequences of limitations in terms of our time and mobility. We recognize that the inclusion of more firms would have provided more empirical data, which in turn would have made for even more generalizable statements.

Second, this study covers four firms and has thus sacrificed some depth in favor of breadth. A closer study of one or two firms could, through the use of a wider range of qualitative methods, provide an even deeper understanding the role of KM-systems in MCFs.

Third, this study only investigates the perspectives given by the MCFs and does not take the actual expectations of the external stakeholders into account. Thus, for future research both MCFs *and* their stakeholders should be studied in order to acquire the full picture.

Fourth and final, our choice of method for the collection of data might have had an impact on our empirical data. During the interviews, the respondents might, either intentionally or unintentionally, try to project an image of behaving rationally. This

effect might be fueled even more by the fact that we are representing a university, which could be considered the ultimate ‘bastion of rationality’. Thus, other qualitative methods such as observations could be used, either as a complement or as a substitute for interviews, in order to reduce such biased answers when conducting similar studies in the future. The findings of such study could then be used in order to test the accuracy of the findings brought forward in this study.

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7. Appendix

7.1. Interview Questions

Part 1 – Respondent presentation

1. What is your position within the company?
2. How long have you worked for the company?
3. How many employees are working in the company?
4. Please describe the company in terms of organizational structure.
5. What is your academic and professional background?

Part 2 – Knowledge and knowledge transfer

6. How would you describe the approach towards knowledge in the company?
7. What role does knowledge play in your company?
8. How are employees encouraged to share their knowledge with the colleagues?

Part 3 – Knowledge transfer at project closure

9. How does the knowledge sharing / transfer take place at your company after project closure?
10. How do you decide which knowledge is relevant for storing?
11. Bearing in mind all procedures and tools for storing and transferring knowledge that your company use, why do you think you use these procedures and tools?
12. Do you experience any difficulties or challenges with the present way of sharing and storing knowledge at project closure?
13. How do you think this knowledge sharing is working at your company?
 - a. What is good?
 - b. What could be improved?
14. As of now, do you believe valuable knowledge is sometimes lost? Why is that?

Ending

15. Would it be okay if we contact you again if clarifications and/or additional information are needed?