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POLITICAL RESTRICTION: A COMPLEX LEARNING PROCESS FOR SALMON PRODUCING FIRMS IN NORWAY

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Abstract

Organisational learning is a complex topic for firms. Several theories regarding internationalisation have described knowledge as something important for the process. Although the view of knowledge could be viewed differently, major internationalisation theories have agreed that experiential knowledge is the factor that allows firms to expand and increase commitment in the market.

Political restrictions have traditionally been implemented by governments to protect the domestic market from foreign competitors. Many of these restrictions have been reduced dramatically as the world has moved more towards a free trade movement. However, other restrictions which are aimed at protecting the environment has increased which aims to reduce the effect from businesses. The Norwegian government, for instance, has restrictions regarding the production of salmon. Very limited research has been done regarding the effect on organisational learning connected with political restrictions.

The research includes two firms from the High North of Norway. A qualitative research approach was chosen due to the complexity of the phenomenon. Both an exploratory and descriptive study took place as it was believed to serve the research better. The interview was transcribed word for word which was used for the analysis part. Furthermore, the paper analyses the data gathered in three different phases to give a better insight of the role of knowledge for the firm. The second two phases focus more on affect political restrictions in current and for the future life span of the firms.

The purpose the study is to provide a theoretical and practical contribution. Theoretical wise, the study is attempting to contribute to the complex topic, and pave way for future research regarding the topic. The research will discuss the gap in the literature regarding the effect of a political restriction on organisational learning. The practical side of the study provides an insight towards politicians and people with a managerial position in firms regarding the importance of intangible resources and how organisational learning plays a crucial role for firms.

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1. Introduction

1.1 Background

There has been a lot of studies regarding the internationalisation process as it important to understand how firms are able to expand their markets into foreign countries. Globalisation has paved a way to reach the foreign markets, such as reduction in trade barriers, standardised institutional environment, and profound effects of transportations (Button, 2010, pp. 7-8). Firms are interacting and conducting business in several foreign markets. International trade has rapidly increased as the transport cost have dramatically been reduced (Williamson, 1998, p. 51). The role of knowledge plays a major role in a firm's success in the international environment (Ruigrok & Wagner, 2003, p. 69). This success will lead firms to enter and expand in the foreign market. Knowledge and particularly experiential knowledge, have on a market basis been viewed as perhaps as the most important assumptions in the internationalisations models as per date (Brennan & Garvey, 2009, p. 120). The role of knowledge also plays a different role in both incremental and rapidly internationalisation.

Internationalisation theories emphasise the importance of knowledge as it allows for the internationalisation process, which then again increase the financial outcome of a company as the firms expand its business. Organisational learning process describes knowledge as something that can give firms a competitive advantage, which can be very useful in the competitive global market (Bierly III, et al., 2000, pp. 599-600). Organisational learning is a continuous process which helps organisation gain or replaces existing knowledge (Burton & Obel, 2004, p. 11). It plays a significant role as firm learn from experience, which can assist in dealing with unforeseen situations. Knowledge is viewed as a vital source for the success of the internationalisation process as it can assist to find new opportunities and handle environmental uncertainties (Prashantham, 2005, p. 39). Both internationalisation, Uppsala and Born Global view knowledge as an important factor for success in the foreign market.

The role of knowledge in the Uppsala model is that it is a barrier, in the sense that knowledge must be acquired in the domestic market, then go through an incremental process through similar markets with same characteristics. Born Global model, on the other hand, views knowledge as a driver for the internationalisation process. Managers and entrepreneurs have previous knowledge from internationalisation. Born Global model views knowledge as a driver in the internationalisation process of a firm.

Political restrictions affect firms' future, such as expanding production. Governments impose regulations for several different reasons., such as ensuring the protection of home producers safety and environmental reasons. These factors will affect firms' future expansion and perhaps further internationalisation. The process focus to replace current knowledge with new knowledge as wisdom could be outdated.

1.2 Problem statement

Many scholars have emphasised to show the importance of the role of knowledge in the internationalisation process, and how it can give an advantage and to be a key factor for the firms' future survival (Narver & Slater, 1994, p. 21). Knowledge is a crucial factor to let firms grow and survive (Merji & Umemoto, 2010, p. 165). Global competition makes it harder to for firms to survive, and international firms are not going to succeed by holding just rare or valuable resource. Firms need to learn and managing valuable and important knowledge resources.

Theories regarding internationalisation view the knowledge as the important factor, and organisational learning also emphasises the importance of knowledge. This clearly illustrates the linkage between internationalisation and organisational learning. Literature regarding motivation for individual learning describes why employees want to learn in the organisation, such as to intrinsic and extrinsic motivation (Prugsamatz, 2010, p. 247).

The problem starts to occur when political restrictions hinder firms from producing and exporting their goods and services. Most restrictions were imposed as a political aspect to reduce domestic market from competition. However new restrictions could be implemented for environmental purposes. For instance, to produce fish in a fish farm in Norway, firms must apply for a production licence and be rewarded for it to start to produce. Furthermore, they can only produce a limited amount of fish with a licence, and might not be able to get new licenses.

This stop for firm's internationalisation process for new markets and further could imply that the government are hindering firms of gaining new knowledge as well as gaining full of potential of learning from current markets.



Figure 1: How political factor could affect organisational learning

The restrictions make it harder to expand, but it is unclear if it has an impact on the firms on the organisational learning. There are several factors that could influence the organisational learning in the sector, factors that the firms cannot control. There is unclear if political restrictions hinder or helps firms` organisational learning process. For instance, it could make it de-motivating for firms to focus on organisational learning as they are not allowed to sell more and might be held back from the restrictions, which further could imply that there is no need for organisational learning as there is a high demand but low supply from this industry. This could be alarming for these firms as something unexpected could happen in the future, such as new trends which could change the way of consumption which. This again could hurt the firm`s future growth and potential. Furthermore, the fish farming industry is viewed as an industry that could replace the oil industry of Norway in the future.

1.3 Research purpose and significance of study

With bearing in mind that knowledge plays a crucial role in the success of internationalisation and that organisational learning emphasises the importance of learning, this paper will focus on the role of political restrictions on organisational learning due to that it is important to understand if it can cause a disturbance in the learning process. This could both be interesting for both firms and politicians to get a better understanding how legislation could affect the future of a type of an important industry for Norway

The literature between organisational learning and the internationalisation process of Uppsala and Born Global concludes the same, that knowledge is an important factor. This paper aims to find out if political restrictions will impact organisational learning for firms in the international environment. The major purpose of the use the theory provided to illustrate that knowledge plays a crucial role in the internationalisation process, and to further understand how factors could affect

Thus, the thesis will be focusing on finding the answer to the following research question:
How do political restrictions affect organisational learning?

2. Literature review

2.1 Defining organisational learning

There are several definitions of organisational learning from different scholars. It is regarded as the process of learning in an organisation through previous experience. Curado views organisational learning as when an organisation reconfigures its internal and external capabilities through the dynamic environment (Curado, 2006, p. 29). Other scholars such as Davenport and Prusak views organisational learning as framed experience, information, expert insight which allows for new experience in the mindset of the persons, which could acquire new information regarding the internal information in the organisation, such as norms, practices, and routines (Davenport & Prusak, 1998, p. 5). Both definitions are quite similar, however, Davenport and Prusak`s definition seems to be regarded to focus more on internal experience while Curado`s statement seems to focus on both external and internal knowledge. This paper will focus on gaining experiential knowledge and will, therefore, focus on Curado`s view on organisational learning.

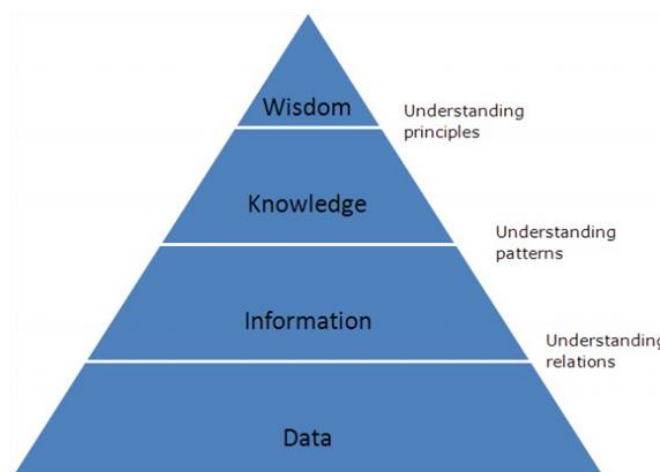


Figure 2: Data, information, knowledge and wisdom framework (Bierly III, et al., 2000, p. 602).

Organisational learning could be complex to understand. Scholars, such as Bierly III, et al. have created a model with several steps to describe the process of organisational learning.

The process itself is divided into data, information, knowledge, understanding and then finally wisdom (Bierly III, et al., 2000, p. 598). Firms acquire knowledge by processing their experience which needs to be processed to be gained. Some findings suggest that the Uppsala model can be used for explaining organisational learning when the firms are going through the process of internationalising (Doornich, 2014).

There are several arguments for what data are in terms of organisational learning. One of them being that it is something that is given or granted. Once the data is processed into a meaningful form for the recipient, it reaches the information stage. In other words, it means that the grasp the meaning of the data, which can be used in future concrete situations. Knowledge is when an individual or group have a clear and certain understanding of something. Knowledge can be defined as a clear understanding associated patterns about learning of information, which basically means that knowledge is a bunch of information that encoded. Wisdom is defined as when exercising good judgement based on when using the full potential of knowledge and experience. Wisdom will give the ability to use the knowledge gained to achieve and establish desired goals (Bierly III, et al., 2000, pp. 599-602).

Organisational learning is defined as knowledge acquisition made by individuals and groups. The reason Organisational learning is important for a firm is due to that the knowledge which is collected can be used for future decision-making processes (Curado, 2006, p. 28). Firms must learn from previous experience to exploit their internal and external firm-specific competence so that firms can face the changing dynamic environment (Teece, et al., 1997, p. 510). Theorist assumes that organisational learning needs to be a continuous process for firms to secure a sustainable competitive advantage (Jackson, et al., 2003, p. 351).

Organisational learning helps improve the organisation's knowledge. Knowledge is defined as what we know to a certain point, while learning occurs when we gain new knowledge that replaces a previous knowledge or modifies it. Organisational learning improves the organisation and is a continuous process (Burton & Obel, 2004, p. 11). Several unforeseen situations can appear, and with this organisational must look for other markets to replace the loss and to survive. Theories for instance as the Learning School intended message is that firms must learn to find a strategy (Mintzberg & Lampel, 1999, pp. 24-25). Furthermore, emergent strategies could appear despite the absence of intention, which could be taken a realised strategy if an organisation has the knowledge to conduct it (Mintzberg & Waters, 1985, p. 257). The continues process of Organisational learning will let firms find new

strategies as it modifies or replace previous knowledge and plays a crucial role to find other potential markets.

2.2 Categories of knowledge

According to several scholars, knowledge can be divided into tacit and explicit knowledge. Nonaka has classified the learning into under dimensions of knowledge assets, explicit knowledge and tacit knowledge (Nonaka & von Krogh, 2009). According to Nonaka 1994, tacit knowledge is both containing cognitive and technical elements. *Tacit knowledge* could be technical components of know-how such as knowledge that can be used in order to approach customers in the best way. This can be for instance by using flattery and other ways to apply to the specific context (Alavi & Leidner, 2001, p. 110) . *Explicit knowledge*, on the other hand, is the knowledge that is categorised which are communicated and codified in symbolic and or natural language, and example would an instruction manual that follows a product when it is purchased (Alavi & Leidner, 2001, p. 110). In most settings, tacit knowledge is regarding as the more important rather than explicit knowledge.

Uppsala model internationalisation model has been one of the most widely recognised, if not the most recognised internationalisation theory. The stage model emphasised the importance of knowledge in regard to making commitment decisions and to increase foreign market commitment. According to Johansen & Vahlen, knowledge can be classified into objective knowledge and foreign experiential knowledge. *Objective knowledge* is defined as knowledge that can be thought while *experiential knowledge* can only be learned through personal experience (Johanson & Vahlne, 1977, p. 28). Johansen & Vahlen emphasises that that experiential knowledge cannot be gained as easily objective knowledge. Experiential knowledge in foreign settings must be gained successively while the firm is operating in the foreign market. Experiential knowledge is a result of knowledge that is gained while experiencing something new and is crucial in international work settings, such as managerial work and marketing (Johanson & Vahlne, 1977, p. 28).

The Uppsala model is a stage model, while the rapid internationalisation theories proposed scholars that suggest that knowledge-intensive sector has been able to globalise in a fast pace, and that is due to valuable knowledge which has allowed firms to rapid internationalisation rather than an evolutionary (Oviatt & McDougall, 1994, p. 56). Scholars such as Madsen & Servais views the international experience as a driving force for the rapid internationalisation process for the Born Global firms (Madsen & Servais, 1997, p. 574). According to some

scholars, knowledge intensity can be defined as what extent a firm depends on the knowledge inherent in its activities and output as a source of competitive advantage (Autio, et al., 2000, p. 913). The Born Global model emphasises that its managers and entrepreneurs' experience must be relevant to the current industry where the Born Global firm will be operating in (Madsen & Servais, 1997, p. 566). The previous experience might also allow managers and entrepreneurs to develop a broad network of contacts and customers which can be used in order to pursue a new business opportunity.

Other studies of Born Global have divided knowledge into different categories, such as international knowledge and technological knowledge. *International knowledge* is viewed as an experiential knowledge that is gained in international settings which can be used for managing international relationships and international business, while *technological knowledge* is experiential knowledge regarding technology that the firm's products are built on (Nordman & Melén, 2008, p. 173).

Knowledge resources can further be divided into market knowledge, experiential knowledge, which is composed of network knowledge, cultural knowledge and entrepreneurial knowledge (Merji & Umemoto, 2010, p. 162). According to the scholars, *market knowledge* is referred to as objective or explicit information regarding the foreign market which could be information regarding the size of the market, competitors, regulation and so on. *Experiential knowledge* can according to the scholars be divided into cultural knowledge (knowledge of languages, habits and so on), network knowledge (social and business network and the knowledge of the network itself) and entrepreneurial knowledge (knowledge of existence of opportunities and exploiting them) (Merji & Umemoto, 2010, pp. 162-163).

The resource-based view suggests that firms can sustain competitive advantage in the long run due to that the firm can create, manage and transfer knowledge that is valuable, rare and hard to substitute in an international context (Saarenketo, et al., 2004, p. 369). Furthermore, Saarenketo et al. divide the knowledge base of a firm into three basic categories of knowledge (Saarenketo, et al., 2004, p. 369):

1. Tacit Knowledge ("know-how")

The tacit knowledge is ingrained in the organisation of the firm as a whole or in teams within the firm organisation that are based on experience which makes it easy to protect against imitations. Tacit knowledge can help firms to take advantage of

economies of scale and scope internally or externally and can help explain the difference between several firms in the same group or industry.

2. Fully articulated codified information (“know-that”)

This category of knowledge is a source of positive externalities knowledge transferring and knowledge creation through integration is the most important mechanism. The possibility and capacity of the firm is an important factor when acquiring the codified information

3. Generic knowledge

This type of knowledge is a combination of tacit knowledge and fully articulated codified information.

Other scholars suggest that firms generally acquire the following type of knowledge through exposure to the international market (Eriksson, et al., 1997, p. 343):

- Institutional knowledge

The knowledge regarding knowledge of government, institutional framework, rules, norms and values.

- Business knowledge

Information regarding clients, the market and competitors

- Internationalisation knowledge

The knowledge regarding a firm`s resources and capability to engage in in international operations (Brennan & Garvey, 2009, p. 124).

The different construct of knowledge, intuitional knowledge, business knowledge and internationalisation knowledge are all gained in a different way from each other.

Internationalisation knowledge shows to some extent that knowledge is gained from previously experience as well as the hiring of individual with relevant knowledge and by creating international alliances. Also, institutional knowledge is easier gained than business knowledge and international knowledge, and furthermore firms` which are highly internationalised tend to have the more institutional knowledge, and firms that are poorly internationalised have a low institutional knowledge (Brennan & Garvey, 2009, pp. 125).

2.3 Internationalisation and knowledge

The internationalisation process is defined when firms go abroad and expand production, research, and development, selling as well as other business activities into other markets

(Hollensen, 2014, p. 53). Internationalisation is when a firm goes a firm expands from the domestic market to achieve a geographical expansion of economic activities in another market (Ruzzier, et al., 2006).The process gives the opportunity for firms to expand and cut cost by outsourcing and offshore. Firms have different motivation on why they want to internationalise, such as competitive pressure and small domestic marked (Hollensen, 2014, pp. 61-62). Firms with small domestic markets usually have a strong orientation of internationalising (Korneliusson & Blasius, 2008, p. 220).

A lot of literature have put emphasis on how knowledge is important for the internationalisation process, and that organisational learning is important for a firm to create a sustainable advantage. This paper will provide known theories about internationalisation and how knowledge plays a role in the process

2.3.1 The Uppsala model and knowledge

Johanson and Vahlne created the Uppsala model in 1975 to describe how the internationalisation process focuses on that firms learn by experience that is gained from entering foreign markets. The Uppsala model is a stage model, so according to the model firms learns first by operating in the domestic market, then usually to neighbouring countries, and systematically entering countries that are quite different from the domestic market itself (Johanson & Vahlne, 2009). The Uppsala model focuses and put emphasis on managers as well as the firm as an organisation experience is a very important factor of the internationalisation process.

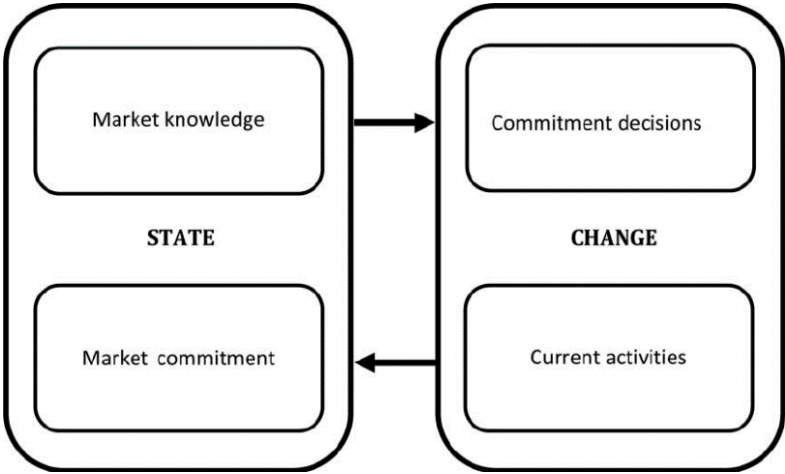


Figure 3: Uppsala model, state, and change aspects (Johanson & Vahlne, 1977, p. 26)

The figure shows how market knowledge and market commitment would affect organisations commitment decisions and current activities in the foreign market. According to the Uppsala model, the internationalisation process started first with that the firms operated in the domestic markets, before entering markets nearby and gradually expanding its operations (Johanson & Vahlne, 2009, p. 1412). Market commitment and market knowledge affect each other; the more market commitment allows gaining more market knowledge as the figure. This again means that the internationalisation process goes through different stages (Johanson & Vahlne, 1977).

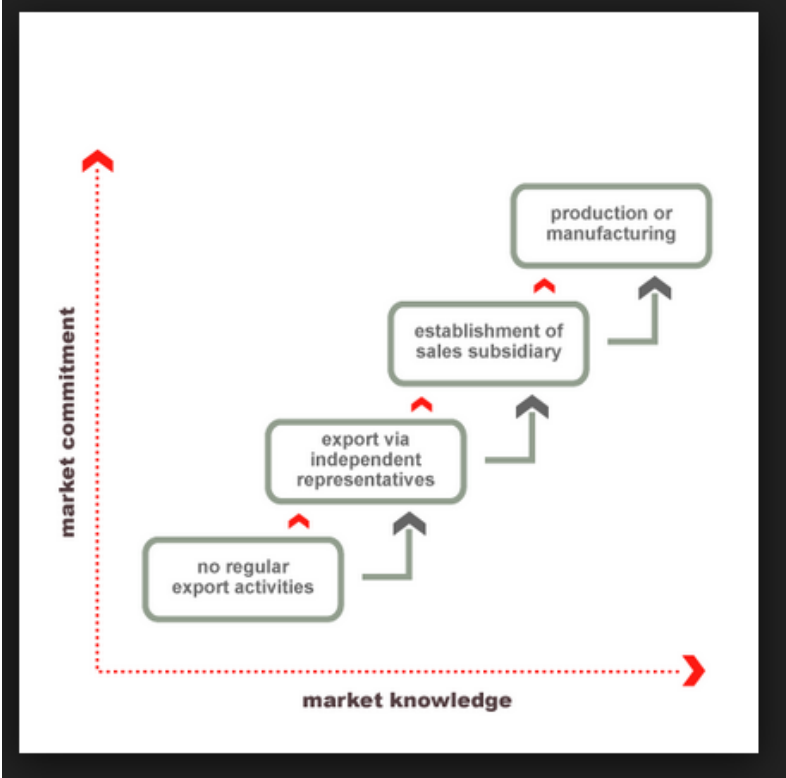


Figure 4: Illustration of market commitment and market knowledge of the Uppsala model (Johanson & Vahlne, 1977)

The stage model shows how much the market knowledge are gained through market commitment. Firms will start with a low commitment to the host market due to the lack of knowledge and gradually commit more resources (Korneliusson & Blasius, 2008, p. 218). Stage 1 is no regular export activities, stage 2: export goes via an independent representative, Stage 3: establishment of sales subsidiary, stage 4: production or manufacturing. The assumption of the Uppsala model is that market knowledge is gained through experience when market conditions are stable and homogenous, however, some researchers have challenged this assumption and suggest there are other ways in getting knowledge than

through experience (Brennan & Garvey, 2009, pp. 123-124). However, there is no doubt that knowledge is a key factor for the Uppsala internationalisation mode.

2.3.2 Born Global and knowledge

Several researchers have criticised the stage models, such as the Uppsala model to be limited to value and too deterministic. Other findings have also found finding that many firms do not follow the traditional pattern of the stage during the internationalisation process, but sees the international market as their business ground right from the birth of the firm. Born global firms are usually also must go abroad due to small domestic marked, and star international activities shortly after the creation of the firm (Madsen & Servais, 1997).

Researchers have come up with some finding that shows that firms do not find the domestic market as an important “learning place” (Madsen & Servais, 1997, p. 564). Knowledge in the Born Global field is an accelerator to the internationalisation process, and that the Born Global phenomenon is the driver of internationalisation (Brennan & Garvey, 2009, p. 129). Firms that are especially in niche markets must sell to the international marketplace due to the demand in the domestic is too little, even in large countries (Madsen & Servais, 1997, p. 565).

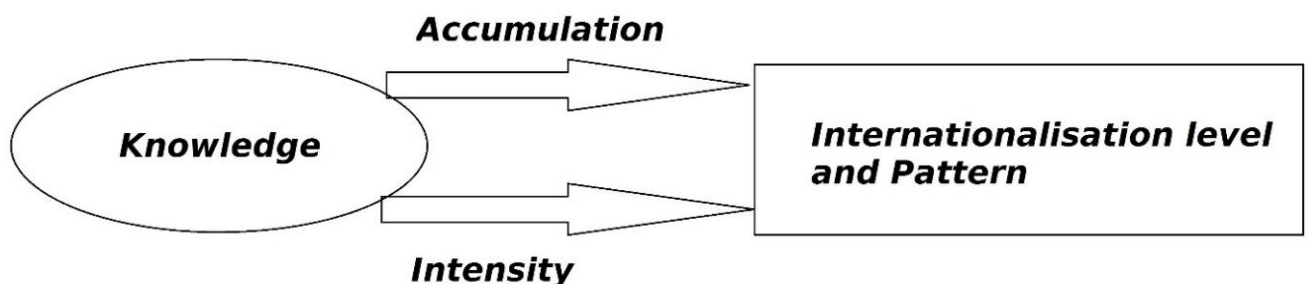


Figure 5: The Role of knowledge in the Born Global model (Brennan & Garvey, 2009, p. 131)

The fast and rapid internationalising processes are viewed as a success due to the firms’ strong knowledge and international experience among its employees (Brennan & Garvey, 2009, pp. 130-131). It is obvious that knowledge is a crucial factor for the Born Global phenomenon. The difference between in terms of knowledge between Uppsala model and Born Global is that Uppsala model views knowledge as a barrier while Born Global views knowledge as a driver.

Customer orientation and competitors’ orientation is all activities that focus on getting knowledge of competitors and buyers in the same market. Both orientations include two

decision criteria, which is long-term focus and profitability. Customer orientation is the in-depth understanding of how to create a superior value for the target buyers, and to do this the sellers needs to understand the buyers' entire value chain, present and how it will evolve in the future. In order to not let competitors overcome the buyer and seller value superiority, the firm must find a range of appropriate investment and tactics (Narver & Slater, 1994, p. 21). Tactics can be a result of comparative advantage and as mentioned earlier, this is a direct result of knowledge through experience. The market might change, and in evolutionary economics, firms that can best fit or adapt to external change have better opportunity to survive (Boschma & Lambooy, 2002, p. 300).

2.4 Internationalisation and the political factors

The market is defined as a medium which allows seller and buyers of a service or good to interact to facilitate an exchange. The market could be either a virtual or a physical place where people come together to exchange their goods or service (Robinson, 2007). Political restrictions affect market could affect both sellers and buyers. Moreover, on the seller's side, it could have drastic impact view on strategy and organisational learning as they are not able to produce as much as desired. This could stop further internationalisation as firms might be not interested in spreading their production to several countries, but rather a small group as well as not be able to have enough supply for potential markets. This paper will focus on how political restriction affects firms organisational learning.

2.4.1 Political factors

Political factors take part in international business and can affect firms both positively and negatively. Firms which both export or produce domestically in a market must pay attention to political factors. Political certainty and stability are important factors for let firms establish themselves in a new market. These requirements help firms conduct future commitment and investment which makes the political factors important to relate.

According to Michael Porter, there are four broad attributes of a nation which shape the environment and how local firms compete to create a competitive advantage. These attributes could make a firm competitive, but could also make firms less competitive as well. The factors (Porter, 1990, p. 71).

1. Factor conditions: factors of production depend on the nation, these factors could be infrastructure or skilled labour, which could be necessary to compete in the given industry.
2. Demand conditions: How the local demand for a home markets product or service.
3. Related and supporting industries: Regarding the absence of presence of nation of supplier industries and related industries that are internationally competitive
4. First strategy, structure, and rivalry: The nation's conditions regarding how firms are created, managed and organised, and also regarding the nature of domestic rivalry

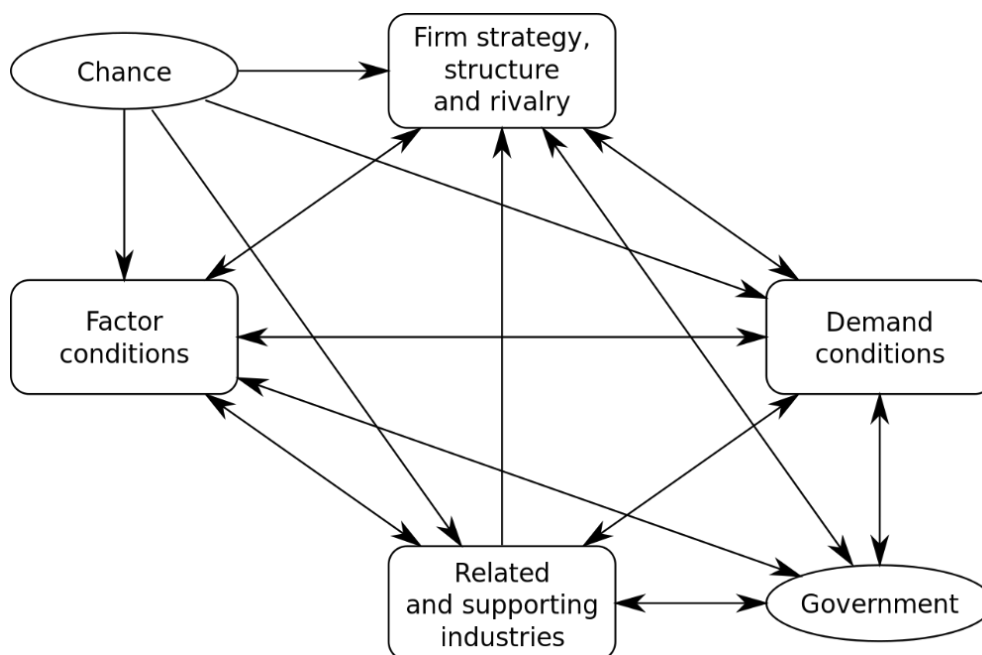


Figure 6: Porter's diamond model (Porter, 1990, p. 127)

The model shows the context on which the firms are born and compete in. Each attribute can have an impact on their own or together. However, the complete system includes the role of chance and the role of government. The role of government is viewed as an influence and could be influenced by the four attributes either positively or negatively (Porter, 1990, pp. 124-127). Furthermore, factor condition could be divided into home-grown resources and highly specialised resources. Home-grown resources could be resources such as raw material while the highly-specialised resource is more associated with knowledge and professional human resources. Highly specialised resources provide a suitable base to create a competitive advantage (Riasi, 2015, p. 18). This could be regarded as organisational learning.

Government and political factors may strongly influence the location of international operations (MacCarthy & Atthirawong, 2003, p. 811). Governmental interference could be negative or positive. Furthermore, the restrictions imposed by the Government could affect demand and therefore disturb local firms from severing or expand to the international market (Porter, 1990, p. 128). Political factors such as intervention could be viewed as result of the government's desires to help state-owned enterprises to reach their goals, but however this could have a dramatically negatively affect the investment intensives for these firms (Chen, et al., 2011, p. 270) Concrete examples of both positive and negative effect could be found when the Japanese government legalised facsimile which made Japanese firms gain a competitive advantage, while on the negative example is when the Italian government imposed restrictions on local financial market which then again resulted that the Italian financial institution was unable to compete internationally (Porter, 1990, p. 128).

2.4.2 Type of political restrictions

A political restriction does affect firms some way or another as the diamond model shows. The authorities have different interest when implementing new restrictions, and these restrictions affect company business and further keep them from reaching their full potential. Restrictions such as protectionism have hindered foreign business from entering or growing in a market. A protectionism is a form of political restrictions as made by Governments which aims to better the conditions for the domestic producers (Regan, 1986, p. 1095).

The most common form of protectionism is

- **Tariff:** There are several ways to protect the home market from foreign competition. The tariff has been a common way protect from foreign competition. Tariff is when a tax is added on an imported good, thus making domestic good more competitive (Krugman, et al., 2015, p. 222)
- **Non-tariff:** there are other ways of protecting the home market from foreign competition. However, these barriers do not provide a revenue for the government but still, serve the same purpose. Non-tariff barriers could be for instance export restraints and import quotas. The last one is perhaps the most known non-tariff barrier and same purpose as the tariff. However, while the tariff adds a tax on an imported good, quota limits how much that can be imported of a certain type of good to a market. (Hollensen, 2014, p. 216)

Generally, there has been a reduction of trade barriers and protectionism in the last decades as institutional organisations such as the WTO allow for better cooperation between countries. However, there are other reasons why governments implement political restrictions. Agreements such as the Paris treaty push governments to implement rules and regulations to achieve a sustainable environmental policy (McGrath, 2016). Organs in the government are made which aims to reduce environmental footprint, as for instance the Danish Environmental Plan was formed and implemented with the help of Ministry of Agricultural which addressed the pollution of Danish rivers, lakes, groundwater and marine waters (Global Water Partnership, u.d.) The Danish Environmental Plan illustrates that policies regarding that environment play an important role in politics as there are several interest groups involved in the discussion of these regulations (Aidt, 1998, p. 2).



Figure 7: How domestic restrictions could affect organisational learning in the international market

However, there are some evidence that organisational learning could be contained by political factors (Schilling & Kluge, 2009, p. 337). Institutional theory suggests that firms imitate organisations to avoid sanctions from stakeholders (Huber, 1991, p. 96). The imitation suggest that firms continuous learning process will be affected because of the restriction, and could be understood to have a negative impact on the process itself. Failure of development could lead to the same fate as Kodak, which had the past of being dysfunctional for development and a creating a sustainable future with new technology and changing customer preference (Munir & Jones, 2004).

Furthermore, scholars have written about strategies that originate for the environment that force firms towards a stream of action, regardless of the presence of control and gives the inability to resist itself (Mitzberg & Waters, 1985, pp. 268-270). This could imply that external forces on the environment, as political restrictions, could affect the learning process for firms`. Norwegian authorities require firms to have a licence to produce salmon, and these firms must meet several requirements to get be able to receive the licences, and these licences are limited (fisheries.no, 2014). The Aquaculture Act for instance focus is introduced to

establish a framework for a strong environmental purpose (fisheries.no, 2014). This paper will focus political restrictions regarding production licence, more specifically, how Norwegian salmon farmers are affected by the political restrictions by the Norwegian Government. The gap in the literature does not provide a clear view of if the political restrictions could affect organisational learning for firms which find themselves in this situation

2.5 Conceptual Framework

This paper has shown that there is a confusion regarding the information regarding the connection between political factors and organisational learning. This information could also be misinterpreted at times. As provided, there is little understanding firms do organisational learning with political factors limiting the business from expanding in an attractive market. Therefore, gaps in the literature regarding organisational learning and political factor has played a major role in my research problem.

Chapter 2 ends with a conceptual framework which could be used as a base when developing further research. Knowledge has been viewed differently both by the Uppsala and Born Global model, however, both models agree that knowledge is an important factor for the internationalisation process. The role of knowledge plays a different role, Uppsala views knowledge as a barrier while the Born Global sees it as a driver.

The role of knowledge is different between Uppsala and Born Global. The Uppsala model views the knowledge as a barrier due to that the firm lacks the knowledge to internationalise, and therefore go through an incremental process (Johanson & Vahlne, 2009, pp. 27-28). The Born Global model, on the other hand, views knowledge as a driver since people already have previous knowledge (Madsen & Servais, 1997, p. 567). As demonstrated, different types of international theories focus on different knowledge resources. Born Global, for instance, focuses more on technological knowledge and international knowledge of the entrepreneur, while the Uppsala model emphasises more on market knowledge and experimental knowledge.

The paper has briefly touched two different type of internationalisation process and their different views on knowledge, never the less, both models have knowledge as a central role in each respective internationalisation theory. Organisational learning defines knowledge as a clear and certain of something which could be a fact, act, or state of understanding (Bierly III, et al., 2000, p. 599). In other words, organisational learning focuses on that firm learn from

their current activities, as well as replacing old knowledge as circumstances can change over time.

Moreover, focusing on organisational learning could lead to a competitive advantage as it could develop barriers to imitability as it creates difficulties for other firms to recreate the unique evolutions of an organisation (Curado, 2006, p. 26).. Experiential knowledge has on a market basis been viewed as perhaps as the most important assumptions in the internationalisation model (Brennan & Garvey, 2009, p. 120).

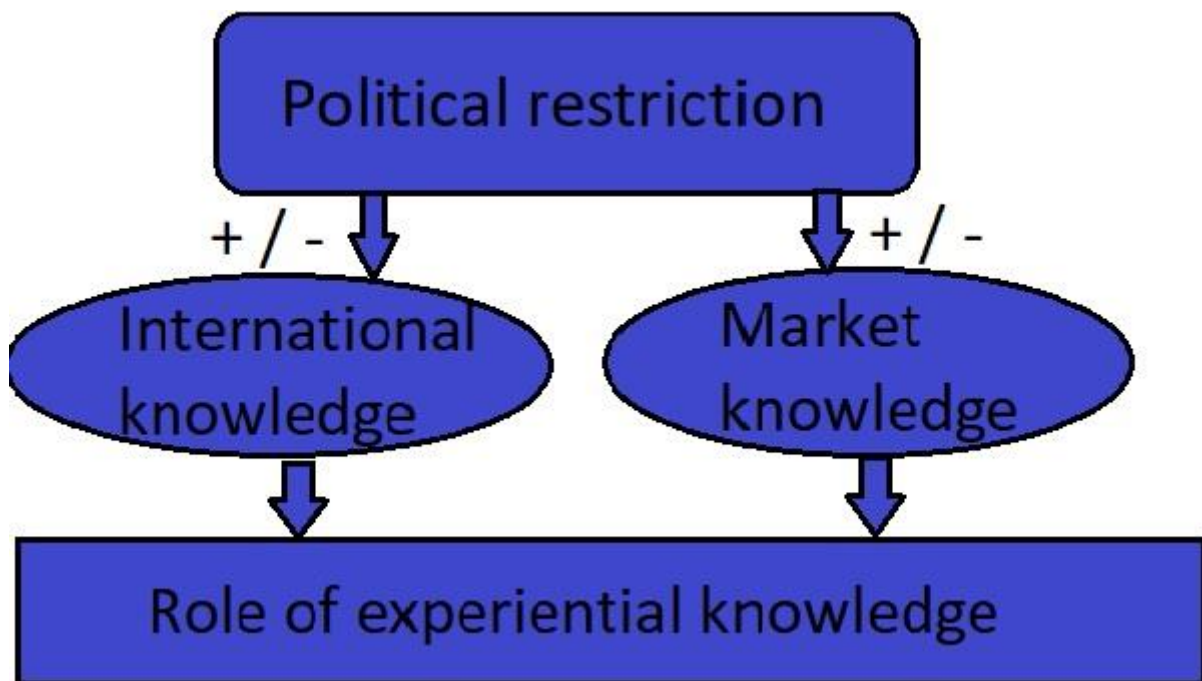


Figure 8: illustrate how political restriction could affect experiential knowledge

Organisational learning focusing on having a clear understanding of information which will then become knowledge and then again using the knowledge to achieve desired goals (Bierly III, et al., 2000, p. 598). The earlier section of the chapter discussed the importance of the knowledge both for the internationalisation process (Uppsala model and Born Global) and for organisational learning.

Experiential knowledge in the Uppsala model is strongly believed to be gained through an incremental process, while in Born Global the key management has already gained it in the past which allows for a rapid internationalisation. This clearly illustrates that organisational learning facilitates the internationalisation process due to that the firm has the knowledge required to conduct business in a foreign market.

Porter writes that the role of the government and how it can affect several attributes and be affected as well (Porter, 1990, p. 127). Therefore, political restrictions could affect the internationalisation process. These political factors could either be positive or negative as some scholar suggests for future investment, which then again could hinder further internationalisation (Chen, et al., 2011). Figure 8 illustrates connection between experiential knowledge and political restriction where the + suggest a positive outcome from political restriction, while – indicate a negative effect.

There is, however, a gap in the literature regarding on how political restrictions could affect organisational learning. As discussed earlier, institutional theory suggests that stakeholders could make firms imitate other firms to avoid sanctions from the stakeholders, but it is not clear whether it could be from the Government nor if the imitation indicates if the firms are being affected with the Organisational learning.

The author view the factor condition, more specifically highly specialised resources as something that could be connected to organisational learning. This is done to solve the research question as both literature suggest that knowledge is crucial for both the process of organisational learning and for highly specialised resources. Highly specialised resources would be affected if the learning process stops. The paper will only include the intangible aspects of factor conditions.

After doing research regarding different type of knowledge regarding internationalisation, the Experiential knowledge is the major knowledge resource for firms. Technological knowledge, Market knowledge and Internationalisation knowledge is a part of Experiential knowledge which is acquired from professional entrepreneurs or managers with previous experience or gained learned through the internationalisation process. Both Uppsala model and the Born Global emphasises the importance of knowledge in the successful internationalisation which strategies are formed in the Learning School.

Technological knowledge is Experiential knowledge which a firm could be associated for firms to pursue a stronger market structure or differentiate from competitors. I view this type of knowledge as something only related to technological advancement, and nothing related to business. On the other hand, International knowledge is also part of Experiential knowledge which is the knowledge that is related the capability of a firm to conduct business in international settings as well as managing a foreign relationship. Market knowledge regards general issues. Market knowledge assists firms to acquire a common characteristic with the

firm's customers regardless of a geographical area for a firm which has successfully internationalised. As discussed earlier, knowledge could provide firms to gain a comparative advantage which can secure a long-term sustainable strategy. Furthermore, theories of strategies suggest that a new strategy can emerge and be realised without having the intention, and therefore knowledge would play a vital part in order in creating a strategy and find future opportunities.

This paper will focus on how domestic political restrictions of a production could affect organisational learning in the international market. The type of knowledge this paper will focus on will be experiential knowledge. Experiential knowledge is the knowledge that is gained through experience through work conditions is the main type of knowledge this paper will focus on as it important in international context, as well as it could be affected by political restrictions. Furthermore, this paper will focus on what effect political restrictions has on organisational learning. This paper comes up with cases where firms have been affected positively and negatively in terms of strategy and business for the firm, This paper focuses on knowledge which is an intangible resource, however, it is important to understand that tangible and intangible resources lead to creations of economic value, which is important for competing firms (Penrose & Pitelis, 2002, p. 284). This paper theoretical scope is limited to the intangible resource, in other words, knowledge.

3. Research methodology

This chapter will illustrate how the research will be conducted and justify the method that is chosen. The chapter will demonstrate how the design of the study is formed and research approach in addition factors used to collect and analyse data.

3.1 Research approach

The most important part of the thesis is the design of research as it justifies what data is going to be gathered and how it is going to be gathered. The process also needs to describe how the data being collected are going to be analysed and how it will further provide answers with the central question of the research being conducted (Easterby-Smith, et al., 2012). The purpose of the hypothesis provided to understand how political restrictions (independent variable) could affect Organisational learning (dependent variable).

When conducting a scientific research method, one must consider what is the reality and how the research wants to broaden the understanding of reality. The goal of the abductive approach is to discover new things (Dubois & Gadda, 2002, p. 559). This paper is based on relativism ontology since it is hard to reveal the truth of the phenomenon and due to the facts depend on the viewpoint of the observer (Easterby-Smith, et al., 2012, p. 25).

This research paper has chosen a qualitative research approach as the nature of the research was interested in the interpretation of people's experience, how their view of the world is constructed, and what they attribute to their own experience (Merriam, 2009, p. 5). The firm's experience regarding political restrictions and organisational learning needed to have a deeper understanding to solve the research question. Furthermore, this topic also is complex and needed a deeper understanding of the personal experience of the phenomena, which made the author choose a qualitative research approach.

3.2 Criteria for sampling firms

The important factor for the thesis is to find how the political restrictions of Norway have affected the fish farming industry, more specifically, salmon producers. As for this, the firm needed to produce in Norway. The firm chosen had to produce salmon due to that the demand is bigger than the supply of salmon. Potential interesting firms were found through Norwegian seafood export's homepage and 9 potential firms were found. E-mails were also found on the page with no or little success of reply. One firm politely said that they had a huge request of students who wanted to conduct interviews and therefore had to decline, while another firm was only processing the salmon, but suggested to contact their supplier. Reminding emails were sent with no success. In the end, two firms were willing to have the interview, both which the author had met through either visit or company presentation. Both firms were ideal as they have the value chain of producing salmon from young to growing, slaughtering and exporting. These would allow for a large perspective and knowledge of the issue when conducting the interviews.

The firms also met the criteria's the author set for the firms. First of and foremost it was important that the firms had their farming in Norway as the political restrictions would affect the production in Norway. The firm must export to foreign countries to understand the situation they are facing in the international market. In addition, the firms should at least have been in the international market for two years to have some experience in the market. Finally,

the firm needed to be a major producer of salmon as there is much potential to export more due to the demand.

Selection criteria for the respondents

There was some criteria's regarding selection of the interview object as well. The person should know details of the company regarding business operations, internationalisation, organisational learning, and political restrictions. The main reason is to get a better insight of the theory discussed in the conceptual framework. Therefore, the ideal person for the interviews would be in a managing position.

3.3 Method of collecting data – Qualitative

The method of collecting data for this thesis is a qualitative method for the empirical data. Qualitative research was chosen as due to that it was important to describe the phenomena in context and that the paper was focused on meanings, rather than seeking explanation and correlations (Silverman, 2015, p. 5). Furthermore, it the papers aim was to get a deeper perspective on the topic, rather than a broader one. As mention earlier, the criteria for the interview objective is to conduct an interview with a person with an authorisation level, such as founder, export manager or CEO to get a better understanding and get answers for the research questions. Interviews from the higher hierarchical position were chosen due to it is believed that they have more knowledge of the first business situations.

Most data used in this thesis are primary data collected because the research design of the thesis is qualitative. Personal experience of the interviewee and opinions due to that the paper focuses the how political factors. The primary data for this thesis are gathered through interviews. This paper includes 2 Norwegian salmon firms to fulfil the purpose of the paper and answer the research question provided in this paper. The data in this thesis was collected through a semi-structured interview. Some secondary data will be used in this research, either by published or unpublished by the firms. However, the secondary data for the firms does not serve a major purpose as the primary data but is rather there to provide a better overview of the firms' operations.

3.4 Research purpose

The purpose of a research could be divided into three categories; exploratory, descriptive and explanatory (Yin, 2014). This paper will include a combination of exploratory and descriptive research as it is believed to serve a better purpose by the author.

Exploratory research is focusing on phenomena and topics that are undiscovered and where there has been done a limited research. The purpose of exploratory research is to provide a theoretical framework when some facts are known (Sekaran & Bougie, 2010, p. 104).

Descriptive research is used to describe characteristics and undertake a study to find variable of interest in a situation. Furthermore, the study is used when a certain amount of information is available considering the topic of the interest. This study could be used when it is interesting to find and describe certain features of an organisation (Sekaran & Bougie, 2010, pp. 105-106).

Political restrictions effect on organisational learning fit the exploratory research as it aims to find out and explain the complicated topic between the two literature, where limited research for the topic has been done. The research aims to find if the knowledge resources have been affected at all. The descriptive research is suitable for this study as the paper type of experiential knowledge that has been gained, and how this it has influenced the organisations.

3.5 Strategy of research – case study

This master thesis has chosen the research strategy of a case study due to the selected research approach and the nature of the study.

A case study was chosen as it allows for an investigation of a contemporary phenomenon in depth in the real-world context, especially when the boundaries between the phenomenon and context may not be clear (Yin, 2014, p. 16).

Case study for this research was chosen as it was important for the researcher to get a deeper insight of the topic and not a broader one. A case study is when the research focuses on going in depth on one, or several individuals, events, or for organisations, usually over time (Easterby-Smith, et al., 2012, p. 54). Case studies aim to go in depth at a phenomenon and to investigate if the context may not be clear (Yin, 2014). This would allow for a deeper understanding of the topic that the researcher aimed for.

There are several different cases and many endless varieties of cases. Furthermore, cases could be simple or complex (Silverman, 2013, p. 142). The selection of the type of strategy regarding case study is not necessarily mutually exclusive (Flyvbjerg, 2006, p. 233) When conducting a qualitative case, the researcher is viewed as being the main source for to collect data collection and for the analysis. This allows the researcher for a more control for the empirical data collected as a primary data through the semi-structured interview. When the questions in the qualitative semi-structured interviews should be questions such as “why” and “how” to achieve fulfil the purpose (Yin, 2014, p. 11).

As mention earlier, case studies could be analysing a single or several cases. This paper will include a multiple case study as it could provide a better understanding by creating a better result as well as understand a different point of view for different cases regarding the topic of organisational learning and political factor for this paper.

3.6 Sampling selection

The sample is defined as representative of the population, which is the whole set of entities that decisions relate to. The sample could be explained simply as a subset of the population (Easterby-Smith, et al., 2012, p. 222). The sampling process starts with first defining the target population and then select several representatives from the population. This paper has chosen to use non-probability sampling techniques as factors were important rather than generalisability (Sekaran & Bougie, 2010, p. 268). This paper will use a non-probability for the case selection. Furthermore, the sampling process was biased as it excluded several groups of people (Easterby-Smith, et al., 2012, p. 223). This paper needed interview object with high knowledge and experience, and therefore it excluded casual staff and only included people with high positions in the firm.

3.7 Semi-structured interviews

There are three types of interviews that could be used, highly structured interviews, semi-structured interview, and unstructured interview, where a semi-structured interview was chosen as it is a guided open interview (Easterby-Smith, et al., 2012, p. 128) The author had to ask some specific questions to cover the topic of the research, however it was also wanted to ask further questions as the interview progress if the interview objective said anything that was needed further explanations, which was why semi-structured interviews was chosen as these are the characteristics of the interview style (Bryman & Bell, 2011, p. 467).

The paper aims to get a better insight of the perspective and personal of the interview objective and therefore needed to be flexible in the case so that the interviewee could add subquestions to increase the chance of making the interview objective answer the question.

3.8 Interview guide

The interview guide provided in the appendix are made in mind so that the questions are based on the theory and the conceptual framework provided earlier. The interview guide aims to guide the path of the semi-structured interviews by allowing an order but there is, however, no must that the interview guide must be conducted in this way. The interview guide will be divided into the major theories provided in the thesis, organisational learning, and political factors, to discover and try to answer the research question provided.

The theory question is asked so a person without the knowledge regarding the theory should be able to provide with an answer the question. The purpose of the questions is to get a better insight of the process of the firm regarding the each of the topics. Each question is connected to experiential knowledge, organisational learning and political restrictions are divided into different questions to get a better understanding. Six questions were in the interview guide; however, many sub-questions were asked and the questionnaire was not necessarily followed in the same order as the interview guide. Furthermore, the interview aimed to gather information regarding organisational learning in the several time spans. An interview was chosen rather than a survey as it was important to get a subjective meaning regarding the topic, can change the order of the question and have an open minded ended question to understand the phenomenon.

3.9 Process of interview and procedure

All the interviews were conducted within the deadline of the master thesis and by fulfilling the criteria of the paper by interviewing relevant informants for the topic. The interviews were conducted through face to face and through Skype for Business. The candidates for the thesis was found either with a personal meeting on expo`s, company visit, or with the help of the Norwegian Seafood Councils export registered, which was found on their homepage (Norwegian Seafood Council, n.d.). Emails were sent with information regarding the author and the topic to the firms to provide a better understanding and see if the firm were interested. The interview guide was sent in advance so that the firm could forward it to the relevant person for the interview. This also allowed the interview objective to be prepared for the

interview itself. And at last, the interview took place. The interviews as mentioned were conducted face to face, while the other one was conducted through electronically through the software Skype for Business without video which made it impossible to see the interview objects body language. There were also some issues with the internet connection during the interview time to time, but it did not lead to any dramatical problems. A recording device recorded the interviews which made it possible to transcribe.

3.10 Data analysis

The interviews conducted face to face or through Skype for Business were recorded with a recorder to capture all the information from the interview itself. The interview was transcribed word for word using Microsoft Word to get the exactness of the interview. It was a very time-consuming process as it was some disturbances in the tape but the interviews were transcribed exactly to ensure the authenticity of the interviews. The document was sent back to the respondents for approval.

3.11 Trustworthiness and authenticity

There are two major criteria for judging a qualitative study, trustworthiness, and authenticity (Bryman & Bell, 2011, p. 395). This paper has been very carefully conducted from the beginning to claim trustworthiness and authenticity.

Credibility

Qualitative research credibility is ensuring that research is done with good practise but also submitting the finding of the research to the social world to ensure that the researcher has understood the social world (Bryman & Bell, 2011, p. 396). The situation and context during the qualitative data collection might be interpreted differently which makes it important to validate the findings in the interviews as it important for the credibility of the study (Riege, 2003, p. 81)

Credibility has been achieved as the interviews were recorded by a device and then later transcribed by each word. The author has paid a very high attention to transcribe as it was important and used much time in the process of transcribing itself. The transcription was also sent to the interview objects to let them see whether they agreed or disagreed on the transcription document. The empirical data was gathered through either Skype for Business or

face to face semi-structured interview and other data were also gathered from the websites and by asking the interview objects themselves. E-mails with the transcript were also sent to find if there were any contradictions in the document which allow for a better credibility.

Dependability

Dependability in qualitative research demonstrate a stability of the research and consistency through the whole research process and keep all phases of it (Bryman & Bell, 2011, p. 398). Dependability has been acquired as the author has followed the procedures of choosing participants, collect the data through audio recorder device and transcribed the interviews to secure trustworthiness of the paper. Furthermore, the author as preserved anonymity to make sure that the firm's information cannot be connected with the real name of the firm as some of the information might be confidential. Guidance by the author's supervisor with critical feedback also helped ensured consistency during the research.

Transferability

Transferability is regarded as the extent of generalisation from the findings to another context (Bryman & Bell, 2011, p. 398). The result from this study cannot be generalised to other contexts of other fish farming firms in other countries. The reason is that political factors restrictions are different in other countries, and might not have been imposed. Moreover, the firms in the research are from the High North of Norway which therefore cannot generalise other parts of Norway. Furthermore, the sector of fish farming is different from a highly intensive technological sector which could be more knowledge intensive. Therefore it is not possible to claim a high degree of transferability of this research on the salmon industry as a whole.

Confirmability

Confirmability is to ensure that the researcher does not mix their personal value or feeling when conducting the whole research and have acted in good faith and moral (Bryman & Bell, 2011, p. 398). The researcher was curious on this topic and had no special interest or personal views that could have influenced the research. The whole has taken confirmability very seriously by the writer of the paper. The author of the paper has been very careful and used efforts to exclude the personal interest in experiential knowledge and fish farming and when conducting the interviews.

3.12 Authenticity

Another important criterion for the research is to ensure authenticity, which is to ensure that the source which was chosen is actually a source, that the findings are true for the cases being investigated (Alvesson & Sköldbberg, 2009, p. 110). Furthermore, some scholars have certain criteria regarding securing authenticity (Flick, et al., 2004, p. 185). Those criteria are as following:

- Has sufficient care been taken regarding the value statement of the respondent, and securing value structure during the beginning to the end of the research process?
- Have all the multiple constructs of the respondents collected appropriately through the whole research process, were they tested by validity by member checks with all the respondents and were they related systematically to each other?
- Was the research conducted for stimulus or decision-making process for certain actions?

First criteria were secured as none of the respondents interviewed was under pressure, as the interview objective were contacted beforehand and provided with information regarding the research and with the interview guide. This allowed for enough time to plan properly to conduct the interviews. The value structure were divided into different phases regarding knowledge resources and political restriction.

Second criteria were secured as the author of the paper used a lot of time to meet the criteria's that were chosen. All the respondents in the paper have met the criteria and had a deep knowledge regarding the topics connected to their respective firms. Member check was assured by asking some general information at the start of the interview, such as experience and position in the firm.

The third criteria could be considered stimulus for action as it could help managers by giving the insight of the role of the knowledge of the firm and show the importance to allow further success. It could also provide insight to politicians how firms knowledge resources are being affected. The study also reveals interesting difficulties that the salmon producers are facing.

3.13 Limitation

The case firm provided in this paper are from Norway, where one was an investment firm while the other one was a traditional firm. Furthermore, the cases are from the High North

region of Norway. The study cannot be generalised to rest of Norway. The reason for this comes because of different factors that, such as the growth of salmon could vary with climate. It is not possible to generalise the study due to the limitation of time, as the paper had to be written within one semester. Last major limitation was that the author did not have a connection to the salmon firms, and therefore was not able to get more cases for the study. Furthermore, the salmon firms are not homogenous, it could depend on the financial situation, technological advancement, prior knowledge and much more internally. The author tried to include case studies from several different locations but the limitations of the study resulted that more cases were not included.

3.14 Ethics

There are several ethical issues regarding data collection, and it is important to inform the interview objective as much as possible regarding the research and get the consent (Creswell, 2007, p. 141). The data gathered from the interviews were only used for the master thesis and nothing else. The transcript was also sent to the interview objectives so that they could see if they agreed, wanted to remove something. The interview objective was asked on forehand before the interview session the interviewer was allowed to record the interview itself. The questionnaire was sent in advance so that the interview objective could prepare or decline having an interview if the questions were sensitive. Furthermore, the distribution the genders of the interview objects were 50 % male and 50 % female. The real name of the firms and name of the interview objective is not given to protect their identity and The data is provided so that the reader could get a better overview of the firms.

3.15 Overview of the firms interviewed

Name of firm	Creation of the firm	Year of internationalisation	Type of industry	Position of the interview objective
Company X	1980`s	1990`s	Fish farming	Managerial Position
Group Aquamarine Pepperen	2000	2000	Fish farming	Deputy CEO

Name of firm	Value of firm	Annual sales revenue	Export percentage	Number of employees
Company X	NA	NA	50 %	NA
Group Aquamarine Pepperen	NOK 141.242.000,-	NOK 1.251.768.000,-	70%	54

Interviews				
Name of firm	Person referred as	Where	When	Length (min)
Company X	Manager 1	Skype for Business	25. April 2017	51:50
Group Aquamarine Pepperen	Manger 2	Firm`s office	07. April 2017	27:13

Table 1: Overview of the firms interviewed

Both firms has been given a fake name as it was important to secure the anonymity of the firms.

Company X

Company X was established in 1980`s when the owner bought the first concession. The owner has previously been working in another firm before he saw the opportunity to start

something new for himself. The production, in the beginning, was not very much but it allowed it for building up the firm step by step.

Company X have increased their production since the establishing of the firm. Fish from Company X are consumed by customers in different regions, such as Europe, Asia, and North America. The firm is owned by the owner and his family and the success of the firm has allowed growth in the local region and contributed positively to the economic growth

Group Aquamarine Pepperen

Group Aquamarine Pepperen is an investment company in the fish farming industry which is formed after a group. The subsidiaries have the local control and small sized advantages, while the group safeguard the large sized advantages through the group's total size.

The companies in Group Aquamarine Pepperen has solid and strong traditions in the field of fish farming. With a well-organised structure, Group Aquamarine Pepperen and their partners will increase competitiveness and growth in the sector through collaboration and control through the whole supply chain, from roe to marked

4. Empirical findings

This chapter is will present the empirical data which were gathered through the semi-structured interview process, and also present the findings that were gathered during the interview itself.

The methodology chapter described how the data collection would take place. All the data gathered will be presented in this chapter. The purpose of this chapter is to present the findings of the interviews to figure political restrictions effects on organisational learning, and understanding the role of knowledge for the firm. The result from the findings will be used to later analyse and understand the result of data gathered.

4.1 Internationalisation process

The research question purpose is to understand how knowledge could have been affected by political restrictions, and therefore it could be relevant to understand what the role of knowledge for the firm was during the internationalisation process if it was a barrier or a driver. This could also give the perspective of the firm's organisational learning process, and

how experiential knowledge might have helped develop the firm as well helping to expand in the international context.

Company X

The firm has the whole value chain which they say will help for good control. The firm export 50 % themselves, and 50 % to other Norwegian firms which mostly resell the product abroad. The firm is also gone to new market recently in Asia. However, manager 1 did not know at that time how and when the firm internationalised, rapidly, or by stages, but assumed that the firm internationalised relative fast after the creation. *“This is, I mean it is a long time ago, soon 30 years ago. So it’s, I actually don’t know how they did it at the beginning but if you look at how the industry, in general, has done it. They started to build the European markets, and then moved down to Asia and other markets”* is unclear how was the firm went to the international market, but it is as understood previous knowledge of the owner could be helping the firm to expand, so it could be assumed that knowledge played a crucial role in the internationalisation process.

Group Aquamarine Pepperen

The group Group Aquamarine Pepperen contains many firms. The group is a supply chain, from the production of roe to market. The different firms in the group have different tasks. The internationalisation process plays an important role, as the export is 70 % To quote the vice CEO: *“In the beginning it was Europe, maybe Denmark and France was the bigger market. And there was a high demand. In Denmark they are good to produce the product for sale for rest of Europe”* And *“Yeah, you understand. But lately we have been moving all over the world, and maybe the strategy is rapidly move in to markets who are willing to pay”* This could indicate the firm has previous knowledge from the CEO and managers, as the owner has exported fish earlier *“...but the owner has exported fish earlier”* This could indicate that the previous knowledge from the owner previous experience has helped in a rapid internationalisation.

4.2 Difficulties in the international market

This question was asked to understand how external political factor could make firm use acquired knowledge to deal with the unexpected situations. The question was asked to see firms’ knowledge situation and if it is believed that knowledge of other markets helped.

Company X

Company X faced a major obstacle when the Russian market closed as it was a big market for the firm. The firm was managed to tackle the situation. : “[...]And of course they had also knowledge about other markets. And the Norwegian Seafood Council increased the marketing in the main markets, so all in all it took like two- three months to move the volumes for Russia into other markets. And this is due to the industry structure in general I think, not only in Company X but the Norwegian exporters are very adaptable have a huge knowledge of many markets have a huge network in many markets. And this is what made it possible.”. Company X was also took managed to sell more in other markets that with the increased marketing from the Norwegian Seafood Council. Furthermore, the firms had other markets which they could sell their product. Company X also point out that they believe that the sector is adaptable and therefore could

Group Aquamarine Pepperen

Group Aquamarine Pepperen are having operations in several markets instead of just concentration on one market, which allowed to sell more to current market once one market closed. “We are in lots of markets with low volume just to get to know the markets. And maybe it is the strategy turned out to be like that. I think it is more than we are. But we try to not be dependent on just one market. When the markets, like Russia was really good they paid better than the other markets. Then we turn a lot of volume in to that. But we don’t forget the rest”. The firms have chosen to be in different markets with both high and low volume that could benefit both from gaining experience in new markets and also have other markets to sell the product if something unpredictable were to happen. The manager 2 told that the firm could sell more to the low volume markets due to that they had other markets with low volume.

4.3 Organisational learning with domestic political restrictions

This section is dedicated to finding out how the political restrictions from the Norwegian government have affected the firms on creating some sort of a competitive advantage, such a differentiate or be regarded as something special. Knowledge is vital for the creation, and the question was asked due to the importance of understanding the connection between political restriction and organisational learning. Furthermore, it was asked to try to answer the research question of this paper. However, this was a semi-structured interview, and the answer did not

necessarily come to this question itself, but from the other questions in the questionnaire as well as sub questions asked during the interview.

Company X

Company X says that the political restrictions really affect the production as they cannot produce as much as they want, not provide customers with the desire to buy fish as they cannot supply every week. *“It is a great hinder towards our customers because as I said, we harvest 1/3 in the spring, the first half year and 2/3 in the second half year. Which means that we are also, we are out of fish in this year we were closed for five to six week, which means that we cannot select the customers that we want, because that is also why we sell a lot through Norwegian exporter because most of the customers wants fish every week, every day”*. The firm, first of all, is concern that they are not able to produce to their customers and that they cannot produce to potential customers due to the production regime. The market price has been rising as several results and the firm has noticed that different market is starting to buy a different size of fish *“actually. And it depends on the size of the fish that you have. If we have large size fish, Asia is willing to pay for this fish, and maybe also the US market. Now for instance because the price is high the markets in Europe who normally buys 3 to 6 kgs has also bought 1 to 2 kgs and 2 to 3 kgs because it is cheaper”*. The firm

Group Aquamarine Pepperen

It was a bit difficult to answer the question, as it could have been formulated better. The vice CEO implies that the organisational learning could be affected by political restrictions by answering *“I guess we can only produce a certain amount”*. This does not provide a clear understanding whether it could affect organisational learning or not. The vice CEO says that the restrictions also has benefited the sector as the demand exceed the supply, which increases the price of salmon further up. This benefit the profit, however, does not directly suggest that it has to affect organisational learning. It could suggest that higher market price means that firm does not to focus that much on gaining new knowledge, or it could also suggest otherwise at it could be hard to compete with other salmon producers. There is an impression that it is hard to differentiate in this sector from what was interpreted in the interview *“It is set. All the whole business in Norway is sat of production this level, and we all produce the same product*. This could suggest that political restrictions hinder a creation of competitive advantages for firms.

However, manager 2 told about the firm focuses on getting new type of standard as for the product which are produced by the firm to understand to create a comparative advantage and to not lose the market *“Yes, not lose the market and to get better price for the product because we cannot increase the volume. The volume is set. So what to do ? Okay, we can do better quality. Okay, but how do you produce better quality in fish?”*.

The process of organisational learning is not a something that is something formal part of the firm’s goals according to the CEO. But the firm does learn from the previous experience *“Yes, they have still in their head, remember, they have that. Because we have made lots of mistakes and we have experienced a lots of markets which have collapsed and closed and yeah. So we are, I think we have the experience and we remember”*.

5. Analysis of data and discussion

The empirical data gathered, which were presented in the previous chapter will now be analysed by using the literature provided in chapter two. Chapter five’s aim is to try to answer the research question by analysing the empirical data and put them in context with the theory provided. After the data collection, the data was organised and transcribed to find the relevant information out of it. Parts of the transcription were used in the analysis part and. Firstly, we will see if what kind of effect political restrictions had on organisational learning, with the specific focus in how to gain a comparative advantage.

The first part of this chapter will provide a better understanding of what kind of knowledge the firm already has or are gaining. As mention in the framework chapter, this will mainly be experiential knowledge to get a better understanding if the firm focuses on organisational learning or not.

5.1 Competitive advantage

Competitive advantage is defined as *“.... allow firms or company to produce a good or service at a lower price or more desirable fashion”* (Investopedia, n.d.). This paper will focus will not focus on the economic aspects of the competitive advantage. This is gained through a continuous process in the organisational learning process theory (Jackson, et al., 2003, p. 351). Porter suggest that government could affect factors that lead to competitive advantages (Porter, 1990).

Company X: Production is getting hindered by the restrictions as it affects the business of the firm as they have to turn down offers as they cannot supply enough. Furthermore, the firm says it is hard to be unique due that they are only in Northern-Norway: *“Yes, yes. And of course this is because we are northern Norwegian company, it might be different for the other companies, we are only in the north of Norway”*. However, the firm has made themselves stand out compared to the competitors. The manager 1 talks about why they are regarded special for their customers: *“So we know that they choose us because we have the good quality because we are reliable supplier because we are a family company because we are in the north of Norway, they say that our fish is better quality. So there are many reasons why they choose us, and we know about them”*. The customers perceive the product of the firm to be of high quality, which might have been due to a continuous learning from experience from their customers

Group Aquamarine Pepperen: The firm says that it is only to produce a limited number due to the licences. However, the firm is implementing new standards for different markets. To quote manager 2: *“And also in ASC, it is a new standard. It is a really different to get, but we have some errands so we can produce this standard for the American market. Yeah, and it is really tough one, because of the lice situation. But not many farmers can produce with this standard, but we can in one area. So yeah. And we even are going through the certification Monterey Bay, which is an American standard, which, it is an aquarium in United States who gets the customer advising. It is red light or yellow light or green light. And we are, I think we were getting green light as the only fish farmer in the world for that product, and then hope we get a better price of our product. So you could say that the government restrictions have done that we are not only seeing produced volume. The firm is actively differentiating in the US market as the few or only fish farming firms that can produce with the American standard. The customer could perceive that as something unique. The firm has said that they have done so to not lose markets as they cannot produce more fish, but could improve quality. Prices have been a factor affecting when in having a good when having a good result of the quality of the product. “But now the market is more stable, we see 5 % better price for our products”*.

Both firms have managed to obtain a competitive advantage. Company X view the political restrictions from the government as a hinder for creating a competitive advantage while Group Aquamarine Pepperen does not seem to view political restrictions as a hinder from creating a competitive advantage. The reason might be due to other several factors which were not included in the paper. Both firms have a good understanding of their customers’

desires and created a customer perceived value through aspects of quality. The result from the from the firms suggest that the advantage has come from tacit knowledge due to the firms' experience which further could be hard to imitate (Saarenketo, et al., 2004).

5.2 Knowledge

Knowledge is important for the internationalisation process, both for Uppsala and Born Global, however, both theories suggest that knowledge is a key factor for internationalisation. As provided, the research question was *How do political restrictions affect organisational learning?* To get a better understanding, this part will aim to understand which knowledge that has been or are being acquired. This is done to provide the reader with a better understanding of if the firm had previous knowledge



Figure 9: How experiential knowledge could affect internationalisation

As discussed from the literature review chapter, Uppsala model views knowledge as a barrier as the firm has no experience and therefore must go through incremental steps, while the Born Global model views knowledge is viewed as a driver as there the entrepreneur has had previous experience which allows for a rapid internationalisation. Previous knowledge could help firm go to the international market fast.

Company X: The firm was going abroad relative fast after the firm's birth: *Probably since the beginning, I don't have exactly the details, but it started in 1989, so probably from 1990*". The entrepreneur has been working in the fish farming industry before the person started Company X, which suggest that the firm has been able to use the knowledge resource as an advantage.

Group Aquamarine Pepperen: Manager 2 says that the owner has previous knowledge in the field: *"[...]the owner has exported fish earlier"*. This indicates that the owner has previous experience in the field prior to the start up. The group was also in the international market as soon as it was created. The firm stated that a lot of the firm's export goes directly to the international market rather than the domestic market.

Both firms seem to be more of a Born Global firm as the entrepreneur of both firms already had background experience from the field. Born Global firms are viewed as a firm that internationalises relative fast after the firm's birth, within two years, and both firms have managed to export most their product to the international market (Madsen & Servais, 1997, p. 564). Both export a relatively high percentage themselves, however, Company X said that they cannot export more due to the governmental restrictions do not allow them to do so. Previous knowledge for both firms seems to have a crucial part to the success in the international market. This illustrates that both firms have a high resource of knowledge when they were founded. This could indicate that firm has been knowledge intense since the start and focus on gaining experience This type of tacit knowledge resource is hard to transfer, and must, therefore, be acquired by the founders (Nordman & Melén, 2008, p. 173). Both fulfil this requirement as both owners have worked in this field earlier.

5.3 Knowledge resources

Also, it was interesting to see what kind of knowledge they had. The framework divided experiential knowledge into market knowledge, international knowledge, and technological knowledge, with the last being little to none relevant for this paper. The paper had the asked the following question: *How do political restrictions affect organisational learning?* The author found it further interesting of further focus on what kind of knowledge resources firm has today

The author has gone through a different perspective of theories and knowledge resources from different literature and found to view experiential knowledge as something that hard to obtain and must be directly learned from operations. The conceptual framework in chapter two shows that experiential knowledge the author find relevant for the paper is market knowledge and international knowledge. The data gathered also show evidence of these type of knowledge resources.

Market knowledge is information explicit regarding the foreign market, such as information regarding competitors, market conditions of a specific foreign market and customers (Merji & Umemoto, 2010, p. 162). The market knowledge is information regarding a country or a region which the firm has understood. This is important when a firm is conducting business abroad as it will allow for a better easier way of successfully conducting business.

Company X: The firm does know that the market is willing to buy a different size of salmon, but know that it also depend on price. To quote manager 1 *“But again the problem is back to the problem when we are not able to supply steadily all year around, there are some customers that we cannot select”*. Company X know that it could it is impossible to serve some customers as they cannot steadily provide their customers, and therefore chosen not to focus on these groups

Group Aquamarine Pepperen knows that there is some market that is not willing to pay the market price for the salmon as today due to factors such as market price. *“But we are not the, stopped to go some markets or, yeah. Maybe we are branding high price fish so we are not going into some markets, Africa totally zero”*. Manager 2 further tells that Africa also is not ideal due to bad infrastructure and that they are price sensitive to the product, so there is no point of going to the African market until the infrastructure gets better among an affordable market price for the market

The information provided shows that market specific knowledge plays an important role for firms which market they choose to enter. The firm's customer has a different type of requirement, such as price and supply, and therefore remain in those markets which are willing to pay for the price and having the limited supply.

International knowledge is defined as the experiential knowledge that which is regarded with conducting business in an international context (Nordman & Melén, 2008, p. 173). Both of the firms told shared on how they have gotten to know the market better by conducting business. The paper's purpose of knowing the knowledge resources in the firm to understand if it is viewed as important first. Experiential knowledge could also be viewed as a way of conducting business in the international environment (Eriksson, et al., 1997, p. 340). I consider international knowledge to be the best way to serve a market through opportunities.

Company X: Company X has knowledge of markets which they are operating in as they describe: *So you don't have to find totally new markets or totally trends as that because you have for instance the sushi trend. It is only now starting to move markets like Italy...[...]... and Spain. So I mean so many things globally which are pushing in the right direction when it comes to seafood...[...]...and salmon”*. As it could be understood, the firm has operated in these markets and found a growing popularity of sushi which then again suggest that the firm has been able to gain international knowledge.

Group Aquamarine Pepperen: The firm has operated in several markets, such as Russia and understood that the country has a different requirement regarding how the product are required to be delivered *“Yeah, yeah. And we know that Russians have a specially packaging of fish of how much volume in one truck [...]It is experience. Because it is restrictions on the tonnes of the Russian trailers, they are different from the European trailers.”*. The firm has managed to understand that the market requirement is different compared to other countries.

Both firms have a wide knowledge regarding conducting business in the international context. This could be a result a from experience, as Group Aquamarine Pepperen states. Company X has been operating in markets where they understand that what the possibility is. It could be suggested both firms have gained knowledge by experience.

5.4 Organisational learning

Furthermore, it is important to see if the firm currently is doing organisational learning today, to see if there are obtaining new knowledge resources while conducting business in the international market today. Organisational is a continuous process, and therefore it is important to see if the firm has been affected in some way.

Company X: Company X says that current regulation is doing so that they cannot provide fish to all customers. However, they are still focusing on what the customers wants *“So we are working on of course the B2B business. I do know that Company X, we are preferred due, because our quality. We ask our customers, we have customer research every year.”*.

Company X believes that the governmental restrictions affect the firm as they cannot provide their product to all customers or more to the current ones. Furthermore, the firm says that they have to use exporters: *“How can we organise our self in our self. We need to use exporters, because we need to sell to customers who can actually accept that we are out of fish, the fish we sell directly”*. As a result, the market commitment is getting hindered, which do affect market knowledge (Johanson & Vahlne, 1977). However, the firm indicates that they have a good knowledge of their customers and market.

The firm has been able to use knowledge to tackle unexpected situations. Russia used to be the firm's biggest market before the sanctions stopped all business of salmon from the firm to Russia. The firm was managed to solve the issue as they state: *“So, of course it was a very difficult situation, but luckily we had knowledge of other markets. We solved through the exporters”*.

Group Aquamarine Pepperen: The group believes that the political restrictions have not had an effect on the continuous process of organisational learning for the firm. To quote manager 2: *“I don’t think, not much”*. The reason is might be that the firm says that they are small compared to other firms and therefore it is important to learn from their experience: *“And we are a small, even though we have a, maybe we have a big turnover but we are a small fish farm compared to the big ones”*. Manager 2 believes that is very important to learn for the firm as they are small compared to other firms in the sector. Furthermore, Manager 2 says that the firm needs to focus on organisational learning to survive in the market: *“Yes, and we also have this[...]*”. The firm also has a strategy to learn from other markets, even though it is low volume: *“We are in lots of markets with low volume just to get to know the markets. And maybe it is the strategy turned out to be like that. I think it is more than we are. But we try to not be dependent on just one market. When the markets, like Russia was really good they paid better than the other markets. Then we turn a lot of volume into that. But we don’t forget the rest”*. The firm has had a continuous process of learning.

Also, the situation with when the Russian sanctions gave troubling times for the salmon sector in Norway. The firm stated that they have been able to resell to other markets that they sold low volume to when the Russian market closed as they already had the experience from these markets. This has paid off as the firm has had knowledge and experience. The firm also states that they do not forget the different knowledge aspects of the Russian market further says also says that they are still having talks with the Russian contacts: *“Yes, and we are holding the connection warm”*

Both firms are learning from their experience, however, both firms have a different viewpoint of how the political restrictions have affected the firm. Company X are saying that they are getting affected, while Group Aquamarine Pepperen has a strategy to be in different markets with low volume to get to know the market better. Further, the group says that they do not believe that the restrictions have had an effect. This suggests that the firms are having a continuous organisational learning process to improve and to understand the customers desire by replacing old knowledge with new (Curado, 2006).

However, Porters diamond model suggest that the government could affect factor conditions, such as organisational learning, however, there might be several other factors that also affect factor conditions as well as the model also suggest (Porter, 1990)

5.5 Future organisational learning

Chapter two provides with a theory regarding knowledge, organisational learning, and political structure. Organisational learning is a continuous process as it improves the firm (Burton & Obel, 2004, p. 11). However, to make sure if political restrictions could affect organisational learning, it was important to find go deeper ask in a different perspective if the political restrictions could affect organisational learning. As Porter suggested, the government could affect firms in a positive or negative way as different factors are getting affected (Porter, 1990). Organisational learning could be affected if even stricter regulations were to be implemented.

Company X: The firm already said that the current governmental restrictions are already affecting them, and a further stricter restriction would only hurt the firm more. This has to do a lot with the production scheme as they will hurt relationship and business for the requirement of the amount of product: *“The problem again what happens every time the government induces new regulations, it reduces the production. And as now I believe that we will prioritise our good customers that we have a long relationship with. So, if they induce new stronger, which makes the production go down even more...[...]... we will not be able to develop a lot of new markets”*. Gaining new knowledge seems harder as the firm cannot further expand. Current organisational learning could also come be affect as the firm. The firm also wishes to export more themselves rather than using other exporters: *“First of all we are trying to take more of the fish that we sell to the Norwegian exporters, we are trying to build new client bases in Asia for instance...”*. The firm has already talked about that they are restrictions are contributing for a difficult to deliver the product as they are using exporters, and therefore cannot increase market commitment and market knowledge. This suggests that a further stricter regulation would affect the organisational learning of the firm. Company X would like to do product branding which would allow for more experiential knowledge, but states that the restrictions are not allowing the firm to do so : *“But we see there is a huge competition in this, there, so we will evaluate if we should look into more value-added products, product branding, those things[...]But, if the authorities reduce the production even more[...]We might not be able to go into that direction”*.

Group Aquamarine Pepperen: The firms state that they are used to a lot of restrictions, so a stricter regulation would not affect the firm: *“We are used to get a lot of restrictions from the government”*. The firm also says that a restriction could increase the market price which

could be good for the firm. The firm reflects and says that newer restrictions could be demotivating. Further, the firm says if a fall in the market price would not necessarily have influenced organisational learning in some way, as the group would have focused more on the cost structure. However, it seems like the firm would focus on organisational learning even though if a stricter regulation were to be implemented as it seems like it is important for the firm: *“Yes, they have still in their head, remember, they have that. Because we have made lots of mistakes and we have experienced a lots of markets which have collapsed and closed and yeah. So we are, I think we have the experience and we remember”*.

The result the political restriction has affected as market price has increased, due to the restriction of production of Salmon. Once would assume this have given firm this of change of market condition would affect organisational learning in a negative way, however firms are continuing with the learning process. Company X would be affected as they as they might have to focus more on business partners they can only provide with the new restrictions, while the Group Aquamarine Peperen say it could demotivating to focus on organisational learning. This could point out that political restrictions do affect organisational learning for both firms according to the Porters diamond model (Porter, 1990)

5.6 The influence of knowledge in different time phase

Based on the literature and theory provided and explained in chapter two, the interview guide was aimed to understand the political affection on organisational learning based on the restrictions these firm faced. This was done by comparing knowledge aspect and organisational learning in past, current and for the future perspective. This was done to understand the role of knowledge in the firm which was interviewed

This was to help to try to answer the research question *How do political restrictions affect organisational learning?* Political restrictions could be understood better by comparing the different effect on the different time span.

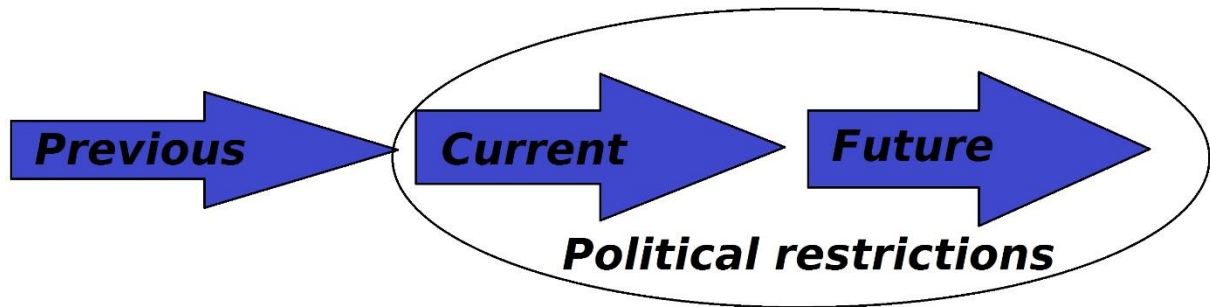


Figure 10: illustrate how the discussion part will be conducted

Figure 10 over illustrates how the where the political restrictions will be focused on. The previous section is regarded if the firm already has knowledge from previous experience. The current section focuses if firms currently are learning in the international market with the political restrictions, and the future section is dedicated to getting a subjective meaning if future political restrictions could affect organisational learning.

Company X

Previous: Company X is a firm is an old firm in terms of age., as it was formed in 1980's and internationalised relative fast. The firm export 50 % directly themselves to the foreign market, but most of their product ends up in the international market. The firm`s owner has had previous managerial knowledge in another firm before the starting up an own firm. The previous experience might have paved a way for a fast rapid internationalisation. It was a long time since the firm internationalised, but it is believed that the firm first went to Europe and then Asia. It could be implied that knowledge plays an important role in the firm's success.

Current: During the interview, Manager 1 was expressing the concern of the political restriction as it affects the growth of the firm as they could not supply several customers as they could not produce enough fish for their demands. Though the firm conduct market research to improve themselves and learn what the customer are looking for in their product. The firm has also had knowledge of other markets which has been helpful when other market closed, such as Russia, to direct manage to come of the situation.

Future: A stricter restriction will have a dramatically effect on the firm as it will stop future expansion and goals. Furthermore, it affects organisational learning according to the firm as it might lose some markets as a result, and due to the firm will have to be more dependent on

exporters rather than exporting themselves. This directly suggests that organisational learning could be affected significantly.

Group Aquamarine Pepperen

Previous: Group Aquamarine Pepperen was formed in 2011 and started to export the same year. The major market for the firm is the abroad, which is shown as the firm export about 70 % to the foreign market. The further, much of the domestic sale is then resold into the foreign market. The owner of the firm has previously exported fish before. This indicates that the owner has previous experience regarding knowledge about foreign markets which has allowed for an easier internationalisation, even though the firm first went to closer market, such as Denmark and France before internationalising without going through an incremental process. Experiential knowledge has been in the organisation since the start of the organisation.

Current: Manager 2 gave an interesting insight on how the firm does organisational learning today. The firm is in a different market, even with a small volume, just to get to know the market. This indicates that the firm has chosen to be in a small market just to learn. The firm has managed to learn that not all markets are willing to pay the market price for the product, and therefore see some markets as un-relevant. Furthermore, Group Aquamarine Pepperen experience the in the low volume market has managed deal with unforeseen situations, such as when the Russian market closed recently, the firm was able to sell more to the other markets, such as the low volume markets.

Future: Manager 2 said that that the firm is used to several governmental regulations, so it was something new. It could be demotivating, but the firm is small and according to themselves and need to focus more on surviving in the market. This could also result that the firm could consider alternative production other products, such as cod.

Status of knowledge in firms

The table underneath present the data analysed and give a small presentation of the finding. Furthermore, the tables under present the of experiential knowledge and organisational learning as discussed previously based on each firm. The tables under are presented to briefly illustrate the knowledge status of the firms.

Company X	Experiential knowledge
Previous	Yes

Group Aquamarine Peperen	Experiential knowledge
Previous	Yes

Table 2: Status of previous experiential knowledge

Both firms had an owner that had previously worked in another same sector with another firm before they started their own firm. The influence of knowledge is great when the firm started which might have contributed to the success the firm has today.

Company X	Organisational learning
Current	Yes, but affected by political restrictions
Future	Yes, but will further affect by political restrictions

Group Aquamarine Peperen	Organisational learning
Current	Yes
Future	Yes, but affecting cost focus

Table 3: Effect of political restriction on organisational learning

Both firms are doing organisational learning as today. Both firms are learning from their experience and understanding from it. Wisdom about certain markets has helped firms tackle unpredictable situations and managed to survive when major markets have closed. Furthermore, the firms will focus on organisational learning in the future even if a stricter regulation were implemented, but might not be able to gain as much knowledge as it could otherwise.

5.7 The applied conceptual framework

This subchapter will provide a model to illustrate the finding of the research. And show the role of experiential knowledge. Chapter two provides with a conceptual framework which illustrated how the researcher believed that political restrictions could affect experiential

knowledge relates to organisational learning. The field of the topic had a limited study and therefore required thorough understanding and analysis.

The model presented in this subchapter is based on the empirical data collected, as well as the previous theory that was discussed. Figure 11 is based on the theory and the findings to create a coherent framework which will illustrate how the role of experiential knowledge. The figure will show different phases of the firms' life and the role of experiential knowledge. As the figure show, the firms do have gain a lot of experiential knowledge which they have been reflecting on in the interview. Phases in the figure also show that the role of knowledge in the firms` and show that they

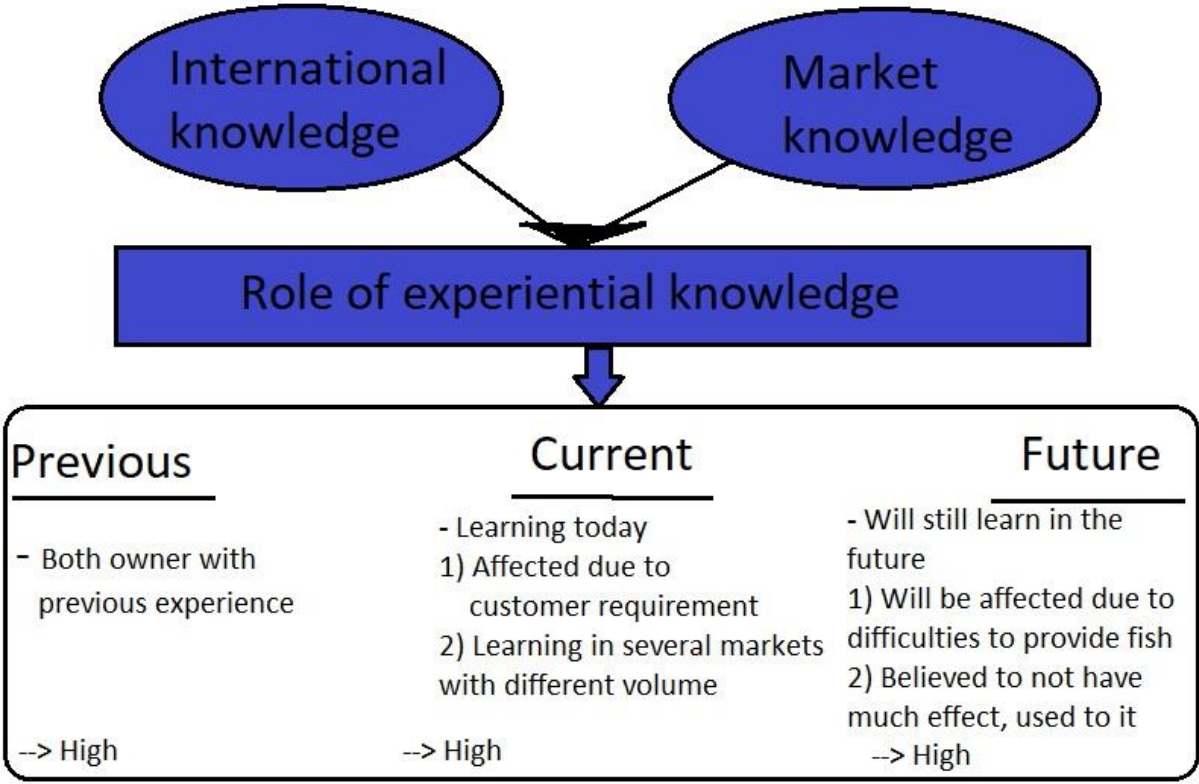


Figure 11: illustrate the experiential knowledge of the firm

Figure 11 show that both owners have had previous experiential knowledge in the field which suggests that both firms' role of experiential knowledge has played a crucial role in the growth of the firm. This also suggest that the importance of knowledge has been high in this phase

Moreover, the figure shows that firms are learning from experiential knowledge, however, there is some disagreement regarding if the political restrictions do hurt the firm or not. International knowledge and market knowledge could be affected, depending on other factors,

which then again will affect organisational learning. However, it is suggested that both firms has a high degree of experiential knowledge as per day and do turn into wisdom. Both firms do still have a high intensity of organisational learning, and the role of knowledge as suggested plays also a high role in this phase.

The future situation with a stricter regulation is believed to have a further impact that it has today as one firm states so, while the other one is not sure. The figure, however, shows that both the experiential knowledge intensity by the firm still will be high, though it is believed to hinder organisational learning due to loss of markets. It might also be demotivating for these firm to focus on organisational learning as one firm stated, but it is viewed the focus on organisational learning on experiential knowledge is believed to still be high. It is hard to predict as it has not happened. The empirical data is analysed to demonstrate that the role of experiential knowledge is high in all the three stages and suggested to be viewed as something crucial for the firm to succeed in the international market.

5.8 The role of experiential knowledge for firms (result)

As mention in the literature chapter, knowledge plays a crucial role in the ability to internationalise. Mejrí & Umento (2010) argues that market knowledge could be crucial when the firm internationalise, which could be correct as the firm currently have a high degree of this type of knowledge. All the firm has proven that they have a market knowledge per day. The firms do also have a high degree of international knowledge as they are able to solve challenges related to foreign international operations.

The findings from the interviews suggest that firms remember their experiential knowledge as some scholar suggest (Bierly III, et al., 2000). Incidents regarding stop of trade to countries such as Russia further proves so. The interviews also suggest that an intensive degree of knowledge has allowed the firms of gaining a competitive advantage (Autio, et al., 2000). Both firms have managed to do so by understanding that the customers are valuing quality. Mintzberg and Waters (1985) also suggest that knowledge could allow for emerging strategy which could be true of the cases of both firms once if the closed markets open again. Both firms as seemed have learned from experience which would allow firms to face the change in the dynamic environment according to some scholars (Teece, et al., 1997), which both firms have expressed.

Both firms could be viewed as a Born Global firm due to the previous knowledge from the founders as Madsen & Servais (1997) suggest. It could be understood that these firms are highly knowledgeable and had a continuous process of organisational learning, which therefore also could have helped the firms to create an advantage as some scholars suggest (Jackson, et al., 2003). Both firms do also export more a high percentage to the foreign market which suggests that domestic market is not as important learning place as foreign (Madsen & Servais, 1997).

Political restrictions have been the main importance for the paper, as it tries to uncover the topic connected to organisational learning. Company X says the political restrictions has affected the firm and will affect the firm in the future, while Group Aquamarine Pepperen has said that future restrictions might de-motivate firms to focus on organisational learning, but it might not affect them. However, both firms could be affected, but not necessarily directly by the political restrictions, but because of other factors as well which Porter's diamond model illustrates (Porter, 1990).

Both firms have proven to show desire and willingness to focus on organisational learning on different phases. This could be as a result that the firm has understood that it will allow pursuing future goals as some scholars suggest (Curado, 2006).

6. Conclusion

6.1 Contribution and findings

The main goal of this paper was to understand if political restrictions could influence organisational learning for firms. The paper has tried to provide a better understanding of the role of knowledge for the firms to illustrate that it is crucial for internationalisation, creating competitive advantage, and further have a better understanding of their customers.

Furthermore, it could be crucial as it could help for resolving unexpected situations. This paper has divided the firm into different phases to understand the role of knowledge better which was because of the research question: *How do political restrictions affect organisational learning?*

The research followed a qualitative approach towards the research question followed by a multiple case design to fulfil the purpose of the paper. Theoretical background made a base for the semi-structured interview guide which includes the result of two Norwegian salmon

producing firms for the empirical findings, with a value chain from smolt to market. Both firms have international experience for a long time, which was important to see if learning from experiential knowledge had changed over time.

6.1.1 Research findings

The paper firstly gathered data which could be used for the paper. Several results discover the role of political restrictions for firms. Questions regarding firms’ knowledge was discovered to see if the firm is knowledge intensive and if this had changed over time due to political restrictions. The firm has a major wisdom of several aspects, such as market knowledge and international knowledge which is crucial in an international context.

Market knowledge is regarded as the experiential knowledge that the firm has regarding competitive foreign market and customers

International knowledge is regarded as experiential knowledge of handling business with another partner, in other words, how to conduct business. International knowledge concerns such as market characteristics and how to interact with business partners.

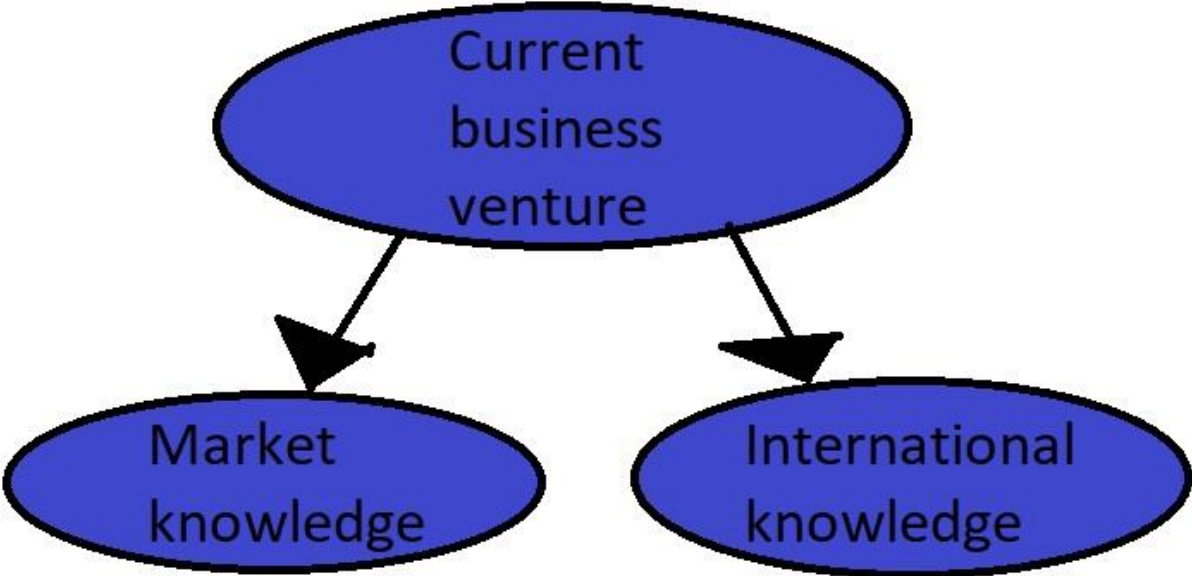


Figure 12: illustrate how the firm experiential knowledge in today’s situation is gained

Both these types of knowledge have played a crucial role for both firms as it is important for the firm to success in the market. Furthermore, the previous knowledge might have increased the pace of the internationalisation process. Moreover, the firms do understand the market as they still learn from their experience. Further findings suggest that they will also do that it in the future, but could be reduced because of stricter regulation.

Pre-start of the business shows that experiential knowledge has perhaps managed to make both firms be able to establish and sell the salmon in the market. This could suggest that these industries are very knowledge intensive as it important. Furthermore, the firms are doing currently doing organisational learning in the foreign market through interaction. Both firms have a different view regarding the effect of political restriction, and how it could it does impact the firm as per day and how it would affect the firm in the future. This could be due to different factors, such as money reserve, connections, and type of firm, one is an investment firm in the fish farming sector while the other one is a traditional type of firm. The findings have emphasised that the truth is very complex as it could depend on several factors. Data gathered shows suggest that market price could affect organisational learning, which then again could be influenced by political restrictions. There is important to note that there are several factors could affect organisational learning, and this paper focused on political restrictions. Furthermore, it was hard to provide an answer due to few interview objects and different perspective of the firms.

6.1.2 Theoretical contribution

The author of the paper has dedicated his time understand the literature regarding organisational learning and political restriction. The purpose was to provide research in the gap of the literature. This could be the first study stressing the connection between political restrictions and organisational learning. There were limitations which hindered the researcher to include several more cases. However, this could be one of the few research done on political factors effect on organisational learning. The author has learned that the topic of the research question has been more complex than estimated. Organisational learning has proven to very important for the firm as the research has contributed to a better understanding of how the process benefits firms.

Madsen and Servias (1997) suggest that entrepreneurs with previous experience allow for a fast access to the international market, which this research also has found. Porter (1990) diamond model suggest that government could affect organisational learning. One findings case proves political restrictions directly affect organisational learning, while the other case suggests other it might not only be the government that affect learning but other factors as well. The diamond also describes other factors that could have an impact on learning, such as the firm's structure (Porter, 1990). The finding agrees with Jackson, et al (2003) that a continuous organisational learning process gives a sustainable competitive advantage. The

findings also agree with Mintzberg & Waters (1985) that firms can realise emergent strategy without intention due to experiential knowledge.

The author did not know that these firm had a high grade of knowledge which they had acquired. Furthermore, the author thought that the political restrictions would demotivate firms to focus on organisational learning, but as understood it has not done so, at least not in a high degree.

The research has found out that the role of knowledge plays a crucial role for firms` as literature such as organisational learning and internationalisation theories suggest. The study aimed at providing more insight of the gap in the literature which could be used for further research in the future

6.1.3 Managerial implication

The findings found by the empirical data have could give a better understanding for managers and politicians. The sector plays an important role for Norwegian export, as politicians are saying that the fishing industry could potentially take over the oil and gas industry of Norway in the future. By providing literature and showing that knowledge resources play a crucial role for firms and that political restrictions could have an effect. The paper also aims to show the managers of firms in this sector that it is important to focus learn from experience as it could be proven to be useful in the future. Furthermore, it could be very important when the previous market that closed opens again. Also, data collected show that there are many other factors that could affect this sector which could be used for another paper.

Competition from other countries could conduct business better in the future of the organisational learning process gets hindered. Politicians need to understand that they can hinder the competitive advantage of a nation, but also face a dilemma regarding the effect on the environment.

6.2 Suggestion for further research

Further research in this field should have a greater number of respondents for a qualitative search has it was able to obtain during the process and with the lack of authors connection. Furthermore, a greater study with an increasing number of respondents, maybe in a form of quantitative rather than a qualitative research. This could allow for a broader aspect of the topic and further have a better understanding. The point of this study was to pave a way for

future research regarding this topic as it could be important for the sector, both from a managerial view and political position.

Increasing respondents in a form of quantitative research could allow for generalising the findings. Moreover, the research only focuses on how political factor affects organisational learning, however it could be interesting to see if other factors influence as well, such as market price and competition. Furthermore, it could be interesting to study other sectors as well.

7. References

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8. Appendix

Interview guide

How does political restrictions affect organisational learning?

Basic/General information

Firm: _____

Field of business: _____

General information (if not provided)

Your position in the firm	
When did the firm start exporting	
What is the major market, domestic or foreign market?	
What percentage is the export	
What are the major foreign markets for the firm?	

1. What has the firm done to sustain a comparative advantage in the international market?

For instance, has the restrictions from the Norwegian Government made it a driver, hindered, or had no effect for the firm to acquire new knowledge to create a sustainable advantage. Please elaborate on why, and why your product are unique (if it is) compared to others firms.

2. How did the firm internationalise; did it go through stages or did the firms rapidly internationalise to different markets?

For example, did the firm to export to similar market first, or did the firm already have knowledge regarding other markets and internationalised really fast to different markets?

3. To what extent has the political regulation from the Norwegian government, such as strict regulations regarding production and expansion for the production affected the internationalisation process for the firm?

Are you looking for some ways to find an alternative production form which are could avoid the restrictions?

The restrictions could for instance made it hard for the firm to acquire new knowledge in the current international market regarding new trends or changing consumptions trends

5. How as previous situations where foreign political factor interfere with international market, such as when Russia led to restrictions of imports of several products, or when something similar happened with China.

How has the firm been affected by this or similar situation? Has current knowledge helped firms out of these situations by either explore current market? Please elaborate, how did the firm tackle the situation ? Anything special learned, and did knowledge at that time help resolving the situation ?

6. Are the political restrictions de-motivating firms from focusing on organisational learning. For instance, let us say that a new regulation would have been implemented today, where fish farmers would not have been allowed to expand due to some environmental reasons, do you believe that the firm would have still have focused on learning in the current market?

This could be due to follow trends, remaining a good relation and to understand the development in the international market? Could be to improve, but for instance could be hard to care about organisational learning as the restrictions could be a de-motivating factor as it hinder the firm from expansion, which then again could affect organisational learning

Any example of this practice, why or why not do you think so? Please elaborate.
