Learning and Opportunity Recognition in Large and Small Firms in Search of Propositions

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Abstract: Background assumptions: Continued entrepreneurship is the combination of learning and opportunity identification. Within a traditional functional specialisation thinking of management tasks, areas such as learning, knowledge creation and skill-building are usually considered central questions for Human Resource Management and thus questions of primarily internal relevance to the firm. On the other hand phenomena such as creativity, opportunity sensing and new product development are considered more marketing oriented questions and thus related to the problem of managing the external environment of the firm.

When functional specialisation is low or perhaps not even present, as in most small firms, the distinction between internal and external oriented functions, as outline above, is no longer that obvious. You may argue that learning and opportunity identification are knit more closely together – a central question related to the marketing and entrepreneurship interface is: how? The paper examines this relationship.

On the basis of two case-studies; one of a small firm and one of a larger firm - two models of learning and opportunity identification are established – one describing the process in small firms – the other in large firms.

Based on the first model, we argue that when smaller firms begin a process of systematic competence development, this process is in accordance with their culture and everyday working practice. They do not have a strong functional specialisation and most activities thus involve or integrate a number of dimensions and levels of the organisation: production, organisation, communication and HR. They rarely begin a “clean” learning and education project. Instead the typical starting point is a specific problem such as faster adjustments of machines, but in order to solve that problem a broad number of initiatives and approaches are introduced, such as team building, decentralisation and change of interaction with customers.

Based on the second model, we argue that, in larger firms, the process is typically controlled by a department within the firm, such as the human resource or marketing departments. The department is responsible for the whole project and formulates a plan for the entire company based on the general goals and strategy of the firm. Such a plan would systematically involve all employees, as competence development and learning throughout the company is necessary. In
this case the goal is broad, but the tools and methods used are narrow i.e. education of employees.

In the paper each model is analysed according to existing theories of learning and opportunity identification; and from this analysis a number of propositions for practice and further research are put forward.