

# **Knowledge Intensive Business Sector and the Cooperative Form: A Study of Finnish Knowledge Intensive Cooperatives**

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## **Abstract**

The aim of this article is to discuss the suitability of the cooperative form for the knowledge intensive business sector. First, core elements in organizing and managing knowledge intensive enterprises have been identified through a literature review. The existence of these core elements are then examined in two Finnish worker cooperatives operating in the consulting business. The cooperatives are compared to limited liability enterprises in order to crystallize the specific features of the cooperative business form. The findings show that the cooperatives of this study possess major important elements for well- functioning knowledge intensive enterprises, such as a strong organizational culture with shared values and the possibility of the knowledge workers to take part in the decision-making of the enterprise. However, a cooperative is a demanding form of organization because of the large number of decision- makers and the great extent of flexibility associated with the form. The flexibility is one factor leading to the existence of passive members in both cooperatives of this study.