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# **Creating a Learning Organization**

**by**

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A thesis submitted for the degree of  
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## DECLARATION

This thesis contains developed aspects of the writer's already published work on learning organizations and adult learning, specifically:

Jones, A.M., and Hendry, C. (1992). The Learning Organization: A Review of Literature and Practice. London: Human Resource Development Partnership

Jones, A. M., and Hendry, C. (1994). 'The Learning Organization: Adult Learning and Organizational Transformation', British Journal of Management, Vol.5, 153-162.

## SUMMARY OF THE RESEARCH

This thesis reviews and critically reflects on 'learning organization' theory and practice. Specifically, it reviews and assesses relevant theories of adult learning and links those theories to the learning organization literature. Using existing literature and practice, empirical research work was undertaken in two organizations to validate, or otherwise, key elements of learning organization theory and practice and to identify patterns in the content and process of creating a learning organization. A learning-in-organizations model is then developed which combines learning organization theory and practice, adult learning theory, and the management of change literature. The multi-layered character of the learning-in-organizations model synthesizes key aspects of the learning processes in the organizations studied. The model also provides a framework (a) for research purposes to systematically define and evaluate learning in organizations, and (b) for management, groups, and individuals to use as a prompt or aide-memoire to develop and evaluate learning activity in their organizations.

Key questions guiding the research include: What is meant by 'learning'? How can the complexity of learning be revealed? How can learning in organizations be evaluated? How do responses to the above questions change our understanding of what constitutes a 'learning organization'?

The research is qualitative to reveal more of the subtleties of the learning process at the individual and group levels in organizations. The research process comprises four main activities: a review of existing learning organization literature and practice to identify key proposed characteristics of a learning organization; a documentary search in the two research sites; in-depth interviews in the two research sites; and the writing of case studies and their comparison to reveal learning patterns and processes.

The research shows that much of current learning organization description remains anecdotal and rhetorical. Confusion exists regarding how learning in organizations is developed and assessed. Key learning organization hallmarks and characteristics are often flawed. In addition, defining and evaluating learning in organizations is often carried out in a rudimentary fashion.

This research contributes to learning organization theory and practice: (a) by providing a synthesis and critical analysis of existing learning organization literature, (b) by providing some of the first empirical data on the creation of a learning organization, (c) by linking theories of adult learning to thinking on learning in organizations, and (d) develops a new model for evaluating learning in an organization by linking learning organization theory to andragogy and the management of change literature using qualitative rather than quantitative criteria.

## ABBREVIATIONS

BBC	British Broadcasting Corporation
BS	British Standard
BTEC	British Technical Education Council
CEO	Chief Executive Officer
DWI	Drinking Water Inspectorate
HMIP	Her Majesty's Inspectorate of Pollution
HQ	<i>Head Quarters</i>
HR	Human resource
HRM	Human resource management
IT	Information Technology
IT(UK)	International Trainers, United Kingdom
MBA	Master of Business Administration
MCI	Management Charter Initiative
MD	Managing Director
NRA	National Rivers Authority
NVQ	National Vocational Qualifications
OFWAT	Office of Water Services
PLC	Public Limited Company
RSA	Royal Society of Arts, Manufactures and Commerce
SME	Small and Medium Enterprises
UK	United Kingdom
USA	United States of America
WUL	Water Utility Limited
WULEC	Water Utility Limited Executive Committee

## **CHAPTER 1:**

### **THE LEARNING ORGANIZATION: AN INTRODUCTION**

#### **INTRODUCTION**

This chapter begins with an explanation of why the writer was attracted to undertaking a research project on the 'learning organization'. This is followed by a summary of learning organization antecedents, and a subsequent section highlights the confusion between the various labels and descriptions being assigned to the learning organization concept. The aims of the thesis are then provided and the chapter concludes with a brief statement about the remaining chapters in the thesis.

#### **BACKGROUND TO THE RESEARCH PROJECT**

This thesis is about the development of the concept of 'the learning organization'. It caught the writer's attention at the time it emerged in the United Kingdom as a potentially influential management concept. Like so many others, however, there was always the danger that it would be destined to join the ranks of the 'quick-fix, box of tricks' management applications many organizations adopt in the pursuit of immediate and successful change initiatives.

What captured the writer's interest was the emphasis on 'learning'. Having always been interested in education, and especially how, when and why people learn, I was immediately attracted to some of the commentary which was starting to emerge from the learning organization literature, albeit in the form of popular management journals.

Having trained as a teacher, and having been involved in education and training for most of my career, I had always been intrigued by the education system as it has evolved in Britain - a system which essentially has excluded the vast majority of people from access to higher education. I was also concerned for the near two million people who have left school, who are currently in the work place, and have severe learning problems. It is estimated that in the United Kingdom there is an adult population the size of the population of Greater Manchester unable to read and write properly (Rogers, 1986), and many of these are in the work place. Thus, who has the responsibility for the employed and unemployed, for ensuring basic skills are acquired and developed? The learning organization project came initially as an opportunity to explore some of these issues and concerns in post-school environments.

My initial work at the Centre for Corporate Strategy and Change at the University of Warwick focused on training and development in small-to-medium size enterprises. In this work I found a number of organizations genuinely seeking to adopt more flexible working environments based on greater employee participation. In many cases human resource management was replacing the more prescriptive personnel management approaches to employee development, with its focus on administration and industrial relations. A number of organizations were actively starting to engage with a range of additional activities which included corporate governance and organizational purpose and values.

At the same time there was an increasing questioning in the United Kingdom about the role of organizations vis a vis training, competition, and social responsibility. The Royal Society of Arts, for example, was promoting an initiative that paying attention to learning and development produces dividends for people and organizations as a

whole, and that people development was necessary for the future of society in general. A number of management writers were also propounding fairly extravagant claims as to how organizations should change and manage themselves - for example, Lessem (1990, 1991); Senge (1990); and Peters (1992).

Against this background a decision was taken to engage with a research project which would investigate: the origins of the learning organization idea in both existing literature and practice; how these ideas and practices were being developed and implemented; whether there was any substance in the notion of the learning organization; and the extent to which the idea added to, or detracted from, existing understanding of how organizations operate and develop their people.

## **THE DEVELOPMENT OF THE LEARNING ORGANIZATION PROJECT**

Initially, the term 'learning company' emerged as a description of mainly commercial firms which were engaging in change processes, especially in relation to human resource management. Ideas about learning developed particularly during the 1960s and 1970s, and were much informed by writers such as John Gardner (1963) who coined the term 'self-renewal' and Lippitt (1969) who described development as 'organizational renewal'. Chris Argyris and Donald Schon (1977, 1978) subsequently introduced the idea of a 'learning system' and in the 1980s the link between learning, training, and company performance was further developed, with a range of new-action-learning concepts and ideas from Hedberg (1981), Revans (1982), and Morgan (1983, 1986). The work of Pettigrew (1975, 1985) and Pettigrew and Whipp (1991) has further informed and widened the debate about organizational learning, corporate culture, and strategies for change. More recently, the learning organization idea has

focused on the self-development of employees in the workplace (Pedler, Burgoyne, Boydell and Welshman, 1990; and Pedler, Burgoyne, and Boydell, 1991).

The late 1980s and early 1990s has seen a shift towards making a clearer link between training, development and human resource management on the one hand, and company performance and competitiveness on the other. Companies and managers have been forced to consider how they should train employees to equip them with the skills to manage more effectively and to cope with a range of new production and marketing objectives. In addition, advanced technology, which is also a driving force in creating rapid change, is impacting on many organizations resulting in an appraisal as to exactly how people should organize their work. The way in which information flows, and how it is collected, stored and accessed is a further catalyst for change which is producing new work practice methods (Macdonald, 1994 forthcoming).

The 'Total Quality Management' (TQM) concept has also been an important factor in broadening approaches to training and company learning, linked to the view that organizations that have to focus on superior product and service adopt different managerial approaches and establish better means of organizational communication (Macdonald, 1994 forthcoming). *People learn as they do their work and this* experiential learning seems to be a key issue in understanding how firms can more readily utilize on-the-job learning (Rogers, 1986).

## **IMPACT OF THE SHELL OIL COMPANY IN SPEARHEADING THE CONCEPT**

In the late 1980s Shell began to question its own systems of internal communication and employment structures. There began an internal questioning about the techniques

and processes of strategic planning (De Geus, 1987). Shell came to the realization that managers had to work together in more collaborative ways. Team-work, and a greater sharing of information, were seen to be crucial factors in creating a more coherent and cohesive organization. Shell spent twelve months, using workshops and discussion groups, researching the implications of the learning company idea. In so doing, they helped spearhead the concept into the more general public and commercial domains.

Shell concluded that strategic planning consists of learning about the environment and people having a total view of the business they are engaged in. If more could be understood about how this learning process occurred, particularly with respect to learning in teams, ways might be found of speeding it up. The firm further concluded that a company which can accelerate its learning so that it gained a year or so on its competition, ought thereby to gain valuable commercial advantage.

Shell has not been alone in seeking new ways and means of creating commercial advantage. Rover, Cadbury Schweppes Plc, Cable and Wireless Plc, Sun Alliance Group Plc, Digital, and a number of health authorities, are just a few organizations which have begun to put in place new training and organizational techniques which focus on individual and group learning - or at least education and development. In addition, some of these, together with a variety of other organizations, have begun to question prevailing organizational structures and practices and have funded national projects which have, as their main generic theme, that of re-thinking what organizations are going to be like in the future- for example, Whitbread Plc, Thorn EMI Plc, Anglian Water Plc, and British Gas Plc all contributed to the Royal Society of Arts inquiry 'Tomorrow's Company: The Role of Business in a Changing World' (1994).

## THE IMPACT OF MAJOR REPORTS

The most current developed example of new thinking about organizations in a social setting is probably the Royal Society of Arts 1994 report 'Tomorrow's Company: The Role of Business in a Changing World: The Case for the Inclusive Approach'. This focuses on organizational purpose and values, the need to address all an organization's stakeholders, the responsibility to society at large, and the need to measure activities and relationships across all an organization's activities, not simply the financial and production ones.

Similar ideas also underpinned the 1992 Cadbury Report on corporate governance, albeit that this focused more on financial responsibility. Cadbury highlights the need for greater vigilance and diligence in how organizations look after their assets and their people. This has meant a greater focus on ethical and moral issues in how organizations do business and generally operate in terms of obligations to employees and shareholders.

In the 1993 January/February edition of the RSA Journal, Sir Anthony Cleaver (1993:82) as Chairman of IBM United Kingdom and Vice-chairman of the Royal Society of Arts steering committee leading the inquiry into 'Tomorrow's Company', outlined the concerns for the future:

*The more-single minded business becomes in recognizing that there is no protection against the accelerating pace of global competition, the more it has to understand that all its stakeholders need each other. Few businesses can flower in an educational desert; few markets will grow in communities where the social fabric is cracking, and all business prospects are undermined if some companies destroy customer confidence by irresponsible behaviour.*

Cleaver concludes that all organizations, whether in the public or private sector, need to focus on a series of questions to help them widen their understanding of the complexities of society of which they are a part. One of the key questions is the extent to which organizations measure and report the right things, and over what length of time.

## **THE LANGUAGE OF THE LEARNING ORGANIZATION**

One other important issue must also be addressed at this point. Theorists and practitioners alike regularly move from using 'learning organization' to 'organizational learning' and this has created confusion which this writer does not believe assists current learning organization development. The advent of the term 'learning organization', and the work and activity it has produced, should have made a much clearer distinction between these two descriptions. Indeed, a recently published book by Thurbin (1994) entitled 'Implementing the Learning Organization: The 17 Day Programme', is being marketed thus:

*Implementing the Learning Organization is an exciting and practical guide to the discovery and implementation of organizational learning.*

*Organizational learning creates the underpinning for major strategic change programmes such as Total Quality and Process Re-engineering as well as the more conventional Operational Management improvements.*

What then is the distinction and do the two descriptions mean one and the same thing?

## Organizational Learning

The term 'organizational learning' was seemingly first used by Cangelosi and Dill (1965) although it could also be argued that the notion, if not the actual phrase, lies at the heart of the work of Cyert and March (1963). Nonetheless, it has been subsequently indiscriminately used by a range of people who have sought to develop the term. These include Argyris (1977, 1978), Hedberg (1981), Fiol and Lyles (1985), Levitt and March (1988), and most recently Carley (1992). There is insufficient space here to quote extensively from these and other writings but throughout their work the majority of writers change the focus of what 'organization' means at any given time when describing learning process and content. As Leymann (1989) observes:

*It is quite obvious that 'organization' sometimes is used as a synonym for 'the leader in power' and sometimes for a communication pattern between people which binds behaviour to old customs.*

Leymann questions the usefulness of 'organization' and 'organizational learning' descriptions and concludes (1989:286) that they :

*...mystify what is going on in an organization and the applicability of organizational learning descriptions is dubious.*

Some four years earlier Fiol and Lyles (1985:803) had highlighted this same issue and again observed that there was still no accepted theory or model of organizational learning. Most recently, and in very blunt fashion, Weick (1991), Huber (1991), and Simon (1991) have again stressed the need for a developed theory:

*Without working toward a higher level of consistency in terminology than prevails in organizational theory today, it will be difficult or impossible to culminate and assemble into a coherent structure the knowledge we are gaining from individual case studies and experiments.*

(Simon, 1991:133)

*....scholars of organizations have developed theories that not only don't work for them but won't work for others.*

(Weick, 1991:116)

*Inconsistent terminology applied to comparable concepts, disagreement on how the phenomenon should be defined and a lack of cumulative work and synthesis...has plagued and impeded ....progress.*

(Huber, 1991:88)

The advent of the learning organization concept has added to this confusion, and because different people are tending to look at learning in different organizational contexts the confusion is likely to get worse. If nothing else, the learning organization idea should be acting as a catalyst to speed up evidence and debate as to exactly which terminology and research contexts should be investigated or abandoned.

There appear to be two main strands discernible in the literature as to how organizational learning is perceived. On the one hand learning is seen solely as being in the heads of individuals with organizational learning being the sum total of individual and group learning (March and Olsen, 1976; Simon, 1991) and on the other, learning is seen as being an integral part of an organization, irrespective as to whether people come and go (Argyris and Schon, 1978; Weick, 1979; Duncan and Weiss, 1979).

The concept of organizational learning being centred on an organization's memory which preserves mental maps, behaviours and values over time in such things as rule books, seems hardly sustainable. In the management literature it has led to the present disarray which surrounds the organizational learning/learning organization labels. It is people who sustain behaviour patterns and values. People accept what they find when they arrive in an organization, either because they wish to do so, and are attracted to the contexts and activities which already exist, or because they are indoctrinated with them, or they accept them simply to survive (Macdonald, 1994). To infer that somehow an organization learns is surely an oxymoron (Leymann, 1989). The position has been recently further complicated by attempts to use the term 'interorganizational learning' (Pucik, 1988; Crossan and Inkpen, 1992).

The lack of a devolved and sound theory of organizational learning rests on theorists and organizations' inability to focus on the context, process, and content of learning in specific situations (Cullingford, 1990). Current theory is also very end-result focused rather than process centred. Failure to focus on the complexity of learning and to define more precisely a theory of adulthood learning has resulted in this unsustainable theory of organizational learning (Leymann, 1989). The learning organization concept is faced with the same problem.

In the writer's view the difference between (a) organizational learning and (b) learning organization is that (a) implies an organization learns, and (b) refers to the organization as a site where (individual and group) learning takes place. The former is dubious; the latter more valid. Thus, an organization can be designed, systems created, and a climate developed where the organization is more conducive to individual and group learning. In turn, this may make the organization more effective.

In developing this thesis, therefore, use of the phrase organizational learning is deliberately avoided in an attempt to discover whether the distinctive term 'learning organization' is a sustainable additive concept for management theory and practice.

### **THE SPECIFIC AIMS OF THE THESIS**

Against this background, the research work and resulting thesis have these specific aims:

- (1) To review and critically reflect on the research and writing on learning organization theory and practice.
- (2) To review and critically assess relevant theories of adult learning.
- (3) To link theories of adult learning to the learning organization literature.
- (4) In the context of the very minimal empirical research which exists in this area, to conduct limited empirical research work in two organizations.
- (5) To identify patterns in the content and process in creating a learning culture in two organizations.
- (6) To develop a model of learning in organizations which will inform future research and practice.

## **CONCLUSION AND SUMMARY**

This research project looks at two organizations which sought to engage with the broad issues of developing a learning organization culture. The account of this engagement forms a central focus of the thesis. However, it is not yet clear what a learning organization consists of, the circumstances which trigger its creation and development, whether change is involved and if so, how change is implemented. Chapters 2 and 3 therefore concentrate on providing a critical analysis of the theoretical background of the learning organization concept, and its application in organizations. Chapter 3 provides a five phase model for understanding or developing a learning organization, with the proviso that in reality most organizations are likely to operate across a number of these phases at any one time as they concentrate on different activities.

Chapter 4 reviews and analyses what we know about adult learning and illustrates that much of what goes on in organizations, and which passes for learning, is misplaced because it is not based, or practised, on any kind of learning model. Chapter 5 outlines the research process - that is, how the research as a whole was approached and developed, and how the data was collected and analysed. Chapters 6 and 7 present the two case studies and report how each organization developed the learning organization idea.

Chapter 8 offers an analysis of the case studies and provides some comparative comment structured around Rogers (1986) approach to learning as training, indoctrination, and choice. Chapter 9 develops a model to assess learning in organizations and the link between learning and change. Chapter 10 provides a summary of the thesis, suggests some broad themes arising from the case study research, and additional future research themes.

## CHAPTER 2:

### THE LEARNING ORGANIZATION: A REVIEW OF LITERATURE AND PRACTICE

#### INTRODUCTION

As noted in the introductory chapter to the thesis, there is at the present time a growing interest in alternative and innovatory styles of training and education, and how these can be harnessed to improve company performance and competitiveness. *One of the more* innovatory concepts is that of the 'learning organization'. However, it is not yet clear what a learning organization consists of, the circumstances which trigger its creation and development, how change is then implemented, and what the benefits are to the organization and the people who work within it. There is a need, therefore, for a critical review which looks both at the concept of the learning organization in principle and identifies attempts to implement it in practice.

The aim of this chapter is to review the theoretical literature, and practice arising from it, to determine what is currently known about the following issues:

- (a) what a 'learning organization' is; and
- (b) what a 'learning organization' looks like in theory and in practice.

This review of literature and practice has therefore the following specific objectives. First, it defines and analyses what a learning organization is and provides examples of organizations which appear to be and/or have declared themselves to be a 'learning organization'. Secondly, it identifies the characteristics and measures by which an

organization may be defined as a 'learning organization', including the means of assessing personal performance and the performance of the organization as a whole. Thirdly, it identifies both individual and group learning which results from implementing the 'learning organization' concept.

## **WHAT IS A LEARNING ORGANIZATION?**

### **Background**

Chapter 1 describes the influences and circumstances which have generated an interest in, and concern for, the learning organization idea, but it has been developed further by Mike Pedler, Tom Boydell, and John Burgoyne in a report they wrote in 1988 for the Training Agency/the Department of Employment. The resulting report offers a short definition of what a learning company is:

*an organization which facilitates the learning of all of its members and continuously transforms itself.*

(1988:3)

The report concludes that:

*At the present we know a lot about providing individual learning...albeit still rather in the 'training' than the 'developmental' mode, but our knowledge of how to gather together the fruits of all this individual learning to enhance...the generic problem solving capacity of the organization is rudimentary. The great challenge of (the) Learning Company is to learn how this can be done.*

(1988:3)

The notion of the 'learning organization' came to prominence in the USA, where it was coined by Hayes, Wheelwright, and Clark (1988), at roughly the same time as it did in the United Kingdom.

Each group of writers present different perspectives which provide a framework for developing the learning organization concept. However, for the purposes of this review and research project, and in order to widen the scope of the analysis, the term 'learning organization' rather than 'learning company' has been used. Much of the work which has been developed to date concentrates on the idea of the 'learning company' but this term has too many associations with industry and commerce - that is, manufacturing and service industries which, in the main, exist to make money for profit. Many organizations in the public and private sectors exist primarily as service orientated activities - for example, *local authorities, schools, and hospitals*. *They are not essentially* in the market to generate profits for shareholders or stakeholders, yet seek to address issues of major change linked to learning. Therefore, by using the term 'learning organization' this review seeks to evaluate and comment on any type of organization which purports to base its activities around learning.

To conclude this section, and in fairness to them, it must be stated that Pedler, Burgoyne, and Boydell (1991) have since brought out a book with the title 'The Learning Company'. In it they explain that they continue to use the term 'learning company' because their emphasis is on self-development in organizations and how people collectively learn - that is, in 'company' with one another.

## Some definitions of the learning organization

A learning organization:

*is an organisation which facilitates the learning of all its members and continuously transforms itself.*

(Mike Pedler, Tom Boydell, and John Burgoyne, 1988)

*facilitates participative (horizontal) and innovative (vertical) development within and between people and institutions, commercially, technologically and socially. It thereby transcends not only the business enterprise but also the hierarchical institution.*

(Ronnie Lessem, 1990)

*build(s) and continually renew(s) its competitiveness in all functions.*

(Robert Hayes, Steven Wheelwright, and Kim Clark, 1988)

*actually alter(s) the way in which we work.*

(Richard Penn, 1990)

*is a lot of people learning.*

(Geoff Gaines, 1990)

*is one which the general management style is to delegate responsibility in an attempt to foster employee involvement, personal initiative and generate effective internal communications.*

(Smythe Dorward Lambert, 1991)

*may be just another label for 'good practice'.*

(Sir Christopher Ball, 1991)

*emphasizes adaptability (which is) the first stage in moving toward learning organizations. This is why leading corporations are focusing on generative learning, which is about creating, as well as adaptive learning, which is about coping.*

(Peter M Senge, 1990)

These sample definitions provide some indicators as to what a learning organization is thought to be about. Some of the key themes or descriptors are:

- **transformation, change, participation, innovation**
- **altering the way people work, adapting, management style**
- **delegation, fostering employee involvement**

So, is a learning organization one which adopts one or more of these characteristics, or is it something different which these descriptions fail to capture?

The 1988 Ashridge report by Barham, Fraser, and Heath perceives learning organizations as those where training and personal development are an integral part of the organization and where learning is a continuous process, rather than being a bolted-on activity at various points in an individual's career. On-the-job learning is a natural aspect of every day working life and the writers emphasise that learning about learning itself becomes a key aspect of experiential learning.

Garratt (1987) initially came to more or less the same view as the writers of the Ashridge report, seeing the focus of the learning organization centred on a hierarchy of 'policy', 'strategy' and 'operations', all interacting with each other and providing a double-loop of learning which allows information to flow freely throughout all levels of the organization, and with the direction-givers firmly at the centre rather than at the top of the organization. He subsequently modified this view (Garratt, 1990), and came to the conclusion that information flow is subject to what he describes as 'organizational folklore' which can reduce the value of generated and collected information. For Garratt, the main focus of creating a learning organization lies with managerial levels of responsibility. He presents his learning organization in terms of a three-level hierarchy at

the centre of which are 'learning leaders' who chart the organization's strategic learning and change processes. Garratt's view of the learning organization remains mechanistic and based on orthodox models of levels of management where people are led rather than encouraged to learn to be leaders themselves.

Edmonstone (1990) maintains that the Ashridge perception of the learning organization overlaps that of Pedler (1987) and concentrates on corporate culture, strategy, structure, and the individual employee. He concludes that the majority of writers seem to view learning organizations as having general organizational strategies related to learning; promoting second-order change/double-loop learning through reframing; and having structures or cultures which enable learning to happen and harness it towards organizational ends. He accepts, however, that the concept of the learning organization is not yet well-defined.

### **Learning organization definitions: an analysis**

The professional and academic literature, from which the sample definitions quoted above are taken, provide some model characteristics of the learning organization. On the one hand, the learning organization would seem to describe those organizations which are making themselves flatter, taking out levels of management, providing greater access to training (formal and informal) for the work force, and generally motivating personnel at all levels within the organization to create a shared vision.

There is then a second aspect to the learning organization where an organization provides greater openness, flatter structures and, in addition, implements these kind of activities to unlock the hidden knowledge and skills which exist within the organization. Collectively, this knowledge and skill base is traditionally often termed 'organizational learning'. Organizations which are at this second level of development are concerned

with individual and group development (in terms of increasing skills and knowledge) plus what perhaps can be termed 'hidden learning' or 'institutionalised learning'. Other writers have also termed this 'organizational capability' (Pettigrew and Whipp, 1991). Hidden or institutionalized learning is that skill and knowledge which people acquire and develop in the course of actually doing their job. Although specific job descriptions and practices may be produced by an organization, in reality there is a hidden agenda of activity. People adapt what they do and how they do it, to accommodate their own level of comfort within the organization and, as importantly, they make these adaptations as the requirements for performing a particular job change because of market trends, changing customer requirements, and so forth. As Whipp (1991) concludes:

*Learning...refers to how those within firms collectively change their knowledge, values and shared mental models of their company and its markets.*

A third stage in the learning organization development cycle also seems to be present. Having passed through the previous two stages which enable an organization to produce better lines of communication, engage in project and other innovatory work, and, to change management practices, and having unlocked collective learning within the organization, it then becomes as important to engage in new forms of research and development to determine how the organization needs to shape up for the future. This results from what Brown (1991) calls 'corporate research'.

*...corporate research must prototype new mental models of the organization and its business. The successful company of the future must understand how people really work and how technology can help them work. It must rethink traditional business assumptions and tap needs that customers don't even know they have yet.*

For Brown and the Xerox Corporation, of which he is a corporate vice-president, the learning company cannot simply tell or ask people what is going to happen to them in the future. They need to experience it. To this end Xerox is developing 'envisioning

laboratories' which permit computerised simulation exercises to be experienced not only by Xerox employees but also by the customers they serve. So, within the emerging developmental model of the 'learning organization', there are actors or players who, as a result of advanced technology, are taking leading roles in dictating what other corporations may do in terms of organizational development.

This 'envisioning experience' combined with, at a more mundane level, flatter and more open organizations, may well create a tension within organizations which results in employees asking more searching questions of a social, ethical, moral, and personal kind related to the purpose of work and the nature of society in general - a theme which has underpinned the *self-development work of Pedler, Burgoyne and Boydell* for almost a decade. In the past, the workplace has been a major focus for many people in their social and personal development, *developing and fulfilling a whole range of needs through personal interaction*. As old values and ways of doing things disappear, new activities challenge deep-rooted assumptions, and create what people will at first perceive as a disruptive tension.

The idea of 'disruptive tension' provides the bridge to what is perhaps the most difficult concept to grasp about the learning organization. The bridge to be built is between the developmental and mechanistic descriptions about the learning organization on the one hand, and the more philosophical definition provided by Pedler, Boydell, and Burgoyne on the other. Their definition of a learning organization has been consistently used, especially in the UK, by those who seek to create a more structured model for the concept. Herein lies the problem. The learning organization concept is being viewed as a 'new frontier', and as something which has 'a lack of clarity about what it looks like'. Yet, the many writers who propound this somewhat nebulous concept often fall back into describing the learning organization in fairly mechanistic ways - that is, they tend to revert back to first stage descriptions of the learning organization rather than exploring

the more intangible characteristics of a 'true' learning organization. The conclusion, then, is that the learning organization needs to be endowed with a greater degree of substance or integrity. What this substance is, and how it can be effectively introduced into organizations, is an important aspect of this thesis..

### **The Learning Organization: some questions**

The learning organization definitions presented thus far pose a series of questions which remain unanswered. They include:

- What is 'learning'?
- What do we mean by 'organization'?
- Are there types or levels of learning and how are they recognized?
- How does the organization facilitate and inhibit learning?
- What is it that is transformed?
- When is an organization transformed and why?
- How is an organization transformed, if at all?

Responses to the first four questions are provided in this chapter and chapters 3 and 4. Chapters 8, 9 and 10 provide responses to the final questions.

## **CHANGING ORGANIZATIONAL PERCEPTIONS**

The purpose of this section is not to provide an historical account of organizational theory. The aim is to draw attention to some of the forces which may change not only the shape of organizations but also widen our view as to what an organization is like in terms of its operational contexts and in this sense picks up the theme of chapter 1. Radical theory in terms of describing organizations and what they do is for some people at the heart of the learning organization concept. The ways in which organizations are depicted are deemed to be insufficiently radical. Morgan (1989) provides excellent summaries of organizational descriptions and himself poses the challenge of how the parts of the organization which make up the whole can learn to act like the whole and thus create new whole organizations. Issues of gender, environmental contexts, and language are, for Morgan, all new concentrations which will impact on how organizations in the future are described from a theoretical view point.

These are some of the issues to do with the rethinking and awareness activities which are emerging as part of the learning organization portfolio. Of particular importance are: organizational contexts, the role of risk, learning and change, and corporate responsibility - issues this chapter analyses in greater detail.

### **Changing organizational contexts**

As has already been noted, new ways of describing organizations are now replacing the orthodox models and theories of Taylor, Fayol, Weber, and others - for example, Senge (1990) and Lessem (1990).

Peter Senge begins to provide greater depth of understanding about learning in his book The Fifth Discipline: The Art and Practice of the Learning Organization. He maintains that it is now necessary to think more carefully and more deeply as to what is meant by learning and organization. His work challenges readers to be prepared to be more theoretical. He states:

*The most accurate word in Western culture to describe what happens in a Learning Organization is one that hasn't had much currency for the past several hundred years. The word is 'metanoia' and it means a shift of mind. To grasp the meaning of 'metanoia' is to grasp the deeper meaning of 'learning'. For learning also involves a fundamental shift or movement of mind.*

(Senge,1990:13)

In other words, he is emphasising looking beyond the immediate context by which organizations are conceived, shaped and managed, and he challenges people to dare to ask why organizations exist as they do.

Morgan (1989) picks up Senge's theme in more concrete terms. He challenges his readers to look beyond the immediate, to consider looming problems, and to envisage ones which, as yet, do not exist. For example, he explains how human exploitation may give way to human uselessness as modern technology radically changes production and communication. In turn, what organizations are going to be like, and how they are going to be described, will need to be different to those models which management theorists have provided in the past. Morgan argues that new organizational models are likely to be based more on communication and information systems and less on describing how people interact. How information is created, stored, accessed, communicated and interpreted will be the cornerstone of new descriptive models of organizations (Macdonald, 1994 forthcoming). Such a change will require a massive attitude shift - that is, 'metanoia' (Senge, 1990). This will produce discomfort and may result in

organizations and individuals simply falling back on old ways of doing things because orthodoxy provides comfort. As Morgan concludes:

*...most workers believe in the validity of the very arrangements that waste their lives....*

There are signs that some organizations - Rover, for example - are developing a wider sense of their own organizational contexts. The firm now proclaims its first customers are the people it employs. To keep the workforce, to prepare it for the years ahead, and to give employees a stake in their own future, Rover believes it must invest in employee development, based on both company and employees' needs. The second customers Rover serves are those people to whom the firm sells cars. Rover also intends to involve its retail outlets in its education and training scheme. The merger with BMW cars in Germany will determine whether this policy will continue.

However, here is an example of how one firm's ideas about its organizational and operational contexts have been adapted and widened to accommodate activities which, hitherto, have been excluded. Such adaptation and expansion of the context in which an organization operates will demand different structures and sets of activities. The challenge now is to determine what that shape will be like. There is already some evidence that Rover's new policy is having results. A report in 'The Times', November 11, 1991 (page 24), relates how Rover took more than 3,000 employees off the assembly lines and out of offices and sent them to study management and assembly techniques in companies around the world. They are not just concentrating now on car production. Employees visited Sony, Sainsbury, and Honda. Rover saw the value of this expense showing results in the production of its new Rover 800. This new version was designed and built in just 24 months, compared with the usual 39-month lead time at Rover. This new 24-month lead time compares favourably with the 35-month average for Japanese car producers. Rover looked seriously at the processes required to produce a car. The

result was the scrapping of various functions and a merging of design and manufacturing processes so that faults were ironed out as they happened. By bringing together a project team representing all the major functions there was a ten per cent saving on development costs. Rover is now generally able to deliver this new car from assembly line to the showroom within 48 hours of an order being received.

As a second example, Xerox is developing technology which will do at least two new things for its customers. First, it is producing new equipment which will greatly change administrative and information handling roles, and probably customers' organizational structures. Secondly, using the technology being developed, Xerox will be able to simulate for other organizations how its equipment will change what is done. As Brown (1991) indicates:

*The most important invention that will come out of the corporate research lab in the future will be the corporation itself. It must design the new technological and organizational 'architectures' that make possible a continuously innovating company.*

### **Risk, learning and change**

A further theme is beginning to emerge which is 'holistic' in principle, and which takes account of the consequences of action. Where an organization concentrates on its total activity, and addresses issues of how these impact on a whole variety of external and internal organizational issues, then different systems and structures begin to emerge. However, what seems to be crucial in this change process is the ability to take risk. Further, as people and organizations begin to look more globally at what others are doing they are likely to have to address issues which go beyond those concerned with work, production and organizational systems. Cross-cultural fertilization may become of major importance and a mind-shift is likely to be required in terms of many of the contingency factors which influence and shape people's lives (Kanter, 1985). How business is

obtained and practised in other cultures, how the working day is organized, and how organizations are managed and operated appear to be just some of the new contexts which are influencing how organizations operate and develop. Wider issues concerned with such things as the environment, pollution, and where and how organizations should invest money, are also some of the new contextual issues organizations are facing, as people begin to exert a greater influence on those things which shape their lives.

Thus, the literature and current practice of the learning organization indicate that there are events, situations, and activities which trigger change and transformation. However, these cannot be viewed in isolation. The contexts in which change and learning occur, and the processes by which it is achieved, are key issues. In other words, looking holistically at what happens in organizations is likely to provide richer and more authentic analysis and information.

### **Holism and the learning organization**

Senge (1990) indicates how this holism can be generated and identifies what he calls **five disciplines** as the key characteristics which everyone must develop if they wish to create a learning organization capable of facing the challenge of making sense of emerging complexity. The five skills or characteristics, together with what he means by each of them, are:

1. **Systems thinking:** Everyone must learn how to view things as a whole and that one set of events impacts on others.
2. **Personal mastery:** For Senge this is 'the discipline of continually clarifying and deepening...personal vision, of focusing...energies, of developing patience, and of

seeing reality objectively. As such, it is an essential cornerstone of the learning organization - the learning organization's spiritual foundation.'

3. **Mental models:** These are about 'learning to unearth...internal pictures of the world, to bring them to the surface, and hold them rigorously to scrutiny.'
4. **Build a shared vision:** This is about everyone holding a shared vision for the future. For Senge 'leadership' is the key to creating and communicating the vision. However, he sees leadership being about creating structures and activities which relate to a person's total life activity. The leader creates vision but is prepared to have it reshaped by others.
5. **Team learning:** Teams, not single individuals, are the key to successful organizations of the future, maintains Senge, and individuals have to learn how to learn in the context of the team.

Acknowledging the extravagant language used by Senge it is nonetheless true that much of what he says may be correct. However, there are other skills as well. He omits some important processes or elements in the creation of a learning organization. They are: changing power structures, leading change, providing an early role model for success, and expressing concern for social and ethical issues - that is, responsibility (Pedler, Burgoyne, and Boydell, 1991; Pettigrew and Whipp, 1991; Tjosvold and Tjosvold, 1991).

These observations are also borne out by a number of commentators, most notably Kanter (1985), who observes that the most successful firms she studied in the USA put an emphasis on people development and involvement. They 'always operate at the edge of their competence, focusing more of their resources and attention on what they do not

know....than on controlling what they already know' (1985:27). She also notes the importance of a 'shared philosophy' and 'family feeling'. These cannot be simulated or imposed artificially because top management want to cascade this type of organization style throughout the organization. 'It has to derive from the way work is done.' (1985:32). Like most British organizations, American firms are guided by a preference for the way things have been done in the past rather than how they may be done in the future. Successful organizations are those which know which parts of history to accommodate and retain whilst at the same time moving forward to an unchartered future - that is, learning how to take risk.

Kanter points out that there is not 'a single mould out of which innovative companies are formed' (1985:131) and that change and transformation in organizations results from any one of a number of activities or circumstances. This is to recognize that the impetus for creating a learning organization may come from a variety of sources.

### **Changing power structures**

Kanter and others have shown that the influences creating change and new learning include environmental pressures, government legislation, social forces, and industry competition. In addition, change may be generated by individuals within organizations at senior and middle management levels. Kanter points out though that successful change and learning occurs only when change activities focus on both immediate and long-term issues but this means recognizing that responsibility for issues and change, although it may begin with management, belongs to others and that real change can only occur if those who can make it happen have the authority and permission - that is, they are 'empowered'- to make it happen. Change for Kanter is therefore about change in power structures.

For Kanter a learning organization then, is one which is able to re-assess its understanding of roles and distribution of power.

This means, in turn, that things like job descriptions are seen as inadequate instruments for organizational effectiveness. The learning organization is about having the ability to raise questions about what is done, when, how, where, and by whom. This requires totally new skills because it threatens the organization's very structures. Organizations which engage in cost-cutting and other pruning exercises, and indulge in 'total quality management' (TQM) type practices are not necessarily engaging in creating learning organization characteristics if they are unable to create tension situations and ask questions about the organization itself - seemingly an increasingly important aspect of learning organization practice (Kanter, 1985; Senge, 1990).

However, Kornbluh and Greene (1989) question the motives of senior management, and those behind change and innovation processes, noting that management interest in worker participation, with a focus on democracy, tends to appear from time to time when it suits. It may well be nothing more than a form of current organizational control (March 1988 and 1991) and because innovation often involves risk (Kanter, 1985; 1989) senior management's inability to handle this shifts the focus of risk development to middle management through notions of empowerment (Kornbluh and Greene, 1989).

### **Leadership**

Kanter also found that the most successful companies often have to buy-in an original entrepreneur and that large organizations cannot readily accommodate someone who wishes to break down barriers and change management styles. The most successful entrepreneurs are seemingly to be found in small enterprises (1985:23) where the

emphasis becomes one of collective responsibility rather than on departmental organization effectiveness. The successful entrepreneur focuses attention not on himself/herself but creates and generates a team capability. This same point is highlighted by Pettigrew and Whipp (1991) who refrain from using the word 'leadership', and concentrate on what they term 'leading change'. This is an important distinction because it helps to focus interrelated issues and activities which are the result of team or group led initiatives. For the learning organization then, the task is to create leadership (individual) leading to 'leading change' (collective) and entrepreneurship in others.

### **Leading change**

A further key issue in creating a learning organization seems to be not just effective change but the variety of 'leading change' and how it is acquired, used, adapted, and refined. What is new here is the importance of re-defining or expanding the idea of leadership, for as Pettigrew and others have noted it seems to be about the ability 'to influence' (1985:426) 'in a quiet and sustained way.' Pettigrew (1985:426) notes that Harvey Jones' ability to lead at ICI rested in '...persistence, patience, the capacity to see where they wanted to be but to make small additive moves in the desired direction.'

Regarded by many as being one of the generalist professional management gurus of the day, Moller (1991) indicates that there is only so much management can do to empower people. For him an organization can only learn and develop if there is 'shared responsibility'. This means making links between work and what happens outside of it. In turn, he believes that 'employeehip' is an aspect of leadership - that is, stewardship or leadership of self is something every person can improve on through personal relationships and communications with people at work, and in society at large, but it has to be encouraged and developed. Employeehip as part of leadership is, for Moller, a crucial aspect of the learning organization.

## **Employeeeeship, vision, and a guiding philosophy**

There is a move by some organizations to tackle much softer issues, often hitherto ignored by organizations, but seemingly crucial to learning and change for sustained development. Interest is emerging again, as part of a re-defining process, in such things as leadership, employeeeeship, empowerment, vision and organizational purpose. However, wider issues are also now surfacing for discussion, to do with values, ethics and hence purpose. The writer terms this collective focus on values as 'organizational axiology', the word 'axiology' being a distinct part or element of philosophy which focuses on values and ethics. Some organizations are looking at organizational development and success beyond profit and what is perceived as good management practice.

The Collins and Porras (1991) study in the USA, in which 170 American senior managers were asked to identify the most successful firms in terms of 'vision' revealed that organizations having a clear statement of purpose rather than a bland mission statement, outstripped others across virtually every other activity which can be quantitatively measured. Collins and Porras also found that statements of purpose and value do not have to be generated by senior management or a visionary entrepreneur. They also maintain that to focus on values raises questions about the organization's purpose and the way it functions. Asking 'why?' seems to be a crucial part of the learning and change process. For them, organizations which regard the 'why?' issue as important are seen to have a leading edge over those which do not.

## **The spiritual dimension of the organization**

This picks up Senge's notion of the 'spiritual foundation' of the organization, and is a new theme which is emerging in the literature around the learning organization - for example, Pedler, Burgoyne, Boydell, and Welshman (1990).

Concern for personal and community development and wider social issues is becoming increasingly important. A group of articles, which attempt to flesh out the personal and social concern issues, appeared in the Autumn 1991 issue of the journal of the Association of Management Education and Development. The articles explore what is called 'spirituality in organizations'. Leary and Barwick (1991:160-167) examine how individual and organizational aims can come together via workshop training to encourage individual vision. Lindamood (1991:168-171) and Hawkins (1991:172-187) explore the hallmarks of spirituality and how religious teaching and ways of thinking can impact on an organization and create what Nevard (1991:188-196) observes is empowered learning. Another paper (Henson, 1991:201-207) raises fundamental questions about how organizations need to adapt to accommodate ethnic groups, women, alternative lifestyles, and non-Western religious beliefs and practices. This picks up Morgan's ideas (1989) about how organizational descriptions must be radically changed in terms of the language and practices used if issues such as gender are considered.

In summary, the kinds of activities and issues highlighted above seem to be a learning organization in embryo and for some organizations they may be the things they do to support the bonding process once born.

## Corporate responsibility

The ethical, moral, and value dimensions of organizational activity and operation are increasingly issues which organizations are (or should be) engaging with (Wilson, 1992). The ethical or moral issues of an organization are of three kinds. On the one hand there are issues to do with such matters as pollution, how biodegradable products should be disposed of, and so forth. On the other hand, there are issues to do with how business should be done. As many organizations are increasingly having to do business with a wider range of agencies at home and abroad, they are open to a wide range of influences which can jeopardise the organization. Employees can, for example, engage in unethical practices, such as bribery, to secure contracts. On a much larger scale, some company owners, by means of the way they operate and control their company, can indulge in fraud and other malpractice which so threatens the organization that it creates financial and organizational instability over long periods of time, and in so doing puts the livelihood of many hundreds of people at risk. The Robert Maxwell story is a case in point.

The 'New York Times', on November 3, 1991 (page 5 of section 3: Business) carried a summary article showing how a growing number of US corporations are establishing an internal ethics office. The newspaper reports that since Nynex established such a facility to control and monitor employees to "avoid mis-steps and.. (provide)...a channel for reporting misconduct..", there have been more than 1,200 calls from employees which have so far resulted in 15 disciplinary actions ranging from warnings to dismissals. The report also gives further examples, including General Dynamics, which established an ethics office in 1985. Since that time there have been over 30,000 contacts with their ethics office resulting in 1,419 sanctions, including 165 'terminations', 58 cases requiring people refund money to the corporation, 26 demotions and 10 civil law suits. The report concludes that with new Federal sentencing guidelines encouraging judges to hand out

more lenient punishments for legal and regulatory violations to companies, there will be an increase in this sort of ethics office activity, even though at present it tends to be punitive in nature. However, ethics offices also often handle internal practice issues - that is, they have views about the way things are done and how people are treated. At Texas Instruments, for example, moral and ethical problems arising from business products and practices are widely debated and communicated throughout the corporation. Interestingly enough, the greatest growth in ethics offices has been in communication, military-related, and power companies.

The third type of activity is to do with how organizations operationalise themselves in terms of human resource management (HRM) practices and policies.

Concern for corporate responsibility issues is growing in the UK. An increasing number of business schools are specifically creating academic posts in collaboration with industry and commerce. The November 30th-December 6th, 1991 issue of 'The Economist' carried an advertisement for a chair in corporate governance to be held at Leeds Business School, sponsored by Drake, Beam, Morin Ltd (now Drake, Beam, Morin Plc), arguably the world's leading outplacement consultancy. The advertisement defined 'corporate governance' as:

*...the social and ethical responsibilities and obligations of corporations and of individuals within them, along with the development of the management philosophy, structures and decision making processes which ensure furtherance of those responsibilities and obligations.*

During 1992 Dixon's, the large electrical appliance retailer, endowed a chair in corporate responsibility at the London Business School.

## **The social issue**

The idea of a learning organization and a learning society or community is likely to produce major challenges, and even problems, which go beyond the immediacy of the work environment, but which remain an integral part of it. So, even though organizations may attempt to react to changes, including moral and ethical ones, by bolting on additional systems and structures, it raises the question as to whether they are likely to succeed. Until crucial questions about society, of which organizations of all types are simply products, are openly and properly tackled, there is every chance that all society is likely to do is 'tinker' with present structures and systems (Ball, 1991). As Ball (1991:12) concludes:

*The idea of a learning society....rejects privilege - the idea that it is right from birth to determine destiny. It transcends the principle of meritocracy, which selects for advancement only those judged worthy and rejects as failures those who are not.*

## **WHAT NEW THEORY AND PRACTICE FURTHER REVEAL ABOUT THE LEARNING ORGANIZATION CONCEPT**

Thus far the theme of this chapter has attempted to indicate that how organizations are perceived, according to the main theorists, requires a mind shift or change in attitude and perception. Faced with major mind shifts in terms of society's perception of 'learning' and 'organization', how much further are we challenged when we put these two together to create 'learning organization'?

The concept of the 'learning organization' seems to have become a challenge in itself. It would seem to 'dare' organizations not simply to do things differently but also to 'think' differently - that is, engage in risk taking. A further issue therefore emerges as to what kind of risk(s) organizations must take.

Many UK organizations, like English society itself, find it difficult to accept and achieve change. And many of the orthodoxies which are at the heart of society itself have established themselves in the organizations which make up society. It is not within the scope of this chapter or thesis to specifically comment on the nature of work and society and their interrelationship. Nonetheless, it is important to stress that, by and large, ours is a society based on the principle that organizations exist primarily to generate profit, increasingly based on superior quality of product and service. Current concerns with poor training and economic performance are tending to focus on correcting immediate problems. Basic assumptions about the nature of society, and the place of organizations within it, remain more or less static.

Chapter 1, and the first part of this chapter, reveal that there are moves to create 'metanoia' (mind-shifts) and this seems to be producing at least two learning organization camps. On the one hand are those individuals and agencies which believe that organizations can be better if they engage in more training and education (general government policy) and they are supported by a less formal group (Burgoyne, Pedler et al) who stress training and learning through self-development. On the other side are those who believe that such activity is a means to provide people with the intellectual and personal rigour to begin to ask radical questions about the nature of society, and how the organizations society produces, operationalise themselves. There exists a tension between the two camps. This is probably why there is greater attention being paid to organizations creating training and development strategies which focus on people to produce superior service or product - that is, there is a clear and measurable end-product. Whereas to focus on softer issues, and ones of a social nature, appears less appealing and certainly not readily quantifiable. Hence far less attention is being paid to this development. An incremental approach to development and change seems to be occurring rather than making fundamental change. However, Ball (1991) argues for a more holistic approach because the learning organization is about the integration of all

agencies and players in education, training and development. This includes government, industry, commerce and other agencies concerned with society.

Simply introducing emergency schemes to remedy past failures is not what the learning organization in its purest form seems to be about. Ball (1991:37) sums the situation up well when he states:

*Two approaches are possible. The tactical approach would build on the status quo by making gradual incremental changes; the strategic alternative would involve fundamental restructuring of our systems of post-compulsory education and training. The dilemma for society is acute, since the first approach is acceptable to most interested parties but unlikely to achieve the objectives required; the second, which is probably necessary if we seriously hope to create a learning society, goes against the grain of a traditionally conservative nation.*

It is fashionable to cite Japan as a model of a nation which produces superior performance, high quality goods, and service. Its management styles and practices are admired. Yet, there is another aspect of that country's society which too often goes unnoticed. It is to do with social attitudes. In the workplace, Japanese factories operate on the team spirit principle. No one should be given the blame for something which goes wrong. If something does not work, the whole team or department take and share in the responsibility. Individual employees are not concerned with 'scoring points' over each other. There is a collective responsibility and attitude towards the team and the organization as a whole. 'Passing the buck' and demarcation approaches to work simply do not exist. If something needs to be done then anyone available and able to take corrective action does so. This approach sharply contrasts to the typical attitude found in many British organizations.

## Facilitating and inhibiting learning and the formation of a learning organization ethos

If Japanese organizations are models to be emulated, then so are some of the top organizations in Germany and the USA. Hayes, Wheelwright and Clark (1988) found in their research that learning in organizations is about combining top-down and bottom-up approaches to create flatter organizations, an approach which negates most Taylorist theories of management. In creating and sustaining continual learning, the focus for them is that learning 'involves a good deal of experimentation and change..' (p.269). Creating a learning organization requires change. Simply putting in place traditional measures of competence and audit systems are not the hallmark of a learning organization. As Hayes, Wheelwright and Clark (1988:271) note:

*...traditional measurement and control systems tend to discourage the kind of experimentation that leads to learning. Too rigid an emphasis on standards, budgets, and..reports encourages a steady-state mentality, a by-the-book approach to management that avoids making changes that entail risks and strives to meet short-term performance goal, whatever the cost.....*

The emphasis on personal production targets and institutional audits is symptomatic of a certain societal culture which has produced such systems.

The work of Hayes and his colleagues is important because their research shows that the most successful manufacturing operations adopted a 'people first' approach to organizational development. They list 9 key hallmarks or assumptions for creating a learning organization, which they found present in the most successful operations (p. 250ff). They are:

1. All employees are responsible, thinking adults who inherently want to do their best.

2. Human resources are too valuable to waste or to leave untapped.
3. Creative talents and skills are widely distributed at all levels of an organization and society.
4. Workers will surface important problems and concerns if they feel the organization will respond appropriately.
5. Work is more interesting when people are challenged in performing it.
6. People take pride in training others.
7. Better performance occurs when artificial differences in how people are treated are removed.
8. Real responsibility motivates high performance.
9. People make better decisions, and implement them better, when they work together.

Interestingly enough, the writer's own work (Jones and Hendry, 1992), in which the views of nearly two hundred middle and senior managers were obtained about organizational change and learning, supports the Hayes, Clarke, Wheelwright perspective.

The Jones and Hendry respondents talked about 'opportunities to acquire transferable skills', 'wide variety of assignments in a wide variety of situations', and 'individual

responsibility for projects' as being key factors which create learning and development. The need for job challenges, enrichment, and enlargement were regarded as crucial factors in creating learning for change. Opportunity to devote some time during the course of actually doing a job, giving room for reflection and 'personal space', were also thought to be important.

Teamwork was perceived as getting away from traditional individual assessment and isolationism. Where there is teamworking, combined with networking as a result of job enlargement, it was thought that learning was further helped along.

Greater mobility between department and functions, and knowing how to gain access to organizational information to create shared experiences, were also identified as crucial factors in the learning process. On the other hand, where an organization generates too much work, unrealistic deadlines, is seen as being 'too large', creates bureaucracy and too much work specialization, and has people doing jobs for which they will not see the end result, learning was thought to be impeded or impossible.

The Jones and Hendry survey also revealed that a number of other issues are at the centre of organizational change and learning. They are:

**(1) Systems of the organization: training, appraisal, grading and pay**

Organizations which show a tangible commitment to training and development, and provide a high level of funding and facilities linked to career progression and rewards, were seen as more progressive. In addition, where training was linked to the business plan or overall organizational strategy, it was believed that such organizations created a more powerful and meaningful learning experience. An organization which is structured around mechanistic appraisal schemes was not thought to be conducive to learning.

(2) **Culture and climate**

Where there is clear support from senior management for development and individuals are encouraged to take initiative, thus producing in-house entrepreneurs, successful learning was thought to take place. An organization which operates by labelling everyone with a specific task and status was seen as being less conducive to learning. Such organizations tend towards bureaucracy and the creation of interfunctional rivalries and power-politics, all of which inhibits learning.

(3) **Decision making processes**

Participation and communication were viewed as positive factors. Performance review processes, linked to the clear understanding of organizational mission and strategy, are important for learning. Organizations which encourage participation and communication were seen as being ones where decision making and role support are generated, and the learning which ensues produces team work and team decision practices.

Organizations which provide work and experience with long term objectives which are not shared or achievable were seen as creating barriers to personal learning. Bureaucratic decision-making provide a poor learning environment, while virtually all respondents believed that the predominance of directive management styles in organizations blocks essential learning.

In summary, the starting point for becoming a learning organization seems to require a change of perception, what Senge (1990) terms 'mind-shift', a recognition that people matter and must be developed to their fullest potential (Pedler, Burgoyne, Boydell, and Welsham 1990; Pedler, Burgoyne, and Boydell, 1991), and that risk is an important

element for successful change (Kanter, 1985). Yet daring to put aside the many comforts and props organizations, individuals, and groups create is a daunting task and may not readily be accomplished. This is no less true for top or senior management than it is for middle managers and the workforce in general. The latter, in turn, has to shake off many of the old worker attitudes and beliefs which exist in the office and on the factory floor (Morgan, 1989). Learning is as much about changing attitudes and perception as it is about learning skills, production techniques or a new discipline. Learning how to integrate with other people is a key activity in creating the learning organization (Drennan, 1992).

### **THE PHILOSOPHICAL DIMENSION OF THE LEARNING ORGANIZATION**

Once the mind shift has occurred and transformation begins, where does it lead in terms of the learning organization? In a very real sense it is impossible to identify and describe a learning organization, defined as something which constantly transforms itself. In the Buddhist religious tradition the purpose of life, put simply, is to search for 'nirvana' (Smart, 1971). Few people ever achieve this perfect state of mind or being. Nirvana is contrasted with 'samsara', the reeling and unpredictable cycle of birth, life and death and the anguish which goes with these events. 'Samsara' is viewed as being about all those events in life which create divisions between love and hate, desire and greed, and all the other negative motivators. Smart notes that human beings create their own predicament by accepting that predicament through ignorance. Ignorance is sustained by the incapacity to act and change because humans fail to seek that which is beyond it. To search for 'nirvana' is rather like a spiral effect. Individuals determine for themselves where they are in seeking 'nirvana' on a spiral which has at its centre infinity. There is no end for most people to the search for total enlightenment. Many people stop on the way to find contentment with their state of being and so few ever reach complete or perfect

'nirvana'. Perhaps the learning organization is the 'nirvana' of business and management theory and practice. It is, nonetheless, being viewed as a useful concept because current theory and descriptions of a learning organization have hidden behind them activities and questions which ask fundamental questions about the nature of society and those organizations it has produced.

### **Learning organization: fad or fashion?**

However, there is a need for caution. Many organizations are prone to organizational initiatives at a time of recession and accelerated change and innovation. Innovations often produce contradiction. Employees are urged to re-think work practice and organizational structures are tampered with, often at the expense of dismantling what actually works. The result can be inefficient innovations (Abrahamson, 1991). At the same time, under the guise of empowerment programmes, for example, senior management also seek to control employees in more subtle ways by encouraging team and project work. However senior management continues to control by means of traditional systems of internal audit and personnel management with the supervisory hierarchical structures which support it. It is what Jones and Gerard (1967) term 'reactive contingency' - in other words, employees are required to positively respond to what are heralded by senior management as new ideas and concepts but without having a part to play in their development.

In many organizations senior management adopt 'bandwagons' if their perception is that their competitors have adopted a particular management tool or activity which seems to be producing greater productivity (Katz and Shapiro, 1985; Cole, 1989). Abrahamson (1991) notes that when an organization adopts one or more in-vogue management techniques it usually ends up a fad or a fashion if the organization is unclear about its goals and the efficiency of its new innovations.

## Philosophical nature of learning organization theory

So far, the specific literature on the learning organization has revealed that much of the theory is philosophical and general. Indeed, many of the key words and phrases would seem to be what can be described as 'inspirational' language.

What organizations do now produces existing results. If organizations want things to be different, they must change what they do, increasingly within a wider context of activity. Change needs to be based then not on the basis of 'what is' but more on the basis of 'what could be'. To begin to put more 'flesh on the bones', and be more concrete in appraising the idea of the learning organization, it is important to recognize that few things work in isolation and the first step in becoming a learning organization is understanding where the learning blockages are within the organization to create 'what could be'. As Ball (1991) notes in his 'Learning Pays' report:

*In particular, it needs to be considered whether the problems of the UK education and training systems are not created more by the culture and attitude of those responsible for their supply.*

In other words, organizations, like society, disadvantage themselves. If the focus is on dividing, assessing and auditing people, then there will only be produced systems and techniques for learning which produce such a culture at the expense of the alternatives. Organizations have to avoid seeking hard measures by which they hope to educate and gain the support of the work force. They need to provide learning which is meaningful, not demeaning. This reinforces the Hayes et al view of organizational and individual learning noted above.

## **Is the learning organization idea focusing on the right issues and questions?**

Already it has been demonstrated that much of the language of the learning organization is concerned with competitive performance, with a concentration on 'hard' measures and outcomes. However, Hilgard and Bower (1975) suggest that in assessing the value and effectiveness of learning in organizations there is the need to concentrate on 'learning problems' because responding to them gives a clearer picture as to exactly what is occurring in the organization. Their questions are:

1. What are the limits of learning? What is our learning capacity.
2. What significance does practice have for learning?
3. What significance do personal needs, motives, rewards and punishments have for learning?
4. What significance do understanding and insight have for learning and the organization as a whole?
5. Does learning involve forgetting and does an increase in the capacity to learn assist further learning?
6. What is it that happens when we forget or remember?

So, already there are unanswered questions and problems which the concept of learning, organization, and learning organization pose.

As Ivan Illich (1971:39) has observed:

*...learning is the human activity which least needs manipulation by others. Most learning is not the result of instruction. It is rather the result of unhampered participation in a meaningful setting.*

## **CONCLUSION AND SUMMARY**

The task for an organization which wants to embark on becoming a learning organization is to find and create more 'meaningful settings' in which people can more actively participate in more meaningful ways. To achieve this there needs to be a clearer perception of exactly what is meant by learning. Chapter 4 seeks to provide an analytical summary of adult learning theory and suggests links as to how people in organizations can more readily link with such this theory.

This chapter has sought to explain the various approaches to, and definitions of, the learning organization concept. It has also identified the key issues which theorists have identified as being important for the development of a learning organization culture. They are: people changing their perceptions, an emphasis on self-development, and a clearer understanding of what is meant by 'learning' and the developing nature of organizations in modern society.

## **CHAPTER 3:**

### **A WAY AHEAD: THE DEVELOPMENT OF LEARNING PHASES AND THEIR APPLICATION TO ORGANIZATIONS**

#### **INTRODUCTION**

There remains a need for some kind of model or measure to use as a starting point to identify a learning organization and to bring together the disparate descriptions and theories the concept has produced. If the key to the learning organization is 'learning' then this should provide the influence which creates a learning in organizations model.

This chapter seeks to develop, from the specific available learning organization literature, and from what is revealed from practice, some preliminary hypotheses about how individual learning occurs, and how it is acquired and nurtured, recognizing that empirical work needs to confirm or negate them.

#### **DEVELOPING A LEARNING ORGANISATION**

Since organizations per se do not learn and people do (Macdonald, 1994), any idea of a learning organization should be based on models of learning theory. The 1991 Royal Society of Arts (RSA) 'Learning Pays' report proposes a simple three-fold model for individual personal learning which is seemingly based on accepted general educational theory. The RSA report is specifically concerned with young people's development and post-16 education and training and provides a useful starting point

on which to build. The report identifies three phases of learning (page 14ff) - 'foundation', 'formation' and 'continuation'.

- (1) **Foundation phase** - is concerned, above all, with helping people to learn how to learn. The focus is on basic skills development (reading, writing and socialising), and on equipping the learner with the right attitude to want to engage in further learning. However, the concept of 'foundation learning' is not sequential because many young people leave school without having acquired many basic skills.
- (2) **Formation phase** - describes the further development of the individual so that s/he progresses beyond the foundation stage but has not yet achieved independence as a learner. This second stage is about encouraging and developing skills for self-learning and self-development.
- (3) **Continuation phase** - is the point when an individual becomes self-motivated, independent and confident, and able to begin assessing for himself/herself future learning needs and activities.

In reality it is probably the case that learning does not occur in nicely formed phases. Even those people who master the foundation phase of learning may well have to revisit it as more advanced technology requires that learning has to be built on new foundations. Nonetheless, the RSA report is a useful starting point.

When individuals are given the challenge to perform well, within the context of growing competition which is perceived by all employees, learning occurs, especially when linked to the pressures for improved quality. On the other hand, where there is inertia because of a monopoly market position, an over-emphasis on financial

constraints, and cutbacks and headcounting which result in creating an organizational 'stop-go' environment, then little or no development and learning occurs (Cole, 1989). Instead, this creates uncertainty, lack of morale, and stagnation (Cole, 1989). Having this and other data in mind enabled the learning organization phase model to be developed.

Jones and Hendry (1992) developed the RSA report and identified common learning activities which can be applied to individual and organizational development as organizations seek to focus their work on the idea of learning. This phase model includes the foundation, formation, and continuation phases, to which are added 'transformation' and 'transfiguration' (Jones and Hendry, 1992:24-27).

Here it is useful to indicate exactly what these phases include in terms of learning organization characteristics because they appear to be an important yardstick against which the research sites can be judged and analysed in terms of 'concerns', 'activities', and 'measures of achievement'.

### **Foundation/Dependency**

This initial 'foundation' stage (see Figure 3.1) poses questions as to how learning is to be acquired, especially in the workplace. It poses questions about who is responsible for education, training and further development once someone leaves school and begins work, and especially so for those people who leave school with grossly underdeveloped basic skills and who need continuing special education.

## FIGURE 3.1

### Phase 1 - Foundation/Dependency Stage

#### **Concerned with:**

- \* learning how to learn
- \* developing a natural instinct for learning
- \* creating motivation and confidence
- \* showing that investment in learning can produce success of various kinds

#### **Kinds of activities:**

- \* formal training (how to do a specific job)
- \* providing personal remedial/special education
- \* personal development skill training: attitude
- \* learning and working in groups and teams

#### **Measures of achievement:**

- \* the organization has firm commitment to training
- \* training addresses organizational and employee needs
- \* training produces the need for further development
- \* a collective view that training/learning pay
- \* use of personal portfolio of learning activities

## **Formation**

This stage of development is people focused. This second stage (see Figure 3.2) is about encouraging and developing skills for self-learning and self-development and the acquisition of skills to work in project teams. The learner begins to learn and know more about the organization as a whole and his/her role in it. Future work possibilities and the learning needed to achieve them also begin to surface.

## **Continuation**

The 'continuation' phase (see Figure 3.3) is where the individual becomes self-motivated, independent, and confident. In so doing, learning becomes even more crucial because other factors come into play. All organizations have slow-learners, late developers, and people with a broad range of abilities, in addition to people who learn at different rates and with different degrees of success. The challenge of this stage is to ascertain how learning can be accelerated for each individual and each group of individuals. More innovatory work practices may be the answer. Organizations also produce their own drop-outs, the damaged, the stressed and the turned off, and those reaching a career plateau. Organizations have to adapt to cope with these groups. Thus, learning at this stage is likely to include counselling in skill development and a range of support measures.

**FIGURE 3.2**

**Phase 2 - Formation/Transitional Stage**

**Concerned with:**

- \* encouraging people to bring out the best in themselves and to acquire self-development skills
- \* wanting to learn more about the organization as a whole
- \* organization makes tougher learning demands
- \* employees want tougher demands made of them

**Kinds of activities:**

- \* formal activity and jobs to widen employee experience
- \* learning through job rotation
- \* learning by doing (experiential learning)

**Measures of achievement:**

- \* individual performs own job well and seeks further improvement
- \* individual begins to want to widen tasks/skills
- \* use of more measured criteria such as competency-based systems of performance
- \* personal assessments based on the notion that things can be done better rather than 'carrot and stick' monetary reward
- \* use of NVQ and similar qualifications as award incentives and use of programmes like 'Investors in People'

**FIGURE 3.3**

**Phase 3 - Continuation/Independency Stage**

**Concerned with:**

- \* the learner and the organization becoming independent, more innovatory, self-motivated and confident
- \* the organization's purpose and context and people's allegiance to them
- \* learning how to ask crucial questions about what is done, how it is done, when it is done, and why, and dealing with the answers
- \* knowing where to go, and what to do to get at the answers

**Kinds of activities:**

- \* formal/structured learning through Open University courses, part-time or full-time MBA degrees, diploma courses and other professional qualifications
- \* a career plan for all in the organization which confers change by means of job enlargement, leading to more learning by doing
- \* alternative working practices and jobs to further motivate and create new learning or to address and accommodate individual weaknesses, eccentricities, employee interests and environmental changes in technology, markets, and products
- \* shared responsibility among employees for production goals and organizational development, as well as having an input into the decision processes impacting on these activities
- \* senior management beginning to reduce levels of hierarchy and status
- \* employees viewed as an 'asset' rather than a 'cost'
- \* operators, workers, and managers who know their job better than anyone else, participating in job development
- \* job enrichment where employees take on jobs previously undertaken by supervisors, and demarcation lines disappear
- \* job enlargement, where different jobs combine together and become one
- \* further job rotation to widen experience and to reconfirm and boost the confidence previously acquired
- \* development of autonomous working groups

**Measures of achievement:**

- \* the right thing happens at the right time
- \* operating goals are achieved on time
- \* adoption of activities which will reinforce the passion for superior productivity or service - for example, use of Quality Circles, TQM, JIT, greater use of programmes such as 'Investors in People'
- \* greater capacity to accommodate change, with change viewed as a means of 'help' rather than being perceived as a 'punitive' activity
- \* tendency to want to introduce highly structured and formal assessment and audit schemes with a formal qualification structure, possibly NCVQ level 4 & 5 type awards

As Jones and Hendry (1992) observe, the continuation phase is not complete and something needs to be added to the three phases of learning. The above descriptions all show that learning should lead to change both in the organizational structural sense and in an individual sense. The three RSA learning phases stop at 'continuation'. This learning model needs to be expanded because, as educational psychology demonstrates (Cullingford, 1990:6) learning is a cumulative activity.

Two further phases of development have been identified by Jones and Hendry (1992:28-31) which are descriptive of both individual and organizational learning. They are the 'transformation' phase and the 'transfiguration' phase.

### **Transformation**

'Transformation' is about thinking and doing things differently (see Figure 3.4). The 'continuation' phase of learning can result in a reaction to change. 'Transformation' is concerned with learning how to be different and act differently. For some individuals and some organizations it may mean revisiting Phase 1 to acquire new skills.

More importantly, it is a phase of learning which, on the one hand, requires the use and understanding of all the skills previously learned, but on the other, can negate all of those skills, because of the challenge to acquire a whole set of new ones, and to think and perceive things differently, often in a very short period of time. If the first three phases of learning have truly succeeded then most people will have some of the skills to cope with rapid and even violent change. The factors which require this transformation phase are of two kinds. One is environmental - that is, external to the organization. Social changes, methods of production, and above all technology, all demand changes of practice and outlook (Aoki, Gustafsson, and Williamson, 1990).

## FIGURE 3.4

### Phase 4 - Transformation Stage

#### Concerned with:

- \* making a complete change in form, appearance and character
- \* changing structures, and also attitudes and perceptions
- \* learning how to be different (thoughts and values)
- \* learning how to think differently by absorbing local, national, and global cultural influences

#### Kinds of activities:

- \* organizational change in structures and systems through the influence of technology, social change, and globalisation factors
- \* change in work practices and experimentation with alternative work practices - work arrangements may start to fit the job to be done and in turn this influences recruitment, so that there may be more use of outplacing, part-time workers, contract working, flexible days, weeks and even years
- \* the organization adapts to newly emerging social and human values and positively and actively implements HRM policies and strategies which are not discriminatory in terms of race, sex, religion or disability
- \* the organization focuses attention on how business is acquired and assets managed, so that corruption does not occur, and the organization also develops strategies which actively support community initiatives for the enhancement of people at large
- \* the social and ethical dimension underpins all organizational activity, with an emphasis on corporate responsibility
- \* learning focuses on managing personal change and self-assessment
- \* greater emphasis on leadership and group entrepreneurship, both based on a better understanding of what 'creativity' is and how it can be learned and managed
- \* concentration less on product and more on marketing, advertising, purchasing, distribution, information, and communication systems, and learning how all of these interact
- \* flat management structures with managers being developed to become 'coaches' and 'facilitators' rather than 'directors' of activities.
- \* 'thinkers' and 'doers' come together
- \* everyone in the organization learning to 'ask', to go after root causes to problems rather than placing blame, bringing down personal defences, and learning to ask 'why?'
- \* the whole organization committed via personal involvement
- \* time given for everyone to 'reflect' and 'think'
- \* a concern for ethical issues relating to product, service, their production and influence

#### Measures of achievement:

- \* the organization is seen to have a competitive advantage not simply in commercial and monetary terms, but in social and ethical ones as well, together with concern for its own people and society in general
- \* counselling and training are already in place to help employees to cope with redundancy, redeployment and related events and activities
- \* people are measured and assessed against their own performance and are capable of giving self-recognition rather than relying on artificial crutches
- \* the organization operates so as not to create learning blockages, recognises them when they exist, and has the systems to deal with them at any level within the organization
- \* everyone sees the organization as a whole and there is a willingness to learn from and with others
- \* the organization measures and values inputs as well as outputs in human resource development terms
- \* use of project modelling, simulation and other 'envisioning' activities

The second group of factors is to do with learning which we may not even know we require. For example, technology is radically advancing our concepts of the office and how we work as individuals and groups. Machines already exist which can memorize and store vast quantities of information. The way we file and record material will make the workplace totally different from that we know today. A great deal of work has yet to be done to identify exactly what new learning will have to take place. What is clear is that learning at this level or phase is not only about creating and sustaining levels of service or production. It is also about acquiring 'envisioning' skills. This stage of learning is focused around emerging and quite specific issues.

At a more concrete level, the transformation stage of development is likely to begin with a look at power relationships, culture, decision-making strategies and centres. This approach is likely to lead the company to focus less on products and more on markets and marketing, purchasing issues, distribution, and information systems and how they are managed. Collectively, this 'range of organizational and managerial capabilities' can be called 'intangible assets'.

*Intangible assets include knowledge about markets and technologies and how to exploit them, as well as brands and reputation for quality of products, services and human resources. However, the most fundamental intangible assets, and those most linkable to competitive performance are organizational capabilities to learn and change.*

(Pettigrew and Whipp, 1991:2)

## Transfiguration

The 'transfiguration' stage (see Figure 3.5) is the fully developed person or organization, in so far as it is possible to achieve this status. At this stage an organization, and the individual learner, would have the capacity to cope with all and any change. At this level of development an individual or organization does not simply deal with matters as they arise. Each continues to 'elevate' activities to their purest forms, pushing on with superior product and service, combined with superior personal ability. Learning occurs at all levels on an equal basis. Notions of levels of management and personal status become a thing of the past. Leaders and envisioners who act as facilitators for learning become the all important organizers. Different people and different groups may take management responsibility in an adaptive way depending on the task to be performed. They act as catalysts to slow down and/or speed up learning. The emphasis is likely to be on a range of diverse teams investigating, exploring, and envisioning new approaches as to how the organization can develop its capabilities. Such activity will develop not simply as a means for sustaining a competitive edge, but also for the well-being of the employees. Whatever learning is being engaged in, be it individual or in groups, there will be mechanisms which will allow its communication throughout the organization so others can learn from it. Teams and groups at this level bring about innovatory work and communication systems. Perhaps this is getting somewhere near to what Bateson (1972:272) describes as Learning Level III. He defines this as:

*Change in the process.....e.g. a corrective change in the systems of sets of alternatives from which choice is made.*

Bateson believes that this learning level is "...likely to be rare even in human beings."

## FIGURE 3.5

### Phase 5 - Transfiguration Stage

#### Concerned with:

- \* transformation plus elevation leading to idealization
- \* people coming first and a concern for society' general welfare and betterment
- \* asking crucial questions about why the organization exists in the forms that it does
- \* the organization representing a way of life to be cherished because of its values
- \* the organization developing to accommodate and understand global cultures, tolerance, integration and co-operation

#### Kinds of activities:

- \* non-prescriptive because no organization yet exists
- \* activities will be different from one organization to another
- \* learning is at the centre of activities providing further insight and new skills
- \* lack of concern with learning linked to sequential training and credentials
- \* an emphasis on learning and organizational development which equalizes people's chances rather than monopolising them and their distribution by means of certificates and diplomas
- \* recognition of casual/experiential learning
- \* skill-learning by matching 'the right' teacher or circumstances at the right time
- \* the organization instructing and controlling itself by means of total involvement in the community and driven by its own understanding of its future needs
- \* an emphasis on people developing as individuals and without fear or favour, doing what they want to do rather than what someone else deems to be appropriate

#### Measures of achievement:

- \* is continuous and about internal organizational learning and development
- \* the organization is judged by the extent to which the people which make it up control and teach the organization how to learn, rather than vice versa
- \* the organization engages in activities which enable it to get glimpses that it can be "much more" than it is
- \* formal appraisals do not exist
- \* each organization is more like an amoeba, able to change shape to suit its environment and to react to the pressures of external demands
- \* formal training/learning is no longer institutionalised, it flows naturally and progressively there is a concern for the physical environment and a concern that what is produced harms no one in any shape or form

The type of organization at the 'transfiguration' stage is one which is viewed as being able to step outside its existing frameworks and patterns of thinking, able to let go of everything it has held to be of value and replace it with a new set of values and operational styles. It becomes the 'nirvarna' to be searched for and achieved.

As chapter 2 indicates, there is a growing interest in exploring philosophical ideas about organizations, especially if organizations build into day to day work practice time for reflection. However, undirected reflection is hardly likely to be useful for any organization, and people need to be given some form of structure to guide them in their search.

In a more practical context this transfiguration phase is really about asking further crucial questions about the organization and the people in it, even as to why the organization exists at all. This is something which is not easy to do. The moral, ethical and spiritual aspects of human activity are also being perceived as being of equal or greater importance as they impact on organizational development and goals.

What is important to note is that the three initial phases (formation, foundation , continuation) and the final two phases (transformation and transfiguration) do not necessarily represent a 'staged' or 'phased progression which every organization can, or should progress through. Some organizations may get stuck, for a variety of reasons, in any one of the early stages of development. Others may remain at the transformation stage - that is, they become good at changing and adapting to meet immediate business needs but are unable to make the 'mind- shift' required to get to the 'transfiguration' phase.

Some organizations, perhaps most, will never get beyond the 'transformation' stage of development. Even mature organizations may well fall into the early phases of development. The age and size of an organization may not be relevant to where it is to be located in the phases of organizational learning. Matched against the five phase model it has only been possible to identify learning organizations, other than those which have openly declared themselves to be such, from a review of professional journals, newspapers, magazines, and from talking with those organizations attempting to promote and develop the idea. Bradford Metropolitan City Council, for example, together with McDonalds and Rover have openly declared themselves to be a learning organization - by whatever measure. Matched against the five phase model organizations such as Canon Inc, TSB Group, Komatsu, and Cadbury Schweppes Plc are just some of the organizations which appear to exhibit some of the characteristics of a learning organization without openly believing or adopting the concept.

It is therefore important to clearly distinguish, hence this study, what is different about organizations which openly declare themselves to be learning organizations from those that appear to exhibit the hallmarks but which do not openly adopt the notion.

Since, as yet, we know little about what it means for an enterprise to be a learning organization it is clear that creating one is not limited to any particular sector or industry, although Hutchins (1990) maintains that in his view there are only a few British companies which really respond to change at all in any shape or form. He lists them as: JCB, Tioxide, ICI, ICL, Rylands Whitecross and '...a handful of others, including a small group of laundries under the name of Paragon... .'

Interestingly, none of Hutchins organizations include those identified by Goldsmith and Clutterbuck (1984) as being Britain's most successful companies. They cited

AGB Research, Allied-Lyons, Associated Diaries Group, Barratt Developments, Bejam Group, The BOC Group, BTR, H.P. Bulmer Holidays, C. and J. Clark, Cork Gulley, GEC, Grand Metropolitan, Hanson Trust, Marks & Spencer, MFI Furniture Group, National Coal Board, The Plessey Company, Pritchard Services Group, Racal Electronics, Saatchi and Saatchi Company, Sainsbury, Standard Telephones and Cables, Trafalgar House, Trusthouse-Forte, United Biscuits Group, and Woolworth Group. Of course, some of these organizations have since been acquired by others or realigned their business activities under new names, but even in a reformed state they do not appear, in Hutchins view (1990:7), to be leaders in the change management field.

## **CONCLUSION AND SUMMARY**

In conclusion, it is important to note that in a world where people are constantly looking for systems and means to make things happen properly, diagrams and models are simply heuristic devices. They help in the sense that they are a useful means by which to select and analyse information, descriptions, and activities. It is suggested that in reality there are no ideal types of organization and neither do organizations as a whole pass from one activity or phase to another. Indeed, one part of an organization may be far more advanced in its activities and thinking than another. Models can be too deterministic and may not take account of progress in various parts of an organization.

The value of the Jones and Hendry 5-phase model lies in the fact that it allows for a number of questions to be highlighted. Specifically, it addresses (1) the issue as to whether organizations can develop in a progressive manner towards becoming learning organizations, and (2) whether or not an organization, which establishes itself

as a learning organization from the very beginning, can transform and transfigure itself without all the trappings of traditional organizational structures and systems. In addition, because parts of an organization often develop and change at different rates and times, sometimes without anyone having an overview of the totality of organizational change, the learning organization concept raises the issue of how the 'total view' is organized and managed. As yet, there is little information about these activities and processes. One purpose of this study is to provide some analytical reflection and empirical data on attempts to create a learning organization.

This chapter has used existing learning organization theory and practice , together with general learning theory, to develop a model which describes what learning organizations seem to be doing in terms of their concerns, activities, and measures of achievement. This model provides a preliminary yardstick against which other organizations can be evaluated, including the two research sites studied in this thesis.

## **CHAPTER 4:**

### **THE LEARNING ORGANIZATION: ADULT LEARNING AND THE ORGANIZATION**

#### **INTRODUCTION**

The aim of this chapter is to identify and critically assess some of the themes and questions the 'learning organization' raises in terms of current research about 'learning' and organizational transformation. It also draws out the links between these and what is known about adult learning and development in the context of the workplace.

The chapter begins with a brief analysis of education and training in Britain and identifies the short-comings because of a lack of understanding about modern learning concepts and theories. The chapter then considers what is known about adult learning theory, how adults best learn at work, and analyses how organizations hinder learning with hierarchies and control mechanisms. A final section reflects on the need for creative and holistic approaches to people development.

The concept of the learning organization, with its roots in self-development and action-learning is creating ambiguity. There is, therefore, a need to add substance to it, and widen understanding of what the concept means, by concentrating on what is meant by 'learning', and focusing on exactly how adults do learn.

Since the middle and late 1980s there has been a focus on competitive strategies to create superior performance (Porter, 1985) and on how organizational systems can be structured to become leaner, flatter, and engage more members of the organization in an information sharing enterprise (Barham, Fraser and Heath, 1988; Hayes, Wheelwright and Clark, 1988). This has resulted in adult training and development

based on traditional teacher-learner principles rather than those of self-development (Cullingford, 1990). Much of what has taken place in terms of development has been in the training mode with little or no emphasis on wider educational contexts.

In turn, the growth and decline models of organizational development (Bedeian, 1984) have largely been used as the basis for understanding how organizations operate - that is, it has been assumed that organizations operate within an accepted managerial-employee context and that training and worker development in general have progressed down routes which sustain this acceptance (Morgan, 1989; Bigelow, 1991). There is, therefore, a need to focus more on how learning needs to be redefined, acquired, and organized so as to meet the new and emerging organizational contexts and take account of new trends in what is known about adult learning.

### **EDUCATION, TRAINING, AND LEARNING**

Education, training and learning are often viewed as one and the same thing. However, it is clear that they are not. The former Manpower Services Commission's own definition of 'education' and 'training' is useful to demonstrate the difference. Their 'Glossary of Training Terms' (1981) defines education as:

*activities which aim at developing the knowledge, skills, moral values and understanding required in all aspects of life..... .*

Training is defined as:

*a planned process to modify attitudes, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future manpower needs of the organization.*

At the heart of both definitions and set of activities is 'learning'.

So, defining, describing, and investigating 'learning' in a wider context may help to respond to some of the questions and issues the learning organization seeks to address.

### **What is learning?**

Learning has often been defined in prescriptive ways, as something relatively passive and permanent. Many management writers accept and define learning in this way, based primarily on their observations and theories about organizations, not about learning- for example, Wilson and Rosenfeld (1990), Garratt (1990), and Porter (1985). Learning concepts and definitions, as applied to both organizations and people, can be grouped into three types. There is general systems theory which describes individual and organizational learning using 'biological' and 'cybernetic' analogies (Buckley, 1967; Dunn, 1971); a second type describes organizations in 'mechanistic' ways (Burns and Stalker, 1961; Lawrence and Lorsch, 1967); and a third focuses on the 'social psychology' of learning. The most distinguished contributions to the last have been made by Argyris and Schon (1981) with their single-loop, double and triple-loop learning model, and their concept of 'maps'; by Kolb (1974) with his learning cycle; and by Bateson (1972) with his 'deutero learning' - the art of learning how to learn.

Much of this theory, as already noted, has assumed that what can be stated about organizational learning also describes individual learning characteristics (Argyris, 1964), but as Leymann (1989) observes, learning has too often been contained within organizational learning theory rather than group, adult, and individual learning theories. Where it has addressed individual learning, it has been considered purely in

the context of production processes - that is, learning tends to be limited to training needs arising out of an organization's need to have employees do a job properly within the narrow economic and political systems which govern how organizations are controlled. Even those who focus on the self-development of people in the work place, and emphasise the creation of better working environments, do so within the context that patterns of work behaviour and organization remain within a prescribed framework as to how organizations operate (RSA Inquiry, 1994). This then limits learning and the perception of how it is acquired, nurtured, and expanded.

### **Influence of learning theory on organizational structures**

Like other RSA reports, the 1994 report which looks at the company of the future highlights how the British education and training systems have largely been developed on the basis of the passive and permanent learning theory model with its focus on conditioning and motivation. In turn, this has led organizations in general to develop management and work structures, and the training which has supported them, on a hierarchical basis, using passive forms of delivered training, often based on the assumption that work and production practice will remain more or less static.

Under Taylorist theories of systems of work, organizations have generally developed in a way which has placed little or no initiative on the worker or employee. The skills and good practice of dedicated managers has been seen as the key to successful production and organizational fitness. In fact, Taylor (1911) did address the issue of worker 'initiative' but simply saw it as:

*....their hard work, their good will, their ingenuity.*

Taylor was correct in seeking to harness the knowledge and skills of the workforce, derived from actually doing their job of work. Where his theory floundered was on the assumption that things such as markets, technology, product cycles, and industrial relations would remain static. The idea that knowledge gained from experience could be in some way codified and written down in manual form to provide some kind of ongoing permanent form of instruction could only ever work up to a point. It could not work indefinitely and certainly not in an era of rapid technological and market change. Nonetheless, many UK organizations continue to flounder, refusing to accept that many of the perceptions about how organizations should operate are no longer useful (Cullingford, 1990; Morgan, 1991; RSA Inquiry, 1994).

### **Learning and training**

Even where an organization succeeds in creating superior performance, what goes untapped and often unnoticed is informal learning which goes on during the more formal learning activity. Leymann (1989) labels this informal learning as 'unorganized learning'. Leymann (1989: 121) also asks,

*...what do we learn from the factors inherent in a work situation? And what kind of work situation is necessary if the learning involved is to contribute certain human values?*

Rogers (1986) points out that however much training and self-development takes place in organizations, people still learn using a second agenda. People know when to speak and when to keep quiet, they begin to understand how the communication and other social systems operate. People also adapt what they do as they become more adept at doing a job. They are also capable of job-enlargement as they deal with clients, customers, and colleagues on a day to day basis. This new, informal or

unorganized, and experiential learning is as crucial as more formal learning and needs to be harnessed in better ways to transform organizational activities (Brown, 1991).

Organizations also tend to focus too readily on formalised and prescriptive development and training and not on learning 'needs' and learning 'styles', and on creating the right environment in which these can be determined and developed.

Much of what inhibits learning derives from the way people development in organizations has been perceived in the past. Clark notes (1992:168ff) that, organizations implicitly adopt one of two basic models - that is, 'matching models' or 'process models'. Matching models include interest and ability theories, self-concept theory, needs theory, and environment theory. Process models are concerned with maturation, decision analysis, work adjustment, and social forces. The learning organization *highlights the need to give more attention to process models at a time* when many organizations and government policies emphasise matching.

Motivation theory, which informs how organizations manage people, likewise falls into two broad types, to do with 'content' (Herzberg, 1959; Maslow, 1943 and 1970) and 'process' (Vroom, 1964; Lawler and Porter, 1978) and hitherto there has, again, been an over concentration on content type which has helped generate a steady-state mentality. Thus, organizational theory seems to be at a cross-roads where new ways of describing organizations (Morgan, 1989; Singh, 1990; Lessem, 1990; Brown, 1991; Senge, 1994; Reed and Hughes, 1992) are replacing the orthodox models of Taylor, Fayol, and Weber. As a result, learning viewed as 'training', orientated to the giving of information and facts, needs to give way to a wider definition that is flexible and adaptive in the way learning is acquired and measured. As Leymann (1989:122) notes:

*....those in charge of training departments do not have a clear understanding of the consequences of learning and teaching theory.*

Organizations also tend to engage only in acceptable learning - that is, learning which supports the organization's structure and how people should act within it (Cullingford, 1990:231; Pedler, Burgoyne, and Boydell, 1991).

The 1994 RSA Inquiry report raises the issue as to whether organizations exist, adapt, and change for economic purposes first and individual development second. It also reflects on the reverse - that is, whether the focus should be on human beings first, their needs, and personal and community development, with the organization playing a subordinate role. In other words, the report calls for greater appreciation and understanding of how best the human spirit can be housed and all a company's activities can be viewed in a more holistic way. Such questions are about human values. What do human beings value? How then should organizations be changed, created, or abandoned in the light of answers to such questions?

### **Learning theories**

With few exceptions, such as the Gestalt school of psychology, relatively little is known about many aspects of learning - for example, how and why humans remember and forget, and the impact of the environment and work place on learning. Little work has been done on communication and dialogue, and the impact this has on individual and collective learning, and there is insufficient work on 'practice' and how going from easier to harder tasks improves the mind and performance (Leymann, 1989:130).

The learning theories of Thorndike, Pavlov, Skinner, and Piaget are rapidly being eroded, or at least being shown to be very limited in their descriptions of human

learning and behaviour (Entwistle, 1985; Leymann, 1989; Cullingford, 1990), largely because they ignore a range of factors which include the importance of communication between people in learning, the solidarity of people when learning, and the environmental and cultural contexts which inhibit or encourage learning.

There is a good deal of literature on how adults learn, and especially how 'creativity' is acquired and developed (Henry, 1991) which has not connected with the literature on organizational learning, with its focus on 'development' rather than on 'purpose'. This is probably because developmental activities can be more readily measured whereas learning does not easily lend itself to analysis (Cullingford, 1990). By and large, organizations ignore issues of adult and continuing education, as expressed, for example, in Knowles' (1980,1984) '*andragogy' principles*. Knowles argues that adults prefer self-directed learning, learn most effectively through experience, and by means of actual day to day jobs and routines, rather than from formal and structured training programmes. Although the situation is marked by resource constraints, this is borne out by the way people do, indeed, learn in smaller organizations (Hendry, Jones, Arthur, Pettigrew, 1991). Yet, much of what passes for training in many organizations fails to encourage and develop self-directedness - that is, taking responsibility for one's own development. As Cullingford (1990:2) notes:

*To study and understand learning is to enter that no-man's land between thinking, as a capacity, and development, as a process of change. Learning is both constant and changeable; it depends on moods and on general attitudes (and) the distinction between the capacity to learn and the actual performance of learning is crucial.*

In other words, what people can do and what they end up doing are quite distinct.

## HOW DO ADULTS LEARN?

How, then, do adults learn and what important factors bear on this? Dubin and Okun (1973) identify eight schools of adult learning theory. The theories fall into two groups. One is based on empirical observation (Knox, 1977; Brundage and Mackeracher, 1980) and the other on speculation and generalisation - for example, Gibb (1960), Miller (1964), and Kidd (1973). Brookfield (1986) maintains that the principles of adult learning arising out of both groups can be summarised to show that adults do learn throughout their lives, that experiential learning is crucial to enhance further learning, and that adults learn best when there is interconnection and meaning. The seasons or stages of a person's life also have a great influence on learning (Brookfield, 1986:31):

*They exhibit diverse learning styles - strategies for coding information, cognitive procedures, mental sets - and learn in different ways, at different times, for different purposes. ....The past experiences of adults affect their current learning, sometimes serving as an enhancement, sometimes as a hindrance. Effective learning is also linked to the adult's subscription to a self-concept of himself or herself as a learner. Finally, adults exhibit a tendency toward self-directedness in their learning.*

Brookfield supports Knowles' (1980:43-46) belief that experiential and self-directed learning and active participation in the construction of learning events is important, not only because adults favour this process but also because it is one of the few aspects of adult learning which can be empirically monitored. Brookfield (1986), however, does observe that the flaw in research so far is that it is culturally specific - that is, much of it has been done in the USA and mainly among white middle-class Americans.

Simpson (1980) also considers the two most crucial activities relevant to adult learning are an adult's personal autonomy in learning how to learn, and the use of

experiential learning as a unique resource for new learning. Much of present employee learning is organization-focused and delivered in a too systematic and structured format, with little or no emphasis on personal learning outcomes (Cullingford, 1990). The emphasis in many organizations on personnel assessment, in its many guises, also inhibits learning. The assessment of learning and performance is generally still modelled on the academic or scientific approach to learning (Cullingford, 1990:217) - that is, organizations concentrate on only that learning which is testable and consistent with sets of hypotheses which can be analysed, whereas a great deal of learning is not readily testable. Schon (1983), for example, found that when people are given the chance to pursue their own ways of solving a problem, without the framework of prescribed assessable practice, they performed three times better. In other words, the sense of order which organizations seek to impose on people colours our understanding of the nature and purpose of learning and makes it over-prescriptive. On the contrary the learning factors in organizations are:

*...emotional and fragile, as much a matter of attitude and styles...  
(and) quite unlike a series of management objectives disseminated like  
information.*

(Cullingford, 1990:221)

The work of Danis and Tremblay (1985) does not confirm Kolb's (1974) cycle of learning proposition. They found that adults do not learn in any kind of cyclical way, and that meaningful adult learning occurs when it is based on problem-solving and connects with a person's general life events and activities. In other words, unforeseen and random events in the problem-solving process create new learning experiences which add to the total learning value of the activity. This supports Brookfield (1980, 1986:45) who noticed that successful adult learners '..were found to contradict the mode of learning on which many institutionally organized education and training

programmes are premised.' In summary, the work of Brookfield (1980), Knowles (1980), Danis and Tremblay (1985), and that of Thiel (1984), stands as a challenge to traditional learning and training systems which place too little emphasis on learning from and through experience.

### **Experiential learning and learning styles**

Research and practice (Warren and Breen, 1981; Evans, 1989, 1990) reveal that experiential learning leads to '..a significant transformation of the individual's self-perception and a substantial enhancement of....skill in some of the processes of ongoing learning.' (Keeton, 1981). Kenney and Reid (1988) describe these as the 'natural learning processes'.

'Natural learning processes', 'unorganized learning' or 'experiential learning' are defined as that learning which results from doing a particular job, taking part in some form of work, or out of work activity which causes people to interact. Collectively, this learning produces wider expertise, skills, and understanding.

The idea of 'experiential learning' was conceived by Kolb, Rubin and McIntyre (1974) as a four-stage learning cycle and this has greatly influenced learning and training theory. Their model has since been modified by a number of researchers including Revans (1982) and Honey and Mumford (1986). The Kolb model describes how an individual undergoes a 'concrete experience', as a result of which the individual then makes 'observations and reflects on these', which in turn produces 'abstract concepts and generalizations', which are then 'tested in new situations'. Kolb et al determined from their experiments and theories that people develop preferred learning styles and learning needs. This has resulted in the development of learning and training styles and needs in many organizations but it has also produced fairly rigid assessment

programmes. Nonetheless, concentrating on learning styles means focusing on how people learn how to learn.

### **Learning how to learn**

How people 'learn how to learn' is important because it concentrates attention on learning styles, hitherto often ignored and misunderstood. Work on learning styles has been undertaken since the middle 1970s. For example, Pask (1976) distinguished between people who seem to learn smaller pieces of information in detail and those who perform better when asked to obtain a complete comprehensive view of material to be learned or skills to be developed. Honey and Mumford (1983) found that by concentrating on certain learning styles they could categorise the required training/learning styles for new trainees and thus provide more individualised training and development programmes. There is a good deal of literature from the 1980s which focuses on learning style inventories and more especially on organizational preferred learning styles (Boddy, 1981; Honey and Mumford, 1982,1983).

Preferred organizational learning style is a difficult activity to cope with in that trainers appointed by an organization may themselves have a training style which does not fit snugly into the organization's style. Equally, the trainer's style may not meet the learning styles and needs of the people to be trained. This, therefore, demonstrates how crucial flexibility is as an integral aspect of learning and development. As Kenney and Reid (1988) note:

*The emphasis has moved...to the learning process, and to self-directed and self-managed learning.*

Kenney and Reid (1988:130-147) conclude that learning in the work place must now concentrate more on learning which focuses on such matters as communication, new motivation style factors, memory, and age factors.

## **HOW ORGANIZATIONS HINDER LEARNING**

### **Communication**

Communication has long since been an important factor (Kanter, 1985; Morgan, 1991; Senge, 1990) for successful organizational development. If people are to learn from one another, management based on hierarchical structures will only provide one-way communication and thereby hinder learning. Therefore, alternative communication patterns need to be developed and explored by means of expanded experiential learning in the workplace.

Argyris (1991) argues that one of the biggest learning dilemmas most organizations face at present is how to get their smartest people, usually senior and middle managers, to learn how to change and think differently, and then communicate this new perception, once acquired, to those people for whom they are responsible. He notes and reiterates that senior people have created the current structures and systems which are today's organizations and/or are the success stories of such systems (Argyris, 1992). The structures are based on the success of these bright people and any threat to this 'success' by doing things differently often creates learning blocks in the organization. Learning how to identify inhibitors to learning is in itself a major challenge. Unblocking learning in organizations is very much to do with attitude change and creating comfortable environments and situations in which managerial

status and hierarchies give way to a concentration on developing relationships, communication, and trust (RSA Inquiry report, 1994; Heller, 1994).

This means people have to begin to learn to let defensive personal barriers down.

Argyris (1991) sums up this additional required learning thus:

*...focusing on an individual's attitudes or commitment is never enough to produce real change...people still remain locked in defensive reasoning. Either they remain unaware of it, or if they do become aware of it, they blame others. People can be taught how to recognize the reasoning they use.... (and) can learn how to identify what individuals and groups do to create organizational defences and how these...contribute to an organization's problems. To question someone else's reasoning is not a sign of mistrust but a valuable opportunity for learning.*

To achieve this process, Argyris suggests that for organizations to begin to create channels of communication based on self-critical reasoning, top managers, as a first step, must critically examine and change their own theories-in-use. Eventually, though, everyone from top to bottom has to change.

### **Hierarchy, bureaucracy, and control**

There is, on the one hand, a conflict between Taylorist, task-orientated and instrumental ways of organizing people, which focuses on short-term performance goals, efficiency, hierarchical systems of management, and measures of accountability, and, on the other, the concept of self-development, open communication, and non-hierarchical structures. Indeed, the problem now facing organizations, and those who provide training in them, exemplifies the contrast.

As has already been noted, many organizations, including the manufacturing and service industries, national and local government, and the professions in general, have

developed hierarchies of training and methods of delivery which only serve to reflect the hierarchical systems they support. Information, knowledge and skill have been perceived to be in the hands and heads of those who are judged to be superior - for example, directors, senior managers, and in the case of such organizations as the health service, consultant surgeons and senior administrators. As Edmonstone (1990:258) states:

*...different parts of the organization can operate on the basis of different pictures of the situation and pursue local goals as ends in themselves, unaware of, or disinterested in, the way they fit into the wider picture.*

This single-loop type of learning which enables specific groups and individuals to control and keep information and knowledge by means of rigid rules and prescribed ways of doing things, produces inflexible management and budgets and '...may serve to keep the organization on the wrong course.' (Edmonstone 1990:258). It creates resistance to change and fails to challenge orthodoxies. Accountability and the need to monitor performance is a further key factor mitigating against organization and people development (Jones and Hendry, 1992). People begin to 'cover their tracks' in order not to be seen to be at fault. Passing blame on to others and finding 'ways of obscuring issues and problems that place them in a bad light' (Edmonstone 1990:259) becomes a way of life.

It is this process of single-loop learning which exists in much of industry, training agencies, and central government as they seek to find some 'once-and-for-all' formulae to make rapid and permanent change occur (Ball, 1991). There is a great deal of emerging evidence to show that much change is simply a relabelling process which encourages continuity, the health service re-organization being a prime example, for as Ashburner, Ferlie, and Pettigrew (1991) observe:

*...the line of command has continued,.... . There was found to be considerable continuity in membership, overwhelmingly so at Chair level. As far as the mode of operation of the new Authorities was concerned, executive members often continued to play functional rather than a corporate role. The old management groups were...informally recreating themselves and non-Board members would often be 'in attendance'.*

New ways of seeing and doing things cannot readily be accommodated by existing structures, attitudes, and practices. The challenge is to produce some form of sequence of events or activities which enable everyone in an organization to move forward with those innovators who can see that to take a new path will produce new enlightenment - Senge's 'metanoi' or mind-shift. In other words, people and organizations have to learn to take risks. Learning is a risk taking activity (Kanter, 1985; Ball, 1992).

### **Formal and informal learning**

Herein lies one of the problems with current learning models, such as those of Kolb and Argyris and Schon. Even if an individual or group learns how to do a job better, and the organization adapts, changes, and learns how to be more effective and commercially viable through what may be called 'acceptable' or 'formal' learning', there is still the need to harness learning from and through experience (informal learning). This is learning resulting from risk taking, or learning which develops as a result of adapting prescribed practice. It is learning which is to do with the emotions and the feelings people generate towards themselves and the organization's management as a result of actually doing a job. Leymann (1989) labels it 'unorganized' learning.

By widening understanding of the contexts in which learning occurs, and by comprehending that learning is as much acquired through emotion, attitudes,

communications, and habit, the additional characteristics of learning - such as an individual's language development, relationships with others, experience and memory, styles of thinking, developing a sense of self, and a sense of values will provide a framework for greater learning capability (Rogers, 1986; Cullingford, 1990).

At present few organizations seem to develop these informal or 'unorganized' learning characteristics, yet they are at the heart of every person's learning and development.

If learning is limited to training and self-development simply to fulfil organizational goals then informal learning, through which individuals make sense of their world, is not utilized (Leymann, 1989).

The paradox and dilemma for organizations is how to relax their control over the learning process while channelling the benefits from it (Jones and Hendry 1994).

The learning organization brings formal and informal learning together and in so doing creates stress and disruption, what Senge (1990:150) refers to as 'creative tension', for both individuals and the organization's existing structures, status systems, and values. However, Senge claims such disruption and tension can be ordered and harnessed, because it is expected. He believes it is necessary for everyone to engage in 'metanoia' - that is, a shift of mind (Senge, 1990:13). Put more simply, people need to change their attitudes and perceptions. When we do so, we will see things more clearly and think more deeply. It means focusing on purpose, values, and how organizations may be transformed, re-shaped, or even abandoned. This picks up Illich's (1971) theme, cited in chapter 2, of learning being 'unhampered participation in a meaningful setting.'

The concept of the learning organization seems therefore to be a challenge to explore more fully what learning is, and how it can create organizational structures which are meaningful to people so that they can assist, participate, and more effectively control their own destiny in an unhampered way:

*This is the dream - that we can design and create organizations which are capable of adapting, changing, developing and transforming themselves in response to the needs, wishes and aspirations of people, inside and outside.*

(Pedler, Burgoyne, and Boydell, 1991:1).

In chapter 2 it was noted how Senge (1990) starts to outline the basic requirements for this process to begin in terms of having a view of the whole (systems thinking); developing personal vision, patience, releasing energy, and seeing reality objectively (personal mastery); devolved personal leadership for different activities; and the periodic reframing of shared visions for the future of the organization through teamwork.

### **Facilitating learning through creativity and holism**

To generate the learning resulting in the change required in people and organizations seems to rest with 'creativity':

*This mysterious ability to transform...thoughts and actions to produce unique behaviour... . Creativity is concerned with developing new ideas...which involves escaping from old ideas.*

(Henry, 1991:1)

De Bono (1991) argues that creativity can be taught and acquired as a skill and Bohm and Peat (1991) maintain that science only develops because scientists dare to question accepted practice. Much recent work has been done on creativity linked to

adult learning and development. Henry (1991) maintains that five schools of creative thought have been identified - that is, **Grace, Accident, Association, Cognitive, and Personality**. The idea of creativity as 'Grace' is that which appears from no where. Some event or circumstances allows the mind to suddenly be illuminated with a new understanding or perception. Creativity as 'Accident' is that which is serendipitous. Henry (1991:4) cites Van Andel' (1989) on various types of such discovery. The 'Association' theory of creativity basically suggests that applying experience of one part of life to another can create innovative ideas. The 'Cognitive' school (Perkins, 1981, Weisburg, 1986) suggest that it is simply a question of allowing people flexibility of thought and practice and they can naturally generate creativity providing information is given to them. Finally, creativity as 'Personality' - that is, a special gift, has no scientific basis, as such, but can provide numerous examples of such creativity - for example, Einstein, Mozart, and Stephen Hawkins in the present generation.

Whitfield (1975) maintains that it is crucial for creativity to get the appropriate people in the correct place at the right time. In organizations this would mean allowing greater flexibility to enable such creativity to be generated and re-thinking how people are employed. People become more creative when they are not inhibited by conformity and systems, a major theme in the self-development and 'Learning Company' work of Pedler, Burgoyne and Boydell (1991). People are more flexible and able to generate ideas when they are faced with seeing things more holistically (Guildford, 1959) and personality traits can generate various forms of creativity (Kirton, 1984). Henry (1991:6) notes that recent work, especially that of Amabile (1983), has shown the importance of knowledge, skills, and thinking styles which encourage and develop new perspectives.

'Process' has also been shown to be important in developing creativity. People generally are able to become more creative over time providing they are provided

with a particular set of processes or situations. These are: **preparation, incubation, illumination, and verification** (Wallas, 1926), factors which are developed further in chapter 9 of this thesis.

'Place', or what may also be termed 'context', is also important.

*...creative ideas flow where new ideas and challenges are welcomed and where people are encouraged to play, rather than controlled and threatened.*

(Henry, 1991:9)

'Structure' of organizations or events encourage or inhibit creativity. Research on creativity reveals that the flatter the organization the greater the opportunity for creative thought and action (Henry, 1991:9).

'Climate' or culture impacts on creativity and needs to provide an environment in which people can automatically know they can be innovative.

Finally, 'product' is seen as being of importance. Simonton (1990) argues that coming up with a new idea or product is relatively easy but getting it implemented or produced and developed is the problem because of needed shifts in thinking.

Henry (1991:11) concludes that creativity is:

*At bottom...a style of management that empowers others to live a more creative life.*

Pedler, Burgoyne, and Boydell (1991:3) come to more or less the same conclusion:

*...so how can we get beyond the quick fix mentality? Only by learning, which increases our confidence and empowers us to enquiry, action and further learning.*

Brookfield (1986:283) argues that much of what passes as adult development and creativity fails, in his view, to produce the empowerment. For him individual empowerment only results when people have the strength to challenge behaviours, values, and beliefs in a critical way. He refers to the 'contextuality of knowledge and beliefs' (1986:284) and notes that the organization which truly wishes its people to be empowered will allow the organization to be perceived and experienced in as much of its entirety as possible. Empowerment for Brookfield is not simply having the authority to carry out greater responsibility in the workplace. It is a question of assisting adults, '..to reflect on the manner in which values, beliefs, and behaviours previously deemed unchallengeable can be critically analyzed.' To enable this to occur adults have to be presented with alternative ways of living and doing things which act as a catalyst for learning the skill of acquiring a critical focus.

Brookfield's work in this area is important because of his belief in 'facilitation learning'. This kind of learning results in trainers, managers, peer groups, indeed any individual or group, being presented with alternative ideas and practices which serve to challenge currently held values, beliefs, and behaviours.

*Such challenges and confrontations need not be done in an adversarial, combative, or threatening manner; indeed the most effective facilitator is one who can encourage adults to consider rationally and carefully perspectives and interpretations of the world that diverge from those they already hold...*

(Brookfield 1986:286)

This is what Rogers (1986:15) refers to as 'learning as choice', a theme which is picked up again in chapter 8 when analysing the case studies.

## **CONCLUSION AND SUMMARY**

This review has shown there are skills and techniques which seemingly can be taught and learned to produce productive and innovative thought and organizational restructuring. The challenge to organizations is (a) to comprehend and understand the theoretical work which underpins such learning, and (b) to put in place flexibility of work design and structure which will allow such learning to develop.

This review has shown that there is a need to focus on issues to do with learning how to involve employees more fully in their own personal learning development, learning how to radically analyse organizational purpose and systems, and how to learn more about learning itself.

Research needs to reveal the interdependent contexts which encourage and produce learning and enable an organization to change and transform itself while creating a vision of an idealised state to which it should aim.

This chapter has stressed the connections between adult learning theory and development in organizations. Surprisingly, the theory and practice of a learning organization and learning in organizations has drawn only in a limited way on the research and writing on adult learning. In connecting adult learning theory to thinking about learning and development in organizations, emphasis has been given here to a number of critical features of the learning process in organizations. These are: experiential learning, learning styles, learning how to learn, creativity, and the need for activities and circumstances which allow employees time to progress through periods of preparation, incubation, illumination, and verification.

## CHAPTER 5:

### THE RESEARCH PROCESS

*It is necessary to adopt a much more discursive, exploratory approach...in which we are not trying to prove anything but simply to find things out.*

(Hamblin, 1974)

#### INTRODUCTION

The chapter begins with a summary of the key empirical questions in this study. Then follows a description of how the the research approach was determined and this is accompanied by an analysis of the problems in undertaking action-learning type research in which the researcher actively participates. A third section explains how access was gained to the two research sites and this is followed by an explanation of how and why the data was analysed and presented as case studies. A further section addresses the doubts usually aimed at this type of research. The chapter is completed with a conclusion and summary.

#### KEY EMPIRICAL QUESTIONS IN THIS STUDY

This research has sought to identify:

- \* the conditions for the introduction and development of a learning organization culture and what organizations ascribe to the learning organization idea
  
- \* the processes by which the organizations focused on learning, and to what end

- \* the outputs and effects of activities and methods used to generate learning organization principles
- \* the key players and events in creating a learning organization
- \* the success, or otherwise, of using the learning organization concept
- \* the extent to which the five- phase model generated by the researcher, and described in Chapter 3, has validity as it relates to the two case study organizations

### **GENERAL RESEARCH APPROACH AND THE PROBLEMS INVOLVED**

It can be readily appreciated that the research questions are at one and the same time specific and general. Because organizations are seeking to develop the theory and practice of the learning organization no one research design or method was of itself ideal. I quickly found that as ideas, events, and activities developed I was observing managers and others in the organizations in the implementation process. This in itself posed a problem because little empirical work has been undertaken looking at implementation processes of the learning organization. In tackling the problem of getting at the heart of the learning organization processes and activities it became clear that I was not measuring hard and fast actions or data. Indeed, it was hoped that the two year longitudinal study would produce data by which learning organizations can be qualitatively assessed, assuming of course that learning organization pursuits are of an assessable kind.

The work was guided by the spirit of Hamblin's observation quoted at the beginning of this chapter. This is important because, as the thesis demonstrates, to investigate and understand 'learning' is a complex and difficult task. Defining it, observing it, and evaluating it does not lend itself to systematic, quantitative research methodologies per se, a theme which is explored in chapter 3 and further developed in chapters 8 and 9. There is a further difficulty in precisely defining what a learning organization is and how it is created (Pedler, Burgoyne, and Boydell, 1991:2):

*While there is no shortage of theories as to how it may be done, most of them come without examples. We can't take you to visit a Learning Company or bring in a blueprint...it has to be realized from within. ....There is no set path to follow.... .*

Thus, the difficulty in having no comparable empirical data to work from, nor a 'blueprint', and having to research something which is 'realized from within' meant that a flexible approach to the research process had to be adopted. It was necessary to devise some comprehensive and holistic method to investigate on the one hand, the vagueness of the learning organization idea and, on the other, the extent to which the views of Senge, Kanter and others were right in assuming that the learning organization was also to do with issues such as empowerment, risk taking, purpose and value, family feeling, ethics, and team learning.

## **DECIDING ON THE RESEARCH APPROACH**

There seems to be some general agreement that current management and organization research methodologies are inadequate - for example, Korman and Vredenburg, 1984; Morgan, 1989; Reason and Rowan, 1985. The recent 1993 British Economic and Social Research Council's report further confirms this view.

Nonetheless, a research format had to be devised which would provide some structure but I did not want to begin with a prescribed framework which would lock me into a particular 'organizational learning' paradigm. Chapter 1 illustrates how, as researcher, I found the idea of 'organizational learning' unhelpful. I wanted to capture learning in an holistic way, for it to unfold as the project developed, and for its 'complexity' to reveal itself. The research method therefore had to be constructed to enable those people involved to give input to these processes, while at the same time recognising that I brought various aspects of my personal background and thinking to the study.

### **Personal bias**

In evolving a research process my reading quickly brought me to the social science 'world-view' debate. This primarily asks how do we know that what we know is true, and how can we be sure that researchers are not colouring events because of their view of the world. It seemed to me 'common sense' that we bring a range of personal and group beliefs, attitudes and assumptions to whatever we think and do in the world and that these will impinge on how we perceive things. It was my view that this 'personal' influence could add richness and value to a project and that a great deal of social science research may be missing something (a) by not taking a more interdisciplinary approach to research methods, and (b) by attempting to adopt a research process which mimics scientific research and which tends to focus more on knowledge as description rather than knowledge or learning gained from experience, what Titus, Smith, and Nolan (1986) term 'knowledge by acquaintance'. However, the 'world-view' debate in the research literature is strong and I recognised I had to address it in some more detail.

### **The world-view debate**

The world-view idea appears regularly in the organizational behaviour literature (Checkland, 1981; Davies, 1988; Johnson; 1987) but its origins go back at least to Francis Bacon's 'Novum Organum' (1620) in which he outlines his 'Idols of the Mind'. These are, first, the 'Idols of the Tribe'. People are apt to recognize events and activities which favour the group, tribe or nation. Second, 'Idols of the Cave', occur when we stress ourselves or our limited ideas and put them at the centre of everything else. Third, 'Idols of the Marketplace' cause us to be influenced by words, names or labels we come across in our daily lives. They can lead us astray because they are emotionally charged. Modern-day examples include: communist, radical, transform, empower. Lastly, 'Idols of the Theatre' occur when we give overdue importance or emphasis to a particular group, person, creed or idea. These are fads, fashions, and schools of thought which are like a stage play in that they take us into imaginary worlds which ultimately lead to biased conclusions.

Thus, in simple terms, in approaching the research I had to be aware of my personal bias and lack of objectivity. As a researcher I was attempting to secure a view of learning in organizations by means of working with groups and individuals who also had their own particular views of the world and the learning process and this, in turn, could distort my own understanding of what I perceived was occurring in the organization.

Burrell and Morgan (1979) pick up this same theme in a more current research context and are often cited for their work on subjective-objective dimensions of how the world can be viewed. They propose a four world-view (interpretive, functionalist, radical,

structuralist, radical humanist) and, like Carter and Jackson (1991), argue that each of these cannot be reconciled. I felt uncomfortable with this rather prescriptive view of the social scientist's world. Having studied theology and comparative religions in the earlier part of my life I was extremely conscious of the 'western world' perspective in Burrell and Morgan's argument. Originating largely from Aristotle's thinking, the West concentrates on the object world which has produced a view of knowledge which is compartmentalized, specialised and attaches importance to description and the search for empirical data. Even western religion has developed using empirical evidence and events, including personal testimony.

Eastern religions and ways of thinking, on the other hand, take a completely different approach. Word limit permits only some passing thoughts on these matters. Eastern thought is more concerned with the inner and personal nature of the self and that which is 'beyond' the knowable (Smart, 1971; Titus, Smith, and Nolan, 1986). Asian philosophers concentrate on history, ancestors, the 'inner' not the 'outer' self.

*They want not merely to see but 'to be' the 'real.' They...stress 'knowledge by acquaintance'... . The nature of things is discovered not so much by logical inference from the piecemeal facts of this world as by acquaintance through one's personal experience.*

(Titus, Smith, and Nolan, 1986)

Intuition, prior practical professional experience and training, and working with young people in schools as a teacher had already shown me the complexity of learning. I therefore needed a research methodology which was not going to compromise the extent of the research process. I wanted to be able to accommodate as wide a perspective as possible as to how people in the organizations I was investigating

viewed learning, its acquisition and development. I did not want to be held back by the use of dogmatic or highly prescriptive models.

Thus, the research proceeded from a more all-embracing stand point, in the belief that one person can hold differing world-views and that intuition may have a part to play if the purpose of the research is to shed light and illumination, rather than simply to provide hard facts and data (Astley and Van de Ven, 1983; Donaldson, 1985; and Reed, 1991).

### **The researcher's specific world-view**

I was left wondering at the end of completing the research methodology literature review whether social scientists would be less afraid to commit to 'knowledge by acquaintance' if there was a more holistic and pluralistic philosophical basis to theory and practice. This is not to suggest that all views and positions are equally true. On the other hand, our inability to comprehend or accept a particular position or view of the world does not mean there is no validity in it. This is not to advocate relativism, simply to acknowledge that as researcher I accept that there is a degree of tentativeness in any position, interpretation, explanation or axiom.

So, with a personal interpretive bias creeping into the research, and a recognition that my personal 'world-view' had to be taken into account, it became clear that I needed a research process which could accommodate these perspectives.

My initial review of the organizational change literature also generated a sense of unease and dissatisfaction because it often attempts to link learning and change precisely to such activities as organizational long-range planning, systems design,

culture change, competitiveness, training or job redesign and worker participation - for example, Dobson, 1988, Kono, 1990, Mumford, 1983 and Vallely, 1991. To me this seemed to be a block to thinking and understanding about the complexity of learning and I felt I was in danger of having to confine my study to a prescribed framework.

### **Models and metaphor**

Models are an heuristic and often useful device but too often researchers appear to reduce complexity too far, a point Mangham (1979), Astley and Van de Ven (1983) and Morgan (1989) observe can lead to complete misunderstanding. Indeed, as I immersed myself in the literature I felt, for example, that the single and double-loop learning ideas of Argyris and Schon were of limited value in that their model reduces the complexity of learning to a too mechanistic level. I was also seeking something that could be used by people in their organizations along the lines of what Morgan (1991:87) terms 'metaphor':

*The logic of metaphor...has important implications for organization theory... . Different metaphors can constitute and capture the nature or organizational life...each generating powerful, distinctive...insight. The logic here suggests that new metaphors may be used to create new ways of viewing organizations which overcome the weaknesses and blindspots of traditional metaphors. To acknowledge that organization theory is metaphorical is to acknowledge that is essentially (a) subjective enterprise concerned with the production of one-sided analyses.... .*

Thus, at the start of the research I was rejecting the 'biological functionalism' approach to research which views people as passive, rational entities (Burrell and Morgan, 1979; Korman and Vrendenburgh, 1984) and adopted a more robust style which sees organizations as dynamic and complex networks of relationships to be explored (Bennis, 1969; Morgan, 1991; Pedler, Burgoyne, and Boydell, 1991; Tjosvold and Tjosvold, 1991).

In summary, the writers' world-view is pluralistic. Learning and all its complexity cannot readily be contained, described, or explained by prescriptive models or metaphors. Experience dictated that people do, in fact, handle a range of perspectives and different metaphors at one and the same time, even if at times they appear to be contradictory (Reed, 1991). The writer also accepts that he has been influenced by his prior experience as a teacher and by his interest in theology, education, history and English literature. Making clearer links to the original disciplines which underpin management studies would, in the writer's view, also serve to bring a greater sharpness to some of the language and ideas management subjects have generated.

### **Research methods**

Dealing with people in the context of their daily work, quickly made me realise that using one specific methodology made no sense at all. A methodology had to be adopted to be able to adequately chart the activities in which the organizations were engaged. It was clear that although the debate between quantitative and qualitative methods and their validity is still rehearsed in traditional academic circles (Webb, 1966; Burgess, 1984; Bryman, 1988, Cohen and Manion, 1989; and Gill and Johnson, 1991) the use of qualitative approaches now generally stands as an acceptable way to undertake research, particularly if the researcher is investigating processes and contexts over extensive periods of time. A deliberate decision was therefore taken to adopt a qualitative approach. The thrust of the research was to gather and develop patterns, insights, ideas, concepts, and descriptions from the data collected and the activities observed rather than to acclaim or negate a particular hypothesis. The work of Miles and Huberman (1984), Walker et al (1985), Yin (1989), and Gilbert et al

(1993) all testified to the acceptability of this approach. In this sense the researcher is not per se looking for any kind of scientific approach which produces absolute statements about the things being observed. Burgess (1984:4) notes that Blumer (1996:542) stresses that the need for the researcher is to determine how people act in the contexts within which they operate, not how a detached observer thinks or believes they operate.

*....it is therefore essential to gather statements made by participants with a view to examining the various dimensions of the situation that they construct. It is also important to focus upon on-going patterns of interaction.*

(Burgess, 1984:4)

Burgess (1984:5) concludes that:

*....field research cannot be neatly fitted into a linear model of steps or stages, for the field researcher has to cope with a variety of situations, perspectives, and problems.*

Most certainly my own experience in the two organizations forming the subject of this study presented me with a 'variety of situations, perspectives, and problems' which I had to address and handle in terms of documentation and also in terms of judging what was hearsay or personal predilections on the part of interviewees.

From the beginning I accepted that my research was qualitative in approach and felt comfortable that sufficient work had already been undertaken, and theory produced (Glaser and Strauss, 1967; Mintzberg, 1979; Burgess, 1984, Cohen and Manion, 1989; Pettigrew, 1973, 1990), to establish the qualitative approach to be an acceptable methodology in its own right.

The need for qualitative empirical research was important because my work also involved being a participant in some of the events which took place, such as attending board meetings and being directly asked by the managing directors of the two organizations what I personally felt about particular events, people, and activities. This raised the issue of the participant-observer and led me to conclude that the use of case studies would best capture what I observed took place in the organizations. Using Burgelman (1985) as his example, Bryman (1989:29) suggests that there are key characteristics or focus points around which research of the type I undertook hinges:

*...the emphasis in qualitative research tends to be on individuals' interpretations of their environments and on their own and others' behaviour. The presentation of data tends to be sensitive to the nuances of what people say and to the contexts in which their actions take place.*

Having decided that qualitative research was appropriate for the project I then had to determine the bias I as researcher could and would perhaps bring to the work as a participant in events.

### **The researcher as participant-observer**

The empirical side of the project lasted two years and as researcher I was to get tangled in a complex variety of inter-personal relationships, feuds and differing views as to how each organization should proceed in terms of change, marketing and general development strategies. Indeed, at times I felt that I was some kind of internal counsellor and on at least three occasions had people break down and cry as their personal problems came to the fore during the formal interview sessions. One senior director even ended up telling me about the affair he had been having with a colleague and the distress it was causing him in terms of doing his job and keeping knowledge

of the fact from his wife. Faced with such problems I had to be clear as to exactly how much of what I was seeing and hearing truly presented an accurate and relevant story of organizational events as they unfolded.

As the project proceeded I recognised that I would be both a participant and a non-participant observer, particularly as there were periods of time when I was not physically in the organizations but yet had to attempt to account for what people were doing or not doing during my absence.

I set about getting myself involved in the day to day lives of people who, by and large, cordially accepted my presence in their organizations. I did 'seek to elicit what is important to individuals as well as their interpretations of the environments in which they work...' (Bryman, 1989:24) and over time I wanted to '...probe deeply and to analyse intensively the multifarious phenomena...' (Cohen and Manion, 1989:125) I found in the organizations.

Again, the literature confirmed my view that it was justifiable to adopt a participative role because it would permit me to get involved in the events and activities I sought to observe, and in so doing experience the events and activities which motivated and moved the lives of people in the organizations.

### **Participant and non-participant observation**

Participant observation allows the researcher to take part in what is going on and in non-participant observation the researcher remains aloof. Had I been going to test the organizations against a predetermined set of learning principles, and the extent to which they were rigidly applied, then non-participant observation may have been

appropriate for a scientific-type research project. But this was not my aim. To work with employees in the organizations would hopefully enable me to elicit data from them as individuals. This could only be done in a 'working with them' context. Stake (1978) is highly critical of participant-observation and emphasises the bias, lack of objectivity, and the idiosyncratic nature of this type of research and its lack of precise measurement systems. This was precisely why participant-observation was used. I wanted to get 'beneath the surface' of the organizations and to get 'the feel' of them in terms of learning and its application - what Pedler, Burgoyne, and Boydell (1991:2) refer to as 'the magic.....to be realized from within' which then focuses, for them, 'upon managerial action as experiment rather than as the 'right answer'.'

A lack of empirical data meant I could not set up formal type experiments by which to judge the organizations. In any event, learning is a complex matter and is much about mood, behaviour and attitudes, as it is anything else (Cullingford, 1990) and to capture these qualities or characteristics required a general and qualitative approach to research and evaluation.

My role was to observe and participate in things which, to a large degree, were as yet unknown. I was tracking the journey of people as they struggled with a new concept and built it up into something which was meaningful. How those people proceeded was to be the cornerstone of the study. Adopting a participative role from time to time would provide me with the best chance of capturing the flavour of what happened. As Bailey (1978) concludes:

*If the researcher does not participate, there is little to explain his presence, as he is very obvious to the actual participants. Observation studies are superior...when data (is) being collected on non-verbal behaviour (and) because case study observations take place over an extended period of time, the researcher can develop a more intimate and informal relationship...in more natural environments..... .*

## Action and applied research

So, having decided that my research would be qualitative in approach, and I as researcher would be a participating observer, I had to determine the extent of my participation. I had already decided that two organizations, studied in depth over two years, would provide a much richer source of data and events than single, one-off visits to numerous sights.

As a participating observer I had to present myself with the issue of whether or not I was engaging in action-research and if so, what was going to be the best way of recording and writing up the data I collected.

Past action-research practice and theory enabled me to initially conclude that it was perfectly acceptable to undertake it. However, I had to be clear in my own mind what was meant by it, and the extent to which I would veer from it and engage in something different. It needs to be emphasised again that the research was not intended to test a particular set of hypotheses but to understand events and activities and change and learning processes as they happened.

This was a processual and contextual study. Even though I participated in events and activities I concluded that I was not, for the most part, engaged in action-research per se. It seemed to me that action-research is about small-scale intervention (Halsey, 1972) and I did not seem to be fulfilling what Cohen and Manion (1989) describe as :

*essentially an on-the-spot procedure designed to deal with a concrete problem located in an immediate situation. This means that the step-by-step process is constantly monitored.*

I was not monitoring a quite specific intervention in a specific context. I was dealing with multifarious events and activities around the idea of the learning organization and watching how people grappled with defining and developing it as an activity and concept.

The academic research literature - for example, Cohen and Manion, (1989:217); Bastin, (1985) in Walker, (1985) provided me with hallmarks of action-research which applied and did not apply to my situation. The collaborative nature of action- research (researcher and practitioner working together) and the participatory aspects when practitioner and researcher take part in implementation, did seem appropriate but the self-evaluative aspects of action-research, with modifications being implemented and evaluated as they occur, much less so.

I found that 'action-research' is increasingly being labelled 'internal evaluation' (Love, 1991). This is now seen as research which looks at events and data as they emerge, which are then interpreted fairly loosely, and puts the focus on things such as what action can be immediately taken, the influence they have on people, relationships and motivation, and how these things impact on the organization in terms of planning, policy, and what people learn from such activities. Internal evaluation is seen as action-research of the kind that looks at emerging problems and organizational change resulting from learning, with less of a focus on whether change occurs according to an agreed strategy. The focus is on understanding for the future, structure and management with more parts of the organization understanding more about how the organization as a whole works (Love, 1991).

Although much of the focus of the internal evaluation model seemed to describe what I was doing, it still seemed not to adequately describe what I was about as researcher

in this project. In so many respects I was not making evaluations, nor specifically intervening on matters to do with particular strategies.

When, for example, I was asked to be a keynote speaker at a senior managers annual conference held by one of the research site organizations, I spoke about learning organization theory and practice. This was part of the board's attempt to cascade understanding about learning organization general principles to three hundred managers. My role here was not to be an evaluator but to facilitate their learning and understanding. Other similar activities took place in both organizations. Thus, although I was 'intervening' in the way Love (1991:4) would approve, and not detracting from the value of the research, I nevertheless felt that to some extent my research was more of working in a vacuum or a laboratory situation. I was not in a prescribed situation looking for prescribed results (Klein, 1979) as such, and neither did I feel I was engaging in the analysis of simple management structures and systems and making comment within, say, the Drucker (1954) orchestra-conductor metaphor of management and research.

As time passed, I recognized that I was giving my views about events as and when asked. More especially, I was being asked to comment on initiatives and strategies, and in so doing widened people's ideas and understanding. This was particularly true in getting the organizations to see things more holistically. Getting decision makers to consider the impact of their actions on other people and parts of the organization, people began to learn that it was important to ask how the actions and decisions in one part of the organization impacted on the activities and views of others elsewhere. I was inclined again to Love's description of researcher as evaluator. I identified with this role from time to time but then realised I was not a decision-support analyst, nor

an information specialist and decoder, troubleshooter, or an assistant planner, all of which Love sees as the role of the researcher as internal evaluator.

It was a theme I returned to on several occasions when the time came to evaluate the organizations and their learning. It became clear that they were not able to adequately assess their learning in a way that made sense to them. This theme is picked up and developed in chapter 9.

In the end, I think I became a 'facilitator' or a 'catalyst' who slowed down or speeded up certain ideas, events, and activities as a result of getting the people in the organizations to consider their work and relationships in a wider and more holistic context.

In the main, this was achieved by means of the question/topic schedule I used when interviewing staff in both organizations. By asking questions, and providing comment about events, decisions, and activities, the researcher as facilitator influences the contexts and processes and provides a more holistic view of the organization. To get at the data needed to capture this holistic view of change and learning, and their interconnectedness, it was essential to get close to the people moving and motivating learning in the organizations.

In conclusion, I felt sufficiently satisfied that the way I was to approach the research was academically appropriate. There is no one research method which is better than any other for the kind of work I embarked on. Much depends on what it is the researcher is seeking to find. Neither does the researcher, in reality, take on one particular role (Janes, 1961; Olseson and Whittaker, 1967; Patrick, 1973; Burgess, 1984). As researcher participating in events, and as someone who had largely been

involved in one of the first thorough analytical studies of the learning organization concept (Jones and Hendry, 1992), I was seen as 'adding value' to the project and was there as a resource, information provider, catalyst, observer, commentator, and general facilitator. Becker (1963), Glaser and Strauss (1965), Oleson and Whittaker (1967) and the work of The Tavistock Institute (Brown, 1967) have created a pedigree for this type of research by arguing that the best way to study process is to focus on life histories and participant observation in one form or another.

Had I taken a greater didactic role in cascading and generating ideas about the learning organization I feel I would have been influencing the context and process too much. Both organizations, like many others, were at times looking for instant recipes to bring about change and there was always the danger that having shown a keen interest in the learning organization idea, and being from a major university change research centre, I could have been viewed as an 'expert consultant'. This I wanted to avoid. Instead, I wanted to track what the people themselves understood about learning in their own organizations and how they developed it.

### **ACCESS TO ORGANIZATIONS**

Access to the two research site organizations was the simplest part of the research process activity. When I went to work at the Centre for Corporate Strategy and Change (CCSC) at the University of Warwick Business School my first assignment involved an investigation into human resource management and training activities in small to medium-size enterprises (SME). I became particularly interested in one of the firms involved with this project because of the special way the managing owners treated employees. This training and culture change company, in turn, became

interested in the learning organization idea towards the end of the eighteen month SME project. It was relatively easy to persuade the firm to donate money to fund a learning organization project, because it was to have some action orientated focus. It should be noted here that although an integral part of the Warwick Business School, CCSC is an independently funded research centre and, in the main, staff have to secure their own project funding to produce their salaries. Having already worked in the small company as part of a human resource and training research project I was already familiar with the organization. The prior eighteen month piece of work had enabled me to gain the confidence of virtually everyone in the organization and my re-appearance some months later caused no concern to anyone in terms of gaining access to people or asking very detailed questions which often produced confidential responses. This firm, by this time, had also openly declared itself to be a learning organization and had established a staff learning development centre.

At the same time the utility company, which served as the second research site, was also interested in working in various ways with CCSC. Following a meeting between Centre staff and the main board directors, it subsequently proved relatively easy to secure project funding from the organization.

Access to the second, large, organization was not a problem and neither was gaining access to the people I needed to engage with. The directors of the large utility company all agreed to the project because they had just embarked on a new staff training and development initiative linked to the idea of empowerment. After speaking with the managing director and the new director of human resource management it appeared that the organization had, or would be establishing, some of the hallmarks the academic literature claimed were learning organization characteristics.

The directors readily gave of their time and even allowed me to attend their monthly board meetings and to contribute to discussion and debate if I wanted to do so. However, having recently gone from being a public authority organization to a privatised company there was a great deal of suspicion in the organization as to exactly what it was I was doing. Employee numbers had already been reduced by almost two thousand and it was openly known that further redundancies were expected. Was I the person being used to determine who should go next was a remark made to me on several occasions. There was also the thought that I was being used by senior management to influence and change people in the organization and, in truth, to some extent that may well have been so because the organization needed to make some massive changes at the time I began the project.

At the start of the project, after two initial visits to each organization, it became very apparent that I was going to have to handle a massive volume of data, not simply in terms of the information I would collect from interviewing people but also data of an archival kind. Minutes of meetings, marketing and product development plans, and a whole range of publicity and company organization information was freely granted to me, to the extent that I really did not feel anything was being hidden which would inhibit the study. I had to find a way of handling all the information and making sense of it and realised, like Taylor and Bogdan (1984:8) that:

*Qualitative researchers are flexible in how they go about conducting their studies. The researcher is a craftperson. There are guidelines to be followed, but never rules. The methods serve the researcher; never is the researcher a slave to procedure and technique.*

Two issues faced me at this point: (a) the way I was going to present the information and analyse it once I had collected my data, and (b) how best to collect the data I needed and how to record it.

### **SELECTING A MEANS FOR PRESENTATION AND ANALYSIS OF THE DATA COLLECTED: THE USE OF CASE STUDIES**

Proponents of the qualitative research approach readily applaud the use of the case study as an effective means of focusing and recording information. More importantly, the case study also provides a framework in which the perceptions and reflections of the individual researcher may be more systematically analysed to reveal patterns and processes of activity, development, and behaviour. As Pettigrew, Whipp and Rosenfeld (1989:130) observe:

*.....the research framework demands both the craft skills associated with social and historical reconstruction together with the critical process of triangulation between: the personal testimony of those involved, appropriate documentary evidence and the researcher's developing understanding.... .*

Bastin (1985) concludes that case material is especially helpful for fieldwork which is conducted over a fairly long period of time and for recording events in a given context, especially where groups are being observed. Bell (1987:6) emphasises the work of Adelman et al (1977) who perceive the case study capable of combining a variety of research practices whilst Nisbet and Watt (1980) highlight the fact that looking at one particular activity in an organization enables the researcher, more often than not, to glean a wide range of data about other events and circumstances not immediately relevant to the project but possibly of great importance to it. Bell points out that the strength of the case study method is that:

*....it allows the researcher to concentrate on a specific...situation...and the various interactive processes at work. These processes may remain hidden in a large-scale survey but may be crucial to the success or failure of systems or organizations.*

She concludes (Bell: 1987:7) that:

*A successful study will provide the reader with a three-dimensional picture and will illustrate relationships, micropolitical issues and patterns of influence in a particular context.*

This is what I was after in the work I was undertaking and thus decided to adopt the case study as the means of final presentation of the material to be collected.

However, there remained a number of unresolved issues in my mind which centred on the number of case studies, what the case study should actually look like, and the issues a case study should address.

Cohen and Manion (1989:125) argue that the case study is the record resulting from in-depth analysis of that which is being researched:

*..with a view to establishing generalisations..*

Bryman (1989:203) argues that the main aim of a case study rests with its:

*...explanatory power rather than its typicality.*

And he concludes (Bryman, 1989:172) that:

*...case studies should be evaluated in terms of the adequacy of the theoretical inferences that are generated. The aim is not to infer the*

*findings from a sample to a population, but to engender patterns and linkages of...importance.*

Jones (1985:56) expresses much the same idea:

*The analysis of qualitative data is a highly personal activity. It involves processes of interpretation and creativity that are difficult and perhaps somewhat threatening to make explicit. As with ...interviewing there are no definitive rules to be followed by rote and by which, for example, two researchers can ensure that they reach identical conclusions about the set of data.*

Further investigation revealed that there was an abundance of literature advocating the use of the case study in a qualitative research project (Mitchell, 1983; Yin, 1984).

Mitchell and Yin are more precise in exactly what the case study should reveal.

Mitchell concludes (1983:192) that it is:

*...a detailed examination of an event (or series of events) which the analyst believes exhibits (or exhibit) the operation of some identified general theoretical principle...a narrative account of some event or series of events does not in itself constitute a case study... . A case study is essentially heuristic; it reflects in the events portrayed features which may be construed as a manifestation of some general...principle.*

Yin (1989) maintains there are two broad categories of analytical strategies in case study work: firstly, relying on theoretical propositions; and secondly, developing a case description. My research was not about testing a particular set of hypotheses but it was going to be 'case description' which could develop ideas, concepts and perhaps patterns of how learning did or did not occur in my two cases. Thus, the case study approach, as defined in the literature, seemed to adequately address my concerns and I therefore decided this was the way to proceed.

Since I was also going to take a brief excursion into the educational and training literature I also had to be sure that the case study method was applicable. I found that

not only was it so but it was widely used (Diesing, 197; Walker, 1980; Cohen and Manion, 1989). Cohen and Manion (1989:128) maintain that educational case study qualitative research enables the whole picture to be seen rather than parts, providing the researcher consciously does not bring personal predilections to bear, and providing s/he does not engage in idiosyncratic and judgemental behaviour. However, Love (1991:5) notes that all research approaches have a bias:

*....and true objectivity is an elusive commodity.*

Using the case study would enable me to produce an analysis of each organization and would also provide a 'compare and contrast' analysis to help discover common and similar issues, patterns, influencers, and relationships. In the thesis the case study chapters are followed by chapters which reveal the similarities and discordant issues which each organization experienced in attempting the journey towards defining and becoming a learning organization. The analytical chapters do rely on a combination of historical information, interview data, patterns which seem to the researcher to have been important as each organization progressed during the two year project.

Two other important criteria were also taken into account: (a) the extent to which each organization achieved what it set out to achieve in adopting learning organization concepts and activities and the way each defined these at the beginning and end of the project; and (b) the extent to which each organization illustrated and confirmed, or otherwise, the model developed by the researcher, described in the early chapters of this thesis, and those of other learning organization writers. In the end this was to prove difficult, as the case study analysis illustrates, because both organizations demonstrated ambiguity and confusion in their perceptions of what a learning organization culture looked like.

## **THE DATA COLLECTION PROCESS**

The securing of information fell into a number of categories: (1) documentary evidence; (2) in-depth interviews; (3) observation of people, events, and departments; (4) participation in training events and organizational activities.

### **1. Documentary evidence**

Access was made available to all annual reports and committee memoranda. In addition, all publications (internal and those for external consumption) were available and free access was given to all departmental records as needed. No one organization was better than the other in this respect. As the human resource department in one organization effectively became the champion of the learning organization project, together with the board of directors and senior management team, these two parts of the organization throughout the study often became the main focus of attention. Free access was given to all and every document produced by them and my request to attend monthly board meetings at both organizations was immediately granted. This permitted me to gain access to all the memoranda, agendas, and minutes these meetings generated. As the project proceeded in the utility company and the human resource department took on responsibility for the learning organization idea, I had to communicate with the two women who were given responsibility for developing the learning organization culture. The regular monthly meetings I set up with them then allowed me to gain access to the documents being produced within the HRM department relating to the learning organization.

The documents were used to confirm basic information about the organizations but more especially to confirm or deny people's perceptions in the organization as to what was felt the HRM department and the board were actually doing. Perceptions were shown to be entirely different on a number of issues. Documents were used to discover the extent to which they were a true record of activity and feelings in the organization or simply a cosmetic reporting exercise. To be able to contrast, for example, minutes of meetings with the recorded comments during in-depth interviews was to be quite revealing. In any event, they also acted as a filter for bias, an important issue raised, for example, by Webb et al, 1966; Menzel, 1978; Walker, 1985 in analysing documentary material.

Collecting documentary evidence began as soon as the project started. Many weeks were spent in gaining an in-depth knowledge of how the organizations operated and in understanding their antecedents. I was also able to glean documentary material in the form of memos, internal reports and the like throughout the period of the project (April 1991-February 1993).

## 2. In-depth interviews

*By in-depth .....interviewing we mean repeated face-to-face encounters between the researcher and informants directed toward understanding informants' perspectives on their lives, experiences, or situation as expressed in their own words.*

(Taylor and Bogdan, 1984:77)

Interviews were of two kinds. Firstly, there were what Cohen and Manion (1989:309) refer to as 'structured' and 'focused' interviews with the key senior directors and managers in each organization and with a cross-section of general personnel. These were conducted according to the interview schedule I prepared. This type of interview

was used to obtain systematic detail which could be readily compared from one person to another at the analytical stage and was helpful in documenting, in a tight format, people's 'knowledge of information, what a person likes or dislikes (values and preferences), and what a person thinks (attitudes and beliefs)' (Cohen and Manion, 1989: 309).

The in-depth structured interviews were conducted in each organization over a two year period using a prepared schedule - see appendix A. The questions sought to get an overall impression of the organization and then specifically emphasised human resource issues connected with the learning organization concept. The review of literature and practice had highlighted issues to do with human resource practices, missions, vision, purpose and values as hallmarks of a learning organization. The schedule questions sought to establish the extent to which these matters were of concern to people in the case study organizations.

Since it was the directors in each organization who determined that the firm should adopt a learning organization culture, board members were the first to be interviewed with a sample of other employees being seen at a later date. Each director and senior manager was initially interviewed on two occasions with each interview lasting three hours. In both organizations I subsequently found that I needed a third formal interview with the most senior staff, especially towards the end of the interview schedule when the questions focused on issues of purpose, ethics, and values. The questions were not revealed in advance and when faced with topics they had no set and ready response for there were often, what seemed at the time, long periods of silence, as they struggled with their thoughts.

This initial process began in the training company in July 1992 and went through until January 1993 with fourteen people interviewed including the chairman, board directors and heads of departments. To gain a wider view of the company a sample number of other people, ten in all, were also seen. They represented the other levels of employee interest. These included the credit control manager, a business development manager, a programme development manager, and a member of the warehouse team.

In the utility company all eight board directors were interviewed on two occasions, each interview again lasting three hours. An additional session was held with the finance director and a visit was made with him to the finance and credit control offices which were off-site away from headquarters.

Secondly, there were what I termed 'continuing dialogue' interviews, what Cohen and Manion (1989:309) prefer to call the 'unstructured' and 'non-directive' interview. These were with other key actors who emerged as the project progressed and with people who took on a special role for implementing and developing the learning organization culture. In this context four particular people became important - that is, the consultant each organization subsequently introduced into the development process, and the key people in each organization who ultimately were charged with overall responsibility for progressing the learning organization concept. These two types of interview were important because they are 'open situation(s), having greater flexibility and freedom' (Cohen and Manion, 1989:309). As Kerlinger (1969) also observes, this type of interview is in the hands of the researcher but has the attraction of allowing him or her to go along routes which seem important to the interviewee and to which the interviewee will more freely and readily respond.

'Continuing dialogue' type sessions took place with the chairman and managing director of each organization throughout 1993. In the training company the chairman was interviewed when a number of important managerial changes took place. Seven such sessions were held and an eighth was scheduled early in 1994 after the end of the project. This enabled me to gain the chairmans reflective overview of the project.

In the utility company responsibility was given by the managing director and human resources director to two women in the human resource department. The human resource department was selected as an experiment case to introduce learning organization principles and practices. One of the women was a human resource adviser and the other a senior strategy manager. I subsequently met with them on a monthly basis for four months during 1993, with each session lasting two hours. An agenda was established by the women which covered details of the activities they had introduced or been involved with between our meetings. We then reduced our meetings to every eight weeks until the end of 1993. The meetings were always held at Warwick University since they felt the time away from their organization enabled them to put their work in better perspective.

During 1993 I met with the external consultants in each organization on five occasions, each session lasting approximately three hours. I allowed them to dictate the agenda for our discussion and I asked questions, or made observations, about issues I needed to know more about. The focus of all the discussions was top team and board member development.

Meetings of this kind often resulted in the people being interviewed seeking reassurance from me that their advice was sound. They sought to validate their own ideas and activities. The consultants had an impact on the directors' thinking and so I

felt it was particularly important to stay close to the 'implementors' and 'impactors' on learning organization culture. As it was senior personnel who introduced the learning organization concept into their organizations, observing them, talking with them, and watching their behaviour and attitude seemed to me to be one of the most important indicators as to how learning organization practices and principles were being developed. Argyris (1993:75) makes a similar observation about his own work:

*...I did not interview those below the directors about the directors. I tend to resist that strategy...because I have come to question the validity of interviews in which subordinates are asked to diagnose their superiors... .*

*...subordinates...evaluate superiors more evenhandedly when they know their evaluations will become part of a joint dialogue.... . It is by watching their superiors take personal and institutional risks in order to create a learning organization that subordinates come to feel free to take similar risks and to develop their own internal commitment.*

The writer subscribed to this same view. I felt that once the initial data collection process was completed the subsequent data collection would be handled better by concentrating on those individuals responsible for learning organization culture implementation.

### **Recording the data**

A separate interview schedule was used for each individual and their responses were noted in writing by the researcher in spaces provided on the schedule after each question. Where additional space was needed supplementary notes were made and attached to the schedule. The SME research work had already provided me with experience of working in this way. I preferred this process to that, say, of using a tape recorder because it was a less threatening method of recording what people had to say. Respondents were prepared to be much more open with their comments, especially about other people, knowing their views were not being recorded. Some very

important and confidential details about people's characters and backgrounds emerged which, in my view, would never have surfaced in a tape recorded discussion.

A number of these people, in my view, were initially threatened by my presence and it became apparent that they were attempting to engage me in an exchange of information and 'tittle tattle'. This was particularly true of the main external consultants engaged by each organization. However, once this initial fear of me as researcher and potential alternative consultant diminished I found that those concerned became a source of substantial information in terms of what was going on in the organizations between visits and because they acquired the ear of the managing director or owner and were thus able to provide me with a deeper insight into those people's motives and actions. In the main, this type of dialogue interview enabled me to ask specific questions about activities which were on-going. The discussions were not fixed to any set pattern of questions. In fact, the actual circumstances of our meetings dictated the nature of our discussions and I was able to make notes and write these up immediately after the discussions. These informal sessions proved extremely valuable.

### **3. Observation of people, events, and activities**

Participative-observation has already been alluded to elsewhere in this chapter as a valuable research tool but it is useful here to add one or two additional statements and conclusions about my personal experiences during the research data collecting process. I participated in a number of ways:

- \* attending board or senior management team meetings

- \* keynote speaker at a number of internal staff training events in both organizations

The value of this type of participation and observation was the ability to observe the personal relationships and interactions between the various participants. In a number of cases the value of what I was actually told in the formal interview situation by one person about another often proved not to be the case in reality. The cordial relationships between individuals in formal settings on many occasions proved not to be present in informal contexts, and vice versa. As Pettigrew (1973) observes the aim of this type of activity is to investigate how far people operating in different contexts demonstrate regular patterns of action. The task is:

*.....to penetrate the veil of formal position in order to determine, as far as possible, who really had the power...and for what reason.*

Bailey (1978) provides a useful summary for using this type of data gathering:

1. *Observation is superior to experiments and surveys when data is being collected on non-verbal behaviour.*
2. *The researcher is able to observe as things happen and to make appropriate notes.*
3. *Numerous observations of people enable a clear picture to be built up about their behaviour to determine clear patterns of activity.*
4. *Because the researcher is not necessarily asking questions but simply observing what occurs then there is little bias creeping in.*

Participation in events was of two main kinds in both organizations. Firstly, I attended the monthly board meetings of the utility company and the monthly senior management team meetings of the training company. Six were attended in the latter and four in the former. The training company meetings were abandoned when a new three business unit structure was introduced and in the utility company I quickly

recognized that all I was observing was the board control mechanism. In essence, the board members spent four hours each month 'rubber stamping' decisions which other senior managers one level below the board had already made and implemented. So, after five months I did not attend meetings in the utility firm and after twelve months in the training company.

Secondly, each organization asked me to participate in events in the early stages of the project. The utility company held an annual conference for its three hundred senior managers each December and I was asked to be a keynote speaker on the theme of the learning organization at their 1992 conference. Other speakers were the board members. The afternoon session was given over to a directors open forum discussion about the company. Delegates had been asked to submit questions which were put to the directors by a leading local television presenter and journalist.

I subsequently also gave three talks to managers at Warwick University where the firm held a three one-day conferences. Again, the theme was change and learning. The value of these last three sessions lay in the fact that I was able to completely recognise how didactic and formal the learning process was in the company. Despite saying some quite provocative things at question time there was a complete silence. The human resources director, on the other hand, started the conferences off by stating that anyone who was unable to sail with him 'aboard my ship, shouldn't have got on in the first place'!

In the training company I was used firstly, as a keynote speaker at three senior management one day programmes to talk about current trends in human resource management and development. These took place in May 1993 and during 1994 I was asked to speak at a special human resource meeting established by the firm for other

large companies, including British Airways. Secondly, they asked me to participate in a staff 'away day' in March 1992 and, again, I was asked to focus on learning organization principles and practices.

The value of assisting in this way and participating in and observing at meetings is hard to quantify. The most immediate effect was that they enabled me to get to know others more quickly and in a less formal setting.

#### **4. Participation in training and organizational activities**

Much of what can be said about these activities has already been noted above. However, what was crucial is that the researcher begins to become part of the organization to a greater or lesser degree. By being part of it you begin to understand more about it. Of course, there is always the danger of tending to agree with one particular group or person if you have a predilection towards a particular view point or course of action. However, because this was an action or facilitation research project I found that the value of my own thoughts and ideas, as well as those with whom I came into contact and participated, were only justified and shown to be correct, or otherwise, when put to the test in open debate and questioning. This in itself was a learning methodology for all involved.

It quickly became apparent that I was involved in observing individuals and groups jostling for status, control, and power in both the organizations forming the case studies for this research. Observation was therefore a crucial aspect in the data gathering process. Few people are ready to admit to their hidden agendas in their day to day work activities (Burns, 1961).

It took some weeks and months before individuals, especially at senior manager and director level, exposed their true feelings, needs, and desires for themselves within their own organization. Dalton (1964) argues that to understand the kaleidoscope of activities which now typifies most organizations, requires the intimacy and immersion into an organization that research of this kind needs to get at the heart of an organization. Once a good rapport is established through becoming almost one of the team it is possible to begin to probe with questions of a deeper value. In my own experience, I also found that I rarely had to probe with searching questions because individuals of their own volition were forthcoming about all kinds of important, and often sensitive information about themselves, others, and the organization in general.

The value of this type of data gathering lies at the heart of the point made earlier in this chapter, namely that this research did not set out to necessarily prove some set of hypotheses or model. Rather, it hoped to generate them. Glaser and Strauss (1967) and Diesing (1971) argue the case that it is observation and participation alone which provide the best kind of data for theory to flow from research, not go before it.

### **Data Analysis**

The data analysis was informed by the structured questions included in the interview schedule which, in turn, were informed by the relevant literatures. Within the questions were some analytical themes - for example, the inner and outer contexts which may facilitate or inhibit learning. Other issues were derived inductively from my reading and from the identification of patterns in the interviews themselves.

Because the case studies would be written up some considerable time after the interviews, it was important to make personal notes after each day's activities and the notes subsequently assisted the trawl through all the interview schedules.

Reading the schedules at the end of the data collection process also produced broad themes. The themes were charted mainly by using diagrams to plot events and the connections between them. Key figures also emerged and their involvement at key stages in developing the learning organization idea in each organization were also plotted. The diagrams were used as sorting devices to discover chronologies and links to enable me to compare and contrast similarities and differences in the two organizations. The whole process was a combination of deduction (reading) and induction to reveal patterns from the data. This going backwards and forwards eventually produced the key issue of learning developing in a pattern of training, indoctrination, and choice. The case studies were therefore produced in an interactive and inductive way for their generalisability and for their illumination. My own personal bias was tested in discussion with my two supervisors who, as the thesis developed, acted as catalysts to speed up or slow down my zealotry to 'pronounce' too readily, and at times, too pragmatically from generalisation!

### **Limitations of the research**

Social science research often tends to focus on repeatability, comparability, and quantification. This research project has deliberately steered clear of this approach in an attempt to 'liberate' our understanding of the complexity of learning. To do so has required a more holistic approach to data collection and presentation to produce generalisability (Korman and Vredenburg, 1984). The work does not seek to prove something conclusively, and lack of previous empirical data hinders comparability.

The understanding gained is incomplete, and what may be true for the organizations forming the case studies in this project, may not be true for other organizations. Pedler, Burgoyne, and Boydell (1991:2) indicate there is 'no set path to follow but there are lots of points...' This research has provided illustration and data of some of the paths, points, and indicators which worked and did not work for the two organizations studied for this project.

Two case studies is clearly limiting in terms of the data they can produce but the time available, and the fact that this was research for a doctorate degree which had to be completed within a prescribed period, limited the enquiry and required a degree of pragmatism. The two organizations were also a 'convenience' sample. They both claimed to be a learning organization and I wanted to observe how they went about implementing the concept. Although both organizations funded the study, there was never any pressure on me as researcher to deliver a particular end product, so limitation in this respect was not a major problem.

Staying with two organizations, and looking at them in depth over two years, was seen as being a scenario which could produce a much richer picture than, say, a number of skirmishes in a larger sample of organizations. Trust is an important ingredient in any type of relationship and this is only developed over time. The writer certainly believes a much more vivid picture of people and events was captured as a result of the trust and relationships built up in just two organizations over the period of the project.

At the end of the thesis I was conscious of the fact that the case studies readily reflected the views of a small number of people in both organizations. However, I took comfort from Argyris' point that observing what the senior people and certain

specialists do in terms of their behaviour and attitudes is a major key to understanding learning organization practice.

As researcher I probably was biased, a point Jeffcutt (1991) readily observes when he notes that the researcher can colour the story of events to suit the researcher's perspective on the world and his topic. However, no one overriding proven principle or truth is suggested as a result of this work.

A picture has been presented which, it is hoped, will provide some greater 'illumination' for further work. Rosen (1991) defends this approach, indicating that there is nothing wrong in providing a 'systematic explanation' of a person's or a group's view if its main purpose is to shed light on something.

The case studies must also be considered in association with the review of literature and practice. This review in itself is a contribution to the field in that it provides a critical and reflective synthesis on which empirical study can be based. A further contribution to the field has also been made in terms of the model for learning in organizations which the case studies generated. Given the limited period of time available, this work has deliberately been at the ideographic end of the methodological scale of approaches open to a researcher with all the limitations that involves.

## **CONCLUSION AND SUMMARY**

In the end, the project tended to show that on the basis of work in the two organizations studied for this thesis, some of the current learning organization ideas, definitions, and concepts are capable of being misunderstood; that empowerment and

the cascading of corporate vision and mission initiatives do not work, and did not become embedded in the organization as a sustained learning vehicle; that the definitions fail to adequately define what is meant by learning in organizations, and that organizations themselves can become confused as to how they should develop and assess it; and finally, there needs to be a model linking how people learn in organizations to what current adult learning theory tells us about the work place. Such a model is developed as a result of the case study analysis in chapter 9.

The research process focused on qualitative rather than quantitative analysis, and was rooted in participant-observer, facilitation research, and it generated case studies. The case studies permitted some limited generalisations to be made arising out of particular events and circumstances. The case studies became archival material and represent an aspect of what Pedler, Burgoyne, and Boydell (1990) refer to as the 'biography' of an organization's development. In this sense, they represent a comparative vehicle by which other organizations can be evaluated and compared in further empirical research into the learning organization. Above all else, the case studies provided some general principles and ideas for other organizations seeking to develop learning organization methods and practices. Finally, a learning in organizations model was developed which is capable of being used for further empirical research on the learning organization concept.

## **CHAPTER 6:**

### **INTERNATIONAL TRAINERS: IT(UK)**

#### **INTRODUCTION**

This chapter provides a basic descriptive chronology and analysis of the first research site in the form of a case study. The chapter begins with a description of the firm's origins, structure, business activities, and management style. A second section explains how and why the firm adopted the learning organization idea. The following section describes events and activities during the two year learning organization project using the McKinsey 7-s model. A further section considers the overall change, learning, and transformation in the organization and the chapter concludes with a preliminary analysis as to whether IT(UK) had become a learning organization.

It should be noted that for reasons of commercial and related sensitivities, the firm and its employees have been given pseudonyms.

#### **ORIGINS, STRUCTURE AND DEVELOPMENT OF THE ORGANIZATION**

Establishing International Trainers (IT) was very much based on a 'wing and a prayer'. In the 1970's Peter Symmond founded IT in the UK, having previously worked for DCC, a Danish cleaning contracting firm. The firm's marketing manager, Bo Ringren, decided to start a time systems management training company. He initially based his main product on 'management by objectives' principles which he had developed within DCC, but with a focus on personal planning which linked an

individual's working life with his/her social and family activities, thus creating an holistic approach to time and life management.

Ringren piloted a scheme based on these ideas in DCC and its success gave him the confidence to set up his own private training organization. After two years of operation he approached Peter Symmond with a view to setting up a United Kingdom company, under franchise from the Danish firm, linked specifically to the UK market. Symmond and Ringren realised that busy computer firms and finance houses needed to train their staff in better time management ideas to help them use their working time more efficiently, and hence produce greater time capacity for marketing and customer contact.

Symmond started a UK operation in 1978. Working from his kitchen table at home, and with a £50 investment, the 'Time System Manager' programme (time management training programmes accompanied by a personal time organizer file) remained more or less the sole product until 1983.

### **Ownership**

The UK operation was initially equally owned by Peter Symmond and Ringren. Symmond set up a UK company and continued IT(UK) as a franchise of the Danish operation. He acquired the majority of shares with Ringren holding a further third of the shares. Peter Symond's brother David subsequently joined the business as Managing Director to oversee general finance and the day to day activities of the programme presenters. David then secured a majority share holding with his brother, leaving Ringren and a non-executive director as minority share holders.

## Business activities

From 1983 onwards IT(UK) expanded in many directions, not least in terms of an increase in employee numbers (135 by 1989). It continued operating as a training service provider offering well-designed and distinctive products and courses, the majority of which originated from the parent company in Denmark, and all heavily influenced by Ringren's ideas.

Up to 1990 the sale of products, purchased from Denmark by IT(UK), produced a healthy profit and growth ratio for the UK franchise. Forty per cent of IT(UK)'s business has been, until recently, the purchase by customers of Time Management System file refills. The remainder has come from formal theatre-style culture change presentations with programme directors presenting courses to mass audiences of up to 200 people. So successful was the firm until 1988 that little formal marketing activity was needed.

The major commercial break came during 1984-85 when Peter Symmond managed to secure an internationally known airline as a leading client. The airline's world-wide employees (38,000) were put through a time management/culture-change programme. With only few modifications to suit the presentation style of the various programme presenters, this product has been the cornerstone of IT's product line. IT(UK)'s leading position in the training services market was essentially confirmed at the end of the airline contract when the airline was voted 'Airline of the Year'. Its then chief executive officer, publicly said of this achievement:

*Many factors have contributed to our success. But, the spearhead of our success was the implementation of our 'Putting People First' programme.*

Riding on the back of this success IT(UK), almost overnight, had many of the world's airlines seeking similar programmes for their own organizations. Other large organizations, drawn from a wide industry sector, also began to embark on culture change and time management programmes using the basic model developed by IT(UK).

IT(UK) made a small loss in its first full year business and thereafter, up to 1990, remained in a profit and growth situation. Profits were regularly 50% of turnover. Throughout the period from 1978 through to 1990 the general business mission of IT(UK) was clear:

*To provide quality programmes and products which inspire people as individuals, within teams and whole organizations, to perform at their best.*

### **Company organization and its management and development**

To ensure that the mission was, and still is, embedded in the heart of the organization, IT(UK) owner-directors from the very beginning adopted a flat and open approach to management style and structure, what Peter Symmond prefers to call 'organizational development' style. His overriding concern was, and remains, to 'grow people so that they learn from what they do, and how they do it, and from each other.'

From IT(UK)'s inception, Peter Symmond adopted a 'paternalistic' approach to running his business. As founder and chief executive officer (and subsequently chairman) he stamped his own imprint on the firm in virtually every aspect of its operation. The 'family' atmosphere he sought to generate remains to this day.

*People leave here out of choice, or they leave in a coffin, but they never come back.*

(Peter Symmond: CEO)

Symmond's personal life and managerial style are seen by his staff as inspirational and charismatic. Pitt observed that:

*He is a typical so-called 'primal manager', literally bubbling with vision and ideas, who draws on his own basic drives and instincts. Such raw energy was essential when IT(UK) was hard pressed to meet latent demand in the mid-to-late eighties.*

(John Pitt: Business Development Advisor)

However, Peter Symmond has sought to be involved in operations, sales, marketing, and the day to day administration of each of these activities - often, with dire consequences. In common within many small-medium-size enterprises (Hendry, Jones, Arthur, Pettigrew, 1991) as the business has grown so has the call for more traditional systems of management control, with employees wanting a greater devolution of initiative. In other words, the ability of the starter-owner to release power and put it in the hands of professional managers is often sadly lacking. This was very much the situation at IT(UK).

It is impossible to properly understand the culture of IT(UK) without a basic understanding of the interrelationships between the two Symmond brothers and other in the organization.

By October 1990 the business had two distinct sub-groups - that is, 'the product side', accounting for approximately 40% of turnover, and the 'programme side', accounting for 60% of turnover, although this also included the sale of products on the programmes. Each 'side' had its own head - Geoff Stead as Marketing Director and Don Clough as Sales Director. Both contributed to policy making as members of the

general management team but the final policy making activity remained the sole prerogative of the Symmond brothers. The end result meant that the brothers engaged too readily in day to day fine detail rather than thinking and acting more strategically. This resulted in reduced effectiveness and hindered company co-ordination which was meant to reduce managerial intervention through staff self-regulation.

The success of the firm over the past decade resulted in little environmental scanning. In addition, too many middle and senior managers, indeed personnel in general, were 'home grown' and this remains the case. The result has been the growth of a very special friendly ethos but one which is essentially anti-intellectual. The company has become good at handing out praise but is slow to criticise and accept internal criticism of itself.

In the past two years senior staff have spent much time in discussion and finding out about external contexts, details of which should have been acquired over time as a matter of course. Typically, IT(UK) engaged in what Argyris would label single-loop learning rather than double-loop or deuterio learning.

During 1993 in a master's degree project based on IT(UK), and investigating the general impact of information technology on organizations, Mary Eccles - IT(UK)'s information technology manager, noted that as time went on it was an organization at odds with itself. On the one hand, managerial variety and detailed involvement in the day to day affairs of the firm produced little or no feedback between the various organizational activities. On the other, lack of business intelligence created a fading market, because potential client organizations were busy changing themselves. This left IT(UK) with a potentially outdated product and programme line. The company was what Lessem (1989) would describe as a classic 'primal organization' with the establishing owner and his brother struggling to make sense of the new and

developing business world in which they found themselves. Largely influenced by the two Symmond brothers, IT(UK):

*...developed an eclectic style of management which combines a degree of autocracy with a matrix set-up run with a degree of consensus throughout the company.*

(Management Today, February 1990)

(i) **Structure**

Up to October 1992 the organization's structure developed on fairly traditional, albeit flexible lines. Figure 6.1 shows the structure as at April 1990. The organization was, and remains, paternalistic with as many as 60% of all employees being female. Peter Symmond openly admits to being influenced in his management or organizational development style by Charles Handy's work (1989) - an issue which is developed later in this chapter.

1990 saw the establishing of more formal managerial and personnel systems and between 1990 and 1992 the company was basically governed by two teams: the Planning Team, headed up by Peter Symmond, and the Management Group chaired by David Symmond. The Planning Team spanned the complete organization with each division represented at its meetings. The Management Group was a more select group of the most senior departmental heads.

There seems little point in finely detailing the various job functions and interrelationships created over the years. Job functions, and those who headed them up, have changed over time. However, the two underlying issues which have driven organizational structure have been (a) the need for Peter Symmond to control and retain power, and (b) his belief that at the same time as wishing to 'control' people in

the organization, they can also 'grow' - that is, be developed. This second belief is important and needs to be understood because it lies at the heart of IT(UK)'s own development as an organization and the decision to court the learning organization idea.

(ii) **Growing the staff**

As an organization which seeks to get other firms to develop their people, it had to be a hallmark of IT(UK)'s ethos that it should do the same. Each member of staff is allowed 10 days per annum for training and personal development, in addition to any specific days the organization itself sets aside for in-house training. The majority of people do not take the allocated 10 days, largely because hitherto IT(UK) has been running on a 'crisis management' basis. The result has been that staff have felt they simply could not spare the time for training, other than that which was immediately needed to improve the work in hand. Here lies the germ of the IT(UK) commitment to the learning organization ideal.

Because the majority of staff are 'home grown' it has meant that development has occurred by means of 'learning from doing', what Titus, Smith, and Nolan (1986) refer to as 'knowledge by acquaintance'. There now exists a significant number of people in senior posts who started life at IT(UK), say as a secretary, but who may now, for example, be a sales executive or programme presenter. This somewhat incestuous development and lack of external training and qualifications means that many staff do not have the technical language and marketing knowledge needed to develop the firm. To some extent this situation is being remedied in that several senior staff, brought in from outside, have asked to take external programmes. The new information technology manager (Mary Eccles) completed a part-time university Master's degree

programme funded by IT(UK) and a new development executive has an MBA from City Business School.

Some of the most senior managers and directors are graduates and have completed short-term executive programmes but the organization as a whole continues to adopt a schizophrenic approach to rigorous academic learning. Peter Symmond courts academia from time to time (he is an Oxbridge graduate) but then becomes cynical about academic business management research and training. Other senior directors enjoy the challenge of academic disciplines but seem to have an inability to translate their applicability into their own business world. The end result is that the organization has an inability to harness the strategic learning encapsulated in various pockets of the firm. As one of the business unit heads observed:

*Peter Symmond is a 'Jekyll and Hyde' character. He does believe that happiness and productivity are one and the same thing. But he cannot think strategically and external consultants thought him unable to have a view of the real world on a minute by minute basis. The result is that we don't have one set of agreed measures. Peter uses anecdotal evidence and if people can tell him nice things he thinks all is well with the world.*

(Don Clough)

## **HOW AND WHY IT(UK) ADOPTED THE LEARNING ORGANIZATION**

### **IDEA**

#### **Antecedents leading up to and creating interest in the learning organization idea**

1990-92 produced internal and external situations which radically changed the organization. For clarity in relating the contextual circumstances which impacted on

IT(UK) each context is dealt with separately. However, it is important to note that the two are inextricably linked as is illustrated below.

**(a) External Contexts**

IT(UK) was badly hit by the 1990-2 UK recession. Many British organizations axed training and development budgets. In turn, this impacted on IT(UK)'s customers. Many were no longer prepared to invest in training. At the same time, IT began to perceive that a change was taking place in terms of what organizations wanted by way of training and development. 'One-off' single consultancy events were increasingly being seen as having little long-term value for sustained business and personnel development. Organizations were starting to look at long-term relationships with training firms with an emphasis, over time, on more individual, personalized programmes which focus on people collectively buying into the general culture of the organization.

This change meant that the type of programmes developed by IT(UK) were in danger of becoming obsolete. The 'theatre skills' developed by the programme presenters, who in the past regularly presented day-long programmes to anything up to 200 people, were threatened. This change in needs also meant that if there was to be a change in product and presentation format many of the programme presenters would not be needed in the years ahead, and only those capable of adapting their skills would survive. The IT(UK) directors became acutely aware of this issue during 1991-92.

Changing needs in organizations began to match the IT experience in America. IT's ailing USA finances meant that the Danish parent company lost interest and Peter Symmond was permitted to take over the franchise in July 1987. He had embarked

on a programme which led to a number of cutbacks. He personally spent a great deal of time in the USA attempting to market the particular special style of programme presentation he had developed in the UK. He made a massive and expensive mistake. The programme format was wrong for the market at a time when American companies had already moved to the long-term, closer relationship style of training development which was about to explode on the British market. The recruiting of Americans to run the US operation came too late, as did the opening of an office on the East coast in addition to the one originally established in California. By early 1990 there was little return on the large sum of money (upwards of US\$2 million) which had been invested in the US by IT(UK).

In the Spring of 1992 Peter Symmond was nonetheless still able to secure the backing of the IT(UK) board to continue with the US operation, his strategy being that the firm could trade its way out of the problems. The strategy failed and by early summer it was believed the US operation would close. However, events at IT(UK) helped stall closure. A major review of management and administrative structures saw Peter and David Symmond more or less removed from the day to day operations. Each took a back seat and decided to take responsibility for a particular IT(UK) activity. In Peter's case he moved back to sales, marketing, and programme delivery. David divested himself of all responsibilities as managing director and programme presenter co-ordinator, and instead took on a mixed-bag portfolio including overseeing foreign activities encompassing Australia and the USA. He spent much of 1993 in the USA personally attempting to salvage the business. The events producing this new structure are dealt with later in the case study but mention of them now is important to understand how the US operation again managed to survive.

**(b) Internal contexts:**

To describe the multi-faceted aspects of any organization is difficult and even more so when concentrating on that aspect of activity described as 'learning'. Illich's description of learning as being 'unhampered participation in a meaningful setting...' means that the story of an organization has to be told so that all the various networks and cross-networking can be marshalled in some logical way to reveal the inner workings of the organization in an intelligible fashion.

To describe these activities therefore requires some kind of model to bring the data together. Many are available but the McKinsey 7-S one is very close to many of the learning organization descriptors and is therefore used here to enable the writer to adequately bring out the key ingredients which have influenced IT(UK) in its journey towards becoming a learning organization.

**The McKinsey 7-S Model**

The model used here to describe and analyse IT(UK) was first proposed by Peters and Waterman (1982) as a result of their observations that:

*...any intelligent approach to organizing has to encompass and treat as interdependent, at least seven variables: structure, strategy, people, management style, systems and procedures, guiding concepts and shared values, and the present and hoped-for corporate strength or skills.*

**Shared Values**

Mention has already been made of the influence Bo Ringren, the Danish founder, had on IT as a whole but the real motivating force behind IT(UK) has been, and is, its

chairman and principal share holder, Peter Symmond. A more detailed analysis of this influence is provided elsewhere in the case study, suffice it here to illustrate that, as a result of his business philosophy and general world view, IT(UK) has been able to generate a quite clear set of organizational values. IT(UK) is in the business of getting other organizations to be 'people centred' and it attempts to 'practice what it preaches' at its own home UK base. The shared values or general philosophy of the organization are therefore those espoused to other firms and concentrate on such activities as: change, training as an integral part of company life, valuing the work of others and inspiring them, and management commitment. The firm has a ten-point philosophy which is clearly stated in its publicity literature and encapsulated in its business mission:

*To provide quality programmes and products which inspire people as individuals, within teams and whole organizations, to perform at their best.*

Much of the training programme content IT(UK) markets presents life and organizational activities in neatly packaged units, each with a quick three-point answer or response for the issue in question. This has resulted in a remarkable and unique collegiate and collective responsibility between IT staff which overflows into the daily life of the place. It is the most welcoming of organizations with a genuine set of shared values. Don Clough (Director of Business Development unit) summed up what most employees feel about IT(UK):

*We all have to be good people managers, interested in what people do and have to say. We genuinely try to create an empowering organization and this is a strong thread here. There is so much to do you have to get on without looking for minute by minute guidance. People therefore give of their best.*

## Structure

The organization's values are further developed in personal relationships and organizational structures. The very nature of the IT(UK) main administration, located in a an old rambling, rabbit-warren like Georgian building, means that it lends itself to a departmental style organization.

However, a hallmark of the organization has been the large degree of openness of the directors, senior managers, and heads of departments to include other staff (the 'family members' as they are often referred to by Peter Symmond) in policy making. Nevertheless, it must also be noted that over the years this open style created an unease as a result of staff being able to contribute to policy but then wanting to make an even greater contribution.

Despite the desire to create a 'flat' organization developed by means of agreement, negotiation, and consultation, Peter Symmond's own maverick personality is perceived by many staff as getting in the way of organizational development. Staff relate many occasions where he has overridden decisions and/or made judgements without consultation. Greatly influenced by Charles Handy's book (1989) 'The Age of Unreason', Peter Symmond set about creating an organizational structure to underpin Handy's ideals. A Planning Team was established, headed up by Peter, with each department represented on this committee. The idea was good in theory but failed in practice. Either departmental heads failed to share the outputs from the Planning Team meetings, or did not seek departmental staff opinion on issues prior to Planning Team meetings. Another factor observed by the researcher was the fact that far too little time was given to Planning Team meetings and too many items were included on agendas.

A Management Group was also established under the chairmanship of David Symmond to direct the firm's day to day affairs and finances. The programme presenters, known as Programme Directors, also came under the direct control of David and separate from these two bodies were the staff in the various departments.

The success of IT(UK) rested with the performance of the Programme Directors delivering the change message programmes to large audiences. They secured for themselves an almost inviolable position in the organization and established themselves as the key star performers.

### Style

Undoubtedly, the shared values and structure of the organization stem from both the Symmond brothers' own personal style and character but underlying these, and sometimes working against them, are the management styles of other senior departmental heads with their own career ambitions and agendas.

The style of the company is affected through and through by Peter Symmond. As he acknowledges:

*IT runs as an extended family and is heavily influenced by my personal values. This is quite overt. The fact that I am the major shareholder is secondary to me. Moulding the culture and manipulating it are the key things for me.*

(Peter Symmond: Chief Executive/Chairman)

Some people in the organization believe that it is difficult to argue with someone who holds almost sixty per cent of the shares. Until 1992, when major changes took place, a two-style management system existed organized around each of the brothers. Peter permitted himself to be exposed to a vast range of new and innovatory ideas whereas

David represented everything traditional and formal with the company looked at first and foremost as a money making venture. The common thread that works between them is probably that of paternalism for both do have a great concern for the well-being of others. But up to 1992 neither of them was a great delegator. Their characters are such that they involve themselves in matters which should not concern them simply because of their own need to be wanted. This made them limited in their ability to grow themselves and their business and even more so in their ability to make decisions:

*We do get over-worked and over stressed, and this further reduces our decision making ability. We find it difficult to recruit and absorb senior management so nearly all of them have ended up being home-grown.*

(David Symmond)

The two brothers regard the management and organizational style as being 'informal', and indeed it is. Each brother has a different approach but the one common strand is their joint approach to business ethics - that is, they insist the organization be a caring one. Peter Symmond describes himself as 'the concepts person' and David as 'the facts and figures man'. The two approaches have sent out different messages to staff, which the two brothers are aware of, as each seeks to secure supporters throughout the organization.

Peter Symmond envisaged learning for IT(UK) being about:

*...the organization becoming more focused, with a greater emphasis on the customers needs which, in turn, lead to an entrepreneurial culture based on a new 'think' which has a customer focus.*

The description of the IT(UK) management style in 'Management Today', quoted earlier seems apt.

## Staff

Towards the end of the 1980's IT(UK) employed approximately 130 staff supplemented by occasional part-timers. By 1992 staff had been reduced to around 85 people, mainly due to the need to cut costs and also as a result of introducing new technology. Within its own sector IT(UK) can legitimately be regarded as a large company but in the overall scheme of things is clearly a small-medium size enterprise.

By 1990 well over 60% of staff were women. Of these 88% of the main sales team were female. *This figure is important in that the people actually presenting the programmes, and hence what the external world perceives IT(UK) to be about, were largely male (72%).* Up to 1990 there was also what the senior programme presenter termed 'a friendly unease' between the sales force actually securing the business and the Programme Directors (presenters) who delivered the programmes and who, in turn, earned large sums of money when compared to the fixed salaried sales team.

By 1990 no women occupied senior management positions nor had a seat on the board, yet the majority of other administrative 'influencing positions' were filled by women.

As already noted, IT(UK) staff have largely been 'home-grown' and the majority of senior posts are now occupied by people who have developed by working with IT(UK). Initiative has been rewarded with promotion. - However, it has led to a somewhat parochial and limited view of the external environment and a rather blinkered view of the commercial world and how markets operate.

The most senior personnel, including the directors, became anxiously aware that they lagged behind in terms of their personal academic training, although, as already noted, there were attempts to correct this by means of attendance at university and other executive training programmes. Conscious of the fact that the organization did require some form of professional management, the Symmond brothers' recruited several external people from other companies to head up the main organizational functions such as accounts, marketing, and development.

The arrival of Geoff Stead from a major vehicle professional association, where he had been sales and marketing manager for the financial services section; Don Clough from a major Channel crossing ferry company where he had been marine operations manager; and Anthony Speed who had also been a sales and marketing manager with an off-shore electronics firm, began IT(UK)'s progress towards a more professional management base. However, the arrival of these fairly individualistic and often forthright people meant that it was inevitable that conflict would occur, especially with Peter Symmond when in intemperate mood. Much of what occurred later centred around internal character conflict.

### **Skills**

The origins and growth of IT(UK) in its early stages meant, as already noted, that it grew its own skill base, adding to it as and when needed. First and foremost, was the need to build a skill base of presenters who had the ability to address and motivate large scale audiences - what later came to be described as 'theatre skills' (Hendry, Jones, Arthur, and Pettigrew, 1991). IT(UK) can be said to have developed the art form of presenting programmes to mass audiences with a very high charismatic, almost evangelical, religious flavour to them. The ability to enthral and enrapture has hitherto been regarded as a key ingredient of IT(UK) success.

Personal skills, and the ability to fit into the IT(UK) culture have also been key factors in recruiting staff. Overall, the skills base can be described as varied, with particular emphasis being put on communication and analytical skills, peppered with the ability to get on with people. What has been significantly absent is business management acumen. Geoff Stead also considered that more people were needed to be brought into the organization with critical and analytical skills, to challenge what is done so as to break the prevailing culture.

The issue, like many others, was addressed, but in half measure. Mary Eccles was recruited as Information Technology Manager and she quickly earned herself a great degree of credibility. However, as David Symmond pointed out:

*The flaw now is that she has almost unbridled power and control over IT in the firm simply because of a lack of knowledge and understanding on the part of the majority of other staff.*

In other words, this could lead to the implementation of policies and practices, which may be inappropriate, based solely on the intuition of one person.

The Programme Directors were originally recruited for their performance and theatre skills. Up to 1990 the people making up the team of presenters had been recruited from all walks of life and included a former postman and a school deputy headteacher. To meet the changing market place the firm identified an initial group who seemed to have the flexible skill requirement needed for the future, and subsequently made the other directors redundant. The new-style programme presenter had to be able to sell-on additional IT(UK) services and products as part of their presentations in firms. Whether through lack of foresight, or simply because of the unknown nature of people development in organizations, IT(UK) had neglected

the personal and professional development of its programme directors. On the other hand, it was felt within IT(UK) that the presenters were very difficult people to deal with, many adopting a primadona role.

This problem of 'inheritance' and 'succession planning', as they relate to skill development and acquisition, is typical of many large and small firms (Hendry and Pettigrew, 1987) and IT(UK) simply provided further evidence that these two important issues are largely ignored in owner-operated organizations.

The parochial and unsystematic approach to skill acquisition and development, with the emphasis on the 'home grown' staff member, meant that many staff developed in a vacuum unaware of their customers needs, thus resulting in a business which is product focused rather than customer led.

IT(UK) staff turnover was, and remains, small with pregnancy causing most to leave. Staff, including the company chairman, have in recent years started to marry one another, thus creating an even greater incestuous skill and family base.

The location of IT(UK) was generally acknowledged by most staff to be conducive for work and had a price tag all of its own. For people living and working in a delightful country village, pay and conditions are good and are important factors in retaining staff. In addition to the training and other benefits given to staff, a profit-share scheme was added to the list of benefits in the early 1990's.

Aware of many of the weaknesses and shortcomings of the organization, the two Symmonds' brothers never shirked from addressing issues as and when they arose. However, they have often been reticent to act once a solution emerged. Therein has been a problem - that is, waiting for events to happen and then adopting a policy of

doing something once the 'horse has bolted'. This inability to act was perceived as a lack of critical thinking skills:

*Competency for directors includes critical thinking. Don Clough has high critical thinking skills but Peter Symmond is poor at this. F H Consultants assessed us all on our critical thinking and Don and I came out on top. David has good financial management skills and Peter visionary/motivational ones, but they completely lack those which can bring these together and drive the business.*

(Geoff Stead: Director-Marketing and Customer Services)

Nonetheless, outside consultants and advisors tended to be the source of internal change and development. Inside the organization, it was often felt that the use of consultants simply served to act as a reflective barrier and that the consultants the brothers listened to were those who basically supported their own thinking.

In the past much of Peter Symmond's erraticism proved to be successful, or at least it was harnessed and controlled by others. The organization successfully achieved a number of prestigious awards, including that of 'Business of the Year'. It was also voted best training organization in Europe by the Economic Community in Brussels.

### **Strategy: the organizational response**

Mention has already been made of the external contexts to which IT(UK) had to respond but the organization's response to a range of additional interlocking factors and situations is dealt with here in more detail.

IT(UK) seemed to require no overall strategy for the development and sale of its products until about 1988. Up to this time the company was able to ride on the back of the success of the materials developed by the parent company in Denmark. The

major airline contract accelerated interest in the firm almost overnight and word of mouth communication stood IT(UK) in good stead. The short-termism approach to marketing and product development then began to collapse early in 1990 as recession hit the British and general European economies at a time when companies were also re-thinking their human resource and training needs. The virtual collapse of the IT(UK) US activities added pressure for a complete re-think of strategy across the whole organization.

It was the coming together of these factors which created the internal turmoil. The family culture was probably the one thing that enabled the company to come through this tumultuous period. A number of sub-factors also fuelled the much needed change process. These included: a redefining of the nature of the programme presenters roles and that of David Symmond as their co-ordinator; the personal search by the two Symmond brothers to clarify their own working lives and address the issue of succession; the professional and personal development of Clough and Stead, key players in the success of the firm's future growth and who wanted recognition for their work in terms of personal status and reward; a need for a clear statement of organizational purpose and value; and a need to shed staff to reduce expenditure. IT(UK) needed a new mix of skills, business products, and organizational systems. How to achieve this was the crucial issue. It needed new capabilities and it became clear that these are only acquired through new learning processes.

The company set about creating a range of committees and groups to allow for maximum communication. The emphasis became one of who was best to lead a particular project or address a special issue rather than basing management on managerial status. At the same time how, when, and where learning activities could occur became matters of concern. By the middle of 1990 things reached a peak. The idea of encapsulating and exploring new ideas in a structured way, linked to a specific

project, led Peter Symmond and his board to consider the creation and development of a learning organization. Genuinely inspired by Peter Senge's work on the theme of the learning organization, and perhaps seeing it as a potential new management and business fad which IT(UK) could develop, Peter Symmond felt that it would be possible for issues and ideas to be raised which would interconnect one organizational activity with another and, more especially, enable the firm to identify clearer core skills and personal and organizational capabilities for the future. In this sense, the events up to this point can be seen as the first wave of learning organization activity.

### **Systems**

For the purpose of this study 'systems' are understood to be those processes, both physical and administrative, which support the organization's goals. In this context IT(UK) has a number of systems which support its goals and most focus on information: a product telesales ordering system, an invoice and credit control system, a ledger and accounting system, a stock control system, an externally provided customer database, and a sales and marketing process.

Other systems include a variety of committees to oversee the general running of the company, together with a range of committees and specialist groups to develop new products. However, there is no overall system or strategy to consider how each system fits one with another. There was no initial marketing and commercial strategy, the firm being controlled by the parent company in Denmark.

### **The formal adoption of the learning organization idea**

By the middle of 1991 a variety of people in IT(UK) were starting to articulate what needed to be done in terms of growing and sustaining the business. Much of what

was being stated crossed the various 7 McKinsey factors, although there was no clear correlation between each of the factors in the minds of most people at IT(UK).

Personnel identified these issues as being crucial to future development:

*- need to grow the business beyond a £14 million turn-over and adopt of cultural dimension which could make it a medium size business instead of an entrepreneurial small business*

(Don Clough - Sales Director)

*- constraint imposed by the franchise relationship with the parent Danish company and the Bo Ringren and Peter Symmond relationship*

(Peter and David Symmond)

*- a growing belief in the organization that the Planning Team had lost its sense of direction, especially so when family board members also formed part of the Planning Team and effectively vetoed many of the decisions proposed by the non-family members of the team*

(Don Clough, Geoff Stead, Mary Eccles)

*- the overwhelming need to change how the external environment perceived IT(UK), thus necessitating a move away from time management programmes to ones which focus on total organizational solutions. In other words, a whole new range of products needed to be introduced to provide IT(UK) with a new image*

(Geoff Stead, Peter Twigg, John Pitt, Kate Jackson)

*- the need for a different type of programme deliverer capable of doing more through having a greater in-depth understanding of each customer's business*

(Peter Symmond, Don Clough, Jane Smith)

*- the urgent need for Peter Symmond to address a number of conflicting managerial and personal characteristics, these having been brought to a head by the involvement of F H Consultants. This management psychology consultancy was brought in by the brothers to provide an organizational audit.*

(Don Clough:Sales Director)

*What is needed here are clear measures of success. David Symmond thinks these are simply financial while Peter uses anecdotal evidence.*

*The IT(UK) style is messy and they control by depersonalising themselves and refer to 'the Board', which is essentially them and the family. In open forum F H Consultants told us the brothers should step back and suggested to them that I be appointed MD and create subsidiaries.*

(Don Clough:Sales Director)

Thus, constrained by '...an illogical...iterative model of ....planning ...driven by the managerial understanding of the environment and knowledge of what tactical imperatives exist' (Piercy et al 1989) it became increasingly clear by 1991 that a different planning, strategy, and management control pattern was needed. The organization had to rapidly learn the difference between 'strategy' and 'tactics' on the one hand, and their relation to 'marketing' and 'management systems', on the other.

### **Unlocking and unfreezing the organization: the impact of developing learning organization strategies**

To understand what subsequently happened Ling (1990) definition of strategy and tactics seems best to illustrate events and activities. A 'tactic' is about the management of resources in relation to the market and competition whilst a 'strategy' is defined as the manner and extent to which senior management put a company at risk to achieve selected objectives.

### **Strategy and Tactics**

Further committees were formed and re-groupings of people occurred. IT(UK) had always been bad at learning from its mistakes. There was an intent to change but this was always scuttled by Peter Symmond's so-called entrepreneurial spirit which simply does not allow him to take time to plan in detail. Using a new set of organizational labels and symbols, IT(UK) continued until October 1992 to 'run around managing

chaos' (Don Clough). Staff felt that the senior managers and directors did not allow people to get on with the job they were paid to do, thus slowing down the decision making process. However, the one good thing the company is good at is financial house-keeping and to this day it has never borrowed money. Thus, the accountants (Paul Penn and David Symmonds) continued to control events through financial measures.

The company set about trying to learn what was needed for the next five years. It was faced with two options. Either, it continued to offer time system management programmes, having as its main market the developing countries, or it set about devising new programmes. The latter option was selected but this gave rise to a potentially new set of events which could re-create the same circumstances of 'illogical planning'. More working groups and sub-groups were established to concentrate on new product development but many staff felt that little headway was being made in these areas because the management style and systems remained more or less the same, with Peter Symmond being able to hi-jack meetings and decisions almost at will.

### **The market place and product development**

Having had a great deal of success with the initial products there was a great staff reluctance to introduce new ones. IT(UK) was also harnessed to the parent company franchise agreement that no differentiation of product should occur without permission being granted by Denmark. IT(UK) proceeded to ignore this requirement.

At this time it also became increasingly difficult to sell IT(UK) products and programmes.

In the past a set of training principles seemed to apply to all situations. Now, people were wanting programmes linked to their specific specialism be it marketing or human resource management. As already noted, most IT(UK) staff did not have these skills and knowledge.

Geoff Stead (Marketing Director) and Don Clough (Sales Director) found their work overlapped and friction was getting worse, although each allied with the other against the Symmond brothers, both of whom Stead and Clough continued to see as obstacles.

The brothers then allowed a wide variety of people to give input into how the product line should be developed and the marketing arranged, but as one programme presenter, who moved over to product development, observed:

*Peter Symmond empowers you to do something but then does not give you the authority. He is impossible to work with. Communication is bad here because although we have open communication on the surface we don't communicate our roles and no one is sure about the boundaries. Even if you get to speak at senior management meetings you are aware of the games which go on there and decisions are made at an emotional level all based on Peter's view of the meeting.*

(Gill Plant: former programme presenter)

The bottom line for IT(UK) was that it needed to have fewer programmes and clients and to earn its money by means of volume business with an established portfolio of customers.

### **Management style and organization**

Mixed up in the internal wrangling was a personality and power battle. The externally recruited professional managers, such as Stead and Clough, were charged with the responsibility of ensuring new business was produced. In so doing they felt

they should input into strategy and policy decision making, not simply its implementation. They also wanted professional status in their own right, to be left free to 'run their own ship'. The personality battles with Peter Symmond continued, and Peter and his brother continued to manage IT(UK) in much the same way as they did before, with care and concern for people, asking them to participate, but never giving people their heads in terms of devolving complete responsibility for a specific task.

Aware that the company was at a cross-roads, especially so with the resulting loss of business in 1991, a decision was taken in June of that year to dramatically reduce staff. It saddened the whole organization and the day (18 June) people were made redundant became deeply embedded in the organization's history. The day became known as 'Black Tuesday'. At the same time an external consultant (Nigel Boswell) was engaged to radically overview the organization. This coincided with Clough and Stead going on an executive training programme at Ashridge Management College. The Symmond brothers' also agreed to let people like Stead have greater authority. However, they wanted not simply authority of action but also of implementation. This challenged the role of the brothers' and generated further internal conspiracies.

The confrontation peaked. Stead, Clough, and Scott Shaw - the senior programme director, questioned Peter Symmond's wisdom in his interpretation of what the market needed and his ability to drive IT(UK) forward. A board meeting was held to discuss their fate. The brothers' took back power and control and put themselves back onto virtually every committee and working group which existed, thus enabling them to again intervene at will. Shaw resisted the brothers' policies and resigned prior to the board meeting. All three felt they could, at that point, 'be down the road'. Clough and Stead survived and Shaw, who was hoping 'to be persuaded to stay' was allowed to leave.

Peter Symmond was greatly unsettled by the internal rows. They only served to undermine him further because the management psychology consultancy, F H Consultants, had already indicated that, in their view, and as a result of putting everyone through a psychometric test, the organization was simply going down hill. The consultancy had also reported that certain senior staff within IT(UK) should not be doing the jobs they held. The most extreme example was the chief accountant, Paul Penn. He was judged to be wholly unsuitable and yet was widely seen within the organization as a key individual contributing to IT(UK)'s financial success.

*Paul Penn is with us today because he failed his final accountancy papers so he stayed with us. God sent this man I'm sure. He is deep-thinking and a people first person. That is what we need and what counts.*

(Peter Symmond:Chairman/CEO)

The decision making process subsequently shifted from one group to another. Clough, Stead, and other senior managers continued to develop products and policies only to find them hi-jacked by Peter Symmond, or David on commercial grounds. Many plans and initiatives were conceived but few were implemented. Conflicts continued largely because of disagreement about future products, business strategy and tactics. Peter Symmond's own personality continued to create tension. Although liked, and even though staff saw him as a visionary leader, the overall conclusion and feeling about him was summed up by Stead:

*Peter is a visionary and a dead-leg. There are times he 'walks on water' and other times when he needs to have structure. He is driven by guilt and his mother's reluctance to take to him. He needs to have people love him and therefore needs to be admired.. IT(UK) has become his extended family. His own church and theological background has enabled him to offer Christianity within a business context in a palatable form. He has the attention span of a 13 year-old and just can't leave things alone. He just fails to be consistent over time.*

(Geoff Stead)

Peter Symmond's work and organizational ethic was, and is, the key issue driving IT(UK) and underpins much of how the organization operates. He originally read for a Theology degree and retains an interest in main stream Anglican and Roman Catholic theology and practice. By mid-1992 little had changed and IT(UK) faced the need to create a consulting team to manage the company. This is where IT(UK) had got to in its struggle to create a learning organization culture based on the Symmond brothers' emphasis on a caring ethic which values people first, and exemplifies itself in the way it does business.

Peter Symmond's commitment to this idea is important in the development of IT(UK). In recent years he persuaded his fellow board directors to spend money on a special place, known as 'The Learning Centre', just for IT(UK) staff, where formal and informal teaching and learning could take place. The purpose built Learning Centre was opened some two years or so ago with every modern technical teaching aid and small case study/meeting rooms. Time was also set aside so that all staff could have 'red letter' time, that is space during the day and week to take time out to learn and/or reflect on work. Underlying this training and development was Peter Symmond's view that people exist to explore relationships, and the greater the exploration, the greater the understanding which will ensue and the more complete the contribution an individual will make towards society. For Symmond, learning, purpose, and ethics go hand in hand with business development and practice.

Peter Symmond's personal management style and philosophy raises a key issue of 'evaluation' and how he defined 'success' contrasted starkly with his brother's views:

*This business is about maximising profitability -that is, getting a return on assets. Cash generation is the key to success.*

(David Symmond)

*This business is about people growing themselves first so they can, secondly, grow the business.*

(Peter Symmond)

Peter Symmond was perceived as 'the ideas man' and David as the 'facts and figures person'. The two brothers were aware that they send out conflicting messages. David summed up the two brothers approaches thus:

*If you want someone to walk over a cliff, call Peter. If you want someone to measure the depth of the fall, call David.*

Thus, both came to the idea of the learning organization with a different perspective and hence their evaluation criteria were quite different. Peter tended to let things drift and judge things on a long-term basis, the longevity being as long a time period as suited his purpose. His handling of the American operation was a good case in point. Had David had his way the US activities would have been abandoned. In the end, David's personal intervention in the US activities saw the company actually going into a profit situation.

## **SECOND PHASE OF LEARNING ORGANIZATION ACTIVITY**

### **Corporate Responsibility: the IT(UK) ethic of learning, value, and purpose**

The sense of corporate responsibility has always been a IT(UK) characteristic. It was a staff decision, for example, that the organization should be a smoke-free zone. Anyone wishing to smoke does so outside the building. The salaries of directors are revealed and openly discussed, as are the type of leased cars senior members of staff obtain. The company donated the equivalent of £250,000 in time to the last British

Olympic team and provided time management programmes for both athletes and team managers. Locally, the company helps fund a wide range of community initiatives and encourages staff to develop their outside interests in the work place - for example, the credit controller and his wife operate one of the country's most successful medieval madrigal groups and if competitions happen to conflict with work time off is provided in work time to enable the credit controller to attend national and international events.

But the concentration on ethics is much more deeply rooted than in superficial activities of this kind - for example, Geoff Stead abandoned annual staff assessments in his part of the organization. He saw such systems as demeaning and elitist. Instead he put in place a system of 'mentoring', and planning is organized as a team activity. People only perform according to the context into which they find themselves. Change the context frequently and his perception is that people perform better. A range of monthly meetings were also introduced at which anyone can say anything. Open criticism is encouraged, but as Stead notes:

*Criticism is attempted in a positive way but the real problem is that the academic or intellectual elite in the organization sometimes take swipes at others which is demeaning. So, we have to watch this.*

There is a real sense in the organization that because the main service or product is one of changing people and cultures then this can only be done in an ethical and moral way.

*The minute we put product and personal quality on our product list we engage in ethical and moral activities. When you are dealing with human resource management issues we need to be squeaky clean.*

(Geoff Stead: Customer Services Director)

The company does not use corporate entertainment to attract custom. Instead, they have a number of open days to which firms are invited to look at IT(UK) products and the most that is given away is tea and cake.

It would be foolish to imagine that internal strife and conflict never existed at IT(UK). This case study has already demonstrated such conflicts existed. However, what the organization is able to do is to manage the conflict by using a range of open and group meeting sessions so that it surfaces and issues are addressed, even if at times they remain unresolved.

Determined to put the value issue at the centre of IT(UK)'s new product line Peter Symmond decided, in May 1992, that the time was ripe to bring in yet another consultant. This person's task was to accelerate value and culture change in the firm, and to act as a focus to bring the company together again after the redundancies and the organization's seeming inability to re-organize itself for the future and develop new products.

### **The role and use of the external consultant**

Peter Symmond had known Peter Twigg for many years. Twigg had been a senior consultant with IT(UK)'s main competitor and had written a number of training and personal management and development books. Peter Symmond simply announced (January 1992) that Twigg would be joining the organization and that he was to have access to any part of the company. After some months Twigg also took on the task of developing a new programme for the programme presenters to take into the market place which concentrated on individualized tailor-made organizational development. At the same time, Peter Symmond's wife was given the task of writing a range of new materials and product lines. A powerful woman in her own right, having previously

worked as a trainer at the national fire college, and having been with IT(UK) for many years prior to marrying Peter Symmond, she took up this challenge and rapidly gained the respect of many in the organization. This appointment seemed to accelerate the understanding that new product lines and their marketing was an issue which needed urgent attention.

*We too readily box life in with the jargon we use. We seem to have a module for everything and think life and its problems can be readily managed. Life simply is not like this. We need more 'left brain' analysis here.*

(Don Clough: Sales Director)

The 'right brain' approach to life, which already existed at IT(UK), was exacerbated with the arrival of Twigg. He brought to his new job a style of operation which much reflected what IT(UK) preached to other organizations. His zealot-type, albeit quiet approach to organizational development, rests on 'visioning' and 'missioning', although it must be stated that he saw IT(UK) was in the process of:

*Moving from the leader-as-hero to leader-as-expert and technician.*

Twigg was quite clear in how he viewed organizations, and indeed the world in general. His philosophy was in line with that of Peter Symmond. Both wanted to improve the general lot of people in organizations and society itself. However, life for Twigg seemed to be 'trinitarian' in that he had a three-pronged response for almost every question put to him.

*There are three types of people in an organization. The visionary, the people manager who makes things happen, and the implementer who gets things done. But above all else, the top team has to lead the change. The problem with top teams is that they get fed up with this. Peter is the visionary, David the implementer and I could be the people manager but the time is not right yet. The alternative is management and team meetings linked to quite specific goals. Teams in a 'knowledge organization' need clear goals but here they are all over*

*the place because of the family ownership and Peter's creative entrepreneurship.*

(Peter Twigg: external consultant)

Twigg sought to get meetings to have three goals and three objectives, and to focus on what he perceived to be the organization's strengths not its weaknesses. This trinitarian approach to life proved to be a source of contention between Twigg and those senior managers (Stead and Clough especially) seeking a greater stake in strategy making. Twigg was initially perceived as an academic light-weight, although some of his training ideas were acknowledged as being useful and sound. This perception of him was not helped by the fact that he continuously carped at academia, and frequently told the story of how he failed everything at school, worked on a factory shop floor for much of his early life, and then suddenly found education as a mature adult. He eventually went to university but left after three months, with the view that 'packaged education is a waste of time', a view he tends to still hold to the present day. He is a widely read and articulate individual and believes learning is about 'choice, relevance and the totality of involvement in life.' As at July 1992, Twigg was three months into his new job and observed that he saw his role and task thus:

*I have a personal plan of wanting to make a better planet for the future and I see IT(UK) as part of this plan. The future is about design and delivery and for IT(UK) this is about thinking the unthinkable. IT(UK) needs a new language in its programmes, not one of 'competitive edge' but one which emphasises 'hearts and minds'. Organizations need to revisit the ideas of the great educators of the last century and learn again how to emphasise the human whilst being street-wise. IT(UK) needs to put this ideal and message in place in its own activities and organizational style. We now need to be caring, to create positiveness through encouragement, so as to produce enterprise and excellence. This is what has to be learned. We have to live this message in our own organization.*

(Peter Twigg: consultant)

Twigg was also clear about the future management style and ethos:

*We can't go forward and have an evangelical type approach in the future. We need to grow organically. IT(UK) will be recognizable but transformed within three years.*

His trinitarian approach to life and business practice also endeared him to the general staff in that they had always been:

*Good at learning anything that is simple and has a model but bad at learning anything which requires detailed planning. Everything here has to have a picture.*

(Ann Long: Programme Director)

But, Pegg's belief that the business had to move more towards independent one-on-one consultancy rapidly brought him into conflict with the programme presenters. Their skills were threatened as the newly proposed products focused less on large-scale delivery training and more on tailor-made courses and initiatives.

### **Emerging themes in product development**

Before Twigg's arrival discussion was already underway between programme presenters and senior management as to what the future would look like. It was perceived by some that the needs of customers were not changing dramatically but the method of delivery had to be different.

As already noted, customers were now more sophisticated, and there was fragmentation and specialisation as a result of people attending degree and other programmes. People were tending to want case study examples relevant to their professional specialism. IT(UK)'s weakest point was again seen to be its anti-intellectual approach.

Many of the more forward thinking programme presenters saw their role, and hence their product, as providing 'envisioning' products and services in organizations so that companies could begin to think 5-7 years ahead, rather than on the immediate level. Equipping people with such creative skills meant that IT(UK)staff needed to acquire and develop them first. In turn, this meant a completely different operational, marketing and product strategy.

### **New products and customer needs**

Much disagreement ensued between the various departments. Twigg's arrival accelerated the process because Peter Symmond immediately allowed him to set about writing a new programme centred on organizational culture change, values, and purpose. He subsequently 'taught' the programme to the programme presenters and senior management. This was then used as the start of a new product launch of customised programmes with Twigg mentoring the presenters before and after they delivered the programme to clients.

Twigg also began to review IT(UK)'s operations. By talking to as many people as possible in the organization, and considering the external consultants' audits, he concluded that administrative and organizational change was needed on the one hand, combined with new product lines and marketing direction on the other. He perceived the two Symmond brothers' had become managerially paralysed. They knew change was needed but did not know how to deal with it. Twigg speeded up the change process.

In October 1992 a major change occurred. At the end of a senior management day's conference Peter Symmond announced changes to take effect from 2 November 1992.

To show that the changes were not open for discussion Peter Symmond circulated a memorandum explaining the new business focus and organizational structures. The staff perceived the announcement as a Peter Symmond 'pronouncement', as if he had just suddenly come to the decision to change. However, it transpired that behind the scenes work had been going on since August to bring about the change. Privy to, and involved in the discussions, were Peter Symmond's wife (June Breeze), Twigg, and Nigel Boswell, the consultant Peter Symmond had already used as a personal mentor. David Symmond seems to have been included at a late stage just prior to the formal announcement to the staff. The three key people about to take charge of the organization were not involved in the discussions. They were eventually to be simply told what their new roles were to be in the future. Peter Symmond concluded the announcement with the dictum that the whole organization had to learn to do things differently and concentrate on greater communication and personal development skills.

### **The new IT(UK) management grouping**

It was noted in Chapters 1 and 2 that Kanter (1985) observes that the most successful organizations handle change and bring about transformation by 'operating at the edge of their competence.' In one sense, Peter Symmond pushed the organization, and more especially himself, to do just this. He announced that he and his brother were backing out of the day to day management and 'giving the senior managers their heads.' Paul Penn, who had hitherto been the chief accountant and finance manager, became Managing Director of the whole company and head of the 'Business Unit: Support Services', with the proviso that his role and department was to act as a general resource for the rest of the company. Two new units within the company were created, each with their own budgets. Geoff Stead was made head of the Customer Services Unit and Don Clough headed up the Open and In-company

Programmes Unit. The two of them were to report directly to Paul Penn, although they were to be seen as managing directors of their units in their own right.

This new arrangement surprised and annoyed people. Stead and Clough were disappointed in that each had thought he would become managing director of the whole organization. Both believed the Symmond brothers had played safe by putting Penn in overall charge. Stead and Clough felt that Penn would not be able to handle the job and was intellectually incapable of thinking strategically.

*I find it curious when a man (Peter Symmond) who admits he's no good at organizational theory and practice decides to impose a structure on this organization and tell people how to fit into it. He hasn't thought this through in terms of communication and people's feelings. My attitudes now swing enormously. It's no good being director of a business unit if you can't impact on the entire business strategy.*

(Don Clough: new head of unit)

Penn saw things differently. His perception of the market place was one which wanted IT(UK) to continue to focus on the development of individuals in organizations. His philosophy, clearly much influenced by Peter Symmond, was that by changing individual perceptions you begin to change the organization.

*Organizations need to focus on enabling individuals to learn for themselves. We need to switch lights on for people so they can turn the rest on for themselves.*

(Paul Penn: IT(UK) Managing Director from 1992-93)

Penn articulates the IT(UK) value/ethic ideal again and concludes:

*Simply going for money returns all the time does not mean you are building up the business products or financial basis for the long-term. Growth means finding new ways of empowering people and widening a person's experience.*

Penn had a short time earlier attended a university executive management course. His assessment of the programme was:

*I enjoyed my experience there. I used the programme to get a feel for myself and I was able to match my skills against those of others in industry. My confidence was boosted in that I realized I am as good as other senior people in large organizations I have always looked up to. I took a nasty buck from F H Consultants which completely demoralised me.*

Of the new management structure he was less clear. What was completely unknown to him was the future role of the Symmond brothers. In fact, Peter opted for going out into the market place to sell programmes. He was successful, securing large contracts with organizations such as the British Broadcasting Corporation (BBC) and a developing vacation venue venture in Southern Africa - probably the largest of its kind in the world. David took on a 'wandering brief' for Australia and the USA where he brought the activities into a viable position.

As soon as the changes were announced staff believed Clough had been given too great a burden and responsibility. The 'unfreezing' of the organization was supposed to occur to create transformation in terms of organizational systems, put greater emphasis on inter-personal skill development, and the opportunity to develop a greater strategic responsibility for marketing and product development. A new organizational equation had been developed. Whether it was to be the right one was precarious from the very beginning because of the Symmond brothers (Peter Symmond especially) maverick approach to running the business.

Twelve months later.....

The ensuing twelve month period to October 1993 saw a great deal of activity in terms of product development and IT(UK) repositioning itself in the market place.

The acquisition of new large customers provided a renewed confidence but the internal management and personal conflicts continued.

By March 1993 (almost six months into the new three business unit structure) great dissatisfaction was emerging:

*I warned Geoff that the three unit autonomy would cause problems and I gather from him that Peter has started to interfere too much. I used to spend time with Geoff whereas now I don't see him. Before we were together 6-8 hours each week. I feel more controlled than when I was Sales Director because I have sales and production of programmes now. David and Peter are paranoid about controlling the programme presenters. They want any messages to come from them rather than us.*

(Don Clough)

Having opted out of the formal management structure each of the brothers started to find out what was happening in the organization by other means. Clough observed that:

*David is now using informal means to get to know what he wants and is using this process to influence things. Another example is how Peter influenced the recruitment of new programme presenters which I am responsible for. I invited people to come for interview, Peter heard about this and then sent me a file over for other people he wanted to be considered. The levels of control by the owners remains high and they try to hide this and apply tactics which mask the ownership/control issue. Antony hates his role of not being involved and we are now having to deal with new problems - his emotions.*

### **Refining learning organization ideas**

In terms of creating a learning organization the focus moved more towards three of the seven McKinsey variables. The concentration and effort became one of looking at strategy, new systems, and skill development. Whether this combination of variables

was correct would probably be revealed within the following twelve month period.

Twigg insisted though that the next three months would be crucial:

*We will see within three months if this is going to work. IT(UK) needs to focus on the customer and provide the structures to enable us to meet their needs.*

The uncertain variable, in the form of the Symmond brothers' inability to stick to a strategy for any length of time, was still present and this was a cause of great consternation.

*IT(UK) is a family business and this fashions things. Peter Symmond's inclination is almost communist. He wants the place run by equal partners but as soon as a decision is made he challenges it. He decides what he wants to do and then spends great periods of time convincing us about things. We always get our ideas hi-jacked.*

(Don Clough)

IT(UK)'s history had always been one of turning itself inside out and creating new structures and systems, only to fall back on old practices within twelve months. David Symmond justified this by claiming that any organization should analyse and change its policies every twelve months.

The writer's own initial investigation into the literature and practice of the learning organization (Jones and Hendry 1992) revealed that when enterprises adopting learning organization strategies seek to change they may go through four or five phases of transformation. The fourth phase involves the organization being concerned with such matters as changing structures, learning how to learn, engaging in things like change in work practices, concentrating on how business is acquired, and a concern for human values in the work place resulting in the organization being competitive, not just in monetary terms, but also in social and ethical ones.

In many respects IT(UK) demonstrated a number of fourth phase learning organization characteristics at this point in its development. On the surface its systems and practices replicate many of the concerns, activities, and measures for achievement identified in the earlier chapters of this thesis. In addition, the firm itself is clear, in theory, as to what its learning organization principles and practices should be like in the future.

### **OVERALL CHANGE, LEARNING AND TRANSFORMATION**

IT(UK) did not have a grand plan in terms of its own learning organization implementation strategy. At the core was Peter Symmond's belief that learning means communication and *communication means building on and developing personal relationships*. The majority of staff felt that both change and transformation occurred during the two year project period and that it takes two years to begin to grasp what being a learning organization is all about.

Assessing the success of learning organization implementation proved difficult both for the firm and the writer. Of course, the company engaged in staff development and training, and encouraged personal initiative. However, activities and attitudes began to emerge and take shape which were not of paramount importance two years previously. The strategy of empowerment unlocked talents and produced involvement which had not been present before. Adopting a learning organization implementation strategy saw staff starting to focus on these broad issues:

- \* questions to do with organizational purpose and values

- \* the 'moral and professional' competence of managers and what this means in practice for the company
- \* expanding people's competence and using their wider skill base
- \* perceptions as to what was learned about what being a learning organization is about
- \* the need to have a clear management and organizational decision making strategy

### **Organizational purpose and values**

Throughout 1991 and 1992 there were many general staff meetings, and small senior executive think tank sessions. This enabled Peter Symmond and the senior directors to gain the widest possible views of as many people as possible about a wide range of issues and practices, although in the end the management and operations restructuring was Peter Symmond's decision and idea. By concentrating on communication and people issues the two Symmond brothers', Twigg, and the senior managers felt that a full organizational audit had been produced, particularly so with the intervention of outside consultants, even though some of the advice offered by firms and individual consultants was never implemented.

*As a result of our work we now have a clearer set of goals and a clearer focus on our customers.*

(Peter Symmond: Chairman and CEO)

*There had been much internal listing but the recent dialogue has enabled us to become more focused and we can draw more on people's strength. We also now understand that to lead means to be a servant - that is, a resourcer of other people so they can deliver to the customer.*

(Peter Twigg: consultant)

To drive home the need to concentrate on quality and purpose the company introduced BS5750 to get their products officially accredited. This led to greater departmental interaction and co-operation.

### **The moral and professional competence of managers**

The change in managers attitudes is closely linked with the idea of expanding people's competence. Management style and systems at IT(UK) had always been flexible but with a heavy controlling element. There came a realisation that people work best when allowed to contribute towards decisions and practices. As just one example, the marketing and planning of a major exhibition was Geoff Stead's job and he had responsibility for designing the IT(UK) stand. In the warehouse packing department there was a young man who was a very good draughtsman. He subsequently got involved in the design of the stand when it became clear to Geoff Stead that the work he had personally completed on this project was not good enough.

Managers came to realise that their task was to manage a process of involvement, not to act as controller of events and activities. To be a competent manager at IT(UK) meant that they had to be more of a mentor and guide.

*Managing is about believing that people can make changes and put forward ideas and make decisions without having to make reference all the time to management. We need to learn how to do this more effectively.*

(Don Clough)

### Expanding people's competence

For the first time the organization seemed to begin to link products with sales and marketing initiatives - for example, the telephone sales staff had been expertly trained to manage sales of products, but were not able to offer advice about tailor-made, individualised company programmes. A much greater holistic approach to planning and product development emerged as more people were allowed to contribute to activities. Thus, the telephone sales people were asked about the kind of questions potential customers have about product and programme content, and this information was used when developing new product lines.

### Senior management practice

Within six months of creating the new three business units it was clear to everyone, as already indicated, that the structure was not working and the senior managers and business unit heads were in disarray. Interviewed in March 1993 Clough admitted:

*We are seeing the barriers emerge again. We've not learned much from this exercise. This has negated our ability to become a learning organization because we don't get involved in strategic decisions which will enable this organization to grow. Where we are a learning organization is because of very good attention to detail in terms of our relationships with clients. Here we've learned fast. I am trying to run my bit of the business on learning organization principles but to do so you need to have credibility and this means letting people get on with what you and they know they are capable of doing, even if they get it wrong.*

Stead was optimistic and believed that the organization had:

*....seen more change in the last few months than in the past six years but to run IT(UK) we need a consulting team which includes every level of operation and personnel and the brothers' need to still let go and let professional managers manage so that we can all get a sense of direction.*

However, things went from bad to worse. By October 1993 Peter and David Symmond decided to take personal control once again in an up-front manner and abandoned the three business units. Peter Symmond declared that he wanted to create a structure in IT(UK) similar to that which existed in the first few years of the company's existence. During the twelve month period of the new management structure the issue of succession planning remained unresolved, and neither was the issue of the franchise relationship with the parent company in Denmark settled. Indeed, the senior managers asked how they could even begin to provide for succession planning in their own business units if the ever present threat of the brothers' maverick management and control systems were for ever changing.

As they looked back with hindsight, Clough and Stead believed that Peter Symmond used the previous twelve-eighteen month period to provide himself with time for reflection and to enable him to get his own personal life in order.

Clough verbalised what many others in the organization also hinted at - that is, Peter Symmond's relationship with his second wife was impacting on the business. From very early days the two of them had quite divergent views as to what was best for IT(UK).

*She is a strong character and has a unique way of looking at training. She has the ability to gain respect which is almost like a religious following and her output is awesome. I perceive her as the most single powerful person in IT(UK) after Peter. When she married Peter she did not change her views about IT(UK) and started to clash with him at work and at home. So much so, she pulled out of the firm in June 1991 to save her marriage. H F H Consultants surfaced the rift between the two of them and she then realised that simply stepping out was not solving things. Even though she is impossible to manage, she is the guardian of what is best in IT(UK) because she has been here so long. She may now be the saving grace now she's on the board. She may be able to resolve this 'family' control business.*

(Don Clough)

There was a great deal of discomfort about Twigg's on-going involvement and his influence on the brothers. He spent a great deal of time with them in a mentoring capacity but the perception is, at least on the part of Stead and Clough, that he was, and is:

*...dangerous. He is too convinced about what he is doing, particularly with his religious/better planet fanaticism. So basically, we are worried. What we need is to have our own thinking in this place put through the mill, especially Peter, David, and Twigg.*

(Don Clough)

Penn and Stead expressed similar feelings about the new management and organizational structure. Stead began to organize his unit on what he perceived to be non-elitist principles.

*I'm going for 'judgement' style management and decision making. In other words, you have to simply say to everyone 'What do you think?' and work on from there. I'm using a coaching style of management and our new business plan has been prepared as a team effort. I've distanced myself from Peter Symmond because his interference was becoming unbearable.*

(Note: Interestingly enough, during the course of this research interview with Stead, David Symmond personally interrupted the two of us six times in the course of one hour, and Peter Symmond called Stead on the internal telephone line four times.)

Penn, the man the Symmonds' chose to be the guardian and the new MD, saw things in a rosier light:

*Don and Geoff have a problem with Peter and they need to learn how to pick up the signals as to how he works. It is important to have him around as a 'good problem'. You simply have to learn how to jettison all the nonsense he brings to meetings. But we now have too many hidden agendas emerging in terms of IT(UK) management cohesion. I think cosmetically we may transform but at present we are*

*fundamentally the same. I use the Symmond brothers' problem to my advantage. You get two different views and you can go with either to support your own views.*

David Symmond felt that any change in systems was for the good and, without any evidence to support his view, justified the constant changes and the abandoning of the new systems saying:

*Any company must re-organize once each year. Although people may not like it, staff really love it because it breaks established patterns. You often can't provide promotion like large companies can so you need to move people around, that is get them to look around rather than up.*

The period November 1992-1993 was the first time in thirty two years that David Symmond had not been at the helm of an organization and so it was not surprising that many in IT(UK) began to see his attitude towards management structures embedded in the need to satisfy his own personal needs.

In terms of business growth Penn was adamant that the new structure had merits:

*Growth is making this business buzz. By looking at things in teams and working in teams we have now learned how to operationalise ourselves by means of project teams. People join a team from anywhere in the organization as and when required and we've moved away at last from the feeling that everybody thinks they need to know what everyone else is doing in fine detail. That caused havoc.*

But Peter Symmond had a clearly worked out analysis for the abandoning of the three business units in November 1993 and believed that the business had to be 'unbundled'. He believed the system had worked for twelve months but, and more importantly, he believed that it had taught IT(UK) a number of lessons, and highlighted the shortcomings in their approach to management structures and the external market place.

*There is a revolution going on out there and we have to reflect this in how we run IT(UK) and in what we offer by way of products. Out*

*there the functionality of management is being challenged and organizational and personnel structures are becoming less clear. People are working more in teams with few or no lines of responsibility and systems of supervision.*

(Peter Symmond: Chairman and CEO)

He also thought that boardrooms were changing and that training and development was now at boardroom level not in the hands of training managers who once made the decisions about bringing in training and culture change organizations.

The decision was then taken that from 1 January 1994 there would be a reverting back to a more refined traditional type management structure with the family board at the top. Below the board an executive team was re-established with Peter Symmond once again as Chairman and CEO. David assumed his old role as Managing Director. Snuggled between the executive team as a non-board director was Twigg. His task was threefold: (1) to design programmes and assist Gill Plant (see below), (2) to act as internal coach *and devise a new management structure based on coaching and mentoring*, and (3) to deliver IT(UK) programmes to senior clients and directors.

Reporting directly to the brothers were five departmental heads. The resources/support business unit remained and became one of the functional departments with Penn heading this up and being appointed General Manager of the whole company. Don Clough was put back in charge of the programme presenters, now renamed consultants, and he reported directly to David Symmond. Clough was also required to contribute to programme presentation just like the other consultants. A new Product Design Resource Centre was established to tailor-make courses and their presentation to meet individual client needs. One of the former product design personnel (Gill Plant) was given the job of heading this up with input from Twigg. A new Sales Department was established, headed up by Peter Symmond's wife, and the fifth department was marketing, Stead's old role.

However, Peter Symmond decided Stead was no longer suited to IT(UK) and Stead personally felt he had finally exhausted what he could offer. He was asked to write his own job description for twelve months, agree it with Peter Symmond, and during this period he would, in the words of Peter Symmond, 'Be assisted in his search for a new job elsewhere.' A recruitment drive began to bring into the organization a group of accounts' managers and marketing experts who had first hand knowledge of the market place.

Within two weeks of introducing this new system Twigg had developed a coaching code book for the organization based on creativity and contracting. It replaced formal systems of assessment and personnel audit. The previous twelve months had demonstrated that six and twelve monthly staff appraisals were, by and large, a waste of time.

*You need to be able to audit people in a non-threatening and encouraging way so that everyone can impact on each other as soon as possible. We have therefore developed a 30 day coaching and contracting tool. Every 30 days each person, including the directors involved in the day to day running of the business, will complete the coaching work book and this will enable us to openly confront situations which need dealing with more or less as they happen. We can then contract with each other to put right what is wrong and congratulate where things are right.*

(Peter Symmond)

Figure 6.1 provides a summary of the events and activities detailed in this chapter as the organization attempted to establish a learning organization culture. The figure shows the two year period of the project (1992 and 1993) and the events leading up to it in 1991 when the writer was also involved. The broken arrows indicate the key activities which particularly influenced events in the firm.



In January 1992 the external consultants suggested the Symmond brothers should withdraw from the organization. They only did so the following November but not before they had put new people in place to look after their interests. The figure suggests that Peter Symmond may already have planned in his own mind that his 'exile' was only going to be a cosmetic exercise. In May 1992 he brought Twigg into the organization and the figure reveals how Twigg's influence helped bring about the new three business units and thereafter this gave him twelve months to write up new programmes and products which were ready for launch just as Peter Symmond decided to abandon the three business units. By October 1993 Peter Symmond had been able to reassert his control. In the case study he openly states that he simply wants to manipulate people and events. The 'manipulation process' reveals itself most clearly in diagrammatic form (figure 6.1)

## **HAD IT(UK) BECOME A LEARNING ORGANIZATION?**

### **General Observations**

Since it was Peter Symmond who originally made the decision to develop the idea of the learning organization, and introduce it as a concept into IT(UK), his views as to what happened remain crucial to the research. He perceived that the period of the project enabled him to inculcate in his staff 'what the learning organization nettle is all about.' He confessed to having started the process of developing the learning organization 'without any clear understanding of what we were about, except that I realized it was about developing people, including myself.'

When interviewed at the end of the project, his comments about it, and what had happened at IT(UK) during this period, seemed naturally to cover the seven areas of: shared values, structure, style, staff, skills, strategy, and systems.

About 'shared values' he was clear that a hallmark of a learning organization is that it must have:

- \* a clear and oft stated vision
- \* a clear statement of purpose about what it does
- \* values which must be espoused and practised and which must be distinctive
- \* enormous energy which may not be co-ordinated

Of 'structure' he came to the conclusion that structure and energy go hand in hand and that it was time to start thinking of the 'learning organism' rather than the learning organization.

*The idea of 'organization' is old think and gets in the way here and in many of the organizations we have as clients. We need to see enterprises as 'organisms' and use language which more aptly describes what is going on there. Organisms are a mess but yet know how to live with chaos. The hallmark of a learning organization then is that because it is 'chaotic' in the sense that it is not bogged down by its own systems, it can more readily and quickly respond to changes pushed on to it or ones it chooses to initiate.*

Peter Symmond was convinced that reverting back to the old management style, with the new departments based on people working in groups, was the simplest and easiest structure for everyone to handle.

*You don't have to write everything down and give out detailed job descriptions. The more flexible things are under a basic management, or rather coaching structure, the less chance there is of 'freezing' up the organization. Once you freeze things the place loses its life and people their energy.*

Symmond believed that 'style' was also important and that IT(UK) had learned to change and develop what he saw to be an already flexible style.

'Staff and skills' had come under the spotlight as a result of the re-appraising that went on during the period of the learning organization project. He had come to recognize that staff had, in some senses, been neglected because of the organization's inability to foresee changes in the market place and hence the type of people needed, and the skills required, to develop, sell, and deliver products in the future. Symmond believed that:

*the learning organization project has pressed us into facing up to these challenges which we knew were lurking but were afraid to address.*

Symmond could see that a new 'strategy' of control and market development was about to occur. Whether they had the right things in place only time would tell. However, within a very short period of time sales began to 'rocket'. In the first month after introducing the streamlined operation IT(UK) sold £650,000 worth of business which, by Peter Symmond's own admission:

*...gave us the kick-start we needed.*

'Systems' continued to be well funded and the organization began to bring in trained, professional and experienced market and operations strategists to assist with both thinking about and developing marketing and product development.

From the start of the project it was clear that the organization was developing its own criteria and way forward in developing learning organization strategies. Having convinced his fellow directors that it was a project worth doing, the extent to which the firm had become a learning organization had to be answered by himself and by those same people.

Peter Symmond was clear:

*IT(UK) is developing this way. It has toughened its clarity but we're not there yet. On reflection, I think we started to become a learning organization when we got the Business of the Year award back in 1989. Your own work (the writer's) here looking at small company development then convinced me that we had to wrestle with what this meant for us as a developing small firm. When you then invited us to be a research site for the learning organization idea I thought this would be a good catalyst to keep this chaotic momentum we were in going, and hoped it would give some order to everything. The learning organization project has been a trigger because it has encouraged us to take heed and allowed us to celebrate. Your own questions have been thought-provoking and made us face up to issues.*

What excited him most was the fact that:

*We have been enabled to grow a 'practice' not a 'system' of regular coaching and mentoring. This is the most exciting thing for us, abandoning a traditional management structure even though it may appear that we've gone back to one. We haven't. I think the coaching style is going to be one of the most significant things for us and if we get it right it can be for other organizations.*

Finally, he believed that the learning organization project had:

*...enabled us to re-create the entrepreneurship of a small consultancy which has grown and we're doing this in a non-hierarchical way.*

Mary Eccles, the IT Manager, was less convinced as to what had occurred and considered that Peter Symmond's optimism was perhaps being futuristic rather than a commentary on the present. She felt that:

*....people are trying to change and transform but the culture is too arrogant to let it do it properly. Peter Symmond has diluted everything we've been doing so as to get away from losing his business.*

Kate Jackson, Customer Services Manager, believed that the firm had changed but not transformed and thought that more people were now willing to do more things, which may be a sign of transformation.

Having taken a key role in bringing about much of the change in IT(UK), Twigg was also clear in his assessment of the project:

*I see we have transformed in the sense that we have a new set of values. The main change and transformation will be in the guts of people. At the moment IT(UK), on a scale 1-10, is at about 3 in becoming what I perceive a learning organization to be about but in comparison with other places we're at 6. But I think single-minded people don't readily transform. They have to purify themselves - that is, re-direct themselves and their energies. In time, I think we'll have fewer people here but those who remain will have a greater capacity for flexibility and dedication. We will work using managed crisis and will concentrate more on social values and bringing these to IT(UK), and in turn to the clients we deal with.*

Peter Symmond concluded his comments with the words:

*When you arrived we had too airy fairy statements about the place as to what we were doing. The project has helped us clarify, with you asking us even simple questions like 'why?' and 'how?', our management style and I think look at our behaviour so that we practised what we preach. At least I think we are now on the way to trying to put this properly into practice. I think we are about to become more honest and open than we've ever been. The learning organization project and your involvement has enabled us to experience the flavour of looseness which I think is what it is all about, and it has encouraged us to go down, at the same time, some definite routes linked to openness, trust, and honesty. Time will tell.*

## **CONCLUSION AND SUMMARY**

IT(UK)'s attempts to create a learning organization culture focused on vision and mission statements and the chairman/owner's need to 'manipulate' people and events. Employees were required to engage with his visions and missions and once they did so they were allowed to participate in general organizational development. The organization was very values focused but the strength of the values system rested with Peter Symmond. A picture emerges of how the learning organization project served to enable the Symmond brothers to revitalise themselves and their company having gone through a period of decline. The IT(UK) story, however, is about relationships between people with different views about life and the world in general and their need to have people act and think like them. The controlling nature of such people, and the type of organizations they spawn through the guise of empowerment programmes, means that learning has to be narrowly defined and limited.

## **CHAPTER 7:**

### **WATER UTILITY LIMITED (WUL)**

#### **INTRODUCTION**

This chapter provides a descriptive chronology and brief analysis of the second research site as it engaged with the learning organization concept. The chapter is written as a case study and begins by describing the origins and development of the firm shortly after privatisation as it faced up to particular internal and external contexts impacted on its activities. A second section explains how and why the firm adopted the learning organization idea, and the McKinsey 7-s model is again used to explain the complex relationships and networks which make up this large organization. A final section provides some preliminary analysis as to whether the company became a learning organization and the chapter ends with a conclusion and summary.

#### **ORIGINS, DEVELOPMENT, AND STRUCTURE OF THE ORGANIZATION**

Water Utility Limited (WUL) has its origins in the former Water Utility public water authority. British public utility companies (electricity, gas, and water) came under increasing scrutiny during the 1970's and 1980's, particularly because they were seen as providing poor service at high cost. The monopoly position they held was also of concern to international operators seeking to extend their own expertise into the United Kingdom.

The interest in the utility companies increased in 1980, and water in particular came more into the public spotlight, with the start of a monopolies and merger investigation which eventually led to the Water Act of 1983. The next major move occurred in 1986 when the government announced moves towards the privatisation of the utility authorities. The final break between being a public authority organization and a private one happened in 1989 when Water Utility as a whole, together with the other water companies, was floated on the stock market.

At the time of the move from public to private sector status there was a lack of capital investment, an increase in quality problems, loss of certain rivers, and also loss of the regulatory role the organization had previously held.

There was some preparation prior to privatisation. Employee numbers were reduced from 11,250 in 1980 to 7,500 by 1989 and the organization's eight divisions were reduced to four. Knowing that privatisation was virtually inevitable there followed a great deal of streamlining and re-organization resulting in the creation of fifteen 'districts' all supported from central headquarters but each under the control of a district manager. The task of the districts was to focus on operational issues only.

With the creation of Water Utility Plc at privatisation, Water Utility Limited, the subject of this case study, became one of six limited companies within the Plc as a whole. The other companies are:

**Water Utility International**, created to service and market Water Utility Limited as a major international water and waste company. Already the Plc provides water and/or sewerage services to 15 million people throughout the world, working in such places

as Puerto Rico, Mauritius, Malaysia and Ethiopia. Water Utility International also has a major stake in a Belgian company which is developing sewerage services.

**Water Utility Technology**, created to search out and create technologies which will enhance Water Utility's core business of water, sewerage and waste in the future. Subsidiaries of this company include a supplier of disinfection and monitoring equipment, a modelling services firm, together with other smaller companies which provide advanced flow-measuring devices and waste and water treatment process technology.

**Water Utility Laboratories**, provide chemical analysis and specialised environmental services.

**Water Utility Systems**, is engaged in marketing Water Utility's computer-based systems to other international utility companies.

**Water Utility Property**, has been created to utilise and capitalise on the various sites owned by the Group and to investigate and promote new developments of both a direct and indirect nature to the core business activity.

**Affid Waste Services**, was acquired from its European owners in Belgium.

## Ownership

Under the auspices of the Group, Water Utility Limited has its own board of directors, each director having been given a certain number of shares at the time of privatisation, with the option of privately purchasing additional shares. During 1993 the national newspapers reported that some directors had sold their shares. It was further reported that the value of the Managing Director's shares was approximately £250,000.

## Business activities

The various descriptions provided above reflect the basic business activities in which the Group as a whole is engaged, including Water Utility Limited. But the latter has quite specific business activities and targets of its own.

WUL is already one of the world's largest private water and sewerage corporations and also employs the majority of the Group's workforce. The company provides the water needed by the 8 million people who live in its catchment area. The company's main activities are comprehensively described in its 1991-92 environmental report thus:

*The company treats water from groundwater, upland reservoir and lowland river sources for distribution to customers. It safely collects and treats the community's used water before re-cycling to the aquatic environment.*

However, the Group as a whole, and WUL especially, quickly realized that the supply of services per se were of limited value if the means of delivering them harmed the environment. Thus, there has been added to business activity 'environmental responsibility'. In other words, what is provided, and how, must be compatible with

the environment as a whole. Water Utility Plc, in close consultation with all its subsidiary companies, and WUL particularly, developed an environmental policy which it published in the Water Utility Plc Annual Report for 1991/92. Using internal and external consultants to independently review activity, including consultation with trades unions and environmental groups, the policy was issued and set clear target dates by which an action plan would be achieved for the whole Group.

WUL established its own environmental business objectives, mindful of the fact that central government was establishing audit and control bodies to monitor the utility companies. The Office of Water Services (OFWAT) had been established in 1989 to monitor each water authority in terms of environmental responsibility and The National Rivers Authority (NRA) came into being in the same year to watch over water abstraction and the discharge of waste and other matter into the natural environment. 1990 saw the strengthening of a third major control body, The Drinking Water Inspectorate (DWI). The DWI now monitored water companies in terms of the quality of drinking water as required by the European Community directives. Having also entered the incineration and general waste disposal business with the purchase of Affid, WUL also came under the audit of Her Majesty's Inspectorate of Pollution (HMIP) and in so doing control of emissions into air, water, and land subsequently became more important.

### **Company organization, its management and development**

At privatisation the day to day running of WUL was firmly established in the hands of the Water Utility Limited Executive Committee (WULEC) which included all WUL board members and additional non-board departmental directors or heads. Of the WUL board members only two Paul Turner (managing director) and David Perks

(deputy managing director) served on the main Plc board. In reality, there was a re-grouping of the old public authority management team. At the time of privatisation WULEC numbered 10 people but over time the managing director determined that this number should fluctuate, largely driven by the fact that he needed to change the directors' outlook about how the company should be organized and developed.

Reporting into WULEC, the district managers, immediately responsible to David Perks, took charge of the day to day running of the districts. Managing the districts effectively was to prove crucial to the overall success of WULEC's developing mission and objectives. Throughout the remainder of the organization there was a hierarchical system of grading (23 in all) left over from the public authority days. In general, the organization operated across these activities or departments: *finance*, human resource management, operations, computer systems, capital investment, technical systems, and communications.

Underpinning all company activity were the ideals of Paul Turner, the managing director, who proceeded to set his values on the organization as is shown later in the case study.

Each of the directors initially also headed up a department or operational function but several years into privatisation, the overall management style was summed up by Derek Banner, director of capital investment:

*There is a mixture of management styles, depending on the department you are in. My own style is dictatorial. I want measurable objectives with a framework of procedures for assessing them. Life here is a game of chess. You play a management style within the rules of getting the king into check mate.*

By and large his fellow WULEC board members agreed with him. But the consultant brought in at privatisation by the Plc Chief Executive to look at the Group as a whole, and WUL in particular, observed that the fall-back to territorial fighting and management and organizational practice was simply because none of the new board had been trained in the skills of being a director. They were expert functional public authority heads of department:

*They are rooted in their public authority past which manifests itself especially in pay award discussions. They fail to distinguish between leadership and management and they don't appreciate what it means to be an executive director. They still operate as public authority functional heads, lobbying one another outside meetings so they can sell an idea to the group in formal committee. This then produces collective decision making without the hard intellectual rigour of discussion and argument you need in the board room.*

(Pat Small: External Consultant)

(i) **Structure**

As already noted, prior to privatisation some re-structuring took place, but after privatisation a decision was made to move the existing personnel director to a group position.

Rumour in the company suggested that the then existing WUL personnel director had outlived his time under the new regime and the Group Chief Executive had determined he was surplus to requirements. A new personnel director was then appointed to coincide with a change of focus on human resource management and development. It was to be in this newly shaped function that the majority of change work was to occur in the search for the creation of meaningful and long-term change in WUL.

During the period of this research the most far-reaching structural changes were made within the human resource function. These are described later.

(ii) **Growing the staff**

It became immediately apparent to the managing director that major change in attitudes, and hence work and organizational practice, was needed throughout the organization and at board/WULEC level.

*I have said to the directors that the thinkers in the organization are the directors but they must learn to think outside their own personal specialisms. Change can come about through the little people and we need to get in touch with them so they can become chief executives of their own jobs. I don't want to be the entrepreneur or lead guy. The directors need to share this with me. They need to learn how to get the confidence to be on a platform and lead. I have to give them the learning opportunity to do this. This means they'll have to be moved around. They have come up through a functional ladder and this is a problem - they are not necessarily the right people. I think I'll have to move them elsewhere in the Plc, jettison them, or change their functions or perhaps do all three. If they can't learn how to change within six months we will need to change the group. I want to be able to hold them back because they are driving too fast!*

(Paul Turner:Managing Director)

Paul Turner saw the directors as having a pivotal role in getting change to occur in WUL. Having read Peter Senge's book 'The Fifth Discipline: The Art and Practice of the Learning Organization' he had latched onto the key word used by Senge - that is, 'metanoia' (mind-shift) and perceived that unless there was a mind-shift on the part of his fellow directors there would be no changes in the department/functions controlled by each director, and this would lead to anarchy as some middle managers began to transform themselves and their jobs as a result of the change programmes and training planned for the months ahead. These managers would end up fighting against the rear guard action of their directors.

*If I allow the directors to manage and not direct nothing will happen and if I let middle managers concentrate too much on short-term perspectives this will repress learning and change. Directors have to learn to keep re-visiting long-term issues. The biggest problem is complexity and learning is risky and fearful. We now have to learn how to adapt, how to change gradually, and manage people's feelings.*

(Paul Turner: Managing Director)

The development of the top team was to be a crucial element in creating change and a learning organization culture for WUL and it was against this general background that the company decided to engage with the learning organization project. It had already been agreed that WULEC members would each spend three months away at a prestigious international business school and at the time of joining the learning organization project the majority had already attended programmes at places such as Harvard Business School, Princeton, and London Business School.

Thus, having literally been taught by well-known management gurus such as Senge, the board should have been prepared to harness this new learning and extend it.

## **HOW AND WHY WATER UTILITY LIMITED ADOPTED THE LEARNING ORGANIZATION IDEA**

### **Antecedents leading up to and creating interest in the learning organization idea**

The managing director believed new thinking was needed at all levels of the organization if it was to successfully operationalise itself internally, market itself externally, and prepare itself for international competition. In other words, external and internal forces were going to thrust the company into new areas of commercial

activity, regulatory requirements, and new ways of operating and methods of employment. Added to this, advanced technology and capital investment arising out of profits were two new activities which the organization had never before had to face when set against the price capping requirements of the Director General of the main national regulatory body.

**(a) External Contexts**

The move to being a privatized company brought with it a range of challenges for which the organization was not equipped. No longer was the company simply providing water. It now had to engage with a range of external regulatory bodies and for once was actually in a competitive role. Not only was there competition in the form of the other regional water companies, but the other UK utility companies (gas and electricity) were beginning to grow their own businesses and look to merger and acquisition of other utility companies to form extensive and all inclusive utility firms. A further competitive element also emerged in the form of European competition. The French utility companies especially were regarded as the major threat to utility companies generally in Europe.

Several WULEC members did seem to have identified what the main external influences were:

**Customer Service**

*People out there are now customers we have to serve. They are no longer people to whom we just supply water. Some of those customers are now also shareholders of the company and want to know how well we provide our services. We also have engineering skills here which our competitors could steal. We have millions of customers who have to pay their bills regularly and all this has to be done more efficiently, especially as other industries are rapidly improving their customer*

*relationships. In other words, customers are learning to want higher standards of service across everything a company does. The gas, electricity and telephone companies are now suddenly our competitors in terms of customer service and some of them are better than us.*

(Peter Bird: Finance Director)

### **Relationship with the Director General of OFWAT**

The external requirement of the regulator to improve quality and keep water prices down suddenly meant that profits would be limited at a time when capital investment costs were increasing. As just one example, it takes 10-15 years to bring a reservoir into operation from project design and commissioning. To plan the capital investment for such a project is seen by the company as an extremely complex and difficult task in terms of financing when such things as inflation, labour and material costs can only be forecast, at best, for a five year period. The Director General's ever increasing requirements were regarded as a major challenge to their way of thinking about how the organization should operate.

*The Director General has said that as we come up to our five year review period, if we have spending proposals which will increase quality and services, and therefore prices, we have to demonstrate that our customers will pay. This can only be done through market research which we are not very used to doing because we have always been a monopoly. This is a tremendous challenge and our relationship with the DG is our greatest challenge! Managing this long-term relationship requires cautious effort, focus, and bringing the rest of the organization with us.*

*The only way forward to grow this business is by higher environmental standards and quality of service. We need to show the DG this. For the first time ever a utility company is having to talk to its customers!*

(Peter Bird: Finance Director)

## Competition from UK and international competitors

WUL no longer competes simply in the supply of quality water and its disposal. Subsidiary business activities such as consultancy advice to large companies, say, building a new factory which involves water usage as part of a treatment or manufacturing process, were now very much part of the firm's ever increasing enterprise portfolio. Other firms were also providing such services thus creating tendering and bidding situations of which WUL staff had little or no experience.

Competition also occurred as other utility companies began to utilise vast acres of land owned by them, especially around reservoirs. Some acquired hospitality firms to develop leisure and hotel facilities, golf courses and a range of related services. Not only are such ventures attractive to investors but also provide potential long-term revenue at a time when travel and tourism is the world's fastest growing industry and hence likely to influence employment patterns. Apparently some of the utility companies began offering their staff alternative career paths outside the utilities industry in the subsidiary activities. WUL had to determine the extent to which it would compete on a similar basis and, more importantly, the extent to which the company had the employee skills to do so. However, at the end of the day, as the CEO's external consultant and the managing director noted, extending the core and subsidiary businesses depends solely on vision and the ability to think ahead. This, they believed, brought into question the extent to which the board of directors had these capabilities.

*We have to find linkages across all our activities and organizational constraints need to be abandoned so this can happen. There is a massive job to be done here. We need to re-engineer our own practices and ideas.*

(Paul Turner:Managing Director)

*In ten years WUL can't look like a water company and the Plc CEO knows this. If water companies don't change they will go back to government ownership with government being responsible for the supply and treatment of water. Otherwise, they are vulnerable to take over. They have a lot of debt and Water Utility needs to be more than it is. The challenge for the organization is this: are there people here who can think beyond where they are - for example, seeing that part of the business may be marina development in the future? I think their commercial view of the world is impeded. They are too locally cost orientated and it gets in the way.*

(Pat Small: External Consultant)

**(b) Internal Contexts**

To address the external issues confronting the organization WUL was faced with the need to change both organizational working practices and employee attitudes. However, even without the external demands on the company there was still an urgent need to change the internal infrastructure because administrative and bureaucratic systems, left over from the public water authority days, were beginning to slow the organization down and hamper the development of efficient systems of service delivery and revenue accounting. In any one year the company takes over 2 million messages from its customers by telephone or letter and new technology was urgently needed to handle this volume of administration.

As noted in the first case study, a framework is needed to bring together in comprehensive format the divergent and often complex relationships and networks which make up any organization. The McKinsey 7-S model is therefore used once again.

## Shared Values

Employees entering public service often do so because they feel they want to give something back to society. Interviewing many of WUL staff supported this view. However, once in post many employees become inexorably involved in the bureaucracy of public service administration and the hierarchical management systems which often support them. At privatisation the Group chief executive and the managing director of WUL laid out what they perceived to be a clear vision for the organization. This was reiterated by the managing director at the company's management conference in May 1991. He stated that for the company to succeed across all its activities everyone had to:

*...concentrate, to support each other and to work like a team - not to compete against each other - and to build resilience to shock events. Quality, Profit, Responsibility: the way to achieve these is by team effort, and everyone in the company understanding the part they must play.*

Although there followed a greater pulling together of people, in practice it may have been no more than a cosmetic activity. Over one year later many people in the organization felt that a shared vision and set of values, and an overall change with everyone pulling together as a team, had not happened. The reason for this was put fairly and squarely at the doors of the directors themselves, with some of the directors' acknowledging the fact.

*I don't think we are perceived as a team because we are functional barons. We don't meet enough to create a team approach. As a team we don't direct or think and this has created protectionism.*

(Peter Bird: Finance Director)

*Things are a little better now. When I came here over two years ago no one spoke to people two layers above them. Everything was minute-led and status mattered. Most of them at board level came into public authority work deliberately to give something to the country. They are*

*all basically good people and working in a public organization has made them paternalistic. It will be interesting to see if their values change and they adopt the typical private sector attitude of only being interested in making a buck. The directors are beginning to re-group in new alliances. Instead of being an expansive organization it has become restrictive. It has created territory fights and the rest of the organization realise the directors are not 'walking their own talk'. However, there is nothing evil in this team, it's just that some of them shouldn't be here.*

(Pat Small: External Consultant)

The values issue was not only one of concern at director level but throughout the organization. Privatisation threw the company into disarray. Getting a mind-shift on the part of employees to understand that they had to have a shared vision and values system in terms of customer delivery and satisfaction proved the most troublesome aspect of changing the organization.

*Almost all the directors have been with Water Utility since 1974. We feel comfortable with each other. Many senior and middle managers have also been here just as long, typically 10-15 years. We even have people now who think we should go back to being a public sector organization and don't see that even though we're a monopoly we have a new job in marketing ourselves to our customers, especially in terms of quality.*

(Chris Pratt: Formerly Personnel Director and now Group Personnel Director)

Creating a shared values culture became a major initiative which underpinned the striving to create a learning organization culture.

## **Structure**

Mention has already been made of the various functions for which there was a director, together with the creation of 15 districts, each with a district manager. Each of these functional divisions was further divided into a variety of managerial systems

ranging from senior managers and supervisors, down to junior clerical staff. The 23 staff grades were subsequently reduced to 17.

The structure of the organization remained unwieldy with the technology and operations personnel retaining a firm strangle hold and dictating much of what happened by way of method and work practice. The managing director remained convinced that major structural managerial and functional change was needed but quite where in the organization, and how such change should be implemented, seemed to allude him.

A further problem was that only two members of the WUL board actually sat on the Group board. Thus, the Group board demanded things of the WUL board about which the latter had no input. Their voice was heard only second-hand via the company's managing director and deputy managing director. However, Paul Turner was clear in his own mind about the need to change structures:

*My philosophy is to build teams around functional managers. I have reservations about technology and operations and an industry organized by engineers and scientists. I want different structures and different groups to run the organization with engineers showing a much greater degree of flexibility. This is all to do with learning.*

Changing structures and values for Turner was all to do with learning:

*Learning is about relationships. It is about the whole organization bringing its skills and asset mix together to bring about continuous liberation in the organization.*

Changing the structures meant that he had to begin with his own team of directors. He had some support for the change he perceived was necessary as a result of the personal ambitions of several directors. Turner himself felt that he could inherit the job of

Group CEO in due course, and the managing directorship mantle of the water company he saw possibly passing to Bird. Bird thought that, at 42 years of age, this was his destiny and was therefore immediately keen to lead a variety of functional roles, in addition to finance, to widen his experience. His personal style and language was one of quiet confidence:

*It is easy to influence here. We are directors and we give direction but I think we will have to change roles but I don't think we will be consulted. I also think as a group we are selfish and get our best kicks out of coming to work. I know I do and I think this is my selfishness. I've done well here out of privatisation and the run-up to the 1992 election was dreadful in case Labour got in and reversed privatisation. I am a good manager and getting better at being a director.*

(Peter Bird: Director of Finance)

## Style

WUL's 'style' was governed by two major criteria - that is, its directors and its former public authority ethos. Nonetheless, the company rapidly recognized at privatisation that the overall style and culture of the organization would be influenced by the pressures put on it by the Director General of OFWAT and the other regulatory agencies. The style therefore became more commercially aggressive and more customer focused but two years into privatisation Turner was still able to tell his staff at an employees evening in August 1992 that the internal company style had not sufficiently changed. In a 'mission and vision' speech to employees he stated:

*...from my own position I see too many cases where we treat customers with indifference, carelessness, or arrogance.*

He supplied specific examples of customers who were writing to WUL all too frequently about the level of service and the shabby way in which they were being treated. The letters proved Turner's case. Extracts from three illustrate the point:

*As a monopoly supplier you should be more sensitive to customers, not less.*

*I was asked to ring Janice at head office. After ringing 8 times I gave up. I began to think that I was in contact with the Marie Celeste.*

*The tone of your letter is insulting. If I wrote to my customers like this I wouldn't have a business.*

Turner concluded by stating that there was only one way ahead and that was forward. It meant abandoning much past practice and focussing on making a change in style and attitude. He maintained that such change could not be managerially driven. It had to come about because people wanted it to happen:

*It's only by everyone thinking like a customer that we will get there. Quality is not a spectator sport. Nobody is a bystander. In this company we're all involved. In teamwork the most important thing is listening but this is a two-way process.*

The managing director set the scene at an early stage that change in organizational style was urgently needed.

### **Staff**

The section on organizational style gives some of the flavour about staff attitudes and earlier sections of the case study have indicated the background from which the new company emerged.

Following the reduction of staff prior to privatisation it became clear that further reductions were needed. How to handle such an exercise caused some consternation for the directors. Technology was the clear driving force in reducing the workforce,

together with the need to reduce employee cost overheads in the drive for greater efficiency.

WUL was, and remains, very male dominated, with at least some of the directors recognizing that there were no women holding the most senior positions, nor likely to be in the near future. Staff also noted that at privatisation the directors started to work longer hours, which reflected on their own functional departments. In turn, departmental managers began working longer hours and arrived at work early in the morning and left hours after the official end of the day. The women in the organization maintained that the only way to get on in Water Utility Limited was to reflect these male activities in their own work practices.

Changing staff attitudes and perceptions towards the changed nature of the business, together with the need to develop new systems and training to meet the emerging markets and industry, was a major hurdle.

### Skills

Paul Turner recognised that all staff were going to need a range of new, alternative, and complementary skills. The ability to work in wider team groups, the need to learn how to communicate more widely and effectively to both internal and external customers, the task of acquiring greater marketing awareness and style, together with personal development skills in general had to become a priority.

*The management style and the way we operate is still too much local government in orientation. It is peculiarly anonymous with people massaging committees. The biggest skill we have to acquire is how to let go of this culture and replace it with something different. We need to learn how to measure success by how many people we promote from within through training, secondment, and changing roles. Women need to come into their own here in accounts, customer care, and finance*

*and administration. They're not represented in engineering because there are no women in these functions. I think we also need to acquire a number of competences - that is, the competence of being a good manager, and moral competence in terms of personal authority.*

(Gareth Law:Personnel Department)

There was also great resentment about the fact that people were not allowed to learn new skills by means of doing different jobs, even if they failed. Failure was perceived as a learning experience which was not allowed. Graduate intake personnel were seen as receiving privileged status and training which led to greater skill acquisition.

What was needed at privatisation was an ability to recognize that wider and more extensive general skills were required across the organization and across all levels of employee, including directors.

### **Strategy: the organizational response**

Addressing the regulatory agencies, capping capital expenditure, with a focus on ever improving customer service and water quality, became the overall governing context in which WUL operated. Linked to this was a fixation on the part of the directors to get the share price up to satisfy the City. This latter activity became almost obsessive with some observers, especially the external consultant, noting that this short-term strategy was blinding them to the company's long-term needs and potential operational contexts.

*They are stuck between adaptation and integration and because they are conservative by nature they don't see that change is on-going. They stick to what they know. It seems to me that they are stuck in a fight between operations and engineering and capital investment and this is exacerbated by the territorial attitudes.*

(Pat Small:External Consultant)

In other words, a kind of paralysis had set in which made the directors unable to make clear decisions and stick to them.

### Systems

As in the first case study, systems here are defined as those processes (physical and administrative) which support the organization's goals. In this context WUL had much to achieve at privatisation, especially in terms of up-dating its ageing pipe systems and machinery for delivery of water to households. Leakage of pipes was a major problem as was the taste of the drinking water due to extensive chlorination.

Support services were adequate but dismally lacking in terms of customer care and the delivery of a good customer service. The burden of collecting water rates was also a major problem but the finance director quickly addressed this and shortly after privatisation persuaded his colleagues to allow him to establish a new dues centre based in the nearby city centre. Computerised systems were installed linked to an imaging process. In brief, each piece of correspondence from a water payer is copied the day it is received and placed in a computer data bank. A team of telephone operators, who are also trained credit control counsellors, have immediate access to all information about any water rate payer and are able to deal with most problems when a customer calls. The operators also have the authority to negotiate special payment arrangements with customers unable to pay their water bills. The only drawback with the new system seemed to be the pressure exerted on the telephone operators to handle a given number of calls in any one hour period. Clocks, and a range of other monitoring devices around their office, indicated whether sufficient calls were being handled in the time permitted.

The human resources division was also in the process of introducing new pay and grading schemes linked to different forms of personnel assessment and training for staff. Money was also spent on a completely new customer care programme.

Departmental and group meetings had always been a feature of working life within the firm but pressure was exerted at privatisation for this to begin to have a cost-value in terms of assessing the type and quality of training on offer. However, a number of people interviewed observed that the training and dialogue tended to be one-way, with little audience participation being encouraged, something the researcher subsequently experienced when contributing to staff training sessions.

### **The formal adoption of the learning organization idea**

By early 1992 many of the dilemmas facing the company not only still existed but seemed to be getting worse, especially between the board directors as they re-grouped into their specialisms and made new internal alliances. The managing director felt that the directors time away at major business schools was having little impact on the business and its management but that somehow this new knowledge had to be capitalised upon. He was also keen that his team should continue to be exposed to the latest thinking in strategy and change. As previously indicated, the personnel director of the old public water authority was about to take up a board level role and a new human resource department director was to be appointed from within the organization.

At this point the managing director and his team became aware of the work of the Centre for Corporate Strategy and Change at the University of Warwick Business School. At a meeting at the University with Centre staff to discuss forms of association the board also showed great interest in the Centre's learning organization

work and subsequently agreed to help fund a research project into how the idea can be implemented in organizations, the company itself agreeing to be one of the research sites.

The company set about 'cascading' what it perceived a learning organization culture was about and agreed to give open access to all of its activities as part of the implementation process. The first problem was to define what a learning organization culture meant for the organization and secondly, means had to be found to explain this to the rest of the organization.

Prior to engaging with the learning organization idea, the board had spelled out its aims and purposes at its management conference and produced a follow-up booklet with the title 'Quality, Profit, Responsibility'. Each director had given a speech at the conference and highlighted a key aim which for them collectively provided the foundation for their view of a learning organization culture. Each director provided a key sentence to sum-up the organization's goals:

*People will become the chief executive of their own jobs.*

(Managing Director)

*Our training programme will be second to none.*

(Deputy Managing Director)

*We are intent on increasing our income base.*

(Finance Director)

*It is vital that we work harmoniously with the regulator.*

(Manager for Regulation and Licence)

*Our strategy balances the competing demands of quality, time, and cost.*

(Director of Investment & Technology)

*We have delivered a strong, robust systems infrastructure.*

(IT Systems Director)

This conference was also backed up by the first post-privatisation domestic customer research survey. Using an external consultant, 1400 customer interviews took place with one hundred people in each of the districts being visited in their homes. The external consultant revealed that customers still wanted to know more, about water quality and purity. The consultant noted that the company was perceived as:

*...a responsible organization, with a sense of social purpose. You are not seen as being able to justify the high price increases.... . They have doubts about the progress of the battle against pollution in waterways and rivers, and they think you must play a major role. Customers are concerned about the safety and quality of drinking water. Despite your achievements, they are concerned about the perceived effect of chlorine and chemicals on taste, and cloudiness of appearance. One-third of your customers rarely, if ever, drink water straight from the tap. The other worsening perception relates to customer complaints, with almost a half of customers dissatisfied with the way these were resolved... . You are not seen as responsive enough; better communication and resolution of complaints is essential.*

Against this background the organization set about focusing on the idea of the learning organization to try to unlock some of the situations which were seen as preventing it moving forward.

## **Unlocking and unfreezing the organization: the impact of developing learning organization strategies**

The managing director recognized he needed help in getting change to occur. He accepted that strategy and tactics had to focus on a number of key needs, activities and individuals. He concluded these were: the external environment (regulators and customers), product quality and quality of service, the management board, succession planning, and the internal transformation of employee attitudes, and general human resource issues.

### **The external environment**

#### **(1) The regulators**

Paul Turner (managing director) began to encourage his top management team to see the regulators as much as friends as foes. He perceived that the best way forward was to work with the Director General of OFWAT through negotiating and counselling openly with him prior to and during the process of the five year review. Turner also established firm links with other key players in the industry so that informal discussions could be held about all kinds of matters connected with the water industry. Thus, when, for example, the OFWAT Director General faxed all water companies during the year with provisional figures regarding capping and charging, WUL was rapidly able to contact competitors to suggest that there should be a collective rather than an individual company response to the Director General's initiatives.

Working with the regulators was, in the managing director's view, a matter of networking and getting board members to be invited onto national and international

bodies concerned with the supply of water and sewerage facilities. This was to be an on-going process.

## **(2) Customers**

Customer satisfaction was one of the organization's greatest problems and was linked to internal employee views about the industry and the part they had to play in it. In turn, employee development was linked to previous and current personnel and human resource policies.

### **Product quality and quality of service**

These two aspects of the company's activities were inter-linked. The delivery of water to households and its quality was as much to do with staff attitudes, and how well they did their job as it was with the age of the pipe network and sanitation and chlorination controls. A massive quality control audit system was devised and capital expenditure increased to totally replace the 26,000 miles of underground piping which delivers water in the WUL area, and new reservoirs were planned and costed. The new accounting and finance collection office was further refined resulting in at least £2 million previously lost income being exacted from customers as a result of the counselling responsibility given to the new operatives in the finance office. Legal costs were reduced in not having to take people to court for non-payment of water bills. Over time a new attitude began to emerge.

Ethical and value issues began to play an increasing role. On the one hand, the old public water authority readily closed down a business for bill arrears but the new negotiated payment scheme, introduced just after privatisation, meant that businesses

were, by and large, able to remain open thus securing the livelihood of the owner and the people employed.

*Our greatest challenge is higher environmental standards and quality of service and dealing with demands of the Director General. But we all can't be looking to the future. Someone has to be concentrating on the present. We also have some social and business issues to address. For example, I can't see Spain and Italy complying with the new EC directives and if they don't we'll be disadvantaged when we are trying to comply. So, what do we do?*

*Water is an 'ethical' issue and product. People have to know they can trust you to supply it and that it is pure. If, for example, there was a nuclear fall-out which contaminated the water, we would have to decide what would happen, who would get what and these would be heavy burdens. This is why we have disaster training meetings about the kind of decisions we would have to make and how we would make them.*

(Peter Bird: Finance Director)

Bird also spoke for the board about employee attitudes and felt that the organization had to become less engineer led and more customer focused against a background of 'personal empowerment'. However, as to what 'personal empowerment' involved he was not clear:

*We talk about empowerment but I don't think we understand it, how to cascade it, and this causes worry. I don't think empowerment is about people making decisions. When we first introduced the idea some people thought it was and this was bad news. Some people felt they could do as they liked. Really, it is about becoming more accountable and my girls on the 'phones are a good example. They have the authority to make decisions about any person's bill, be they an MD of a company or Joe Bloggs down the street.*

Michael Platt, the newly appointed Director of Human Resources, also felt that as an organization they had a pre-occupation with internal things:

*We forget we're upper quartile employers and this is forgotten when we deal with customers, many of whom are simply not that well off.*

Linked to empowerment Bird saw communication as the key activity to be developed in bringing about change, together with the personal authority of each director to influence their particular part of the organization:

*We are big people and there is a lot of respect for directors. But the blocks are the 'deflective layer' which goes throughout the organization. This layer is not the middle management but the people at the bottom of the organization who are the last to know.*

Bird, seeing himself very much as the heir apparent to the managing director, was also clear about customer attitude and customer care. He thought customer care was about making sure, for example, that a Water Utility employee had clean shoes on before going into someone's home. The employees also got the brunt of customer complaints about the taste of water and its quality. It was felt training should be provided to equip staff with sufficient knowledge to be able to explain how good the water actually was and to detail the new technology being introduced to help deal with these problems.

Platt did not necessarily agree with this analysis. He felt that, despite millions of pounds having already been invested in staff development and training, middle and senior managers were also a force to be contended with because their perception of their job and remained too internalised:

*They still see themselves as an industry coming out of the technical disciplines which is closely linked to the Galbraith view of the world where people are told what to do. Managers here are task focused. They are concerned with 'what' they do rather than 'why' they do it. Most of the senior people here are graduates who have seen themselves as professional. Now we're asking them to be managers of people, systems and ideas.*

(Michael Platt:HR Director)

Subsequently, a range of training and development programmes were put in place during 1992 for all employees to drive home the empowerment and customer service issues. New appraisal and reward schemes accompanied the training and employees were encouraged to take a range of British Technical Education Council (BTEC) and National Vocational Qualification (NVQ) awards, although the systems linked with them and with the Management Charter Initiative (MCI) were generally seen as too bureaucratic and restrictive.

Alongside the development training, the main thrust centred on communication. A range of newsletters, open evenings, staff games events across all the company's districts, and departmental team meetings were introduced. The focus was on people getting to learn to know each other better.

Despite 37,000 person days of training across the company in 1991 and a similar number during 1992, WUL's Deputy Managing Director felt by early 1993 that:

*The culture of the place is out of step. Things have started to change but the basic local government attitudes are still here. We have delegated things but not far enough. As managers we're afraid to let go and worry about, how well people lower down may manage the decision making given to them. Massive re-training is needed. It makes me ashamed as to how little training we've done in the past. To meet quality standards we now need to care for and about everyone. Bonuses need to be linked to quality outputs now not time worked by someone. We need a completely different set of principles and tools by which to work.*

### **Management board/team and succession planning**

As has already been noted, the company's board and the WULEC played a crucial part in bringing about change in the organization at privatisation. Indeed, it was the board which ultimately decided to opt for the learning organization culture and embarking

on the two year project. However, it was the board's actions and activities upon which the success of creating a learning organization structure and culture rested.

At privatisation the most senior managers found they not only had a managerial role but also an executive director's role, one which none of them had experienced before. Immediately, an executive office floor was established and when the new Director of Human Resource was appointed he was faced with the dilemma of staying with his team in another part of the building or being elevated to the executive floor. The writer himself as researcher was invited to comment on what action should be taken. The director's own personal reaction was to stay with his team but pressure was put on him by both his fellow directors, and his own staff, to move to be with the other directors. Human resource department personnel did not want their own department to be seen as being in any way less important than any other, hence their request that their own director be with all the other directors. The move upstairs took place!

The managing director took an instant lead in asserting the way forward, as he saw it, for both the company and his new team of directors. He recognized he needed to manage a 'mind-shift'. Numerous discussions and strategy meetings ensued.

The ensuing couple of years produced a mixed bag reaction as to how well the directors were performing. At the start of the learning organization project, which coincided with the last director returning from an executive training programme in the USA, the managing director was able to provide a 'state of the nation' view, one which did not readily rest easy with the views of his fellow directors.

The influence of the managing director on both his colleagues and the organization as a whole was crucial to creating change across the company and more particularly in

terms of WULEC. Turner had previously been the Director of Planning and Marketing at Water Utility and also responsible for the regulatory aspects of the firm. He joined the organization in 1974, having previously worked in the gas industry for twelve years, and progressed through the planning side of operations. Having assumed the managing director's responsibility at privatisation, Turner recognised he was a 'man of the moment':

*I know I think differently about many things. I am a maverick and there have been times when no one seemed to want to listen. I've always had big ideas and always tried to get my ideas through to the man at the top but there have been times when I've despaired about getting there. By example I hope I encourage people. We need more fun in the organization because there is no upside in water. There are no congratulations. You only get punished for things you don't do. We don't need heroes and villains. The behaviour of top management is critical to the success of the organization.*

(Paul Turner: Managing Director)

The writer was invited to attend WULEC's monthly committee meetings to experience and observe how the directors worked as a team. However, after several months it became clear I was only observing rubber stamping exercises so I abandoned these.

At the start of the learning organization programme the outgoing director of personnel (Chris Pratt) was of the opinion that:

*The management team has learned three things: (1) To work as a team. Before privatisation we tended to work as departments. (2) We've learned how to 'walk the talk'. The workshops initiated by the CEO and run by himself and the external consultant, Pat Small, in hotels away from the place, led to a good vision statement. We created the vision with them. It was a co-operative learning experience which I see as the start of changing to a learning organization culture. The present team we're not involved. Paul Turner and myself were involved and the new group have taken it on.*

(Chris Pratt)

This view was very much at variance with his fellow directors, that of the managing director, the external consultant, and the writer, not to mention employees in general.

*We've had several away-days to generate a team spirit but we are not as far down the road as we should be. The Plc board drives WUL. Operations and engineers simply don't see eye to eye on things. They give only what they want and not what we need and this comes into the board room and WULEC meetings. We still need to learn to trust one another as directors. At an away-day the directors, for example, refused to fill-in a questionnaire about our styles. Only the MD completed it. Even our WULEC meetings still carry on as before with us receiving reports from our subordinates who have already completed the work in hand.*

(David Stone: Deputy Managing Director)

*It isn't working. We are too territorial and we only communicate with each other according to what we think people ought to know. But the Plc CEO pulls strings behind the scenes and this does not help. He's always there in the background.*

(Derek Banner: Director of Capital Investment)

*The MD's style is one of consensus. He will compromise but lead when necessary. But our style of working as a team is superficial. The MD has talked to us about this but we still don't think and talk strategically and often we betray the MD because we sign up for things with him and then make departmental excuses when we see someone else getting one over us. We often revert back to personal agendas. Remember, people on the board got where they are through political skill not delivery.*

(Herbert Herst: Director of Computer Systems)

*We are so busy doing things we don't have time to project ourselves across the organization. I think the away-day sessions have helped but we still need to project ourselves as a group of directors. We've given people vision and mission but we've now got to walk the talk. The new HR man's ideas may provide the framework. People are still reluctant to accept ideas from outside a department which you think an idea should come from, and directors exhibit these same traits.*

(Mark Tranter: Technical Director)

*We need to work more as a team but we also need changes. The MD needs to divest himself of some things and let me do them, especially if I am to be the next MD. I should also have responsibility for regulation as well as finance and I don't think Mike Upstone should be responsible for customer service, especially if he is going in two years*

*time. He won't be able to deliver. I think the Group CEO should also divest himself of some things and give them to our MD.*

(Peter Bird: Finance Director)

The external consultant had her own clear ideas about the directors and their ability to change, whilst accepting that they were in a difficult position in that she too believed the Group CEO was too ready to manipulate things behind the scenes:

*They need to accept change is necessary as a group. They tend to blame others and look for change in others. They've a long way to go to become a team. The coping skills for confrontation aren't there and the CEO makes decisions without reference to them and they've not fought to have real representation as a group on the Plc board. The MD is there but he is also looking after himself. They are too personality led.*

(Pat Small: External Consultant)

The writer himself observed the board as a group during several meetings and lunches held with the Group CEO. The majority of them acted as if they were in the presence of their school headmaster. Conversation was stilted, slow and superficial. As a group, they were clearly 'in awe', even afraid of the man.

Against this background the MD initiated additional away-days with the external consultant and also decided to change the format of the monthly WULEC meetings so that there was less 'rubber stamping' of work already completed and in-progress. He also determined that there should be regular meetings to discuss strategy. When introduced, these meetings were often cancelled as the directors reverted back to managing what were perceived as crisis meetings to resolve a wide range of issues which were allowed to get in the way of strategy meetings.

WULEC then decided to increase the training and development budget, recognizing that the vision and mission statements which had been created needed extensive

support and cascading throughout the organization. Numerous initiatives were put in place, largely handled by the newly formed human resource department headed up by Michael Pratt.

### **The role of the newly formed human resource directorate**

The newly appointed human resource director quickly set about establishing a new training and development initiative, working closely with his most senior training consultant, June Gate, who had been with Water Utility since 1974. Platt was clear about his aims but as to whether he could 'walk his own talk' proved a problem for him as far as general employees and his own department were concerned. He initially saw his task, and that of his department, as one of 'maintaining morale'.

*Morale is important because we are more or less a monopoly and this slows things down. People think things can't be changed and we will be here forever when of course this is not the case. In this industry planning spans 10-15 year periods but here we are having to think in 5 year spans to satisfy the Director General. I'm expected to put an HR strategy together to cover these five year blocks. But this is not how it works. HR is not a strategic activity. It is a vision and mission thing. We need to deal more sympathetically with such things as competence, redundancy, ill-health and discipline. We'll have to reduce the 7,500 workforce by at least ten per cent. We're going to need to learn how to jettison not only people but practices as well.*

Platt felt that the company was moving too fast towards hard measures of competence and performance. Whilst he recognised that across certain activities it was essential to meet clear measures on such matters, for example, as water purity and quality, he also felt that attitude measures, and other more subtle competencies, were just as important.

*There are too many cynics here. Chris Pratt's studied indifference to everyone had got in the way in personnel and I've now got to something about this before I can get my people to start making changes in the organization itself.*

(Michael Platt: Director of Human Resource)

The human resource department was immediately reorganized and new pay grades and scales were introduced throughout the organization. Assessment schemes were refined, a new human resource strategy document was written, a training and development plan was created with a £2 million per annum budget, and new payment scales and schemes were devised. These latter changes were complex in that differentiation occurred between managers, senior managers and directors which served only to enhance status and the gap between people. For example, long debates took place as to which grade qualified for an automatic-gear car and private health care. The privileges for staff were increased to include child care vouchers, bonus share, annual health checks, subsidised canteen and life insurance facilities. Even an internal counsellor was hired to provide counselling for stressed out staff. Michael Platt believed that these trappings of status were linked to the empowering of people. If people were going to be required to do more then he thought they should be paid more in one form or another:

*HRM strategy is about equal opportunities for realising a person's potential. The trouble with my fellow directors is they can still hide behind their technical expertise which I'll never understand and in this way they retain a degree of personal power which can scupper my activities. We now need to be visible as directors and so do the senior managers who we need to cascade what we need to do throughout the organization. We must communicate and test our decisions against our espoused values. For senior managers and directors the next task is synergy in HR so that we provide a focus for skill development which will enable them to deal with internationalisation and making the domestic home activities more efficient.*

It was felt an attempt had to be made to make the organization a more even playing field because the directors themselves had become too hierarchical in their view of the

company, with a bias towards career rather than role development. An extensive range of staff development programmes followed and the training managers and their assistants went out into the districts to cascade the new messages about quality and service. In addition, district managers were provided with development sessions to encourage them to take responsibility for their own staff. A key 'Directory of Training and Development Methods' was devised and introduced in September 1992 with the intent that it should:

*....aid your professional judgement in selecting the most appropriate training and development methods to meet identified needs.*

The directory gave practical advice on **learning styles** (activist, reflector, theorist, pragmatist) and an explanation as to how each could be used. This section was followed by one on **training methods** (guided reading, the use of lectures, programmed learning, coaching, counselling, action-learning, self-analysis, quality circles, guided practice, talking, discussion, and demonstration) again with an indication as to which suited what kind of situation.

The human resource department rapidly became the single key player in bringing about change. However, despite extensive customer service and other types of training and development, the expected transformation did not occur. 'Hearts and minds' were being won over in pockets of the organization, most spectacularly in customer service departments and in the human resource department itself, but not in terms of the total organization.

To act as a catalyst to cascade the learning organization and change message the top 300 senior managers attended their annual conference with the learning organization as a key theme, the writer being asked to be a key note speaker for the day. The

impact of this and other such events is dealt with later in the thesis. At this same event the managing director and his board appeared on stage in a mock-up board meeting to answer questions fielded from the floor, the session being chaired by an outside television journalist personality. This was a risk-taking activity for the board members but they wanted to demonstrate their commitment to open and frank discussion.

The external consultant also continued to have 'away-day' sessions with the board members to discuss a number of strategic issues.

To complement the change training programmes three new initiatives were developed and introduced:

- \* A Performance Review and Development scheme to provide individual tailor-made training
  
- \* Assessment Centres for staff appraisal and development

The HR strategy was implemented to focus less on status and progress and more on quality outputs which would produce rewards. In the past, promotion at Water Utility had been based on what the organization termed the 'tap on the shoulder' principle. The new assessment centres and performance review scheme were an attempt to bring a greater degree of professional competence into the promotion equation. Platt was adamant that the HR department should have as its motto:

*To understand that I don't understand is the beginning of wisdom.*

He further went on to confess that if the idea of the learning organization was to work in WUL then he had to 'nail his colours to the mast' and:

*....turn my division into a learning organization leader and this means as a department we've got to begin to demonstrate the necessary hallmarks so we can get the organization to adapt to being a learning organization without traumatising it with interventions. My major task now is to get my people to learn how to locate people and their initiatives within the department and ensure that they know how to embrace one another. As a department and total organization we have no use for rocking horse generals. In the end 'values' is the only thing which can hold a company together. Values are the litmus against which you test everything else you do. Can we, for example, justify huge salary rises for senior personnel when we seek to curb employee pay rises and at the same time increase water prices?*

There followed the further training and development initiatives across the organization, including input from Pat Small, the external consultant. However, by February 1993 the managing director felt that not enough had changed and that his directors were still failing to think and act strategically. There had been an improvement in the way WULEC meetings were run with the managing director putting time limits on agenda issues thus enabling them to run for reasonable periods of time rather than the usual five hours norm.

Nonetheless, changes now took place and some members were dislodged from the board and new ones added, the major addition being Jerry Nott as Director of Marketing - widely regarded as an affable man but who had no expertise of the marketing role. Stone took on the customer service role, while Bird acquired what he wanted by way of regulation, the managing director having divested himself of the task. The technology portfolio was added to Banner's investment brief. Change was still not occurring quickly enough for the Group CEO and the board began to realise that the organization as a whole was once again beginning to surface what WULEC called 'the deflective layer', starting with Michael Platt's own HR department

department. It became clear, that the directors themselves, including Platt, were not 'practising what they preached'.

The writer undertook interviews at this point, particularly in the HR department, to ascertain grassroots opinion about the overall organizational and specific HR departmental initiatives. The majority of HR staff complained that they did not properly understand the new HR strategy document. To save money, Platt had decreed that only senior managers should have a copy of the document, junior staff being left to request it from their individual manager.

*We simply don't understand it and we're not asking questions or expressing fears for fear of reprisal.*

(Senior HR Advisor)

*There is still too much 'us and them', especially out in the districts, between managers and the trench workforce. There is still too much history in WUL which needs to be jettisoned.*

(Training Developer)

*We are being told to jettison things and be different but the change isn't happening at the top and with the middle of the organization. Neither is Michael walking his own talk. He is intrinsically autocratic with a tinge of openness. My managers won't challenge him for fear of reprisal.*

(Senior Training Advisor)

*If we are going to do things differently then we need to act and think differently but if the directors themselves won't do this how can we expect to get their support for the changes and new learning we perceive are needed? The directors are using their old methods and systems to limit change and to divert attention away from the things they don't understand. In turn, this is inhibiting the business. What they have allowed us to do in HR has resulted in a lack of management of meaning. People don't understand the new messages. It's like*

*catching a ball in this place. People are waiting but they don't know how many balls are in the air, nor the colour or whether when and if they do catch it the ball will hit them or shatter them, or whether they will simply end up with a bit of it.*

(June Gate: Senior HR Manager)

The general opinion of staff at this stage was that too many new initiatives had been generated and vision and mission statements issued without giving people a sufficient glimpse of the wider picture of the organization's overall immediate and long-term development. Neither did staff feel sufficient time was given for people to learn how to understand what vision and mission statements and concepts such as 'empowerment' meant for the organization as a whole and for them as individuals. The board had used 'quality' and 'customer service' as the key issues for cascading their new change programme but, as the staff quotations presented below illustrate, they were left with a degree of uncertainty and anticipation because they had not:

*...been briefed enough about major issues.*

*...got the communication and language right. Staff simply don't understand words like strategic, synergy, quality initiatives, mission and empowerment.*

*...developed an overall management agreement throughout the organization for consistency. Many managers varied in their management style and too many are autocratic and wish to stay that way.*

(Quotations from various HR staff)

The HR staff provided clear examples of managers who enforced their ideas on their staff through fear and there was a general feeling that so many new initiatives were being handled it was impossible to bring them to fruition. One of the most senior

women in the HR function provided a picture of how the organization stood at this juncture:

*We have let out all these Jumbo jets into flight one at a time but in rapid succession one after the other. Now, they are all coming back but we only have one runway and some of them are running out of fuel.*

It was felt that greater focus was needed if the HR function was to become an internal learning organization model. So, one woman training advisor and the most senior female manager in the department were specifically given the task of acting as catalysts to oversee the learning organization project.

At this point there was a move to emphasise and increase communication, the view being that change was not occurring quickly enough because people either did not understand sufficiently or were not even being informed of key events. Like any large organization, gossip and the internal 'grapevine' were the harbingers of what was seen to be inaccurate messages about the organization. Despite numerous attempts to communicate events, news, and activities by means of internal newsletters and similar documents, it was felt that they were achieving little and some new format was needed which all staff could feel was of benefit.

## **SECOND PHASE IN DEVELOPING A LEARNING ORGANIZATION**

### **Communications Survey**

In August 1993 all staff were written to by the managing director to ask them to take part in an internal communications survey with the promise of a feedback of results. The following November the managing director wrote to all staff again and provided a

detailed feedback of the survey together with a copy of a new 'Internal Communication Charter' which had been devised by the HR department. What was interesting was the fact that this became yet another initiative to be cascaded down the organization by senior management.

The communication exercise also coincided with a review of the learning organization work and it was generally felt that staff in the HR function, and throughout the organization, had not bought into the concept. A brainstorming exercise took place to identify exactly what initiatives were going on, and to highlight others which needed to be introduced. Three key issues emerged: **management style, the organization itself, and people.** *The decision was then taken not to abandon the learning organization idea but to re-focus activities on one particular issue which people could understand and ally themselves to.* At the same time the training function and training advisors were abandoned in favour of internal mentors called 'quality facilitators'. These facilitators were either nominated or people in the organization as a whole could apply for an appointment. They were then given two months training and additional time was given back at headquarters to enable them to consolidate their learning and to be together in a team-building exercise. The training was provided by the PA Consulting Group. The facilitators in general thought that the training 'was very good'. Regular monthly facilitators' forums were established so that ideas could be shared.

Arising out of this new focus WULEC became the 'quality control council' but more importantly there was a recognition that individuals assigned to a specific job could also provide insights into the work of other departments and groups, especially, where their own designated work impinged on that of another person or group. Thus, the HR director, for example, got involved with the issue of leakage. The idea emerged that

emergency teams of people, added to the dedicated specialists, were best able to rapidly solve problems in hand. In other words, whoever provided the best quality ideas and input to bringing about total quality to a particular problem could and would join specialist task forces. It was felt this approach would be a more tangible way of moving forward to being a learning organization.

*The concept of the learning organization has not been dropped but the term has. We were trying to make the HR department a learning organization but now we can move the whole organization along with quality because they all understand it. Ninety per cent of staff feel that our new initiative is an on-going part of creating a learning organization and ten per cent feel 'here we go again, another initiative' but we've found a way to put key people together fast to do what is needed. The quality programme is beginning to show major success and our learning organization work has achieved this I'm quite sure. Michael has changed his style and behaviour and so have his team. The facilitators are now also 'challengers'. Michael has been challenged and he is more open, will listen, has changed his delivery and style, and he is far more receptive. He has found his feet.*

(Gwyneth Cook and June Gate)

To ensure that the role of facilitator did not become simply an old job disguised in new language, a 54 month time limit was put on the jobs. After this time they were to be disbanded and substituted by whatever new job/role the organization required. Each facilitator works to one or more managers with each manager working out the competencies for the facilitator's role. Each director was also given a personal action plan for his own development, including activities outside his own functional specialism. The facilitators' task was to ensure that these were adhered to by each director.

The WULEC board had decided to go for a major new quality initiative in June of 1993 and on 28 June formally launched its new 'Working for Quality' scheme, originally an idea of the managing director's. The launch was followed by 'cascading

events' whereby staff went on a one or two day event. As Gwyneth Cook explained, these were held:

*...to inform people what working for quality is about and to get them to ask what it means to have quality. We are using these sessions to get people to identify priority areas. They've so far identified: communication, ownership and classification of roles, and personnel records base.*

The end result of the quality programme was a review of the organization's 'focus', now perceived as incorporating its vision, mission and how customer service was to be delivered. But added to it, for the first time, was 'values' with a new emphasis on the organization's responsibilities as an ethical and moral institution. Indeed, 'values' became the first and most important 'focus' activity.

A staff handbook on quality was drafted and distributed setting out what the programme was about and how individuals needed to contribute towards working for quality.

The impact of this new initiative was immediate, but the extent to which it would eventually transform the organization as a whole remained unclear. No sooner had quality become the key issue, that others began to appear on the horizon. At the end of the period of this learning organization research project the company was seriously thinking of embarking on yet another initiative in the form of 'organizational business process re-engineering'. Of this new WULEC initiative the external consultant reiterated a comment she had made at the start of the research project:

*The problem with this organization is they are event driven. They think this is strategic thinking and planning when of course it isn't. The real issue with the board, and how they are running things, is that they are, unfortunately, still here in the place!*

## The role of the external consultant

The external consultant proved to be a powerful catalyst for change and the move towards the company becoming a learning organization. Having been brought into Water Utility by the Group Chief Executive prior to privatisation, she had a clear and comprehensive, albeit biased view, of where the organization was moving strategically. She had the ear of the CEO as a friend as well as a professional colleague.

She originally trained and qualified as a medical doctor and then concentrated on alternative medicine, subsequently spending time investigating the idea of a 'healthy mind linked to a healthy body' and what this linkage means for organizations. She studied in Hong Kong, Thailand and Africa and then went on to the University of North Carolina at Chapel Hill in the USA to take an MA degree in psychology. This was followed by an MBA degree programme at Stanford University in California. She then became a brand manager for a large company, a personal assistant to a chief executive, got involved in public relations, and established her own consultancy approximately nine years ago. Consultancy took her all over the world and she worked with large corporations.

Her views about Water Utility as a whole were often strident:

*This place is about power and who knows who. This is important but they've yet to realise they are hanging on to ghosts. They allow past practice, thoughts, and ideas to influence too much where they should be going in the future.*

Reference has already been made in this case study to her views and input into the work of the organization elsewhere but her ideas and opinions about other aspects of

the organization and its people are also a crucial key to understanding WUL. Because she was able to gain access to the Group CEO she was able to influence his thinking, and hence his view of the water company subsidiary and the people running it. Her very powerful character and forceful personality impacted on the managing director of WUL. Of the directors she was sure that their learning was impeded and that going to executive training courses had done little for them:

*They've nearly all been to Harvard or similar places but they've never had a discussion together about their experiences. And people like Bird think they are clever. He thinks he is too clever by half. I got this job through making a presentation to the board. I was up against others like but they came in with all their packaged solutions. I sat, listened, asked questions, and then talked some. I told them my work would take two to three years to complete. There were no recipes. I told them the work would be experiential, not programmatic. I wanted to explore organizational myths and legends with them - that is, understand what they do and why they do it and contrast this with what they really wanted to be. I told them crisis was looming and they needed to manage it. Most of them hadn't a clue what I was talking about!*

She went on to explain to the board and senior managers that she was not going to apologise for the language she would use in describing her work. It was her view that they had to learn the new language of organizational thinking:

*I don't train. I am a results orientated counsellor. I look at team problems and focus on setting role and job definitions and then redefining them as and when needs be. I concentrate on boundary-crossing.*

Her assessment of her work with the directors and staff in general was summed up by her thus:

*I've been a pain in the bum. I've been pushing and initiating things such as getting people to ask what is the worse that can happen if they challenge something. I've pushed them to make changes and its been a struggle. I can't do the change I can only raise issues about what I think should be happening.*

Dr Small was able to identify key activities and issues she felt she had addressed and where she had made most impact. They were:

**(a) The top team**

She started with the top team - that is, the board of directors. In her judgement they were the key influencers but she felt she needed to know exactly where the power lay in the organization as this changed according to circumstances and the various networks each director established. For some activities a director would join one group comprising a small number of other directors and senior managers and then conduct their activities around other groups and networks. Pat Small felt she had to understand the nature and number of such groupings - what she termed 'the structures of influence'. She noted that:

*They are event driven and postulate empowerment but they're scared of it and don't understand it. They think it is anarchy whereas it is policies people can buy into and understand. It is to do with alignment to specific objectives. People can have responsibility linked to clear objectives - that is, they all sing from the same hymn sheet. They have difficulty in understanding that empowerment is not something you confer. It is a right brain concept about ambience and creating an environment in which people feel comfortable.*

She viewed them as being too autocratic, especially the operation's director, Stone. He seemingly thought that once an order was issued it would be carried out by the district managers. A survey undertaken by Small produced a dreadful backlash resulting in the introduction of a specialist training programme to change the whole organizational operations culture. External consultants were brought in and Small supervised the programme's development. She introduced the idea of 'outputs'. By this she meant:

*Outputs have to be linked to objectives and the districts were subsequently given their own general autonomy with central HQ support. WULEC thought this was marvellous but Platt put the mockers on it all because he was trying to make his mark through centralised systems.*

**(b) Transforming the organization**

Her view of the board's ability to transform the organization was that they were severely handicapped:

*If they see something working elsewhere they think they should be doing it. There is no one here who is entrepreneurial. The managing director is an ideas man but he's not people centred even though most people like him. His problem is he's only ever managed very well qualified people before and can't address levels below this. He's not 'mess room wise'. The real mover of things here are the trainers, especially John Pickles, who has done wonders with the districts being responsible for change through training. He has more imagination in his little finger than the board put together. He has shown the districts how to manage themselves. WULEC don't like this and are now trying to take back control. They see John has to be tamed rather than asking themselves how can he be let loose to give greater impact.*

**(c) Learning in the organization**

Throughout the period of the research project Small was firm in her view that the board was especially bad at learning.

*There is no loop. If I talked to them about Argyris they'd freak despite having been taught by his like when they were at Harvard. There are parts of the organization which are good at learning and capable of change - for example, the districts, and many of the people in engineering. Stone and Banner don't connect and so their functions/departments don't. People only reflect their boss. They've got to learn, as does the organization as a whole, that people need to be rewarded for doing different things well. You reward for contribution not according to some grade or wage scale. That's old thinking.*

However, she acknowledged that the 'cloak and dagger' tactics operated by the board of WUL was also due to the politics at Group board level where the Chairman believed he had autonomy of action and the job of directors was simply to execute his decisions. The arrival of Guy Sparrow as Group CEO has challenged this view. Sparrow's commitment to missions and commercial objectives found little favour with the Chairman and non-executive directors and he persistently played his own battle with the main board whilst keeping the WUL board in the dark. WUL's managing director was privy to these main board politics as a member of that board but as Small noted:

*He doesn't tell his own board what's going on. The global strategy is in Guy Sparrow's head. The majority of the main board members have very little ability in my view and need to be replaced with executive directors.*

**(d) Overall view of the organization**

*I think the organization is one where the culture is individualistic but then they seek to control this. It is a stress driven organization and they take no liability for stress. They've adopted a 'hurry up driver' culture with little time for reflection. It is an organization too obsessed with tangibles, especially personal ones such as which grade you have to achieve to get an automatic rather than a manual gear car. They never discuss risk. Their views about management are still based in the past. Some of what they perceive as new isn't. It just so happens they've just found out about it. The board takes the task of management seriously but it is based on task issues and directions rather than on personal initiative.*

**(e) Learning Organization**

Small did, however, consider that much good had been done in the organization and there were quite clear and specific examples of transformation. Her view was that WUL was not capable of transforming as a whole for a variety of reasons, many of which have been expressed and identified in this case study. However, she was firm

in her opinion that the organization could not fundamentally change further unless there was a major clear out of senior managers and directors. Their failure to learn effectively and quickly acted as a block to the learning of others.

*I don't think much more can happen because as an organization it is not good at learning. There is no forum for people to talk and share, especially so at board level. It's all cognitive and they learn from experience. Often they get close to the fire, get burned and yet still go and try it again! There is no incentive to change in terms of transformation. It is all too adaptive. The key levers for them to change are directives from the Director General.*

### **Organizational purpose and value**

As has already been noted, the question of 'values' was subsequently added to the company's strategic mission and vision statements. Values, purpose, and practice became increasingly important in the organization as a result of the need to consider operations in the light of environmental responsibilities.

Employees began to recognise that there had to be, for example, a movement towards a 'green policy' - that is, ensuring that the standard of drinking water was of the highest purity. However, a significant number of staff expressed the view that having raised the issue of values and purpose, the organization then sought to limit the extent to which the idea of values should be developed further in the organization. There seemed to be no overall values system which was comprehensive and holistic in practice. Clear examples of positive and negative value activities were identified by employees.

## **Positive and negative value activities**

### **(1) Personal identity and development:**

There was a general view that to obtain promotion in WUL it was essential to comply with company organized training and development programmes and that chances of promotion were better if an individual actually worked at central headquarters. Numerous employees also felt that those people who deliberately wanted to gain promotion seemed to exhibit a dual personality. On the one hand they bought into the idea of team work and 'pulling together' but on the other would readily engage in stepping on people to achieve personal goals and one-upmanship.

*The organization is good at noticing some things and not others and it rewards the things it notices and in this way creates a value system. This place doesn't have regard for your life outside. For example, if I have to take my child to the doctor I have to take annual leave. There are no signals that you can have space to do other things in an emergency.*

(June Gate: Head of Strategic Development)

### **(2) Organization as a private company:**

It was noted earlier that Pat Small indicated that many employees had gone into the water industry because they wanted to serve the community. At privatisation many employees became uncomfortable with the fact that they were now in a business which demanded profits for shareholders. For many people in the organization the dilemma continues. The company claims to be seeking to provide the best value for money and service for its customers and yet has to provide increased profits for the shareholders.

It was of particular concern that the board members, including the managing director and his deputy, were yearly taking advantage of their share options within the company either by significantly increasing their shares and/or selling them for large sums of money when the share option price was at its most favourable. The link between hard-nosed business needs and activities was felt to be at odds with providing the best service at the lowest cost for customers:

*The organization lapses at times in terms of values. At the one end we have a hard business edge and on the other we have customers and service to provide and the two need to be linked.*

(Pauline Windsor: Employee relations department)

(3) **Work, stress, and time for reflection:**

With few exceptions employees interviewed felt that the vision, mission, and values statements were too regularly being used as a lever to demand more of people with the expectation that people would almost 'live and breath' Water Utility Limited. In turn, people expressed the view that there was a great deal of stress in the organization and that a major stress audit was urgently needed.

*They want you to become a Water Utility person, but you can only give your heart and soul if the organization opens up its heart and lets people in. For example, there is here a male-dominated culture and if you don't mimic it you don't do that well. This is a values issue. The all male directors may enjoy working endless hours but they, and in turn the departments they control, are setting unrealistic deadlines which is creating untold stress, resulting in a lack of thorough planning.*

Michael Platt, Human Resource Director confirmed this general view:

*We are expecting an ever increasing commitment to the organization. It's becoming part of our work ethic or values system but I think we need to address it. For example, if someone wanted, say, to work just three or four days then perhaps that option should be open to them*

*providing they get done what is required of them. The higher up you go in this place the more is expected.*

Mark Tranter (Technical Director) felt that stress was being generated but not because of work itself but because too many people were being asked to be involved in decision-making activities:

*I don't think work creates stress but relationships do. We are guilty of getting too many people involved in decision making processes. People don't have the time to concentrate and communicate with others across the organization and this will get worse in my view.*

**(4) Values and rewards:**

It was felt that the company had failed to generate a fair values system in terms of pay and rewards. The old public sector authority practice had most certainly influenced the organization's inability to move away from the system of having a labyrinth of pay grades. At privatisation it was felt that the introduction of NVQ awards linked to pay and promotion had served only to reinforce the systems. Middle managers were highly competitive because the pay and rewards system encouraged individual performance. Many managers had reward packages which included such things as a car. Yet, the organization seemed to be wanting to encourage team effort across projects but it was essentially only the managers who got a bonus when targets were achieved. The special attention given to graduate entry employees was also a bone of contention, even down to the fact that they are invited to dinner with the chief executive.

In the organization the view was that pay and reward systems simply reflected the needs and values of the directors themselves who, at privatisation, found they were able to attach to themselves all the trappings of status and the rewards they perceived

should go with their role as a director of a private company. The emerging view in the organization was that equitable pay and reward systems should be based on shared monetary payment instead of, say, a superior grade of car. People should be able to decide for themselves how they spend their money.

It was also felt that the directors and senior managers were too ready to dismiss the craft employees when staff reductions were needed.

*If you are a good boy, or a person who is a manager then they find it hard to chop you. People need to question and say 'Let's do it this way, not the way the procedures manuals tell us'. NVQs and competence assessment simply serve to emphasis status and personal rewards and produce a steady-state, non-thinking mentality.*

(Jane Plant: Internal project consultant)

In general employees felt that the values system was beginning to emerge but that it needed to be more ingrained and articulated. Like many other initiatives started at WUL, this was another which began but was then allowed to drift by the board of directors because they became more interested in some other new idea. Herbert Hest, the managing director of the newly formed Water Utility Technology division summed up the view of many in WUL from which he moved:

*We like to think we operate ethically and have values and social obligations but we need to define more precisely what these are and then change our work and other practices to ensure we practice what we preach. At present we tend to consider what we are doing and then make a general judgement that we are operating with a set of values and in an ethical way.*

### **Some concluding events and activities**

Towards the end of this research project the organization had moved, as already noted, to concentrate on customer service and quality, an idea it was felt all employees could

engage with because total quality required everyone's involvement. 'Benchmarking' was also being adopted as a way forward and numerous visits to other organizations had taken place to investigate the extent to which WUL's systems and processes matched up to other organizations best practices. 'Business process re-engineering' was also about to be brought on stream with the whole organization being asked to critically analyse all the processes involved in bringing about quality of service to customers.

The Plc chief executive was also concerned about future leadership and developments and engaged the services of a psychological assessment consultancy to provide a profile of each WULEC member and his future potential. This was yet another example of the way the organization seemed to want to put its trust in systems. It reconfirmed for everyone that documented measurement systems and analysis practices were to be regarded as the basis for organizational control and performance. As it turned out, the testing agency seemingly misplaced the tests and results and in at least two cases issued the wrong personality profiles. This produced a great deal of anxiety among the WULEC directors.

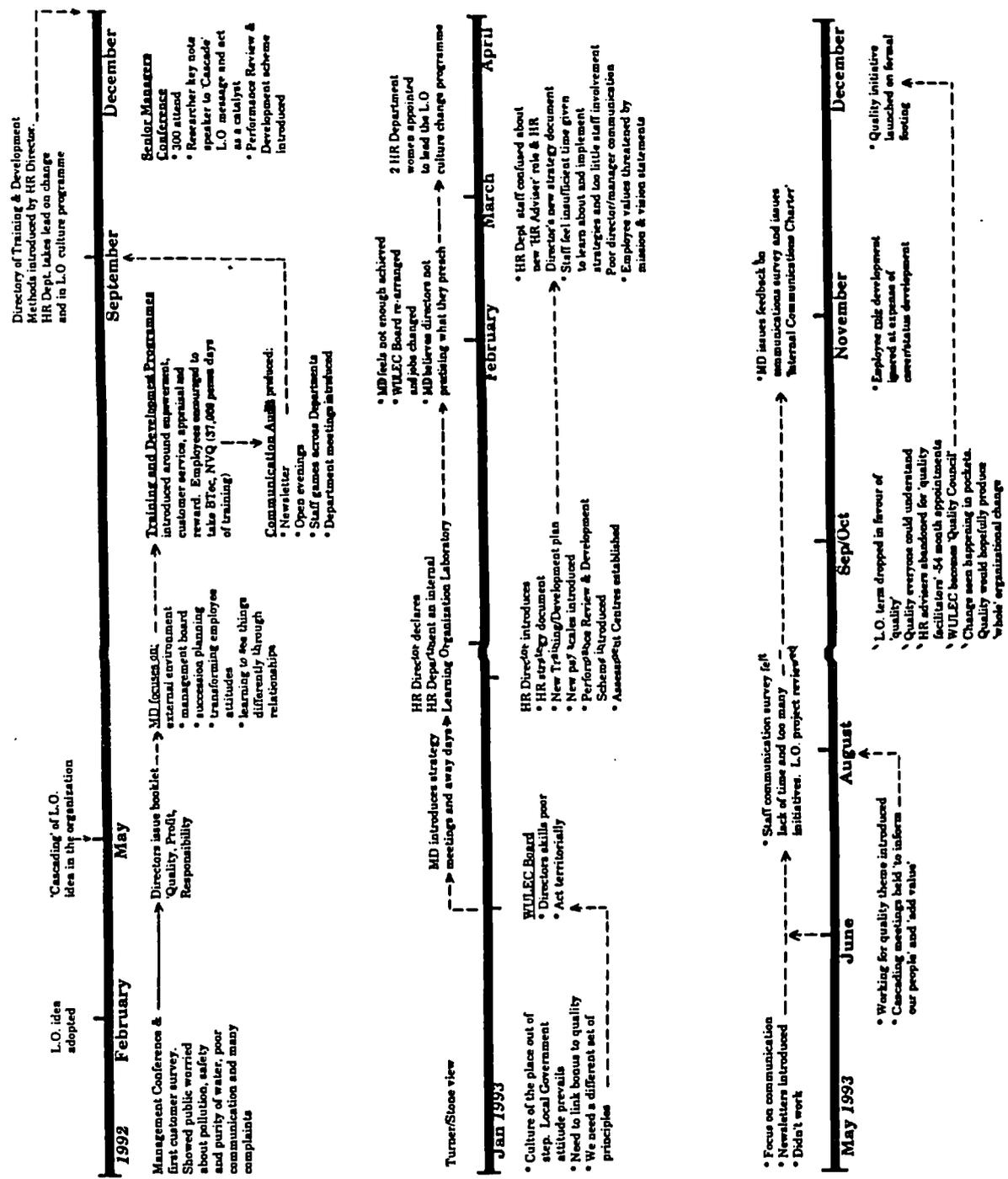
As had always been the intention, Water Utility International was about to become an integral part of Water Utility Limited with the new combined business seemingly going to be given the title 'Water Utility International'. Paul Turner was also appointed the Plc Deputy Chief Executive in addition to his role as managing director of Water Utility Limited. It was also apparent that he would become managing director of the two merged companies.

Figure 7.1 provides a summary of the people and events impacting on the creation of a learning organization culture in WUL. The broken arrows show the links between the

FIGURE 7.1

WATER UTILITY LIMITED

Summary of key activities/events contributing to the development of a learning organization culture



various activities events and activities which led to a change from concentration on learning to that of quality. In 1992 the management conference and customer survey led to the introduction in May of the 'Quality, Profit, Responsibility' charter. This led the managing director to focus on five key issues which resulted in extensive training and development programmes and a communication audit. In turn, this produced a Director of Training and Development Methods in the hope of accelerating change and a learning culture. In December of that year the cascading of the learning organization idea to the most senior managers took place.

January 1993 revealed the culture in WUL was still out of step. The managing director subsequently announces 'away days' for directors. a new HRM department is formed to cascade the learning culture and by March the managing director and many employees feel exhausted as a result of too many initiatives and lack of time to complete tasks. The managing director encourages more vision and mission cascading sessions, becomes concerned about communication again and embarks on further surveys which results in November 1993 in an Internal Communications Charter being issued. In the meantime 'total quality' management tools had captured the managing director's attention and activities now focused around this theme in September/October 1993. This resulted in the abandonment of the learning organization label in favour of a 'quality initiative' launched two months later.

## HAD WATER UTILITY LIMITED BECOME A LEARNING ORGANIZATION?

A theme running throughout the thesis is that the learning organization is not an end in itself. At best WUL had established a number of activities which they could develop into a wider learning organization perspective but the abandonment of the term 'learning organization' in favour of 'total quality' have been symptomatic of people's resistance to learn and change because they were not prepared to engage with the struggle and risk taking learning often involves.

Directors and staff nearly all came from the old public water authority and found it difficult to let go of their past ideas and practices. The board of directors tended to view learning and success in terms of 'pats on the back' when the organization was awarded prizes. The Forestry Commission, for example, awarded WUL a 'Centre of Excellence' Award in 1992 and in the same year the Queen formally opened a major recreational pursuits area the organization had developed. To the directors this was a sign that they had learned.

The directors understanding and analysis of learning was limited. For them it was prescriptive. The large sums of money they expended on training always produced pedagogical and didactic learning. The firm clearly adopted a great deal of training but as to whether it led to understanding and overall development is unclear. However, in terms of exhibiting the learning organization characteristics highlighted in the earlier chapters of this thesis, the organization was extremely limited in its ability to create a learning culture.

Since it was the managing director, Paul Turner, who originally spearheaded the project his observations on the two year learning organization project period are important. It had taken him two years just to begin to understand what 'this learning and change... is all about':

*Our working for quality programme has been the best vehicle for change. Ours has been an evolutionary path. In truth there have been chasms and without a doubt creating a shared mind-set for directors has been the greatest challenge and even now there are too many versions of the story we need to tell.*

*I've come to the conclusion though that organizations have to be led. This is a difficult task but not an impossible one. You have to gain the hearts and minds of people. I have felt weary and we've been through some swamps but I now feel they were all necessary and we've learned from it. We've just started understanding what this learning and change business is all about.*

(Paul Turner: Managing Director)

## **CONCLUSION AND SUMMARY**

The story of WUL is one of meandering processes which were not linked to any specific learning organization philosophy or understanding. This resulted in confusion and staff were left to muddle through. A cosmetic commitment towards creating a learning culture emerged. There was perhaps a superficial emotional commitment to the project at the beginning but the board of directors failed to engage with the intellectual commitment the learning organization concept seems to require.

The board of directors spent too much time looking for 'quick-fix' management tools to create instant change and competitive advantage. They were also too territorial and their vision and mission cascading programmes simply created

confusion. The board's controlling culture based on power and 'getting the king into check' mitigated against a really successful learning outcome which focused on 'relationships', which is what the managing director stated he really wanted in the organization.

## **CHAPTER 8:**

### **CREATING A LEARNING ORGANIZATION**

#### **INTRODUCTION**

This chapter provides an analysis of the two case study organizations and their attempts to create a learning organization culture. However, since there is little empirical data to suggest hallmarks or characteristics for a learning organization the task becomes difficult because, as chapters 1-4 indicate, much description about learning organizations is anecdotal and rhetorical.

The case study analysis therefore begins by using the writer's own five phase model. It then moves to a more comprehensive analysis using a model which considers learning in organizations from an adult learning perspective. Finally, the learning agenda of each organization is considered.

#### **THE FIVE-PHASE MODEL**

This was set out in detail in chapter 3. In summary, it categorises an organization's learning across five phases of activity. These are foundation/dependency stage (phase 1); formation/transitional stage (phase 2); continuation/independency stage (phase 3); transformation stage (phase 4); and transfigurational stage (phase 5). For each stage there are key 'concerns', 'activities', and 'measures of achievement' which organizations tend to focus on.

## IT(UK) and the five-phase model

The general culture of IT(UK) was one of openness and participation. There was also a collective ideal which was enacted through such things as a no-smoking policy, 'red' quiet time for reflection, and not engaging in corporate entertainment to secure new clients or to strengthen existing business.

There was a genuine concern that people should develop their full potential and this extended to outside activities - for example, the medieval madrigal singing troupe was given time off work to perform in competitions, and staff were allowed ten days paid absence per year for personal training and development, in addition to in-house company programmes. In this kind of activity the organization was at the continuation/transformation (phases 3 and 4) level.

Operationalising events, activities, visions and missions on the other hand placed IT(UK) in earlier phases of development. Much of this retardation was due to the two Symmond brothers. Their personal motives and actions, which limited what others could do, resulted in the kind of activities found in the first three learning organization phases. Staff were encouraged to develop themselves (phases 1,2, and 3), to work in project groups and teams, and improve personal performance (phases 1,2,3 and 4). They were viewed by the firm's owners as an 'asset' rather than a 'cost' (phase 4), management hierarchy was reduced to a minimum (phases 3 and 4), and there was 'job enlargement'. However, in terms of their own learning about running a company the two brothers were at phases 2 and 3 - that is, learning how to learn and handle people, learning how and when to 'let go' of situations, and knowing when to stop interfering in other people's work.

## **Water Utility Limited and the five-phase model**

Firstly, the board members limited their ability to learn because of their need to control. In this sense they needed to learn how to learn (phase 1) and tended to block their own development as they continued to act as feudal departmental barons. This, combined with their various management styles, produced a culture which, in the words of Banner, meant '...getting the king into check mate'. In other words, they spent too much time protecting themselves and their individual departments rather than seeing things, and acting, holistically.

Secondly, formal training for staff straddled the first three phases. Extensive formal training provision (phase 1) was supplemented by the new human resource departmental advisors who focused on individual portfolio development, linked to an employee's specific job (phase 3). In addition, the creation of project teams, and the quality initiative, enabled people to widen their job experience and tasks (phases 2 and 3), but the directors' control culture limited development. This left employees focusing on phase 2 type activities. Overall, the organization only engaged with phase 1 and 2 activities, only moving towards phase 3 in those areas highlighted above.

Thirdly, the organization made wide use of human resource management systems (phase 3) with the introduction of new pay schemes, psychological profile testing, a reduction in management and supervisory levels, the setting up of quality councils, and the involvement of employees in work other than that for which they were specifically trained. However, the new human resource department director, determined to make his own mark, used highly autocratic devices to control the HRM activity. In so doing, people generally failed to go much beyond phases 1 and 2. A collective opinion did emerge that learning in the form of formal training does pay

and produces results, but the directors linked training to pay and rewards and this created an individual competitive culture rather than the one they sought based on group performance. Self-development and empowerment became a contained and systems orientated activity.

The case study reveals how the board became obsessed with tangible measures of activity and performance and introduced career paths and grades rather than career roles. Being an organization which was task and event driven, the board focused on short-term initiatives.

### **The five-phase model reconsidered**

The five-phase model was originally developed to summarise current literature and practice on the creation of a learning organization. The phases reflect what a particular group of organizations had been doing over a three to five year period, each addressing their own particular problems or circumstances. It was not developed to be used as an absolute measure or yardstick of what other organizations should be doing at any particular time in their development. The categories of 'concerned with', 'kinds of activities', and 'measures of achievement' represent the patterns between the particular group of organizations reviewed. A different set of organizations may well have produced a different range of events and activities which, in turn, could have produced a different set of patterns.

This brief review demonstrates that the five-phase model is perhaps unwieldy, mechanistic, too sequential, and an inappropriate instrument to use in analysing the early stages of an organization seeking to establish a learning organization culture. Chapter 4 highlighted the fact that adult learning theory demonstrates that, with few exceptions, adults do not learn at one and the same time, or at the same rate and pace,

or in a whole organizational manner. A model which suggests this is misleading. The five-phase model tends to suggest that an organization works towards a sense of completion - that is, once a set of goals are achieved an organization changes into something different and eventually becomes a learning organization when it reaches phases 4 and 5. The model is probably therefore more useful as a tool to marshal and analyse the literature and practice over time.

The two organizations studied here were in different phases of development. No clear picture of universal organizational transformation or change emerges from the case studies using the five phase model at such an early stage in attempts to create a learning organization culture. The analysis shows each organization straddled a number of the phases and serves to challenge a basic suggestion in the learning organization literature - that is, whether there can be whole organizational change and transformation. What is needed is some other, more embracing, organic, and less mechanistic criteria to analyse the early stages of organizations. Such a model or criteria needs to focus on adult learning processes and activities.

### **THE LEARNING CONTINUUM**

Rogers (1986:15) points out that in any kind of environment where adults engage in learning there is a comprehensive way to view it - that is, as a 'continuum' based on wide and narrow goals:

*At one end are those planned episodes with narrow goals the aim of which is to demonstrate that there is a 'right' way to do something or other. These are largely in the skills area but not entirely so; some people are taught that there are 'right' ways of understanding, of behaving and even of learning. Choice is strictly limited and not encouraged. This is what we...mean by 'training'. At the other end are all those activities that set out to convince us that there is a 'right' way of thinking and feeling. Once again there is limitation, even denial, of*

*choice; there is only one way to think, one set of values and attitudes to hold. This is essentially 'indoctrination'.* -

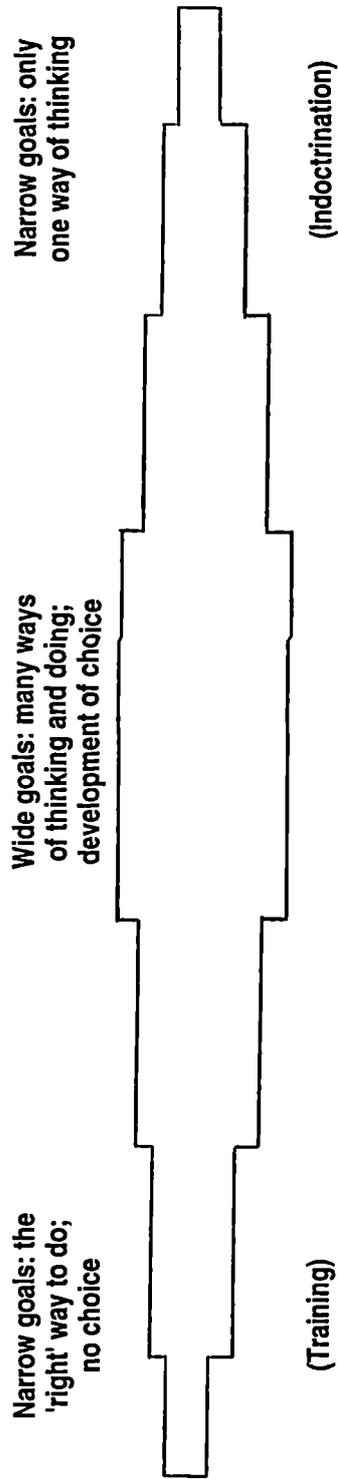
In the middle of these two extremes Rogers describes learning as 'development of choice' (see Figure 8.1). Choice is self-development which concentrates on creativity, flexibility in terms of skill development, and allowing people different ways of thinking and doing against a background of wide goals and alternatives. This is not to imply that senior management in an organization should not set out specific organizational goals. However, it does imply that the achieving of the goals may go beyond the understanding of managers, and that employees may not appreciate, understand, or ally themselves with the same goals. Further, learning as choice has as its focus the actual involvement of people engaged with a particular activity.

This is a useful model for the present analysis because it allows for events and activities to be discussed using three general and more holistic categories. Rogers points out that learning as training and indoctrination will occur, and at times may be essential as part of the adult learning process, but maintains the key to developing the individual and collective potential of people lies in developing those events and activities which focus on 'learning as choice' - that is, the andragogical principles of adult learning which are about creativity, flexibility, creating time for learning and self-development. This is a key theme in the work of Pedler, Burgoyne, and Boydell, (Burgoyne, 1984; Burgoyne and Hodgson, 1984; Pedler, Burgoyne and Boydell, 1986; Pedler, Boydell, and Burgoyne, 1988; Pedler, Burgoyne, and Boydell, 1991).

Choice is also about focusing on individual and shared values, the guiding spirit of the organization, organizational purpose, and less quantifiable activities such as ethics - that is, the 'spiritual dimension' of an organization (Pedler, 1990:12).

Figure 8.1

Rogers Learning Continuum



The case studies are now analysed using Rogers learning continuum model to capture more holistically the learning continuum activity in the two organizations. Interestingly, both organizations focused on similar McKinsey factors, although often in different parts of the continuum. These similar factors are: staff and skill development, systems, style and shared values, structure, organizational culture, and strategy.

### **IT(UK) ON A LEARNING CONTINUUM**

IT(UK) did not enter the learning organization project with any clear set of learning ideas or an agenda. The case study reveals how Peter Symmond had no '...clear understanding of what we were about, except that I realized it was about developing people, including myself.'

The IT(UK) case study exudes the idealised passion of the Symmond brothers, and the staff in general. As a group of people they wanted to focus on the middle of the learning continuum (learning as choice) in an attempt to create alternatives and individual and group development. The IT(UK) story is about the struggle this involved as people and circumstances tended to push them towards the two extremes of training and indoctrination. However, identifying events and activities, and attempting to package them in neat, self-contained categories, tends not to work and the picture which emerges is of the interaction between each of the learning continuum parts.

(a) **Learning as choice**

The most significant learning experiences occurred as staff went about their daily work. Concentrating on new product development and customer service saw staff working in different groups across various departments. Each had the opportunity to become more aware of how one person's job influenced that of another. A greater understanding and respect for people, a quality which was already present in the firm at the start of the learning organization project, developed as did group work approaches to work and job design.

The period of the three business units enabled a significant number of staff to widen their job skills and expertise. The move to appraisal by means of the thirty-day coaching cycle was an innovative learning experience to which everyone gave input. Taking an holistic approach to individual development and management, it focused on what people were capable of doing in the present, and, more importantly, for the future. Barriers to development were tackled at source rather than six or twelve months later. Staff learned to challenge blocks to personal development as they happened and this, in Peter Symmond's words, meant:

*...that people will grow much better through short frequent encouragement sessions rather than more formal and infrequent sessions which tend to be too judgemental.*

(Letter to the writer, March 1994 - see appendix B)

The case study demonstrates an acknowledged lack of expert knowledge among staff across a wide range of skills, especially in terms of marketing, forecasting, product development, strategy, and information technology. This situation allowed some individuals and groups to address problems in an unstructured and individualistic way based on choice and options - for example, Mary Eccles was allowed to take

responsibility for systems and communication networks. She eventually became communications manager and technical information systems controller. In so doing, she acquired for herself a strong and powerful position in the organization which enabled her to expand her role. Her personal knowledge and skills development produced new formal and informal organizational systems.

At one level of analysis, chance could be said to have produced this outcome. An alternative analysis is that the freedom for one individual to develop produced an unpredictable, urgently needed tangible outcome - one of the major hallmarks of adult learning theory.

The firm's value system was the one thing which kept the firm together. Although strongly flavoured by the Symmond brothers' personal values, the system developed into one of learning as choice, tinged with learning as indoctrination - that is, Peter Symmond's personal motives and view of the world formed the basis of the value system. As he himself observed:

*Moulding the culture and manipulating it are the key things for me.*

Nonetheless, the system's development was a collective activity. The decision to ban smoking on the premises, for example, was a general staff decision, as was the decision to donate time, products, and training to the British Olympic team, and to provide time and money for Christmas parties for the old, infirm, and impoverished children in the immediate locality.

Despite Peter Symmond's idiosyncratic behaviour, which sometimes led him to make snap decisions without consulting anyone, the staff were able to accommodate the paternalistic, family ethos which were the foundations of the firm's activities and

operations. All views were welcomed and heard. Peter Symmond was forgiven, more often than not, when he seemed not to act in unison.

Values, and a sense of purpose and fair play, remain key characteristics of the firm. Even the 'Black Tuesday' redundancies was an action which was put off until the last moment in the hope that business would improve. When it did occur, it was seen as a self-inflicted injury which everyone in the organization felt.

Although the three business units were imposed by Peter Symmond they encouraged learning through choice. One powerful outcome was people development based on personal and group autonomy. In the packaging and despatch department staff assumed wider responsibilities, they began working with other departments to speed up product delivery times, and a wider group of people drawn from most departments became involved in programme development.

For Clough and Stead it was a period of learning through choice. They obtained the 'prizes' they sought when each was given responsibility for his own departmental unit. Although this brief period was fraught with problems and they felt very much 'in the wilderness', the new organizational structure gave them time to reflect on their own lives and personal career goals. Retrospectively, it was a time when they were able to take stock. Clough decided to stay with the organization, whereas Stead left to start up his own business.

The Symmond brothers also concluded that, given the type of organization they wanted IT(UK) to be, it could not run without them. They had tried the 'technician-knowledge-expert' approach to management suggested by the external consultancy firm, and urged on them by the professional managers brought in from outside. However, they realised that to achieve their own needs, and to develop the firm as

they wanted it to be, IT(UK) had to revert back to an 'heroic-leadership' style of management. Organizational structures were again changed to accommodate this position.

Staff had little choice in the matter. The three business units were abolished as quickly as they were introduced, only this time the Symmond brothers, recognising the new system was failing, over a period of weeks cunningly got staff to verbalise their dissatisfaction. When the announcement was made to abolish the units there was no opposition. When Peter Symmond took control once again it was generally welcomed by staff. Indeed, Paul Penn identifies him in the case study as a 'good problem.'

This kind of action often tends to be a hallmark of heroic leaders and entrepreneurs (Warren, 1984). Such actions enable them to capitalise on crisis events. Their bold and sudden announcements, which result in hard decisions and changes, help to:

*Develop a multifaceted strategy to preserve and protect the institution....*

(Warren, 1984)

On the one hand the Symmond brothers' actions and behaviour can be viewed as controlling, paternalistic, and erratic. On the other, they too were learning and, as such, had the right of personal choice for what they wanted for themselves and the company.

Staff worked at developing an open management style supported by an 'empowerment' culture linked to organizational 'vision' and 'mission'. The vision and mission were collectively determined by staff but the underlying concept and principles sprang directly from Peter Symmond's and Twigg's views of the world.

Empowerment was conferred by 'gifting' or 'enactment' rather than by individual consciousness. Its theme was quality of life and purpose linked to achieving personal goals by providing superior quality performance at work. Although staff had choice or freedom to act, it had to be within the overall ten point philosophy of vision and mission espoused by the board.

(b) **Learning as indoctrination**

The power of Peter Symmond and his closest associates to establish the framework for thinking and action, however, tended to limit choice for others. Peter Symmond, the heroic-leader, provided what was perceived as enlightened and inspirational empowerment. Much of this resulted from his assiduous reading of popular management magazines and journals. By keeping one step ahead he appeared as the fount of all new wisdom, except to those professional managers and consultants brought in from outside. Their overall analysis of him was quite different. Clough, for example, observed that he is:

*...a 'Jekyll and Hyde' character. ...he cannot think strategically and the consultancy firm thought him unable to have a view of the real world on a minute by minute basis.*

He was able to readily plunge the organization into turmoil by creating too many initiatives and by getting involved in too many activities which were the responsibility of others in the organization. His knack of forcing others to focus on the things which were of immediate interest to him generated organizational fragmentation whereas coherence is needed to manage and bring about successful change (Pettigrew & Whipp, 1991).

This was a key feature of his approach to running the organization. Inspirational empowerment became a useful controlling tool, seemingly a key initiative in bringing about transitional and transformative change (Tichy and Ulrich, 1984). This meant staff moved with his way of thinking, and learning through choice gave way to learning as indoctrination and training to comply with his fads and fashions. The three aspects to the learning continuum were in constant tension.

The Symmond brothers motivated and engaged their staff by means of their own personalities. They did so by concentrating on learning as training and indoctrination events and activities, with each supporting the other. Choice occurred in the ways and means employees acted within the framework established by the board of directors, and by Peter Symmond particularly.

From the firm's inception, Peter Symmond sought to stamp his own personality on it and the story of the project is really about his attempt to sustain and develop his visionary leader role. As Pitt observes in the case study, Peter Symmond is:

*...a typical so-called 'primal manager, literally bubbling with vision and ideas, who draws on his own basic drives and instincts.*

However, the period of the project challenged the brothers' ideals, their organizational systems, and management style. They had therefore to reframe how people thought and acted.

The Peter Symmond 'magic' had dissipated and was reflected in his worsening relationship with his wife who, having been a key figure in the organization, decided to withdraw from it. This occurred at the same time as the people he had recruited from outside, Clough and Stead particularly, openly began to question the brothers'

ability to professionally manage the organization. The Symmond way of viewing the world was under threat.

Peter Symmond needed (a) a clear, less idiosyncratic way of moving his company forward and (b) to re-assert his own presence and leadership. Whether as a planned strategy, or through a complete sense of fatigue, he sought outside help, and turned to the use of external consultants, much against the wishes of his brother and the other senior managers.

### The use and impact of external consultants

External pressures (loss of revenue, changing customer needs, changes in the patterns of programme delivery, and a recession) triggered the need for change and learning, but there was little internal organizational capability to address these issues, hence the use of a variety of consultants.

The consultants quickly became aware that there were too many initiatives in place. They sought to get the Symmond brothers to concentrate on several key activities (production of new programmes, marketing strategies, and a simple, unified project-team approach to managing the business) to produce clear results in a relatively short period of time, and to motivate staff to continue to develop and refine programmes and operations in manageable blocks. In other words, the Symmond brothers were invited to engage with clear, narrow aims and goals.

However, the learning processes had first to be handled by the Symmond brothers. It is difficult to properly interpret why Peter Symmond took up F H Consultants suggestion that he and his brother should withdraw from the management of the firm. His generally unexpected announcement that the business would be divided into three

new business units may simply have provided him with a breathing space and time for reflection. Twelve months later, when he abandoned the new structure, the two Symmond brothers had sorted out their own personal problems and relationship, and took the helm again with renewed vigour. Their absence served to get the senior staff to reflect on the business and its activities in a much more holistic but narrowly defined way.

The strategy worked. Revenues rapidly increased and an extensive new customer base began to develop. The processes resulting in this success were: focusing on a small number of key issues; time being given for experimentation and the refining of ideas and products; almost immediate product success which acted as a motivator for further development and refinement.

#### Adopting a quality programme

The most influential activity which underpinned all the consultants advice was their suggestion that a move towards a 'quality' programme would produce rapid results. This at once attracted Peter Symmond, because it was a clear, easily understood concept which he could manipulate and develop for his own ends. Having found a supporter in Twigg he was happy to allow him to develop new programmes around total quality issues. He also realised that he had to give the learning organization project a new injection of life because it was not being understood in the organization. In his letter to the writer (24 March, 1994 - see appendix B) Peter Symmond specifically states:

*...much of our thinking about the learning organization concept has been bundled into the bigger picture of our Total Quality work.*

Symmond had found a new and specific unified goal and he set about cascading this new approach in the organization. Tichy and Ulrich (1984:255) observe that:

*Transformational leaders need to spearhead the creation of...vision. The future vision must be shared throughout the organization so that members have a clear idea of where they are heading.... . An important skill in developing a vision is to be able to define a firm's distinctive competence.*

The Symmond brothers used the quality initiative to re-establish themselves and Peter Symmond found a new lever which he could use to create a new vision - that is, a narrow goal and way of thinking. First, though the Symmond brothers demonstrated their own proficiency. David spent nearly six months in the USA and brought the American operation into a profit making situation while Peter personally secured the lucrative BBC contract. This was quickly followed by the South African leisure company training contract and within a matters of months he had confounded his critics by attracting business worth in excess of £500,000. A new 'distinctive competence' had been established.

#### Consolidating power and control

One further strategic decision was also taken during the period of the learning organization project as the Symmond brothers emerged from their self-imposed withdrawal. The conflict between Peter Symmond and a small number of the senior managers recruited from outside again surfaced the issue of succession, so often a problem in many small-to-medium size firms (Hendry, Arthur, Jones, 1995 forthcoming). On this occasion Peter Symmond quickly learned that he could not allow such discord to continue. Having dangled the idea of senior managers becoming directors and shareholders in front of Clough and Stead, these two

individuals wanted to know how this could be achieved with the abolition of the three business units.

Peter Symmond acted swiftly and announced that the board of directors was to be expanded to include his wife. At a stroke he effectively reduced the power and authority of Stead and Clough. Twigg was appointed as a non-board director to act as mediator, mentor, and counsellor between the board and the senior staff.

Although not publicly stated, it was felt in the organization that the Symmond brothers had decided what they wanted to do with the business - that is, develop it so it could be sold off, or be acquired through merger or acquisition with another company.

Having created a new vision and mission, expressed in a diagram Peter Symmond sent with his 24 March, 1994 letter to the writer (see appendix B) he and Twigg set about underpinning the learning as indoctrination with a programme of training initiatives.

(c) **Learning as training**

IT(UK) had a very heavily values-orientated culture which depended on Peter Symmond. What then passed as training in the organization mainly served to prop up the indoctrination messages which focused on vision, mission, and a prescriptive way of viewing the world.

Peter Symmond's approach to life and work, greatly influenced by his Christian principles and the work of Charles Handy, had to be reflected in the programmes. It is therefore not surprising that he readily accepted Twigg's 'green planet' philosophy

and allowed him to develop new programmes around this theme. Twigg's observations throughout the case study reveal his own openness in this matter. He wanted to use IT(UK) as a vehicle for promulgating his 'green planet' concept. This meant the rest of the IT(UK) staff had to be won over. So, there began a series of events and activities to accomplish this end.

New flexible projects were established into which Twigg gave input. With June Breeze, and a small select group managed by Gill Plant, he developed a new quality programme for the organization, devised the thirty-day coaching-mentoring system, and acted as counsellor to the programme presenters. The presenters were also given the added role of marketing other products when making their presentations. Twigg then started to persistently offer his counselling services whether staff wanted them or not.

With the Symmond brothers' support, formal and informal training sessions were held to (a) explain his new programmes, and (b) to get the staff to 'buy into' his view of the world. This is not to infer that his view is wrong, simply that the programmes he and his colleagues produced were not open for major debate or rejection. Acceptance was required, working on the principle that unless staff 'bought into' the messages coming out of the programmes the company itself would not be the kind of organization Peter Symmond wanted, and the staff would lack conviction when marketing and presenting the programmes to clients. Twigg was clear what the staff had to do:

*They have to purify themselves - that is, re-direct themselves and their energies. We will ....concentrate more on social values and bringing these to IT(UK), and in turn to the clients we deal with.*

## **Summarising learning continuum activities at IT(UK)**

This analysis of IT(UK)'s learning continuum activity shows how and why the Symmond brothers moved towards the extremes of the continuum - that is, training and indoctrination. Peter Symmond's need to be liked and be the central leader and visionary in the organization was the main element in the firm's redevelopment processes.

Things seemed not have changed at the end of the learning organization project, save that for once the Symmond brothers had been made to concentrate on a small number of issues and markets. Peter Symmond recognized Twigg's less erratic nature and by affording him the status he achieved as board mentor and staff counsellor, Symmond provided an anchor for himself and the organization as a whole.

Peter Symmond commented that in his view the organization had developed a 'practice' rather than a 'system' and that the 'practice' must now concentrate on:

*...the flavour of looseness which is what I think it (the learning organization) is all about and it has encouraged us to go down...some definite routes linked to openness, trust, and honesty.*

In other words, he reached the point where he committed himself emotionally and intellectually to concentrate on 'learning as choice' and this seems to be an important aspect of transition which leads to change and new ways of thinking (Barrett and Cammann, 1984). However, he had done this before, and as he himself observed, only, 'time will tell' whether it will work.

This seems to be an important point in evaluating an organization as a learning organization and brings the analysis back to an earlier observation - that is, to judge

an organization's learning activity in prescriptive, and neatly packaged sets of activities and measured competencies, over a short period of time, tends not to reveal long-term and lasting embeddedness. This issue is picked up later in this chapter.

Figure 8.2 summarises the IT(UK)'s learning continuum activities during the period of the project. Learning as indoctrination is supported by training which effectively reduces free choice. Where the quality programme began to enable staff to move more towards learning as choice, their activities were again limited because their choice was further conditioned by Twigg's 'green planet' philosophy.

What does emerge is more of a focus on learning as a reflective, experiential process. Reflecting on a particular period of events and activities enabled people to chart what their problems were and how they were addressed. In this sense, a learning agenda emerges.

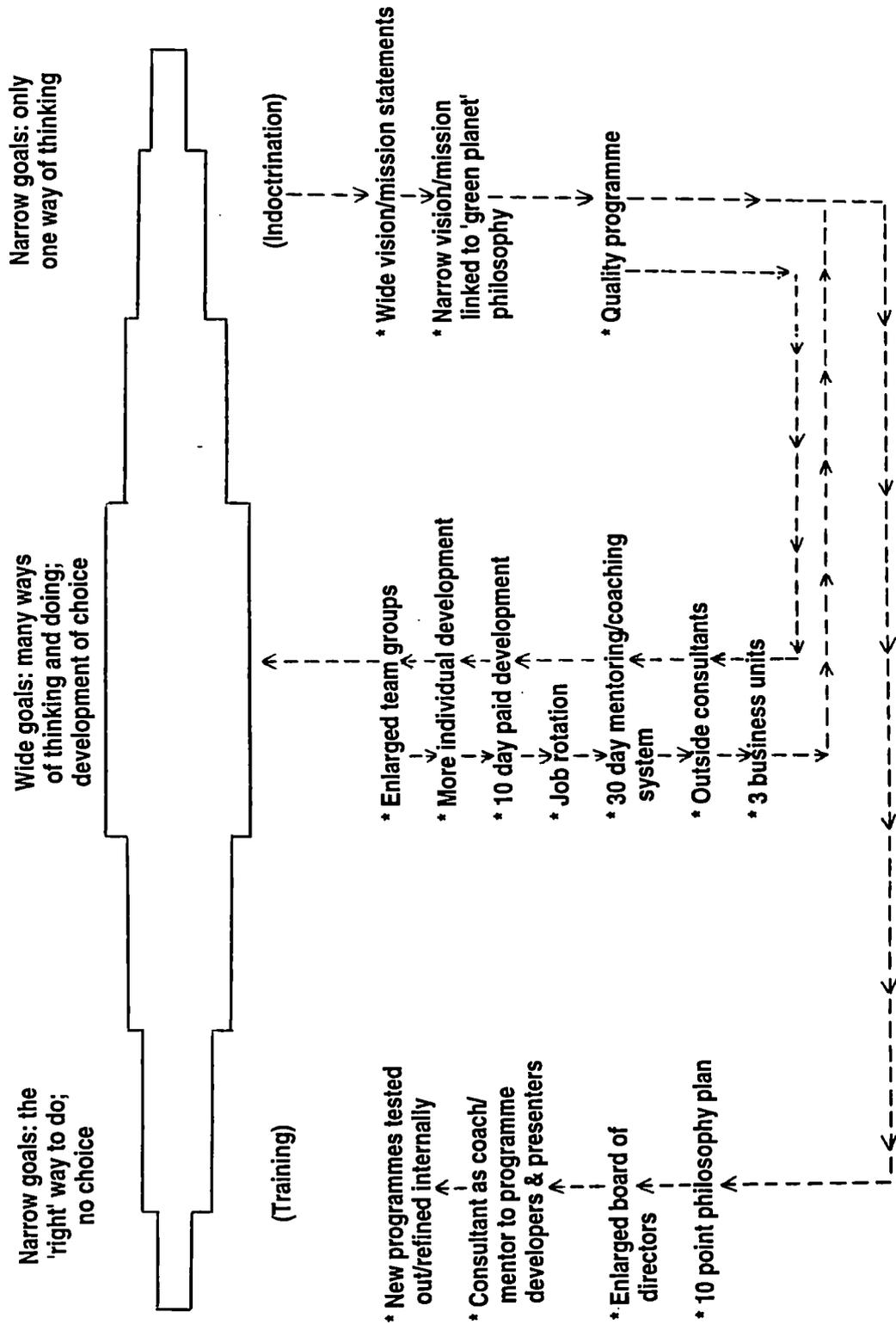
### **IT(UK)'S LEARNING AGENDA**

The point was made at the start of this chapter that in a research project of this kind it is important to reflect on an organization's own learning agenda, or lack of it, because this is likely to mould events and activities. In IT(UK)'s case there was no espoused learning agenda, nor a clear statement of how learning was being understood or defined. The case study reveals an agenda which emerged over time. It developed as the organization tackled its internal and external problems. The main points of focus were:

- \* the need to grow the business beyond £14 million

Figure 8.2

IT(UK)'s Learning Continuum Activity



- \* the Danish parent franchise constraint
- \* loss of direction by the Planning Team
- \* clarifying how the external environment viewed IT(UK)
- \* the need for new style programme presenters
- \* new programmes focusing on holism
- \* how to manage the Chairman's entrepreneurial but idiosyncratic behaviour

The agenda emerged as people went about their daily work. The main learning events and activities were later clarified, retrospectively, when staff, and the Symmond brothers particularly, looked back on how they had tackled successfully, or otherwise, particular issues.

However, in tackling the issues staff did not develop a learning agenda in terms of identifying such things as learning styles and learning periods, and neither did they ask what needed to be learned, or how, when, and where to address specific issues. Instead, initiatives and major change activities were generated - such as the new three business units and the move to 'total quality'. Twigg's consultancy intervention produced some new programmes but then learning became indoctrination so everyone could be imbued with his 'green planet' philosophy.

Learning was again conducted in a top-down fashion against a backdrop of self empowerment. People were encouraged to give input to the refining and developing

of Twigg's work within an overall framework in which his programmes and initiatives were not open to question. This contradiction weakened the learning organization process. People were asked to make intellectual and emotional leaps in their learning so that everyone could 'sing from the one hymn sheet' at the same time.

Given the type of organization the training firm is, and the people who are attracted to work for it, perhaps this learning approach is right for them. It could be argued that if the firm's processes and systems generally work, if it makes money, and conducts its business in an ethical manner, if people are generally happy and continue to adapt to internal and external contexts, then as long as staff learn to cope with the upheaval involved, the organization could be said to have learned to handle its learning contexts and processes, however chaotic this may appear to outsiders.

This then means that prescriptive models and theories which suggest an organization is not a learning organization unless it reaches a specific level of practice and expertise lose their value. If a group of people can work out their own destiny in a way which is satisfactory within the contexts they set for themselves, then they can be said to have reached a clear understanding of what learning means for them. By Illich's definition of learning, they would have created a 'meaningful setting' in which they 'participate' which then gives them greater understanding of their world.

Such an organization as IT(UK) tends to attract people who readily engage with a doctrinal approach to life and work. It is probably for this reason, however critical employees may be of it, that the firm prefers, in David Symmond's words, 'to home grow' its staff.

## SOME CONCLUSIONS AND OBSERVATIONS ABOUT LEARNING AT IT(UK)

### (1) The need to produce collective learning:

The case study evidence suggests that learning was judged in terms of the success or failure of initiatives. Rarely, if ever, was there any analysis of the processes, content, and contexts in terms of what had been learned or not learned. Neither was there any understanding of where individuals or groups were at in their own learning stages. The emphasis was on what Whipp (1991) terms 'collective learning' through vision and mission statements to produce 'shared mental models'. Such learning acted as a controlling mechanism which required collective compliance.

### (2) Learning as focusing:

Employees learned that it was only possible for them to focus on a small number of major issues at one time and that greater comfort was achieved when they could see some successful outcome for their efforts - for example, developing new products through project and group team work linked to the assessment and coaching system. This was achieved by means of a problem-centred approach which enabled them to test out the new products they devised. The new products were then used in-house and refined before being marketed to customers. The success of this approach was demonstrated by the high income generated shortly after the product launch.

On such occasions, staff created a learning pattern which developed through the experience of tackling day to day activities which focused on a clear initiative. Success was achieved fairly quickly in terms of new customers.

(3) Retrospective learning - continuing the reflective process:

The learning agenda was developed as circumstances dictated but the agenda was further rationalised by Peter Symmond. The case study shows how he thought the company had developed and learned over four key areas of activity: (1) Organization Development, (2) Business Focus, (3) Total Quality, and (4) Clarification of Business Offerings. Significantly, Symmond's perception is a retrospective analysis of events. It is not an evaluation of criteria or activities established at the start of the project.

In his 24 March, 1994 letter to the writer (see appendix B) he develops each of the four key areas. On the issue of organizational development he saw the period of the three business units having enabled the organization to learn how to focus on matters relating to how the business was centrally serviced and administered, issues to do with consulting work, and matters relating to the mail order and distribution activities. In other words, they had learned to identify the most crucial activities in these three areas. Symmond observed:

*The positive effects ...were seen in a greater focus on the particular nature of each area and it also gave a number of our younger managers opportunities to increase their responsibility and influence.*

In turn, Symmond believed they:

*'clarified...(the)...business focus in terms of the need to: delight customers; encourage colleagues, partners and suppliers; contribute to the community; and increase profit and cut waste.*

Peter Symmond felt, 'measurement criteria are built under one or more of these four headings', although the writer was never made aware as to exactly what these 'measurement criteria' were.

Symmond concludes that the most important learning points were:

*....the challenge of integrating a procedures driven system into a people driven culture! We have learned many lessons which we are now able to sell to our delighted customers many of whom seem to have been struggling with the same problem.*

What emerges is not simply a justification or rationalising of past events but a developed potted history of a process of transition, and an interpretation of the processes involved, which subsequently inform and impact on employees future actions and decisions.

Pedler, Burgoyne, and Boydell (1990:4) emphasise the importance of such learning from reflection, or what they prefer to call 'biography':

*Learning is the word we give to that ultimately mysterious process whereby we make sense of ourselves in our situations. Learning takes place when a person...is able to make sense, create meaning with the aid of an idea. If learning is first a personal, meaning-making process, then such meanings will be biographically rooted.*

(4) Lack of a learning framework:

Learning of various kinds had taken place but without any kind of learning framework. Events and activities occurred more by default than desire, although there was a move towards less segmentation and incoherence towards the end of the project period. A clear focus across several of its learning activities emerged as the firm began to create greater cohesion and integration - a process, seemingly crucial for organizational success (Kanter, 1985; Pettigrew and Whipp, 1991, 1992; Pettigrew, Ferlie and McKee, 1992). Lack of a learning framework may be the factor which encourages a more reflective or biographical approach to learning.

(5) Learning as continuity:

Don Clough observes in the case study that the shared values of 'love, kindness, and caring' sustained the organization and it was this that enabled people to forgive the Symmond brothers, Peter especially, when they did not act in unison.

Clough also observed that Peter Symmond's wife, June Breeze, was 'the guardian of what is best' in the organization. This notion of 'guardianship', or what Albert (1984:177) calls the 'continuity process', seems to have been an important aspect of the learning process and its outcomes. *Albert maintains that:*

*The discovery of continuity creates the possibility of transition since it provides a link between past and future.... .*

Three other key figures also stand out in the case study as providing guardianship, continuity, and a link between past and future events. Firstly, the two Symmond brothers, despite their idiosyncratic behaviour, were generally trusted by their staff and were considered to have the firm's welfare at heart.

Secondly, Paul Penn, in turn, was trusted by the Symmond brothers and emerges as a representative guardian of continuity.

Thirdly, June Breeze's appointment to the board of directors passed without criticism. It was welcomed as a major contribution and acknowledgement that women were gaining access to the highest levels of the decision making process. Breeze's presence was also seen as a broader view being represented on the board. She was not afraid to clash with her husband (Peter Symmond) or his brother. Indeed, much of the conflict

between Peter Symmond and his wife seemingly stemmed from their very different personalities.

Collectively, these four people represented the firm's credibility, competence, and capability, what Pettigrew and Whipp (1991) consider to be key ingredients for leading change.

Peter Symmond observed that the project had enabled the firm to 'learn about fundamentals' which already existed in the organization, and of which they 'had lost sight'.

### **WATER UTILITY LIMITED ON A LEARNING CONTINUUM**

The experience of Water Utility Limited is now reviewed similarly in terms of Rogers' (1986) learning continuum. At the start of the learning organization project Water Utility Limited (WUL) was already engaged in extensive employee training and development, but this was a very controlled activity. Staff also felt there were too many initiatives. As one senior human resource person noted in the case study, they had all 'these jumbo jets up there and now they're all coming in to land at once.' Prior to privatisation the utility company had been a public authority organization geared to prescriptive control practices linked to a supervisory and management structure with 23 grades. Since the majority of these senior people remained in post at privatisation it is not surprising that prescription persisted and the directors were attracted to learning as training and indoctrination.

However, in part, privatisation called for an emphasis on learning as indoctrination and training because it was crucial for everyone in the organization to understand the

limits and conditions put on them by the external monitoring agencies. This required specific training across a wide range of issues to do with water quality control, the environment, pricing, and technological development, all of which had to be achieved according to specific regulatory guidelines. However, the board of directors confused employees by asking them to engage with, and understand, too diverse a group of issues which many staff did not see as interrelated.

(a) **Learning as choice**

On the whole staff appeared to be good technicians in terms of doing their work. They also tended to be loyal to their department or division, something left-over from the public authority days. There are few examples though of major events and activities which provided choice for individuals and groups in general. The top-down, controlling culture actively prevented this from happening to any great extent.

Learning as choice tended to reveal itself once a particular strategy or activity had been initiated by the board of directors. For example, the Districts made quite significant changes and developed their own work and training patterns against the backcloth of central headquarters guidelines. The new customer accounts and counselling department staff were also allowed to develop their own jobs once the system was introduced and formal training had been provided over a six month period prior to start up.

One example where learning as choice seems to have been present is at board level and in the work of the external consultant, Pat Dooley. In the case of this select group of people choice was often to keep the status quo in terms of the way they acted, and to protect their own departments. Having the ear of the Plc chief executive, Pat Dooley had even wider choice of word and action and she proved to be a powerful

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influence. However, her quite clear views about what should happen meant that other people's choices were then limited. Again, given the nature of the organization during this period, it could be argued that it should not have been otherwise.

(b) **Learning as indoctrination**

The departmental structures remained more or less intact during the period of the project because of the directors' desire to control. The case study reveals the 'getting the king into check mate' mentality which existed and this manifested itself in the highly controlled systems which were put in place to support the hierarchical structure.

Whether wittingly or otherwise, the structure of the organization was supported by both old and new systems which produced an *autocratic and bureaucratic style*. What the board of directors perceived to be new initiatives served only to keep the status quo.

The staff payment and appraisal scheme, linked to National Vocational Qualifications, assessment centres, and performance review and development activities served to reaffirm traditional practice and cut across the managing director's view that organization and people development '*...is about relationships*.' The company put in place seventeen rather than twenty three management grades, with highly structured career paths, rather than emphasising career roles and personal development.

### Training programs

The board of directors became obsessed with staff surveys, communication audits, and the endless cascading of additional messages and directives about what the directors felt they wanted the staff to do. In 1992 alone there were 37,000 person days of training and development programmes. A large number of these sessions centred around 'empowerment' - that is, attempts to get employees to buy-into the directors' views about work organization and practice. By January 1993 the managing director and his deputy were agreed that the '...culture of the place is out of step. We need a different set of principles. The directors' skills are poor and they act territorially.'

### Human Resource Department

The human resource department's initiative in abandoning the title 'trainer' in favour of 'human resource adviser' did not work. It posed a new problem. An adviser was allocated to each department and District rather than being located at headquarters. This was the start of what was hoped would be a learning activity to get staff to understand that human resource development was to do with changing attitudes and perceptions. The process remained controlled, firstly, because of the department's own director and his autocratic approach to people, and secondly, because of the directors' collective desire to manage in a top-down manner. The department's staff were largely uninvolved in designing and developing the new strategy. So, in its own internal development the department was not practising what it was about to preach elsewhere - namely development through involvement.

### Emergence of the 'deflective layer'

The key theme running through these and other activities was the aim of achieving employee understanding and involvement by means of board led directives. The staff communication survey in August 1993 startled board members when they learned that employees felt there were too many initiatives, over which they had no control, and that too little time was being provided for staff to master them. This produced what is identified in the case study as the 'deflective layer' in employee ranks which often scuttled attempts to introduce change in work practice.

### Directors' actions

The struggle to create a unifying style was complicated by the issue of pay, conditions, and rewards. The directors were busy during the period of the project granting themselves the trappings and status they perceived private company directors should possess - large pay increases, the creation of a directors dining room, and impressive top of the range motor cars with reserved car parking spaces at headquarters. This created employee antagonism at a time when many were threatened with possible redundancy and all were being asked to agree to wage structures linked to grades, assessment, and bonuses payable only if specific targets were met. The situation was made worse because the directors were also acquiring valuable share options at low cost and spending large sums of money on sumptuous office suites.

The directors' attempted to temper their activities with benevolence by attending employee pub skittle evenings and football matches. The open evenings, which employees were invited to attend, were meant to provide an open forum for discussion, as were the annual senior managers conferences. In practice, the directors

used them as a vehicle to glean information rather than for open dialogue. They were also used as an additional platform to justify board decisions and activities.

The directors then embarked on making 'appearances' in the various Districts in an attempt to hear first hand what employees felt. In reality the visits were used to 'hammer home' policy already decided at headquarters. It was the managing director who wanted a new focus, and for employees to be involved, but he was hampered by his own top-level team.

### Shared values

There was general concern for social values. This concern increased at privatisation. Overall the directors and employees learned during the two years of the project that to succeed they needed to have a common and collective concern for customer service and specific social obligations relating to the environment.

The first major demonstration of the values approach appeared in the form of the new billing and payments system which resulted in fewer court summonses being issued. An extra £2 million in revenue was exacted, whereas in the past non-payment of water bills meant lost revenue and the cutting off of defaulting customers water supply. The cascading sessions and vision and mission statements seemed to have successfully achieved employee acceptance that a common set of values and principles are needed in the way water is provided and collected.

Tichy (1983) notes that seeking employee commitment by means of vision and mission processes is common to many transformational programmes. However, Tichy (1983, 1984) also points to the need for a single leader to provide this vision

and impetus, and that resistance at all levels of the organization, including the board, is not uncommon.

### The Managing Director's vision

Without the managing director's concern for the organization, and his insistence that everyone should take a wider view and strategic stance, it is doubtful whether the progress that was made would have been accomplished. He recognized that as the company sought to internationalise itself it would be challenged by alternative value systems. It was crucial for him that the company operated using sound business ethics and with WUL setting a standard of service which other utility companies would wish to follow.

His problem was that his vision and personal value statements became diluted elsewhere in the organization. This happened because people were given insufficient time to comprehend the many value statements handed down by the board, and because other directors and senior managers either resisted what these statements represented, or because they themselves were unclear about their implications.

### (c) Learning as training

The extent of formal training activities and events are summarised in chapter 7. The 37,000 person training days in 1992 were supported in 1993 with a new training and development plan with an additional £2 million budget. However, at the heart of the training programme was usually 'learning as indoctrination' activity.

Training was formalised in didactic and pedagogical programmes which were 'cascaded' through 'vision' and 'mission' statements, all of which were senior

management directed. Even when staff were asked for comments there was a tendency for people to stay mute because of the one-upmanship, highly differentiated management and supervisory structure. Although individual departments worked in project groups and teams, it was always against a backcloth of having to have everything 'rubber-stamped' by the board of directors.

The case study highlights the widespread need for upgrading skills. The use of external consultants reveals the directors' academic and professional insecurity and lack of private-sector acumen, despite their attendance at Harvard and other business schools' executive programmes. This led board members to be attracted to management 'fads and fashions' such as 'just in time' management and 'business process re-engineering'.

Often, directors were attracted to specific techniques by external consultants because they had no clear strategy as to what they wanted consultants to do for the organization. With the exception of Pat Dooley, the board failed to set an agenda and establish clear goals for the consultants to achieve. Even in Dooley's case it was she who got the board to determine what they wanted to come out of her work with them.

On the other hand, some learning did occur at a strategic level. There was a view that strategy was the domain of the directors, and management's job was to implement it rather than contribute to it. The board of directors strategy was initially to focus on all their activities. This created confusion and incoherence and led to initiative fatigue. Towards the end of the project, as at IT(UK), the directors did begin to recognise that, as a board, they needed to concentrate for longer periods of time on a specific number of activities to ensure they were properly embedded in the organization - what Pat Dooley frequently referred to as the need for 'organizational alignment'. Thus, they subsequently concentrated on water quality, process reviews,

customer service, and their external and social responsibilities, under the banner of 'total quality'. It took the period of the project for the board to come to the realisation that they had to provide sufficient time for people to perfect and buy-into new ideas and strategies.

Likewise, the organization made some learning progress in developing systems, as in the effort to produce better billing and water delivery systems.

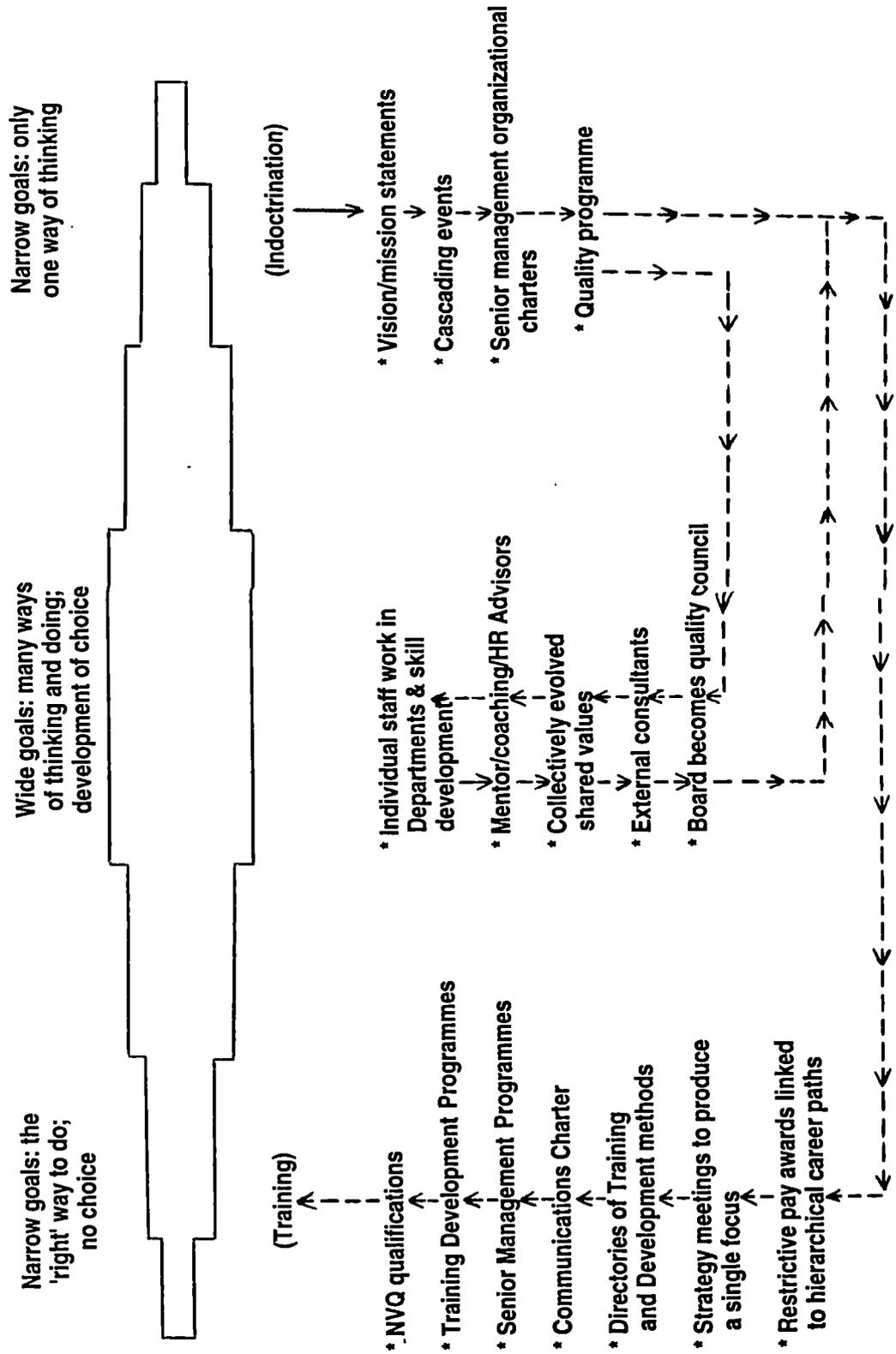
Figure 8.3 provides a summary of the main activities in terms of the learning continuum. As at IT(UK), it reveals how learning as indoctrination was supported by activities which fell into the training category. Where activities did move towards giving employees more choice with a focus on personal development, this was hampered by the board of directors. Development reverted back towards learning as indoctrination. The flow and interaction between the various events and activities which linked choice, indoctrination, and training are shown in the figure as a series of broken lines. What emerges is a picture of largely training activities to support the vision and mission (indoctrination) statements issued by the board of directors. Like IT(UK), where activities moved more towards learning as choice they subsequently refocused back towards training and indoctrination, due largely to the board's need to control.

### **THE UTILITY COMPANY'S LEARNING AGENDA**

The case study shows that the directors had a learning agenda which was mostly to do with bringing about change in work practices and developing people within prescribed training and development initiatives. Opposition to the change strategies, which were supported by the vision and mission statements, then created a new

Figure 8.3

WUL's Learning Continuum Activity



agenda - that is, how to learn to handle resistance and get people to see things differently.

The response to the opposition was to provide more of the type of activities which were originally resisted - that is, more changes, training, and initiatives were cascaded throughout the organization by the board of directors. Even after the staff communication survey revealed the degree of dissatisfaction in the organization, the board responded by introducing a communications charter initiative, abandoned the human resource adviser role, and introduced quality facilitators. People were again asked to focus on new events and activities not having been given time to master the ones which were abandoned.

The learning agenda developed during the period of the project and centred on inculcating staff with the directors notions of the way the organization should be managed. This was set against the managing director's idea of what he perceived learning to be about. In the case study he articulates this as:

*Learning is about relationships. It is about the whole organization bringing its skills and asset mix together to bring about continuous liberation in the organization.*

He then allowed the implementation of strategies which generally negated the development of relationships to bring about a liberated organization.

In many ways this is understandable. In addition to the board's desire to control, they were also being set developing agendas by external and internal forces which tended to lead them towards prescription.

The external forces included the new regulating bodies, national and international competition, and customers needs and expectations. To address these the organization was internally forced to concentrate on advanced technology development, capital investment, and creating new structures and systems to handle the administrative burden which went with these pressures. The lack of privatisation experience understandably led them towards prescriptive measures and learning which centred on training and indoctrination. Perhaps they made the blunder of introducing too many learning agendas and practices.

The outcomes provided a new list of issues to be tackled and represent the learning content of the agenda. The processes for tackling them remained the same. The firm learned to recognise fundamental aspects of its work, the importance of concentrating on external forces, and the fact that quality programmes were more likely to engage employees attention and contribution than anything previously attempted.

## **SOME CONCLUSIONS AND OBSERVATIONS ABOUT LEARNING AT WUL**

### **(1) Creating a learning agenda**

Chapter 7 ended with a note of caution about what the writer had accomplished in securing the data needed to assess learning activities and processes in the utility company - for example, the concentration on a small number of key actors and the complexity, created by the very size of the organization, in trying to find and track the interconnectedness, or otherwise, of events, people, and activities.

It would, therefore, be easy to dismiss the organization as one which achieved little but this would be a distorted judgement. The emphasis was on process and systems to

produce change, improvement in customer service, and financial gain. Learning as training and indoctrination underpinned this activity. This was a period during which people were 'finding their feet' and learning to find out, largely through practical experience, what worked and did not work. As one initiative after another was introduced by the board of directors they established a learning agenda which had to be implemented by concentrating on learning processes, styles, and activities. This they failed to do.

## (2) Learning and control

The directors' learning speed had to be accelerated because they positioned themselves as the focus of power and decision making in the organization. The language of board communications emphasised the controlling culture they established. They did not allow themselves to *sufficiently let go of the organizational* reins and devolve responsibility to where it should have been. Yet, they used and encouraged all the language (empowerment, vision, mission, cascade, singing from the same hymn sheet) of major change initiatives which was meant to produce a freeing-up of the organization to make it less hierarchical.

## (3) Learning by chance

The organization did not engage with learning as an activity or process. It was a top-down initiative with the focus on training and indoctrination. In this sense, of course, it was a learning exercise but learning was not deliberately embedded into the organization as an integral focus from which sprang deliberate and managed learning which acknowledged adult learning theory.

(4) **Learning as a reflective process**

In early 1994, at the end of the learning organization project, and after a review of the previous two years activities, the directors issued a change process summary identifying the major issues the company had to address in the future. In other words, by reviewing prior events and experiences they established an agenda for the future. Their six objectives were:

1. Increase investor belief in the company
2. Ensure customers trust the company and believe it provides value for money
3. Instil customer first culture
4. Seek and develop excellent well rewarded people
5. Optimise and ensure all resources are in place
6. Internationalise and develop the business

The directors then set out how these would be achieved. Firstly, the objectives were cascaded through the company. The directors warned that there was a sixty per cent chance of failure in achieving their objectives but told staff that:

*We have guarded against this by top level commitment: the board is the Quality Council and all directors will lead cascade training sessions.*

They sought to get compliance to systems without offering a choice of processes which would produce a range of learning systems and techniques to be developed. Even the newly introduced training and development manual laid down learning styles in a highly prescriptive manner and simply reflected the human resource department's view of training.

The managing director's observations about the period of the learning organization project are particularly noteworthy in respect of learning as a reflective activity. On reflection he thought, 'Ours has been an evolutionary path.' He also acknowledged that 'creating a shared mind-set' had been difficult and 'even now there are too many versions of the story we need to tell.'

He seemed not to have learned that developing and cascading vision and mission strategies, which require people to go down one particular learning route, did not produce the results he was looking for. Neither experience, nor his academic management education, had led him to understand that prescriptive training and vision and mission statements are difficult to implement in the immediate term, and rarely work in the long term (Stace and Dunphy, 1994).

At the end of the project period he was still wanting everyone to tell the same story and felt that he had learned that 'organizations have to be led.' Despite the 'weariness' and 'swamps' he observed had been gone through he only at this point, at the end of two years, realised 'what this learning and change is all about.' He did not go on to identify what he meant, other than to state that it did involve gaining 'the hearts and minds of people.'

**(5) Learning and continuity**

What the managing director, and the board of directors in general, did not seem to learn and capitalise on was their technical expertise and knowledge of the industry. The utility firm's employees acknowledged this and the managing director's own commitment to change and developing people was particularly important. His personal visions, which he expressed as 'hopes', his tough but fair and frank demeanour, touched with a gentleness of spirit, endeared many staff to him and gave him a leading edge. Having worked in the industry for so long he was described by many as the 'custodian' and 'stood for what was best in the industry'. He too stood for what Albert (1984) describes as '*continuity*'.

**LEARNING CONTINUUM ACTIVITY IN THE TWO ORGANIZATIONS**

The two cases reveal a series of lessons which can be stated as:

**(1) Quality: one clear goal**

The case study analysis shows how the managing director of the utility company and the chairman of the training firm both wanted their staff to move towards learning as choice and in each organization there is some evidence of this, especially in the training firm. However, once each organization had determined a vision and mission statement they found it necessary to concentrate on learning as indoctrination and training in order to underpin their controlling role in the process of people and business development.

**(2) Clear goal: greater choice**

The move back towards learning as choice occurred at moments of stability, employee understanding, and involvement linked to their daily experience. There was created what Livingston (1971) describes as 'affective empathy'. The best examples of this are the billing and accounts department in the water company and the thirty day coaching-mentoring scheme in the training company. In the respective organizations, these activities produced the greatest bonding among employees and with senior management.

**(3) Time factor**

A major issue in both cases was time. Employees had insufficient time to master new visions and missions and even less time to implement them before they were abandoned in favour of some other initiative. Senior management's inability to give staff time to produce the results they sought produced a cycle of development deprivation and inertia.

In both organizations it took two years to discover what was the most enabling initiative (quality) which employees could most readily engage with. Any type of initiative implemented by employees has to go through a number of learning styles and learning cycles if it is going to stand a chance of working and to provide a sense of completion (Kolb, 1974). In much of their work neither organization recognised this fact.

#### (4) Learning cycles and learning styles

Kolb et al (1974) have identified four dominant learning phases in the learning cycle (experiment, experience, reflection and reconceptualisation). Richardson and Bennett (1984) have taken this a stage further and maintain individuals and groups have preferred learning styles which change according to contexts. However, top teams' bias for action and short-term results provides little time for slack and periods of reflection, and this acts as a barrier to reconceptualisation (Harrison, 1992).

Both organizations fell into this trap. Only towards the end of the project did they begin to engage with activities which recognised the value of learning differentiation. Even then, it is doubtful if management recognized what was needed because neither board of directors seemed capable of recognizing and articulating any understanding about learning theory and practice.

#### (5) Learning in episodes

Chapters 6 and 7 conclude with a diagrammatic presentation of each organization's key events and activities which they adopted in their pursuit of creating a learning organization culture. The diagrams also indicate the links between particular activities which spawned further activity. Emerging from the analysis is a two year period of episodic events, with the two years themselves emerging as an episode in their own right which produced the quality initiative. The training firm particularly illustrates the point, with the example of Mary Eccles' development occurring in a series of episodes.

First, the development of an interest in computers and, secondly, her taking a part-time degree in the subject, and thirdly, the opportunity to utilise her new knowledge

back in the work-place in developing new systems and products illustrates a main theme of adult learning theory, that people learn best when work produces results over reasonably short periods of time.

However, the barrier to all types of learning development in both organizations were the most senior people. They confirmed Livingston's (1970) observation that:

*The power drive that carries men to the top also accounts for their tendency to use authoritative rather than consultative or participative methods of management.*

Similarly:

*The biggest barrier to learning...(is top managers). Top managers...must be prepared to listen and learn. But from whom?*

(Eurobusiness, 1994)

## **CONCLUSION AND SUMMARY**

Learning in the organizations occurred when people were able to begin a new learning process using that which was familiar to them. The greatest success or adaptation occurred when people were given time to understand and perfect new ideas, tasks, and skills which they were then able to refine and develop in the light of practising them.

The cases support the andragogical principle that people learn better when what they do stems from what they already know and are familiar with. This familiarity often arises from the networks or 'communities of practice' (Seeley-Brown, 1992) they develop outside the organization's procedures and systems.

Learning may be required faster than it is possible for people to learn. However, enforcing learning, or change for that matter, based on a lack of understanding of what learning involves may result in organizational drift. In each case the firms' two year project period created drift and tension. Neither organization had a clear understanding about learning, how it is acquired, transmitted, and developed, nor did they have a learning strategy or model.

Both organizations were attracted to 'learning as indoctrination', attempting to get employees to buy into senior managers views of the world. Learning as training, in the guise of mission and vision statements cascaded throughout the organizations, was used as a process to underpin learning as indoctrination. On the basis of this study, visions and missions may not be the corner stones management believe them to be.

The chapter has highlighted the difficulty in defining and measuring learning. The analysis shows what each organization learned was essentially non-quantifiable - for example, learning to understand the importance of shared values, the value of giving employees time to develop interests which go beyond the job description, and the value of a consultative environment.

The project has unearthed activities and events which can be viewed as indicators to help develop a model which will link adult learning theory to the implementation and evaluation of learning in organizations.

## CHAPTER 9:

### CREATING A LEARNING ORGANIZATION MODEL

*...it is easier to think in terms of 'content' and subjects than in terms of the more holistic learning of principles and their application.*

(Cedric Cullingford, The Nature of Learning)

#### INTRODUCTION

The previous chapter and the case studies reveal that the two organizations lacked any rationale or clear understanding of what a learning organization is in terms of how learning is to be defined, evaluated, or managed. Neither did the organizations, or the theoretical literature, present any definition as to what is meant by change and transformation, and whether concentrating on, and defining learning would lead to change and transformation. The organizations did not begin with a firm base or model of what kind of learning culture they were attempting to create, and for what reason.

The concept of the learning organization, as currently understood and propounded, seems capable of acting as an initial rallying call throughout an organization to cascade mission and vision statements, but superficially provides little clue as to its usefulness, other than perhaps to knee-jerk the organization into considering training and development. The two organizations in this project were not generally prepared to radically reconsider the ways in which they viewed learning and its development. Learning development remained controlled. The visioning, missioning, and empowering tactics adopted by the organizations were mostly strategies for organizational compliance. The focus was on learning as indoctrination supported by learning as training, with little emphasis on learning as choice.

In the case of the utility company there was little room, if any, for rejection, reflection, or revision of the top-down delivered activities, something Kanter (1984) observed in her organizational change studies. This study has confirmed the same point and revealed the need for a model or schema by which an organization can begin the 'journey' and go in a 'direction' with learning at the core of its structure and activities. However, an analysis of the case studies begins to reveal a number of activities and indicators which help to develop and establish a model for learning and its development in the organizations.

This chapter, therefore, begins with a review of how learning in organizations may be analysed and evaluated. Then follows a summary of adult learning theory which leads into a section on how a model of looking at learning in organizations can be developed using the case studies and adult learning theory. A three level model is then developed for developing and analysing learning in organizations. The first level represents the psychological and theoretical learning base for the model. The second level of the model is concerned with the learning process and the third level links the first two levels with the management of change literature. The complete model includes an evaluation process which focuses on understanding which leads to illumination.

### **ANALYSING AND EVALUATING LEARNING IN ORGANIZATIONS**

In the case study organizations, learning was viewed in terms of training inputs and behavioural outcomes but these seem to be of limited value. Rarely, if ever, was there any emphasis on learning which resulted in understanding which produced illumination. This, it is suggested, would be a much more worthwhile, albeit less tangible, way to measure or evaluate learning. It was noted in chapter 4 that Wallas

(1926) maintained that 'illumination' was an integral aspect in developing learning which produces creativity - that is, an individual perceives something in a new or different way. Henry (1991:7) explains Wallas' definition of illumination as being '..insight when the way forward becomes clear.' 'Understanding' leads to illumination and in this sense 'understanding' is interpreted as perceiving the meaning or significance of something which produces further insight (illumination).

Ordinarily, if specific management generated organizational objectives are achieved by employees, learning is assumed to have occurred, irrespective as to whether activities have been worthwhile or understood by the workforce. Little account is taken by top management teams of: the time needed to learn; the contextual variables, such as employee morale and the political nature of the organization, at any given time; and the *learning styles and characteristics best suited to adult learning*. Learning is usually an activity or an event which is evaluated by senior management, not the processes and long-term outcomes for each of the people involved (Guba and Lincoln, 1981).

How to evaluate learning which results in understanding and illumination is an issue most organizations evade. Learning can be evaluated in both quantifiable and qualitative terms but because of its complexity organizations tend to focus more on the hard quantitative measures (Cullingford, 1990). In turn, organizations produce systems, such as employee appraisal schemes, to support the controlling nature of the organization with its focus on assessment. Rarely do organizations concentrate on the worth or value of an activity - that is, evaluation. In so doing, they lose a valuable resource by ignoring the less quantifiable aspects of learning (Campbell, 1988).

Campbell (1988:29) observes how learning is '...more complex than most behavioural psychologists have assumed....', and notes that social science research has been

distorted by the tendency to only view learning in organizations in terms of events and outcomes and how these compare between one organization and another. He suggests the need for a greater focus on the interrelationship between activities and the processes they generate in the search for truth. For Campbell 'truth' means a clearer understanding of what he prefers to call the 'dispositional perspective'. In seeking to analyse learning he also calls for a new model of evaluation which incorporates, but goes beyond, traditional social science perspectives.

### **How is learning in organizations to be analysed?**

Earlier chapters have attempted to show that, to reiterate the words of Cullingford (1990:2):

*To study and understand learning is to enter that no-man's land between thinking, as a capacity, and development, as a process of change. Learning is both constant and changeable; it depends on moods and on general attitudes... .*

In assessing whether learning in organizations occurs, typical social science research questions are:

- \* What learning has or has not taken place?
- \* Why has it taken place or not taken place?
- \* When has it taken place?
- \* How has it taken place?

On the surface these are relatively simple questions. Most organizations concentrate on them and the management literature certainly attempts to evaluate and analyse learning in these terms. However, learning of all kinds goes on in organizations and to attempt a rigorous assessment of it in terms of specific outcomes may be the wrong

approach (Tenbrink, 1974; Eisner, 1976; Brookfield, 1986; Cullingford, 1990). To assess learning using only quantitative measures, and to respond to the type of questions posed above, clouds the real issue. Cullingford (1990:229-230) is clear that:

*Learning is a complex matter. It is...hard to prove or measure. ....we should not sacrifice our understanding for the sake of a notion of what is 'empirical', or sacrifice truth to statistical formalism. ...we know what we actually learn through our emotions, through associations and habits, as much as we do through readiness to meet the demands of being...tested.*

The training consultancy firm certainly proved this to be the case because much of the story told in the case study chapter demonstrates that the organization's problems focused around the two Symmond brothers and Peter Symmond's particular style and missionary zeal. Handling this character, and the emotional charge he created, was a major learning activity for virtually everyone in the organization. It was an activity which never stopped.

Organizations also tend not to anchor their measurement activities in terms of explicit learning theories, against types of learning styles which best suit individuals, or in relation to specific learning domains, levels of learning, or processes which support it. Rarely do organizations focus on the depth of 'understanding' that is achieved, the 'worth' of a particular event or activity, or the time needed for learning to occur which leads to understanding.

Of course, there may be occasions when it is not necessary for employees to understand what they are doing, or the processes involved, providing they can complete the task required of them. However, as the adult learning literature demonstrates, depth of understanding produces a greater degree of creativity, flexibility, adaptability and choice, and links their application more readily to other

contexts. The two firms in this project never defined what they meant by learning and went on to assess it in a fragmented, haphazard fashion without thought being given to the time staff needed to engage with new ideas and practices. The training company's setting up of the three new business units, and then abandoning them after twelve months, is an example, as is the utility company's lack of commitment of time to wrestle with its learning organization project generally. Initially at least, this resulted in a muddled view of learning and its evaluation. As Brookfield (1989:262) observes:

*...the infrequency of systematic evaluation...is the absence of an evaluative model that derives its criteria and procedural features from the nature of the adult learning process.*

### **The assessment or evaluation of learning**

The two project organizations used quantitative methods of 'measurement' or 'assessment'. This was especially true of the utility company which rapidly established National Vocational Qualification schemes linked to pay and performance and assessment centres. Pay subsequently also became linked to quality. As with many other organizations senior managers regularly spoke of how they 'evaluated' learning in terms of measuring and assessing competencies. Major formal training initiatives formed the backbone of the learning process in the water company with over £3 million being ploughed into formal cascading and training over a two year period. In the training company more informal, job-centred development dictated how training and personnel development was undertaken. But in each case the impact was evaluated in terms of outputs. In the water utility firm, especially, learning demonstrated itself in issues to do with water quality and purity measurement standards, intensive departmental personnel appraisal sessions, and formal training sessions.

## The qualitative aspects of evaluation

The word 'value' is at the core of 'evaluation'. The Oxford dictionary (1990) defines value as 'worth', 'desirability', 'one's judgement as to what is valuable or important'. Thus, in making an evaluation of learning in organizations the approach needs to take account of events, processes, and informal and formal activities which are of worth, value and importance to the people involved, and the organization as a whole. However, the two may not rest easily together if senior managers' interests do not conform to those of employees.

Phrases such as 'measuring learning' and 'assessing learning' may be inappropriate when considering the learning process, or indeed the outcomes. Rogers (1986:172) points to the distinction between 'evaluation' and 'assessment' when applied to the learning process and acknowledges that the two words are used too loosely and interchangeably. He concludes that **assessment** is:

*...the collection of data on which we base our evaluation. It is descriptive and objective; if anyone else were to do it, they would come up with much the same findings.*

and he defines **evaluation** as:

*...a process of making personalised judgements, decisions about achievements, about expectations, about the effectiveness and value of what we are doing. It involves notions of 'good' and 'bad'.....it is based on our own ideology.*

Brookfield (1986:264) also offers a useful analytical summary:

*...assessment is a value-free ascertainment of the extent to which objectives determined at the...outset...have been attained. Assessment*

*of these objectives requires no value judgements as to their worthwhileness.*

He goes on to define evaluation as:

*...inescapably a value-judgemental concept. The word value is at the heart of the term.*

These definitions are important because (a) they fit in well with qualitative research processes and the researcher-observer-participant model, and (b) they put a strong focus on what the individual learner, as well as senior management, perceive to be measures of learning success. Focusing on the qualitative aspects of evaluation also accords with the methodology used for this research in which the researcher's own views as to what went on in the organizations is a valid part of the commentary of what occurred in the organizations. This is particularly so for what the writer has termed 'facilitation research' - that is, where the researcher facilitates description and comment by means of personal judgements and views as to what was valuable and worthwhile.

### **Evaluation as an interactive process**

Evaluation is an iterative process and is both present and future in character. Hendry (1991) has illustrated that, companies committed to training and people development tend to use 'soft' measures to calculate the worth of such activity - measures such as recruitment activity, length of service an individual has with a firm, morale, career development and so forth. As Kanter (1985; 1989) has observed, if the most successful organizations are those which operate at the edge of their competence, then the use of excessive quantitative evaluation criteria is virtually meaningless because people are generally engaging with the unknown not the knowable. Evaluation has to

occur as a processual activity rather than simply at the end of a specific learning event or cycle.

Against this backcloth of evaluating learning to determine the extent of value, understanding, and purpose, this analysis seeks to focus on the qualitative aspects of evaluation because each company created its own path and determined its own learning criteria.

One final comment also needs to be made. Evaluating learning as a process, or in terms of outcomes, is always difficult because people learn in different ways, at different times, and according to their needs. When an analysis is therefore made of learning it may be undertaken at the wrong time, with the wrong expectations, and fail to take account of where an individual or group may be at in their stage of learning. The same is true for an organization as a whole, in the sense that an organization can be said to learn at all. Collectively, the people that make up an organization may need to go through a number of learning processes, over a given period of time, before they perfect what it is they are aiming to achieve or maybe decide to abandon the activity.

### **The researcher's role in the evaluation of learning and the creation of a learning organization**

Hamblin (1974) notes that if an open-ended approach is adopted to evaluating on-going processes, such as learning, then there can be no absolute scientifically controlled research experiment. Hamblin's generalist approach to evaluation has its supporters. 'Goal-free evaluation' approaches have been suggested and used by Mager (1984), Mager and Pike (1970), and Scriven (1967), as has 'illuminative evaluation' (Parlett and Hamilton, 1976) or what Easterby-Smith (1991) prefers to term 'naturalistic' evaluative processes. This is closely linked with Glaser and Strauss'

(1967) 'grounded theory' from which the researcher-consultant looks at the data as it emerges and appears to him or her and then seeks to develop theoretical ideas.

Although the issues of validity and objectivity arise in conducting research, often when looking at process issues such as learning the actual participants may not be the best judges of what has occurred because they are part of, and so close to, the process. The researcher less so. In fact, an outsider, as someone not so involved, may more readily detect the changes in 'moods' and 'general attitudes' on which, as Cullingford (1990:2) reminds us, learning depends.

Patton (1980) concludes that to evaluate something in reality is to investigate not specific learning outcomes but the negotiation of relationships, the backwards and forwards of interaction as people go about their work and lives. This demonstrates the validity, value and worth of the learning process. Brookfield (1986:263), Stufflebeam (1971), Scriven (1967), Lincoln and Guba (1985) have also argued that for evaluation to be worth anything in the context of learning it has to be viewed as a judgement of merit, worth, and value by the researcher or other person making the evaluation, including the learners themselves.

Against this background, this chapter provides further analysis of the case material. The writer believes the organizations studied do enable us to gain some illumination which sheds light on how a model to analyse learning in organizations can be developed, utilising what is known about adult learning theory, and learning processes in general. In doing so, however, the most informative approach is to take a 'discursive, exploratory approach' (Hamblin, 1974) in evaluating the case material.

In summary, in this research the focus has not been on proving some specific theory. It has been an investigation into the processes which occur as organizations seek to

become a learning organization. From the often muddled, incoherent and fragmented activities and circumstances which the organizations engaged with, there appear to emerge clues as to how organizations do actually learn in a way which connects with adult learning theory.

However, before proceeding it is useful at this juncture to briefly summarise the earlier chapters on adult learning theory which are to be used as a basis for developing a model and to explain more clearly how social scientists define 'model'.

### **Summarising adult learning theory**

The earlier chapters of the thesis highlighted the complexity of learning theory. This then makes the task of developing a model, and evaluating learning in quite specific ways, difficult because there is no one systematic and general view as to what constitutes learning. As Rogers (1986:42) notes:

*The world of.....psychology is full of division and uncertainty....fraught with dangers and complexities. The language is often abstruse and there is no agreement as to the 'true' models.*

In addition, the majority of learning theory referenced in the management literature and applied to organizations, in a general sense assumes that what is true, say, for children and young people also applies to adults. This is not so. There exists a generally accepted and developed theory of adult learning, even though most people and organizations rarely engage with it. Chapter 4, illustrated the key distinction between general learning theory and adult learning theory. Research has revealed that adults learn faster and with more understanding if andragogical approaches to learning are applied (Rogers, 1986), enabling adults to draw on past experience. Stakes (1981) notes that it is not surprising that organizations do not engage with

adult learning theory because, with few exceptions, it is neither taught to trainers nor teachers working in schools and further and higher education institutions.

Rogers (1986) also makes a point which is often forgotten - that is, that learning does not equal or mean change. An individual can, for example, learn that current ideas or practices may already be appropriate or correct so that no change is needed. Reinforcement is also learning. Where learning does result in change it does not necessarily have to be in a behavioural sense. It can just as easily be to do with attitude, emotions, or even be structural or physical. Therefore to review the case study organizations just in terms of learning which did, or did not, produce change is misleading.

The matter is further complicated by time. Often, little account is taken by management and individual employees themselves of the time it takes for learning to occur. Judgements are often made too soon, and events and activities abandoned too readily by top-teams and the workforce, because behaviourally predetermined objectives are used as evaluative criteria. When they are not promptly met abandonment occurs (Thiede, 1964; Stakes, 1981; Brookfield, 1986). Embedded learning requires time and needs to be evaluated as a process which rarely occurs across an organization as a whole. It occurs more in pockets, especially if it is being evaluated, say, in terms of merit, worth, or value (Guba, 1978; Guba and Lincoln, 1981; Lincoln and Guba, 1985). The Collins and Porris (1991) study, highlighted in chapter 2, supports this view and found that the top one hundred American companies rated soft evaluation of purpose and value as being as important as hard, quantifiable measures assessed over short periods of time.

Chapter 4 discussed how the andragogical approach focuses on people taking greater responsibility for their own work and the contexts and environments in which work

occurs (Knowles 1980, 1984). Andragogy adopts an holistic approach to organizational and individual development. Such approaches were identified as a key element in learning organization activities across the various phases of development (chapter 2).

Andragogy makes five assumptions:

- (a) Adults seek autonomy and self-direction in learning.
- (b) Adults learn through using their own and each others experiences.
- (c) Adults want to start learning when they experience a need to know or to do something in order to perform better in some part of their lives.
- (d) Adults tend to be task-oriented or problem-oriented in their approach to learning.
- (e) Many adults are far more motivated by self-esteem, increased self-confidence, and personal recognition than they are by such things as salary, promotion, status, or pay grade.

Using adult learning theory to review learning in the two organizations allows for a narrower and more appropriate focus, whilst at the same time providing the opportunity to develop labels and language which are not 'abstruse' and 'fraught with dangers and complexities' (Campbell, 1988; Cullingford, 1990).

### **TOWARDS A MODEL OF A LEARNING ORGANIZATION**

Cohen and Manion (1980) indicate how 'model' is regularly interchanged in the social science research literature with 'theory' and conclude this is satisfactory. They cite Mouly's (1978) work in which he characterises a good theory or model as producing:

- (1) Deductions that can be tested empirically.
- (2) Compatibility with both observation and previously stated theories.
- (3) Theories stated in simple terms which explain the most in the simplest way.

Cohen and Manion (1980:16) define a theory and a model as:

*... an explanatory device or scheme having a broadly conceptual framework, though models are often characterised by the use of analogies to give a more graphic or visual representation of a particular phenomenon.*

They go on to make the point that all models and theories are provisional and can never be complete and most give way to more sophisticated ones over time (Mouly, 1978). In summary then, a model is something which is an abstract set of principles which are linked together in an analytical scheme to propose certain propositions which can be verified by empirical research. The following section links the various characteristics and processes of learning developed in this thesis to provide a model of how learning can be evaluated in organizations at the individual and group levels so that it can be empirically tested as part of future research into the learning organization.

## **1. Learning patterns**

The case studies demonstrate that in their approach to learning, people seemed to learn best in an episodic way, being allowed to give input to their work and its development. Vague ideas about corporate visions failed to provide an holistic view of the organization for most people because they were not involved in the vision and mission creating process. When an activity was approached in a sequential way, and in a context which made sense to them, employees acted more positively. When they

were also given time to develop and perfect the tasks required of them, then more embedded learning seemed to occur. The case studies provide some good examples which illustrate these general principles or patterns.

The development of the thirty-day coaching assessment scheme produced by the training company had these features: it involved everyone in its development once introduced; it was modified through actual implementation of the scheme in the company; staff took greater interest in it because they realised they were also developing a potential new market place product; it was relevant to their needs and personal understanding; and it was refined over some months prior to its launch. In the past, the company had tended to get involved with too many product development schemes, few of which ever achieved target launch date. This new one did.

Mary Eccles, with her personal interest in information technology and communication networks, is a further good example of learning development and progress. She was allowed to develop over a two year period and her learning involved a variety of styles and situations, including formal and informal learning, and learning with and from her husband who was a computer programming expert running his own private company. Her general interest and development was formally recognised by the company when it paid for her to take a part-time degree programme. This subsequently led her to apply her knowledge and newly developed skills to upgrading the time management file system programme and developing a new computer one to replace it.

The important ingredients here again illustrate that success and development occur: when someone is given time; allowed to thoroughly immerse themselves in a topic which is of personal interest to them; and where a project links personal interest and the job can be developed in an holistic way. Mary Eccles was able to move from a

fairly concrete level of understanding to a much broader level of technical knowledge and expertise which was both theoretically and practically operationalised.

A similar example is discernible in the water company. The company-wide focus on water purity quality, linked to paying bonus only if the system operated at a one hundred per cent efficiency level, involved everyone in the organization. Reaching this quality standard was approached over time (twelve months) and in stages. It involved everyone in the organization, it was something all could relate to, and was on-going, requiring people to regularly refine operational systems.

Where the two organizations: did not allow people the time to develop; used too expansive an approach based on activities such as formally cascading vision and mission training programmes, and mass attendance senior managers conferences; or where they brought in external consultants to undertake short-term assignments, confusion and resistance surfaced, people were demotivated, and learning was inhibited. Where there was no sequence to events which enabled people to practice and develop their skills, resistance turned to disenchantment. The employee communication audit in the utility company clearly surfaced staff discontentment with what was taking place in the organization. Yet, the board of directors responded only by creating more initiatives to resolve the backlash against the ones previously introduced! They failed to learn that employees wanted to make a greater contribution at the planning stage of new activities and procedures. Most of the activity in the two organizations was of this second kind, running counter to principles of adult learning.

## 2. Learning episodes

Rogers (1986:69-75) notes that, in general, the majority of adult learning theorists are agreed that learning can be evaluated against 'learning episodes' or characteristics which adults display. So, in reviewing general learning processes, content, and activity in an organization a starting point is Roger's (1986:74) learning episode schema shown in modified form in Figure 9.1. This enables us to determine the extent to which an organization engages in episodic or holistic learning activity. It incorporates a number of learning theory approaches, but concentrates on the process of natural learning activities for, as Herbst (1976) argues, looking at learning processes tends to reveal more precisely what survives as sustained or embedded learning and change.

Episodic learning is that activity which forms the middle section of Roger's learning continuum - that is, 'learning as choice' (see chapter 8), which is seen as learning which best leads to understanding and illumination and incorporates andragogical theory and practice.

Rogers (1986) maintains that many learning theories have much to commend them and none are 'right' or specifically 'wrong' but concludes that theories per se are not likely to enhance individual learning. Rogers observes that throughout their lives adults:

*...engage in ...systematic learning in order to achieve a particular goal or solve a specific problem.*

(Rogers, 1986:75)

Prevalent learning characteristics are that adults do not learn continuously but in episodes which are problem-centred and require a range of learning styles. In turn,

**Figure 9.1**

**The Learning Episode**

<i>Characteristic</i>	<i>Implications</i>
<p><b>1</b> Episodic, not continuous</p>	<ul style="list-style-type: none"> <li>● Rely on short bursts of learning activity.</li> <li>● Break material into manageable units, but hook each one on to other items of learning.</li> </ul>
<p><b>2</b> Problem-centred, not curriculum oriented; immediate goals based on needs and intentions; concrete situation; immediate, not future application</p>	<ul style="list-style-type: none"> <li>● Make relevant to adults needs for motivation.</li> <li>● Be aware of employees intentions.</li> <li>● Employee &amp; management to set goals.</li> <li>● Start where they are, not necessarily at the beginning.</li> <li>● Do activity now, not prepare for it in the future.</li> </ul>
<p><b>3</b> Learning Styles:</p> <ul style="list-style-type: none"> <li>● analogical thinking; use of existing knowledge and experience</li> <li>● trial and error</li> <li>● meaningful wholes</li> <li>● less memory, but imitation</li> </ul>	<ul style="list-style-type: none"> <li>● Be aware of different learning styles; build up learning skills.</li> <li>● Relate new activity to existing experience and knowledge.</li> <li>● Be sensitive to range and use of experience.</li> <li>● Discovery learning; employee to be active, not passive recipient.</li> <li>● Need for reinforcement; build in feedback.</li> <li>● Need for practice.</li> <li>● Moves from simplified wholes to more complex wholes.</li> <li>● Help employee to build up units to create whole; select out essential from non-essential work, activities, and events.</li> <li>● Rely on understanding for retention, not memory.</li> <li>● Use of demonstration.</li> </ul>
<p><b>4</b> Lack of interest in general principles</p>	<ul style="list-style-type: none"> <li>● Move from concrete to general, not from general to concrete; encourage questioning of general principles; build up relationships.</li> <li>● Remotivate to further learning.</li> </ul>

*Adapted model of Learning Episodes, Teaching Adults, Alan Rogers, OU Press, 1986:74*

the way adults learn has implications for how organizations seek to develop employee learning. The learning characteristics and implications for adult learning combine to form Rogers 'learning episode'. The advantage of incorporating episodic learning into a model to assess learning in organizations is that it keeps the focus on what adults in the workplace really need, as distinct from what senior management think they require.

Rogers 'learning episode' provides a micro learning agenda within the larger macro learning in organization methodology model developed in this chapter. In summary, an adult learning episode has four characteristics: (1) adults learn best in short bursts (episodes), (2) with problem centred, relevant issues, which (3) focus on individual learning styles which should include prior experience, trial and error, moving from the simple to the more complex task or idea and (4) should be based on imitation rather than memory.

The two case study organizations mainly engaged with the two extremes of training and indoctrination - that is, top-down controlled learning, not with learning episodes based on choice, leading to new insights.

Even though the utility company developed strategy documents for training and development and assessment centres within the human resource function, they failed to have an impact on the human resource advisors who were meant to implement the human resource strategy. The department's staff became confused and felt they should have been allowed to give input to the strategy's development. Their resentment turned to anger when they were subsequently given little time to learn about its implementation and were told that only senior managers would actually have a copy of the strategy. Everyone else had to borrow a copy from their immediate manager. Inevitably, the programme disintegrated within a matter of months.

In contrast, the training company did establish a wide range of committees and staff were allowed to contribute but they were not given sufficient time to develop key ideas before they were abandoned in favour of some other issue the Symmond brothers felt was more important.

### 3. Learning stages

However, the brief cameo examples presented above also reveal another important ingredient in our understanding of how learning occurs effectively in an organization. It is the important factor of time which enables an individual to move from a fairly basic level of understanding to the point where they perfect their knowledge and skill. Mary Eccles clearly progressed through a number of stages in her learning as did the staff of the water company's billing and finance department when they introduced their new counselling scheme.

Brookfield (1986), Rogers (1986) and Cullingford (1990) each stress how learning occurs in stages. Some people may go through a number of stages at more or less the same time, whereas others need longer periods of time and may need to pass through separate learning stages (Brookfield, 1986). Thus, stages of learning, and the time needed to engage with them, are an important aspect to learning, influenced perhaps by prior experience and prior learning on which new learning can be based. Rogers (1986:141) concludes that the majority of psychologists agree that at all levels, and in all major types of learning, there are four stages or steps. He describes these as: **play, structured play, grasping, and mastery**. He goes on to define 'mastery' not as an end point in itself but as:

*...practice, not just learning but using, exploring material or process further, discovering more relationships and obtaining mastery over it. This in turn leads to new learning needs and intentions, new skills or concepts. The process is a dynamic ongoing one.*

In other words, mastery should lead to 'illumination', new perceptions, or metanoia (mind-shift).

However, before something can be practised, an individual, or an organization as a collective entity, needs to be attracted to something and then motivated to get to know more about it. There then follows a period of play, and if what is being considered seems to be helpful, useful, and worthwhile, then an individual tends to go into the practice stage in the hope that this will lead to mastery. Thus, for the purposes of analysis I suggest a modified pattern of learning stages as a result of the data emerging from the two case studies. The stages are:

**attraction....motivation....play....practice....mastery**

These stages may be considered as the psychological foundation or theory for developing a model for analysing and evaluating learning in an organization.

To develop a learning-centred environment it is necessary to have a clear view of an individual's or group's stage of learning in the learning process and across each activity with which they are engaged. Few organizations ever do this. The two case study organizations did not. Where time is provided, and a person is permitted to go through the learning stages, there is more chance mastery may be achievable.

The utility firm's staff communication audit gave a clear signal to the directors that confusion was widespread, with too many initiatives in place at one time. Employees did not comprehend the overall purpose of the initiatives.

The learning organization label in the utility company was eventually abandoned in favour of the quality programme because it was felt that people more readily understood what quality involved. Learning was a too philosophical concept for them to engage with. In truth, more effort was put into the quality programme than that of the learning organization initiative. The directors themselves were not prepared to wrestle with the learning organization because they perceived it as training and development, and little else. Only the managing director defined it as being about 'relationships', but he too then found the way ahead problematic because he had no sense of what needed to be done to create a culture and organizational style which developed relationships. So, he fell back on what he was familiar with and allowed the learning organization work to be subsumed into the quality programme.

By December 1993 the quality programme had been spelled out and everyone in the organization had a clear idea of what was expected of them. But little changed in terms of director control as the board established itself as the Quality Control Council! As a group they had still failed to learn how to release energy and devolve responsibility to others in the organization.

In each case study example, the boards generally failed to take the time to master what the learning organization concept meant for their firm and to put in place a programme of development once a clear purpose had been evolved. The quality programme in each organization on the other hand, offered a clear end-result within a short period of time and employees went through more of the learning stages. It would have been quite in order to have used the quality programme as one of the indicators of a successful learning strategy, producing a clear positive result over a short period of time. The quality programme could have been used by each firm as a springboard to begin to develop things more deeply and to take greater risks, but it did not. The old training and indoctrination learning survived.

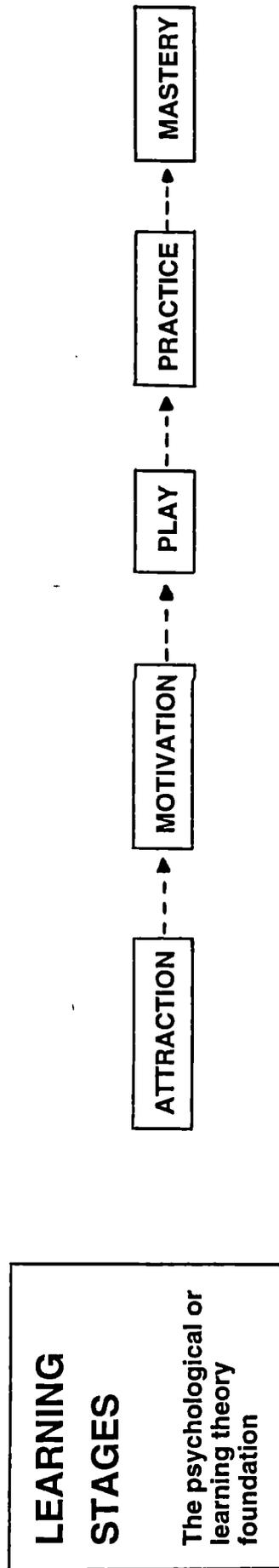
The Mary Eccles case, however, is an example of learning stages being encountered and developed towards mastery. The setting up of the three business units in the training company provides a different perspective, illustrating that one year was insufficient time for the new organizational structure to work. Too much was expected too soon from each unit head. They never got beyond the attraction/motivation/play stages of learning. Mastery was always beyond their reach.

The water company's numerous initiatives simply created confusion. Just as staff reached the attraction and motivation stages of learning, they were thrust into another venture which required them to start with something new. As a consequence they were rarely allowed to master any of the corporate lessons being given to them. 'Learning frustration' was the inevitable result..

In summary, as a learning model is developed, the stages of learning - 'attraction, motivation, play, practice and mastery' - emerge as the 'psychological or learning theory' underpinning the model (see figure 9.2) and become its first level.

Rogers (1986) suggests that learning stage development is linear and sequential. If there is a feedback loop it is probable that it would be at the mastery stage because an individual may then be attracted to going further with what had just been mastered. Research is needed to establish the extent to which there is feedback from one learning stage to another.

Figure 9.2



#### 4. Learning processes

The case study examples capture other processual aspects to learning and provide a glimpse of how the model can be further developed.

The Eccles example illustrates that as an individual she went through a number of processes, as did the new networks she engaged with. Her personal interest in communications and information technology led her to want to know more. She was attracted and motivated by the theory and practice of computer science and technology. She subsequently enquired how this interest could be developed and engaged in the play and practice aspects of learning by taking a part-time degree course. The degree programme provided her with the time to develop her ideas and during this period she was able to share her new found knowledge and expertise with her colleagues and advise them on information technology applications in the organization's other activities.

When she had completed her programme she devised the new computerised time management programme and in so doing demonstrated her mastery of computerised systems in that she was able to advise the despatch and mailing department on computerised mailing systems, the front-of-house receptionist about computerised mail-voice telephone answering, and demonstrated her ability in 'exploring material...discovering more relationships....new learning needs and intentions...' (Rogers, 1986:41).

The organization now had a new level of expertise. Eccles had been able to apply her new knowledge and skills in a specific context on the way to mastering them. She was then able to generate a new network of applications working with other people in the organization and had demonstrated that things could be done differently.

A further example from the training company also illustrates the point. Because Peter Symmond, and eventually his brother David, persevered with the American operation, they subsequently mastered it and turned it from a heavy financial loss position into a profitable one. This took time, concentration, effort, and clear focus which led them to master emerging key issues for success in dealing with the North American market. A new level of expertise had been created.

In contrast, the water company was too busy attempting to create whole organizational change, with the expectation that people wanted it, understood it, and would conform to it. The learning, such as it was, was director- controlled. Because the directors considered something was worthwhile the staff had to do likewise. The numerous staff and communication audits sought to assess conformity. The language used by the board and the human resource department staff was always that of 'informing our people'.

The case study illustrates this point particularly well. Gwyneth Cook and June Gate frequently emphasise the top-down approach to learning. Learning was in the minds and heads of management, whose task it was to tell others what they need to know and do. Briefing sessions were a regular part of daily life in the water company but all the passing on of information to secure compliance and allegiance simply left people stressed and resentful. The observation by one senior manager that the firm had 'all these Jumbo jets in the air 'is a vivid description of the chaos created by too many initiatives, with few ever being developed and mastered.

The water company case study further illustrates how learning was perceived by the directors as compliance. There had to be a use of 'corporate language', and 'overall management agreement throughout the organization for consistency' despite the fact that most managers had their own individualistic styles.

In general, the directors were besotted with measuring their activities in quantifiable terms. Many of them were overwhelmed with a sense of their own importance and level of expertise. Their inability to cast off the management style role model they had acquired as public authority managers hindered their own learning and progress. Their personal limitations became the organization's learning limitations. What does emerge is that mass employee approaches to learning do not work because they fail to capture the nuances of how adults learn. The one exception, was the quality programme. This worked because it became embedded in the organization and laid the foundations for future success. Spurred on by external forces (the various British regulating agencies, customers and EC regulations) the company could continue to find better ways to keep its water and services up to the highest of standards. Mastery leading to illumination and further insights about best practice were in their grasp.

These observations suggest further ways of developing a model which considers learning in organizations as an activity within its own right.

Research on adult learning processes (Brundage and Mackeracher, 1980; Darkenwald and Merriam; Knowles 1980, 1984) shows the need to create 'stopping-off' places in the learning process, or what Kornbluh and Green (1989) refer to as 'provisional encapsulations'. These encapsulations allow individuals time to assess and practice what they have learned, understand it more clearly, and decide upon its relevance, success, and application, or whether to abandon it. The opportunity for abandoning something is also a crucial aspect in the learning process.

These resting places provide periods for reflection and permit time for new things to be learned, mastered, and brought to fruition. 'Provisional encapsulations' allow space to determine whether people are genuinely engaging in learning that is valuable and

having an effect, or whether it is simply confirming that nothing radical, important, or meaningful is taking place - what Lennerlof (1989) contrasts as 'learned influence' or 'learned helplessness'. This is important because few organizations, readily permit individuals or groups to abandon or jettison what they do not understand, or feel is not worthwhile and appropriate. Instead, learning becomes an indoctrination process. This was certainly the case in the water company, less so in the training firm. Thus, change programmes in the two organizations proceeded on the assumption that everyone would engage with the ideas, processes, and activities being promulgated by senior management.

### **Linking learning stages and learning processes**

In developing the model there is a need to link learning theory (stages) with what may be called the management of learning (process). Firstly, in the two learning stages of 'attraction' and 'motivation' individuals make up what in the educational literature are termed by Susan Jones (1994) 'communities of enquiry'. This notion fits well with andragogical principles where adult groups develop, and are sustained by, enquiry and learning generated by the work they do and the particular interests they possess.

Secondly, if 'provisional encapsulations' are needed in the learning process then this generally corresponds to the play and practice learning stages. In the periods of encapsulation individuals practice what they have already been attracted and motivated towards.

Thirdly, the educational literature (Cullingford, 1990) also focuses on 'communities of learning' in which individuals and teams continue to master their learning and develop it so that it is refined and progressed. In so doing, the community of learning then

gets itself back, at various times, into becoming a community of enquiry when new things attract them and have to be learned.

The utility firm may have succeeded with its human resource strategy and learning organization programmes had sufficient time been given to them and enough people involved. The human resource director and his senior staff gave themselves insufficient time to go through the various learning stages. They failed to inquire sufficiently about what was needed to make the programmes work and failed to master key activities which could have been encapsulated to form experimental workshops in the organization to produce some impact on the organization. The new human resource advisory role was too quickly abandoned for that of 'quality facilitator'. The learning process failed because there was little or no evidence of employee role development. The human resource director's style was one of wanting employee compliance. His comment at a managers conference attended by the writer, and detailed in the case study, illustrates the point when he stated that if anyone didn't want to sail with him on his ship, then they should get off:

*There is no room for anyone who doesn't want to go the way I do.*

In the training company Twigg's emphasis on new products and testing them out in the organization over a six month period captured everyone's attention and produced immediate results, especially the thirty day coaching/assessment scheme. Its value was recognized, the processes adapted, and the scheme externally marketed as a new product.

Both organizations also illustrate where the learning processes were not fully developed in a way which led to illumination. In the training firm the programme presenters had originally mastered the theatre skills they needed to the extent they

achieved the 'Business of the Year Award'. They had created a community of learning within their own right but failed to go further by developing a new range of skills and programmes to meet the changing market. There was no development, no new insights, and no personal development given to them to help provide such insight. They needed to become a community of inquiry again as they practiced their community of learning skills. They did not. Their skills were overtaken by technology. Redundancies resulted and the presenter's role changed to one of sales agent, negotiator and presenter. A new role was forced upon them by senior management. Proper empowerment programmes, it can be argued, should have equipped the presenters with on-going development to have enabled them to foresee what was going to happen and so develop new skills in advance of them being needed.

However, managers cannot know everything and if their own learning is impaired or impeded, a top-down controlling managerial system will not be capable of allowing learning processes to be encouraged.

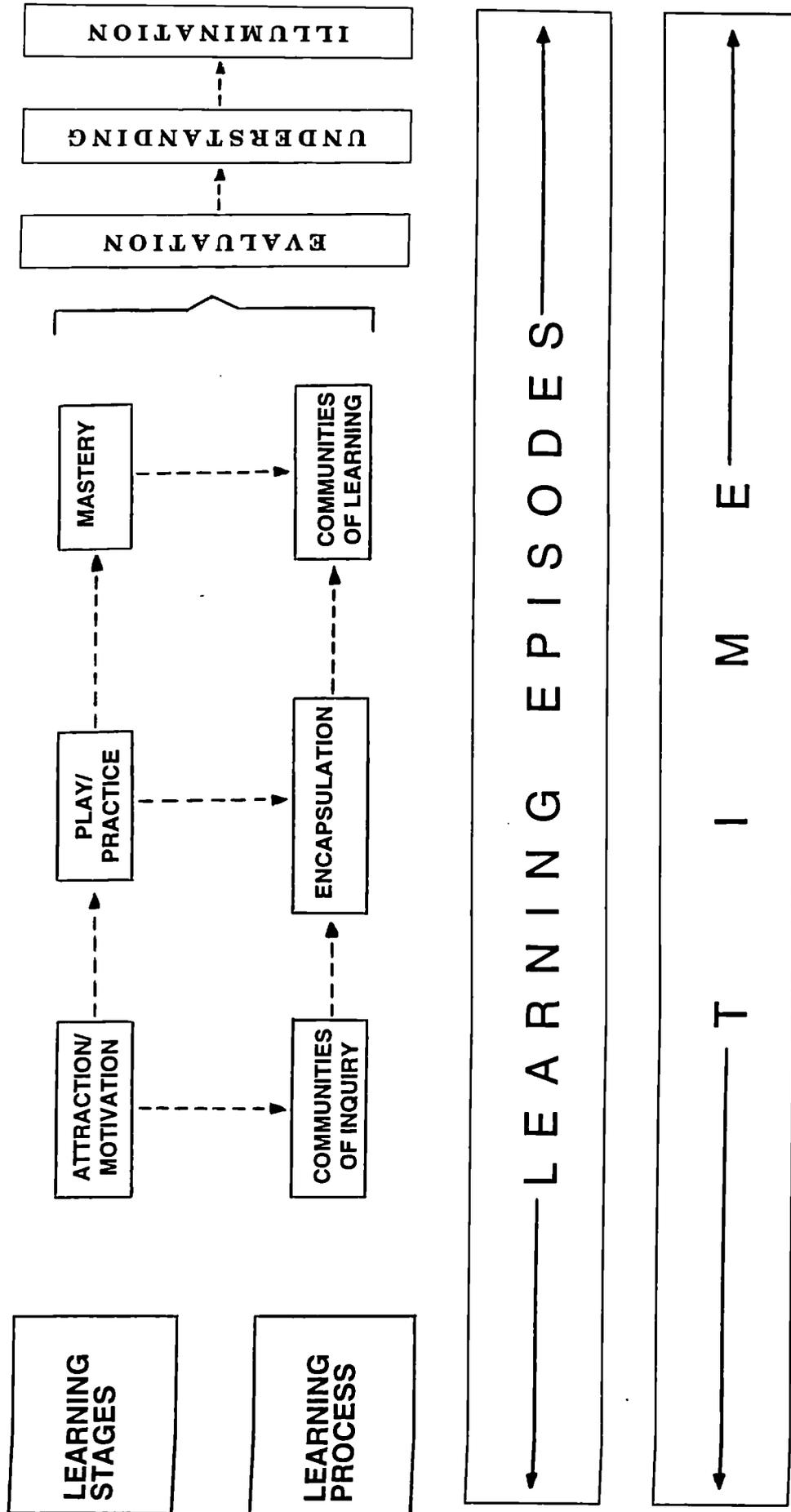
In summary, Figure 9.3 illustrates the 'process of learning' in organizations and its links with 'stages of learning', and how learning episodes can be evaluated against the extent to which adults experience staged and processual learning activity.

### **Learning and change**

The two case study organizations interpreted learning as change and learning outcomes as change events. Perhaps it could not have been otherwise, given senior managements' prior learning and experience. However, if an organization deliberately wants to engage learning with change then an extension of the model

Figure 9.3

Learning Process



proposed here is needed which links learning theory and practice to the management of change literature. The following section makes this link.

Pettigrew (1992) notes that 'islands of progress' are an important element in leading sustained change processes so that people get a clear and concrete grasp of the fact that their efforts are producing something which is worthwhile, within a reasonable period of time. He argues:

*The need for major alterations.....(is) not met by analysis alone, nor even by major programmes of radical change. What stands out is the use of modest islands of progress... .*

He further notes that communicating the realisation that something was working and shows signs of success is:

*...invaluable in sustaining the momentum of a complicated set of changes.*

And adds that:

*The political implications of such actions are far reaching. Fixed, elaborate hierarchies act as a brake. The exploitation of often impermanent, less formal internal and external networks seem far better suited to managing the necessary changes.*

March and Olsen (1989) make much the same point indicating that most institutions succeed or develop without transformational or instant change processes. They claim institutions need to allow the informal networks (relationships) which people create to develop, and what they term 'extensive adjustment periods'(1989:55) must be tolerated to enable 'diverse, conflicting, and inefficient solutions' (learned influence/learned helplessness) to be weeded out. This is essential in their view because the quality of institutional dreams (visions and missions) have to be measured

against the quality of the implementation of that dream and the two are quite distinct. They conclude that institutional dreams can be dangerous because they raise too great an expectation:

*We are driven to the question of 'efficacy' whether an institution produces in an imperfect world what it promises in an imaginary one and whether the failures can be remedied without undue cost. We ask whether pursuing a specific virtuous vision brings good citizens closer to, or more distant from, the good life.... Asking such questions establishes a framework for evaluation that is...broader than the usual one.....*

(March and Olsen, 1989:129)

So, a further measure of a learning organization, from a change perspective, may be the extent to which the organization provides 'islands of progress' at the time of 'provisional encapsulation' which generate 'learned influence' (the realization that something is working). If an individual or a group determine that they are engaging with 'learned helplessness' - that is, further work is needed to create an 'island of progress', or that a particular encapsulation period is not leading to an 'island of progress' then remedial action can be taken, or the activity even abandoned. Evidence from the case studies has already been rehearsed earlier in this and the previous chapter. The coaching/appraisal scheme in the training company and the quality programme in the utility firm being two such examples of success.

However, islands of progress need to be linked more clearly to the 'less formal internal and external networks' - that is, what goes before to create the island of progress. It also needs to be linked to andragogical self-learning and experiential learning which often occurs quite randomly and in an ad hoc fashion as people go about their daily lives and work.

Although the Hendry, Jones and Cooper (1994:19) work does not specifically use the term 'islands of progress', their work illustrates how pockets of success (islands of progress) in Courtaulds Aerospace Advanced Materials Division acted as catalysts to speed up learning at a particular factory site, and across the whole organization, in terms of general management learning. The study also illustrates how success and progress of this kind are linked to the informal networks they term 'communities of practice'. The study shows the importance of communities of practice which then begin to formalise themselves and become interlinked.

The origins of the term 'communities of practice' are described in Brown and Duguid (1991). In brief, they are the groups which form in any organization outside the job specifications and structures which the organization itself constructs to tell people how things should be done. People become experts in a particular skill or product line and tend to network with other groups, especially where the attitudes and work of one group closely links with that of another. Each rely on the other. In any organization there are many such 'communities of practice' and the way these form and re-form are:

*...the key to whole organizational change. Change at the single 'community of practice' level can create an internal laboratory for learning and change, and act as a model for other 'communities of practice' because most people...belong to more than one 'community of practice'. 'Communities of practice' represent the way work is really done, and are fundamental to whole organizational change.*

(Hendry, Jones and Cooper, 1994:21)

The patterns identified in this study are borne out by Beer (1990) and his associates. They maintain that change occurs in pockets of an organization not at the centre or across the organization as a whole and embedded change and learning occur when there is a concentration on employee roles, responsibilities and relationships. Beer et al also maintain that there are particular parts of an organization that are more

adaptable to change and the key to understanding whole organization change is to concentrate on how individual parts collectively adapt on an incremental basis over time (adaptation). They conclude that successful learning and change occur when individual expectations are seen to be as important as organizational ones.

### **The final stages for a learning organization schema**

Having provided periods of progress and times for encapsulation, people have to go on to conclude the learning process, and where applicable change processes. This is the mastery stage in the learning literature. Pettigrew, Ferlie, and McKee (1992) identify the need for organizations to produce 'sanctuaries of comfort' and the learning literature (Illich, 1972; Brookfield, 1986; Kenny and Reid, 1988) notes the need for 'communities of learning' which develop at the mastery stage of learning to refine and develop what has been learned. As the sanctuaries develop so the people making up such groups become the technicians in their area of expertise and establish themselves as the further researchers and developers. In undertaking these tasks they remain in their community of expertise but also spawn new communities of inquiry and practice. All of this occurs in an episodic manner over whatever period of time an individual or a particular group may need. The cycle of learning in organizations then begins again. Figure 9.4 illustrates the complete schema for analysing learning in an organization. Its emphasis is on people working and learning together to facilitate mastery which leads to an evaluation of learning to determine the extent to which understanding subsequently leads to illumination because:

*The more we understand the way in which any organization works the more we see the difference between the changes willed on us by the person in command and the actual changes in spirit and level of work. Organizations change as a consequence of changes in individual self-concepts.*

(Cullingford 1990:220)

Figure 9.4

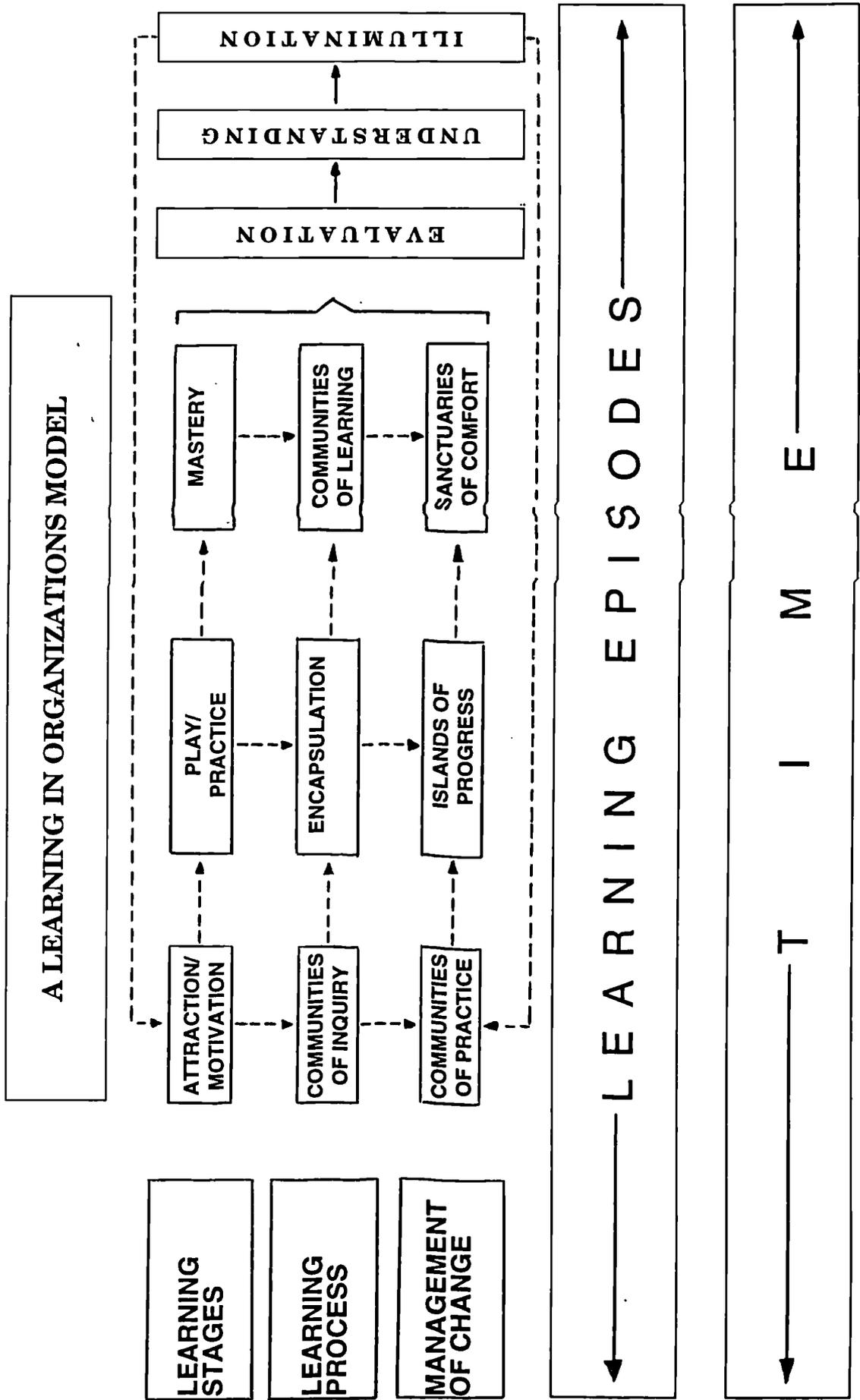


Figure 9.4 represents the main criteria for creating a learning framework to develop, track, and evaluate learning in an organization. It also provides a clear assessment level in terms of the management of change in organizations and the influence learning has on the change process. The model emphasises how learning and change can be developed and evaluated as short term activities (episodes) which are also part of longer-term learning events. Once illumination occurs, the learner is led back to the beginning of the model as new circumstances demand that the newly found knowledge, skills, developed relationships, or organizational structures require still further development.

The model allows for all learning to be assessed in terms of value over time. Extended and short term learning episodes can be evaluated against the value they bring to the individual and the organization. Employees are provided with in-built, systematic periods of time to reflect on learning processes and events to bring their learning to complete fruition. At each stage of learning development the model allows for individuals and groups to establish specific learning development agendas. What emerges therefore is not so much a model of what a learning organization looks like but rather a model for effectively analysing learning in an organization, hence the use of the label 'learning-in-organizations' model.

## **CONCLUSION AND SUMMARY**

The 'learning-in-organizations' model developed in this chapter has emerged inductively from the writer's assessment and review of the learning organization literature, adult learning theory, and the management of change literature. The model

seeks to combine adult learning theory with ideas about the learning organization and the evidence which has emerged from the data collected from the writer's own empirical work. The model's aim is to allow the complexity of learning to surface in a way which provides a qualitative approach to understanding how people develop in organizations.

The proposed evaluation criteria for looking at learning in an organization include the extent to which an organization deliberately:

- \* Exhibits an approach to learning and development based on andragogical principles and practices, and the processes by which these are brought about.
- \* Encourages 'communities of enquiry' which become at the same time 'communities of practice', which are allowed to surface in the organization and impact on it.
- \* Provides 'provisional encapsulations' which, in turn produce 'islands of progress' to generate 'learned influence' (preferably) or 'learned helplessness', in that people are allowed to adjust or abandon that which they feel and know does not work.
- \* Links values to business imperatives and operational issues and allows them to develop naturally.

The model may have some utility in raising questions and relationships for further research on learning in organizations. In the final chapter of the thesis I offer a

summary of the contribution of the thesis to the learning organization concept and suggest elements of a future research agenda on learning in organizations.

## CHAPTER 10:

### THE LEARNING ORGANIZATION RECONSIDERED

*Would you tell me, please, which way I ought to go from here?' That depends a good deal on where you want to get to', said the Cat.*

(Lewis Carroll, Alice in Wonderland, Chapter 6)

#### INTRODUCTION

If the starting point for a learning organization is the realization that it is a journey (Pedler, Burgoyne, and Boydell, 1990; 1991; Jones and Hendry, 1994; Hendry, Jones, and Cooper, 1994), there can be no absolute end to a research project of this type. It is hardly possible to judge whether an organization 'becomes' a learning organization if it is a processual activity which takes place within contexts which are constantly changing, and if it is perceived as that which '...has to be realised from within', (Pedler, Burgoyne, and Boydell, 1991).

As the previous chapter emphasised, at any one time a research project of this kind can only catch glimpses, and attempt to shed light and illumination, on the processes which seem to stand out to the researcher and to the people involved in the organizations being observed. In their own work Pedler, Burgoyne, and Boydell (1991) explain how the learning company is about 'glimpses' which 'show possibilities'. This is their way of expressing 'understanding' which leads to 'illumination' - see chapter 9.

This chapter provides a summary of the research aims and of the thesis as a whole. The validity of key learning organization definitions and characteristics identified at

the beginning of the thesis are then reviewed in the light of the evidence emerging from the writer's research project. Then follows a section on flaws in conventional learning organization theory and practice with suggestions for improving practice. A final section proposes some suggestions for future learning organization research based on the writer's own learning-in-organizations model developed in chapter 9.

### **A SUMMARY OF THE RESEARCH AIMS AND THESIS**

The specific research aims were:

- (1) To review and critically reflect on the research and writing on learning organization theory and practice.
- (2) To review and critically assess relevant theories of adult learning.
- (3) To link theories of adult learning to the learning organization literature.
- (4) In the context of the minimal empirical research which exists in this area, to conduct limited empirical research work in two organizations.
- (5) To identify patterns in the content and process in creating a learning culture in two organizations.
- (6) To develop a model of learning-in-organizations which will inform future research and practice.

These aims were satisfied in this way:

The thesis began with an overview of the origins of the learning organization idea (chapters 1 and 2) and stressed that much of what can be said about it is anecdotal rather than being based on empirical research. Chapter 2 also revealed there was a trend towards looking at organizations from a philosophical and social responsibility

point of view. There followed a review and appraisal of current thinking about, and practice of, the learning organization, and key definitions and assumed characteristics were highlighted (chapter 2).

From this review an attempt was made to develop a theoretical schema of what a learning organization looks like and a five phase model was developed (chapter 3). The research thus far, however, revealed that there was no clear understanding of, or connection with, what is meant by transformational change and adult learning. Chapter 4 addressed this concern and concluded that much of what passes for learning in organizations is no more than simple training and development and that organizations regularly confuse learning, training, and what has become known as 'organizational learning'.

A number of investigative research issues were thus proposed in the subsequent chapters and two organizations were selected as research sites because each had openly declared themselves to be a learning organization, or at least were working towards becoming one. The result was two case studies developed in the course of the two years spent in each organization. Here it is important to emphasise again that all that could be captured was a glimpse of what the organizations were doing at the moment of birth of their learning organization life period.

Later chapters illustrate that there was no clear direction in each organization's learning organization strategies and neither did the organizations establish at the outset what they understood by 'learning'. This resulted in the lack of a learning methodology or framework and they fell back on didactic and pedagogical approaches to learning which Rogers (1986) categorises as 'training' and 'indoctrination'.

## **THE VALIDITY OF LEARNING ORGANIZATION DEFINITIONS**

The earlier chapters of the thesis identified what a number of writers and commentators had said about the learning organization concept and the hallmarks of a learning organization. Much of this description was rhetorical in nature and little was based on empirical study.

### **Continuous transformation**

Chapter 2 highlighted the most widely used definition of a learning organization in the United Kingdom coined by Pedler, Boydell and Burgoyne (1988:3). A learning organization is:

*.....an organization which facilitates the learning of all its members and continuously transforms itself.*

Any new idea has to have some kind of initial description or definition. As a starting point this one was useful but it now needs developing to reflect research work in learning organization theory and practice. Three factors seem to be important in seeking to extend initial descriptions of a learning organization:

#### (1) Transformation

The Pedler, Boydell, and Burgoyne (1988) definition infers that an organization must transform itself as a result of concentrating on learning. This may be an unsustainable inference. For example, an organization may in fact learn that what it is doing is right and change is not required, particularly transformational change - that is, a complete

change in shape and appearance. The training consultancy case study shows this to be so as it reverted back to systems which it knew worked and paid dividends.

(2) Whole organization transformation

The Pedler, Boydell and Burgoyne (1988) learning organization definition and the work of Senge (1990) can be interpreted to imply that a whole organization can change and transform at one time and that everyone in an organization can learn at one and the same time. This rarely happens. The definition and much of the learning organization literature does not address the issue of learning stages and the time it takes for individuals and groups to learn, although to be fair to Pedler, Boydell, and Burgoyne they do concentrate on more individual learning practices in their subsequent writing on self-development and the learning company (Pedler, Burgoyne, Boydell, and Welshman, 1990; Pedler, Burgoyne, and Boydell, 1991).

The utility company is the best example of a firm which attempted whole organizational and group learning, albeit in the indoctrination and training mode, and failed. Groups and individuals learn at different rates, as illustrated in the earlier chapters of the thesis. Ambiguities remain with many learning organization definitions because 'learning', and all its complexities, is rarely explained or defined for any given context. In addition, many exponents of the learning organization concept rarely specify a learning methodology which links with adult learning theory. Pedler, Burgoyne, and Boydell (1991) did subsequently set about establishing a framework for self-development learning in organizations to expand on how they were interpreting their own definition. Much learning organization theory and practice, Senge's (1990;1994) and Garratt's (1990) work particularly, does not sufficiently explain, or expand on, what is being perceived as learning as each organization sets

about creating a learning organization culture. As Bood (1994) notes, learning organization definitions and practice which currently abound:

*....may captivate managers (but) do not capture the essence of what learning...is. Also (many)... definitions do not give any clues for charting ....learning processes.*

So, many current definitions are too loose and allow people to use the term too broadly. To speak of 'the learning organization' may simply be adding to the long list of management tools, fads and fashions - for example, quality circles, value chains, portfolio management, intrapreneuring, and process re-engineering. *There are signs* that it has already happened. As noted in chapter 1, the definition has the capacity of creating another oxymoron in the management literature rather like 'organizational learning'. People learn, organizations do not (Macdonald, 1994, forthcoming).

### (3) Facilitating all employees' learning

The case studies reveal neither organization was able to facilitate the learning of all employees at one and the same time as the Pedler, Burgoyne, Boydell (1988) definition suggests, except across one activity at one time. In the utility company's case this was the quality programme and in the training company the thirty day coaching/appraisal scheme. Neither were the organizations capable of continuously transforming themselves. On the evidence of this research, neither organization transformed itself across all of its activities at one and the same time. In reality, learning tends to occur in pockets of the organization and any transformation occurs in like manner.

Transformation, and the complete facilitating of all employees' learning, emerges over time. It is not a one-off event. The writer suggests that transformation can be said to

have occurred when employees emotionally believe, as well as intellectually understand, what occurs to them and their organizations. It tends to be a reflective process at the end of a long chain of events over fairly substantial periods of time. Looking back, taking stock and rationalising learning and/or change events enables a picture of whole organizational transformation to be developed. In other words, the collective small change and learning episodes which occur over time can be collectively described as total organizational transformation.

(4) Defining learning

As many learning organization definitions and descriptions fail to adequately define learning and to make a link between knowledge and life's wider personal and social processes it makes it even more essential to concentrate on learning in its widest context. Learning is too often perceived as an intellectual activity but this is only part of the process. Emotion, social meaning, practice and ideas are all part of the learning process. The main focus in organizations still tends to be on training which may not result in learning that provides understanding. Concentrating on learning which produces creativity also seems to be a challenge (Henry, 1991). These considerations suggest we may need a more developed definition of a learning organization. Thus:

*A learning organization is one which concentrates on its main goals, and has in place a theory and practice of adult learning which produces more effective participation, leads to continuous improvement across all its activities, and can be said to have transformed itself when all employees emotionally believe in, and intellectually understand, the activities in which they are involved and the changes which occur as a result of their own creativity.*

## **LEARNING ORGANIZATION CHARACTERISTICS**

Chapter 2 identified the following characteristics as being adopted by a learning organization:

*transformation, change, participation, innovation, altering the way people work, adapting, management style, delegation, fostering employee involvement.*

Although the case study organizations tended to demonstrate some of these, it was not as a result of a well worked out philosophy or theory of learning. Change rather than learning agendas were the main focus of the organizations' activities. There was some vague notion of learning but in each case the change events and activities became subject to controlling and monitoring devices which were as claustrophobic as any which were abandoned.

The utility company especially engaged with numerous initiatives and embarked on establishing fairly complex pay structures and personnel assessment techniques. Like many other organizations there developed an obsession with recording and monitoring people, events, and activities. The main emphasis was on increasing company performance for the shareholders and yet the channels for achieving it were heralded as acts of empowerment. As chapter 1 illustrates, the learning organization concept has produced a language which, in turn, has produced contradiction. This thesis suggests two simple measures to help remedy the contradiction:

(1) **Putting 'learning' at the centre of an organization's activities**

Firstly, management theory may be better served by using the term 'learning-in-organizations' because this should lead to a concentration on learning and its

definition, practice, and implementation within particular contexts. The need to specifically state, at every stage of organizational activity, how learning is being defined and evaluated across a particular context is crucial if the term is going to be useful to accurately describe what is going on at any particular time. It is also crucial that the 'complexity of learning' (Cullingford, 1990) be recognized and the fact that if learning is to be evaluated in terms of relationships, emotions and other less quantifiable measures, there needs to be an evaluative scheme which recognises that such learning is '...subtle and hard to describe' (Cullingford, 1990:230).

Secondly, organizations challenged to adopt a philosophy or theory of adult learning, which is put at the centre of the organization's life and work, will find that how work is done, and the way the organization is structured, will be dictated by the learning process, rather than vice versa. Learning will then dictate if, and where, change is needed, rather than change strategies being seen as the instigator for learning. At present organizations are glibly creating so-called learning strategies which are often little more than training or indoctrination initiatives. Learning often requires risk-taking and if the most successful organizations are those that take the most risk (Kanter, 1984) then learning has to be at the heart of an organization, not something bolted on to change initiatives which are generated in a top-down fashion. However, empirical research is needed to substantiate this view.

Thirdly, there is the need to reiterate again that what will be important to one person or group at any one time may not be so to another. Organizations therefore need to consider how learning is managed and generated at the individual and group levels, and across the organization as a whole. The socialization processes which take place in a learning-centred organization are also virtually uncharted (Nordhaug, 1993) and further empirical work is needed in this area as firms focus on learning.

(2) **Prioritising learning**

It is also important to indicate what 'ought' to be learned and understood, what 'should' be learned and understood, and what 'may' be learned and understood. As individuals and managers prioritise learning events, activities and outcomes, people get a better grasp of what is expected of them and generate a more holistic approach to learning and work patterns which includes corporate, social, and individual concerns. The 'ought' of learning is what is definitely or morally expected because it is important for individual and organizational survival, growth, responsibility, and competence.

**FLAWS IN CONVENTIONAL LEARNING ORGANIZATION THEORY AND PRACTICE AND SUGGESTIONS FOR IMPROVING PRACTICE**

(1) **Vision and mission statements and empowering processes**

Managing and developing people via cascading vision and mission statements throughout an organization, and the empowering of employee processes which often accompany them, in these two organizations did not work for any length of time. This suggests a flaw in the learning organization literature. Prolonged use of such systems to bring about transformation has been shown to be counterproductive (Cole, 1989; Stace and Dunphy (1994). Vision and mission statements appear as major inhibitors to fundamental learning. On the other hand, Tichy and Ulrich (1984), like Senge (1990) and others, believe that the creation of an organizational vision is crucial for revitalising an organization. This study, however, suggests that such visions have

limited value because they are often too vague and too general. As Stace and Dunphy (1994:214) put it:

*Charismatic Transformational and Turnaround intervention strategies are not necessarily 'deep' and must be linked...with interventions which have greater 'depth' in interpersonal and personal terms.*

In both case study organizations, charismatic vision and mission statements worked temporarily and were used to kick-start or inject new enthusiasm. But as a mechanism to transmit a meaningful message to employees over a long period of time they failed.

As Pettigrew, Ferlie, and McKee (1992) observe, citing the work of Teece, Pisano and Schuen (1990:30), organizational activities based solely on top-down imposed strategies rarely work. What makes for a real base for learning and development are a firm's 'routines, its skills, its organization, and its capabilities'. Pettigrew and Whipp (1991) refer to these as 'intangible assets'. Perhaps the most important of these is a firm's capability to develop an organizational framework which has learning, in all its guises, at the centre of the organization.

## (2) Steady state environments

Vision and mission statements also imply that it is possible to identify what can be called a steady or stable state in the external environment. Senior managers and directors assume, through visions and missions, that there can be a state of stability in which their programmes, products or services can be developed and sold. To have as a vision that the firm will become the 'world leader' is to assume that a clear path can be navigated to a predictable, specific end.

Large corporations, like IBM, operated in the belief that its markets and future were secure but that organization's recent problems offers a lesson. Rover too has created the 'Rover Learning Business' to develop and encourage employee learning and development. This resulted in extensive change and productivity increased, as too did employee involvement in project development. However, few people, if any, expected that within such a short time the company, despite making major changes, would belong to a foreign car manufacturer - Germany's BMW group which took it over in 1994. At the time of launching the Rover Learning Business, Sir Graham Day, the then chairman, publicly stated that Rover would become the largest, leading, and most successful car manufacturer in Europe by the end of 1992. This was the vision he provided, yet there was no mention of merger or acquisition. A predictable, fairly steady-state was presented to the Rover workforce.

Pedler, Burgoyne, Boydell, and Welshman (1990:16) offer a note of caution about self-development linked to empowering missions and visions of this kind observing that:

*From one perspective, the humanistic, empowering people mission.....may represent a profound delusion.*

### (3) **Creating control systems for development**

Many organizations believe they can envision their future and its outcomes and to do so introduce extensive measurement schemes. Certainly the water utility company adopted vision and mission activities with a view to becoming the world's largest and best utility company, whatever 'best' may mean. The firm never defined 'best'.

The obsession with many organizations to appraise employees across a wide range of specific outcomes and competencies is also symptomatic of a knowable and fairly definable future.

If such a future is definable, perhaps such practices are valid. However, if, in Kanter's judgement (1985, 1989), the most successful organizations, and hence one supposes the most successful people, are those that 'operate at the edge of their competence', then such firms must be working to a different agenda. Although the training company had vision and mission statements they learned to link them to focused business initiatives which produced swift financial returns, and people development and involvement.

Stace and Dunphy (1994) suggest that intervention strategies must be accompanied by 'task-focused and developmental transitions' where there is incremental activity, high commitment, and change through work structures, job redesign, and group project work. Success was achieved in each case study organization forming the research sites for this thesis when staff became task-focused, developmental, and worked on group projects.

To 'operate at the edge' of competence means that the organization has its eye on the long-term not the immediate or even medium-term. In addition, an organization which operates at the edge of its competence must first of all have the authority of competence - that is, be able to demonstrate that what it is doing in the present is regarded inside and outside the organization, as valuable, purposeful, and professionally acceptable. In this sense both case study firms were working towards this position. The utility company specifically by focusing on internationalisation and water quality, and the training firm by focusing on select customers of merit such as

the BBC and the southern African leisure company. These two organizations themselves are looking to change and grow and the training firms' own growth was seen as an integral part of those two firms development.

Kanter (1985, 1989) argues that the external environment is volatile and has to be addressed. Bohm and Peat (1991) citing Khun (1962) also emphasise the need for organizations to focus more on the tacit infrastructure of the organization which 'pervades the whole work and thought of a community'. This suggests that an organization can only handle volatility and its 'tacit infrastructure' if it has systems and processes which will enable people to survive unseen factors and allow all groups within the organization to collectively contribute towards the organization's total development.

Kanter's (1985, 1989) view of the external world is developed more theoretically in terms of 'chaos theory'. Peters (1992) maintains that organizational external environments are, and an organization's internal ones should be: irregular, uncertain, volatile and unpredictable. He goes on to argue that it is not possible for organizations to have prescriptive hard and fast systems and measurement devices. Long range business plans (even three year ones) and such things as extensive employee development and career programmes may simply have to be a thing of the past. Long-term skills based on competency orientated training programmes may also be inappropriate because they are the practices of a known and predictable environment.

#### (4) **Learning in volatile environments**

The alternative to envisioning the future via static vision and mission statements is to concentrate on learning - how it is defined, acquired, nurtured and developed. In turn,

this means an organization's most important intangible asset could be the ability of staff to think and manage creatively by means of learning to think for themselves through self-development programmes (Henry, 1991) and reflective activity (Tsoukas, 1994). People development, be it related to change, business acquisition, or marketing strategy, begins with learning that is employee-led and job-related. Argyris (1992) sums this up well as:

*....learn with intent to act, and act with an intent to improve.*

If the external environment is unpredictable then a new set of learning systems and processes are required. The skills needed to handle unpredictability lie in innovation, creativity, the ability to adapt, and more especially the skill of how to learn more quickly (Lessem 1990). In turn, accelerated learning processes would need and produce different forms of organizational structures and managerial systems (Morgan, 1989; Tsoukas, 1994). The training organization demonstrated it had the organizational and operational flexibility to accommodate such development, but it would probably only achieve this if the hero-leader eventually allowed a more expansive structure to emerge which engages the talents of everyone, where the staff are no longer reliant on his visionary, egocentric personality.

(5) **Transformation or adaptation?**

The two case study organizations appear to be straddling two approaches to their operations. On the one hand, they wanted to change and transform but, on the other hand, they held on to practices and structures which got in the way. In the case of the training company, the staff wanted greater control of their own work yet needed an heroic-leader, their chairman, to provide them with the inspiration to develop their work and lives. This meant employee autonomy was immediately controlled. The

utility company too retained much of the administrative structure of the old public water authority. The new initiatives could not be contained in the old structures and the organization became paralysed by its old thinking.

However, there is another issue here which the learning and change literature often ignores. The management of change literature refers to unlearning and changes in behaviour when disengaging from one context and taking on another (Kimberly and Quinn, 1984; Tichy, 1983; Tichy and Ulrich, 1984) and emphasises that resistance often occurs in organizations due to fear of the unknown, or uncertainty about new work practices.

The two case study organizations certainly suffered from employee resistance - for example, the middle management 'deflective layer' emerged in the utility company and the chairman of the training organization resisted the structural changes suggested by his senior colleagues and external consultants. The training firm's presenters and accounts managers were also uncomfortable about the increased academic knowledge of their customers. They were faced with the problem of whether to produce new and more rigorous programmes, or reduce their programme offerings to the ones they knew best and were most comfortable presenting. In these examples the end result was a reverting back to old values and practices. In turn, the values and well established practices enabled the organizations to survive and, at least in the short-term, to develop.

The cases demonstrate that learning can, and does, produce continuity. It can have the effect of focusing on what already exists, refining, and adapting it without making fundamental change or creating transformation. Practised skill and continuity provide

a context for on-going learning. The most successful learning and change occurred through adaptation rather than transformation.

(6) **Familiarity**

In each case, senior management learned that by working from a base or context with which people were familiar, it was easier to begin to make changes. The most successful learning and change occurred when people were involved in developing their own work processes and practices rather than them being always introduced by management dictate.

The theoretical literature tends to assume that resistance will occur in most transformation and learning processes (Kimberly and Quinn, 1984; Sales and Mirvis, 1984) and that one way or another it will have to be controlled and managed. Yet this study confirms Beer's observation (1984, 1990) and Pettigrew's view (1985) that learning and change tend to occur in pockets of the organization rather than across it. These pockets are the individuals, or groups in different parts of the firm, who either evolve some new practice or idea, or, like Eccles in the training firm, produce learning, leading to change, as a result of their own initiative.

The important distinction here is that change or learning occurred because employees started from a familiar base, which is a key element of andragogical principles.

(7) **Perfecting practice**

Crossan et al (1994) take up the issue of employee participation through adaptation and provide an interesting contrast between organizations and the theatre. They note

that traditional theatre survives, and is judged on, the mechanistic implementation of the script and all that the producer and director indicate should happen during the production - in other words, it operates as learning through training and indoctrination. Improvised theatre on the other hand functions through audience participation. This generates spontaneity and enlivens the actors who, at the beginning of the performance, are at one with the audience. They become the vehicles and operational technicians for what audience and actors collectively determine will happen - that is, it functions as learning through choice.

Creating an organization where the latter type of activity occurs may be a crucial learning activity for the organization seeking the skills to operate in an unpredictable environment. Corporate strategy, systems, and structures become the traditional play script and performance directions, and employees (actors) have to learn their lines and deliver according to the prescribed directions. Senior management then tend to focus too much on controlling these processes rather than letting them adapt through employee creativity and improvisation.

Crossan et al continue with the premise that in theatre, as with music, the best improvisation occurs when actors and musicians are well versed in the basic mechanics and skills of their craft or discipline - that is, improvisation is possible because they have mastered basic techniques:

*Like the traditional play, business is none other than the stereotypical planning organization with an emphasis on focus, control and operating under the old assumptions with a sole reliance on the old tools and practices.*

(Crossan et al, 1994:2)

Of course, it is possible to criticise this argument but the lesson to be learned is that people learn best when they are allowed time to practice and master what is required of them and to adapt. Many change strategies do not do this and require employees to lurch too quickly from one activity to another, which results in frustration and a sense of helplessness.

(8) **Flexibility, innovation, and adaptation**

As chapters 2 and 3 illustrate, 'flexibility', 'innovation', and 'adaptation' are just three of the many words now being used as descriptors of what perceived successful and transforming organizations should be doing. However, these words are too vague. Adaptation and flexibility occur when traditional skills and practices have been mastered in such a way that they lead the individual to look for different ways of thinking or doing something (Henry, 1991). In an organizational context this means such things as the ability to listen effectively, argue and analyse cogently, and the use of a variety of group settings and circumstances which are not status or hierarchically bounded (Burley-Allen, 1983; Henry, 1991).

To be innovative, flexible, and adaptable requires a basic level of organizational and job stability. If employees are given this stability but remain unable to learn, adapt, and change then it may well be that other basic learning blocks are not in place (Cole, 1991).

(9) **Recognizing different learning styles**

In each organization resistance to learning and change happened because the familiar was being taken away from employees and also because neither the senior managers or the consultants had regard for individual interests and styles of learning.

There was the underlying assumption across all their activities that everyone could learn at the same pace and that all employees would be interested in the visions and missions. Individuals' personal characteristics and predilections for learning were ignored. Cullingford (1990) observes that people have preferred learning styles, and different learning events and activities require these be addressed. Few organizations, including the water company and the training firm, take this into account (Cole, 1991). The tendency was towards measuring outcomes because, as Cullingford (1990:15) notes:

*...it is easier to think in terms of 'content'... than in terms of the more holistic learning of principles and their application.*

What managers failed to do was to supply employees with the skills for learning. They concentrated too closely on knowledge and content and ignored much of what we know about how adults learn, and particularly that:

*...adults prefer to acquire knowledge and ideas by themselves... and learning depends as much on the way it is transmitted and received as on the availability of knowledge.*

(Cullingford, 1990:197)

(10) **Recognizing learner characteristics**

Riechmann and Grasham (1974) identified learners as having learning characteristics: independent or collaborative, avoidant or dependent, competitive or participative. The two organizations studied here would regularly describe and view individuals as being co-operative or resistant. The water utility's consultant herself judged the directors in this way and the consultancy firm engaged by the training firm was critical of particular staff, and in their final report categorised them into positive and negative individuals, according to the extent to which they resisted or accepted change and new ideas.

The utility company controlled and contrived learning and adaptation by means of a rigid assessment system. Staff audits and appraisal schemes were linked to pay and rewards. Other systems included the extensive use of weekly and monthly departmental reports. The training company, on the other hand, did encourage project and group work and allowed staff to have 'red time' in their daily diaries for periods of reflection. The utility company certainly had no sense or concern for individual learning styles or characteristics, whereas the training company started to adopt them with the arrival of Twigg as internal consultant and mentor.

## **SOME SUGGESTIONS FOR FUTURE RESEARCH**

### **Introduction**

The complexity involved in defining, analysing and evaluating 'learning' in organizations has been the main focus of this research. The case study evidence

suggests that the label 'learning organization' has credibility but is becoming a fashionable management tool. There is still little empirical evidence of a learning organization's more substantial characteristics. The evidence of this writer's work suggests that to get at the heart of what theorists and practitioners are seeking to unearth in organizations may be more readily achieved by concentrating on the idea of 'learning-in-organizations'. The focus then becomes clear - that is, research and management practice can concentrate on exactly how learning occurs in organizations and develop the most appropriate frameworks to enable employees and managers to take responsibility for their own learning development.

If, as Pettigrew and Whipp (1991) maintain, learning is an important 'intangible asset' for a successful and competitive organization, then exploring in much greater depth how learning is defined, nurtured, and developed seems crucial, not only for future research but for the successful development of organizations. In turn this means concentrating more precisely on defining the contexts, processes, and styles which sustain learning in an adult centred environment. The lack of learning which focuses on 'learning as choice' calls for a framework which will enable adult learning theory and practice in an organization to be systematically developed and evaluated, episodically over time.

In many organizations, assets other than learning tend to dominate managements' attention, not least because of the desire to have clear, quantitative learning measures and because managers have little or no understanding of adult learning theory. Learning as an 'intangible asset' needs to be given a higher profile in a way which combines quantitative and qualitative outcomes.

The learning-in-organizations model developed in chapter 9 was initially used for descriptive purposes but it may be used, with caution, as (a) a research framework for evaluating learning development in organizations and (b) as a diagnostic framework and prompt to assist managers and individuals create and manage learning in organizations, especially 'learning as choice' based on andragogical principles. The model therefore has both 'descriptive' and 'prescriptive' potential.

As a potential 'descriptive' tool it provides the researcher, individuals and managers in organizations, with a framework to focus on actual learning stages and processes. In this sense, the framework acts as an anchor to ensure that each learning stage and process is systematically encountered by all employees at the individual and groups of level. Using the model as a framework will potentially prevent an organization from lurching from one activity or management fad to another.

The model is a systematic framework for defining learning and evaluating learning processes while at the same time acknowledging there are learning stages needed to achieve successful learning outcomes - for example, as a 'community of enquiry' employees, individually and collectively, would determine everything which needed to be learned, and how, when, and why. Subsequently the time required to accomplish the process, before creating a period to test out the new learning (encapsulation) would be determined. Likewise, at every other learning and process phase. The evidence from the research site organizations reveals how these processes were not used and neither were the learning stages (attraction/motivation, play/practice and mastery) recognised or systematically gone through. The framework suggested by the learning-in-organizations model potentially ensures that both successful and unsuccessful learning and/or change outcomes can be more effectively monitored, described, and evaluated. Failure is also an aspect of learning and is just as important

as learning success. People can learn from failure. The problem with many organizations, including the utility company in this research project, is that failure is not viewed in this way. It gets 'buried' in the biography of the organization.

Further research needs to test out the usefulness of the model as a framework for developing and analysing learning in an organization, bearing in mind that it is meant to be a guide for learning development rather than a prescriptive tool. Potentially, using the framework should create greater focus and produce clearer understanding across six important learning processes: learning how to learn; learning levels; learning styles; reflective learning, dialogue and discussion; learning as illumination and knowledge creation; and learning relationships.

(1) Learning how to learn

Learning how to learn provides the groundwork for continuous development and improvement but is rarely acknowledged as an explicit capability in an organization (Argyris, 1991). In the two case study organizations learning how to learn was not explicitly valued and no connection was made between learning which brings about improvement and learning which adds little or no value. Thus, one key research issue is how do organizations bring about an awareness of what needs to be learned and the skills required to achieve learning development. Dodgson (1993) notes that individuals are the main learning entity in an organization and it is individuals, and groups of people, who participate in the learning process. Research and practice needs to further reveal how people learn how to learn at the individual level and the group level.

## (2) Learning levels

The learning-in-organizations model allows for learning to be developed episodically at both the individual and group levels, through the various learning stages and processes. Group learning is said to be particularly important because it provides an arena whereby individuals can interact in a dialogue to facilitate holistic learning through reflection (Senge, 1990) which should reveal longer term patterns and provide understanding and illumination about the causes of those patterns. This is what Senge (1990) refers to as 'systemic thinking'.

Research and practice needs to reveal how and when learning achieves 'added value' as people proceed through the various learning stages and processes. We need to know which specific contexts, events, and activities are best suited to which learning level (individual or group) and the circumstances, if any, which require both levels of learning. In addition, further evidence is needed as to whether one learning level produces more effective systemic thinking.

## (3) Learning styles

Learning at the group or individual level should produce a variety of learning styles. The learning in organizations model provides for both individual and group learning in terms of the communities of inquiry and encapsulation (time for reflection), and in communities of learning which provide periods of developed expertise in the organization. During these learning processes individuals and groups are likely to engage with preferred styles of learning according to their interests, specific job, and future career needs. Kolb et al (1974) suggested four main learning styles which people prefer according to their profession - experiment, experience, reflection, and

reconceptualisation. For example, engineers are supposedly attracted to experimentation and reconceptualisation. However, if organizations require employees to be more creative and have skill flexibility the Kolb model is limited because it stereotypes employees. Richardson and Bennett's (1984) suggestion that individuals and groups have 'preferred learning styles' depending on the context in which they find themselves seems more sustainable. The writer's learning-in-organizations framework provides the contexts (community of enquiry, moments of encapsulation, and communities of learning) in which a variety of preferred learning styles can be developed and observed episodically, over time.

Learning styles are important because they influence the structure and culture of an organization. The writer's model assumes the encouragement of a bottom-up not a top-down approach to development. The implementation of the model should provide clearer detail as to the contexts and circumstances of how managers hinder learning development by adopting top-down imposed systems without dialogue and discussion.

The learning-in-organizations model seems better equipped than Kolb's learning cycle because it is more systematic, it can evaluate learning levels and styles at all stages of the learning process, and is not limited by viewing particular employee groups as having specific preferred learning styles. Future research, using the writer's model, should reveal more clearly the kind of learning styles which produce new cultures and structures which focus on creativity, skill flexibility, and the variety of learning styles adopted by employees when using self-development processes.

(4) Reflective learning, dialogue, and discussion

An important aspect of the learning-in-organizations model is providing time for people to practice and master what they have learned (moments of encapsulation) so as to be able to abandon inefficient learning activity and concentrate on producing successful outcomes as a result of new learning (islands of progress). Dialogue and discussion form the basis of the reflective process which is at the heart of group learning, which Tsoukas (1994) maintains, will stand the best chance of producing 'self-organization' - that is, organizational systems and structures which are self-generated by employees collectively rather than the structures and systems imposed by a small group of directors or managers. However, it is important to distinguish between dialogue and discussion for the purpose of this analysis.

Dialogue is the creative exploration of complex issues which involves intensive listening and the suspension of individual views (Senge, 1990). Discussion occurs as different views are then presented and defended and there begins a search for a best solution to a specific issue (Senge, 1990). The writer's model again incorporates specific learning situations in the learning process part of the model in which discussion and dialogue are recognized as having to take place.

Research using the learning-in-organizations model needs to reveal how dialogue and discussion are practised and developed, and the extent to which particular events and activities provide more conducive circumstances than others for these processes to occur.

(5) Learning as illumination resulting in knowledge creation

The learning in organizations model presents the evaluation of learning as 'understanding' and 'illumination' with understanding being defined as intellectual insight and acceptance which leads to a greater degree of appreciation or insight into a skill, event, theory, idea, or relationship. This greater insight leads to illumination - that is, the new insight sheds new light on theory or practice and produces new knowledge as to how something may be further developed, be it a skill, event, theory, or idea. It is illumination which should produce new ideas or knowledge because this is the catalyst for improvement and further learning (Wheatley, 1992).

Understanding and illumination are most likely to occur as a result of systemic thinking during periods of reflection in discussion and dialogue. The writer's model is a response to Nonaka's (1994) call for organizations to 'institutionalize...reflection-in-action in its processes as well as in its structure'. The writer's model requires individuals and groups to systematically engage in reflective processes, not only at each stage of development, but also at the end of the learning activity at the evaluation stage.

Research at Canon identified that it was vital to recognise that knowledge creation takes place at all levels, with shopfloor workers often being the most productive source and that all employees must engage in the reflective process (Nonaka, 1991). Nonaka (1994) has since proposed a theory of 'organizational knowledge creation', maintaining that organizations play a critical role in articulating and amplifying new knowledge. However, in the writer's view the 'organizational knowledge' label detracts from Nonaka's overall theory because the term adds a further oxymoron to the organizational learning literature as discussed in chapter 1. As indicated above

(Richardson and Bennett, 1984) it is people who are the main learning entity and knowledge is only one outcome of the learning process. Nonaka (1994) asserts that:

*Taken by itself, learning has rather limited, static connotations whereas organizational knowledge creation is a more wide-ranging and dynamic concept.*

There is little or no evidence for this conclusion. His theory of organizational knowledge creation is developed primarily on the basis of organizational behaviour and general management literature and largely ignores adult learning theory and psychology. Nonaka assumes learning and knowledge creation occur within the context of traditional organizational management structures whereas the learning-in-organizations model developed in this thesis appears to be a more robust analytical tool which focuses both on learning processes and sees knowledge creation as an outcome of those processes.

Nonaka's theory also excludes learning processes which do not have tangible and readily measurable learning outcomes in terms of knowledge. Evaluation of learning in terms of 'understanding' and 'illumination' should also surface the tacit and often highly subjective but important insights, intuitions and hunches of employees and, as importantly, the relationships and personal understandings which develop between people as they work together. Learning, interpreted as understanding and illumination, is more likely to capture the subtleties of learning processes and the intangibilities and complexity of learning than simply concentrating on knowledge creation.

Research work needs to justify or negate the writer's proposal that concentrating on learning will add greater value to an organization than simply focusing on knowledge and its creation.

(6) Learning relationships

The writer's model and Nonaka's theory of organizational knowledge creation adopt an horizontal, processual approach to learning development in organizations. The learning organization (Jones and Hendry, 1992) and self-development literature (Pedler, Burgoyne, Boydell, and Welshman, 1990) testify to the need for greater communication between people and for more flexible and horizontal management structures in organizations thus reducing bureaucracy. The same literature argues that fruitful discussion, dialogue, and open communication systems will only occur if people develop trusting relationships (Hirshhorn and Gilmore, 1992). This means part of the learning process inherent in the writer's own model must focus on management and employees acquiring the skills to develop quality relationships, specifically when they are involved in the 'communities of enquiry', 'encapsulation' and 'communities of learning.

The two case study organizations were fraught with personal relationship problems at every employee level. Both firms attempted to introduce limited employee participation and reflective dialogue without consciously questioning whether they had the culture and structures to facilitate them. The utility firm particularly was fraught with hierarchical complexity and the training company's owners generated endless anxiety. Hierarchy and anxiety tended to inhibit learning and the development of relationships.

There is a need to be able to capture how relationship development occurs because this 'absorptive capacity' is regarded as just as important as the 'inventive capacity' - that is, the creation of knowledge (Hamel and Prahalad, 1993). Sound relationships

create the climate and culture of an organization which are needed to create a supportive learning culture.

In summary, future research needs to explore the usefulness, or otherwise, of the framework emerging from the writer's research for developing and evaluating learning content and processes in organizations in terms of: learning how to learn, learning skills, learning at the individual and group level, the development of dialogue and discussion, and personal relationships.

### **CONCLUSION AND SUMMARY**

The chapter has described how the research aims have been accomplished and has addressed the issue of the validity of learning organization definitions proposed by other writers highlighted at the beginning of the thesis. The conclusion was reached that (a) the definitions were useful to bring to the attention of managers and employees in organizations the importance of learning but that (b) aspects of the current learning organization theory and practice are in danger of merely creating a new management fad or fashion. The chapter has also highlighted some broad research themes arising from the writer's model of learning-in-organizations. In addition, the learning-in-organizations model can be used by an organization as a diagnostic framework to help people assess how learning can be defined and developed in organizations, based on what we know about how adults learn.

## APPENDIX A

### THE LEARNING ORGANIZATION PROJECT

The attached is the 'master document' to be used to interview personnel in each organization taking part in the learning organization project.

The document is divided into six sections. The first seeks to obtain general data relating to the background of the organization (business, markets, age, profits and so forth). The second section is concerned with human resource management issues; the third with training, learning and development; the fourth with transforming training, learning, and development; the fifth with organizational axiology; and the sixth section focuses more on the learning organization concept, its implementation and value.

#### How the document will be used

THE ENTIRE DOCUMENT will be used in each organization with the chief executive or managing director. Much of the information sought is background data but the entire document will also be used with one or two other senior directors in each organization to determine whether the CEO's perceptions are correct. For example, 1.4 seeks to capture who the main customers are and 1.5 focuses on business success. It is important to find out whether there is a general consensus of opinion about such matters as main products, views about management style, and so forth.

SECTION 2 (HUMAN RESOURCE MANAGEMENT ISSUES) will be used, in addition to the CEO/MD mentioned above, with the organization's HRM/personnel training director or manager, depending on how the organization is structured. If and where appropriate, heads of divisions/departments to be interviewed may also be asked to respond to section 2 questions (in whole or in part) depending on the quality of responses received from the HRM director and MD.

SECTION 3 (TRAINING, LEARNING, AND DEVELOPMENT) will be used, in addition to the CEO and manager/director of training, with the heads of departments/divisions.

SECTION 4 (TRANSFORMING TRAINING, LEARNING, AND DEVELOPMENT) will be used, in addition to the CEO, with the director/manager of training/personnel and each division/department head. General employees to be interviewed will be asked to respond to 4.6-4.10.

SECTION 5 (ORGANIZATIONAL AXIOLOGY) will be used for everyone to be interviewed.

SECTION 6 (THE LEARNING ORGANIZATION) will be used for everyone to be interviewed.

Note: It is anticipated that the total number of interviews to be conducted across all three organizations will be 50-60. Some interviews will be one-time events but other personnel (mainly the members of the senior management team) will be interviewed on several occasions, according to events, circumstances. All members of the management team will be interviewed at least three times during the life-time of the project.



- 1.7 Major developments in recent years (10 year period) affecting:  
size, rate of expansion, product/service, market,number of employees, legislation, revenues, profits
- 1.8 How is the enterprise organized, e.g. depts, work organization, hierarchical, 'flat', etc  
  
Have the above recent developments affected the way the enterprise is organized and structured?
- 1.9 What is the management structure, senior managers' ages, background, time with the organization?
- 1.10 What are the major strategic challenges facing the organization?  
  
How will the single European market influence the organization? (e.g. regulations, environmental issues, common standards of training, etc)  
  
How will international issues, in terms of regulation and social concern, influence the organization?
- 1.11 How far is it possible to plan ahead (a) in this industry, (b) for the organization, and (c) for any particular division or department within the organization?  
  
How far do you plan ahead:
- \* financially?
  - \* employee numbers?
  - \* training?
  - \* supply agreements?
  - \* other areas?
- How large (or small) do you want the organization to be and why?
- 1.12 Do you think specific changes are needed in the organization and, if so, where and why?  
  
How do these needed changes relate, if at all, to previous changes in the organization?
- 1.13 What are your measures for assessing whether change has been (a) achieved, and (b) successful?

1.14 What specific activities have been/or will be implemented to create the perceived change?

**2. HUMAN RESOURCE MANAGEMENT (HRM) ISSUES**

(Objective: To describe and analyse how human resource management issues are organized and managed in the organization and to (a) determine what changes have resulted as a consequence of HRM policy, and (b) distinguish the extent to which the organization and its HRM promotes learning organization concepts and activities.)

Note: These questions are to be used to provide an overall picture of the organization in terms of its ethos and culture.

2.1 Who is responsible for personnel, training, and learning matters?

What are the most important tasks s/he handles?

What areas of training/ learning (HRM) have been most affected by change in recent years?

What areas of personnel/HRM are likely to be affected in the near future and why?

Which personnel/HRM issues still need changing and why?

2.2 Do you have trade unions?

Does the company belong to an employers' federation/association?

If so, what do you use this for?

Do you conduct your own pay negotiations?

What negotiating machinery do you have?

2.3 What form do your pay structures take?

Do you have a job evaluation scheme?

Do you operate a bonus scheme and is it linked to an evaluation and/or other scheme, e.g. product output?

How do you decide pay rates/rises?

How do you decide on job promotion?

Do you use employers' federation and/or informal contacts with other local employers for pay comparisons?

How do your pay levels compare:

- \* with other organizations locally?
- \* against national and international competitors?

What other benefits do you offer your employees? (e.g. car loans, health, low/free interest mortgage loans, non-contributory pension scheme, free car, share options, etc)

2.4 Do you operate any employee consultation scheme(s)? (e.g. works council, departmental meetings, tea groups)

2.5 Do you try to gain employee commitment through other means or ways of operating? (e.g. by across the board pay bonuses, share ownership, career development, company sponsored training/learning external to the organization, etc).

2.6 Do you have an equal opportunities policy?

What do you mean by equal opportunities?

How is the policy implemented?

How is it monitored?

2.7 Is the style of the organization affected in any way by the characteristics of its management and/or its form of ownership?

How would you describe the management style?

How formal is the management style and structure of the organization?

How performance-orientated is it?

Are personnel, management, and training issues discussed in the senior management group?

2.8 How, if at all, does HRM (personnel, training, learning, and personal development) create change in the organization?

2.9 How easy is it for top management to influence the organization and what are the blocks for doing so?

### **3. TRAINING, LEARNING, AND DEVELOPMENT**

(Objective: To describe and analyse the role and organization of training, learning, and organizational and individual development within the enterprise.)

## TRAINING AND LEARNING

- 3.1 Describe the training activities in the organization and why you undertake them.

Are training, learning, and development pursued (a) for their own sake and/or (b) to address specific needs or required changes?

How important is training/learning to the success or failure of the organization, and in what areas, or which groups, is it most important to train and enhance learning capabilities?

- 3.2 What specific skills are needed by employees at all levels now and for the future?

Do you have a development programme in hand to ensure the organization possesses these skills, and if so, please describe it?

- 3.3 Leaving aside where/how training is done, what regular training and learning activities take place in the organization, and especially for senior management?

- 3.4 Do you provide structured training for particular groups and/or for all employees and if so, when, where, and how?

- 3.5 How do you identify the training/learning needs for groups and individuals and who decides the format for addressing these needs?

Is training/learning initiated and directed by (a) employees themselves and/or (b) specialised staff with departments and/or (c) a specialised training department and/or (c) specific needs of the job to be performed and/or client requirements?

Is training provided linked to promotion?

- 3.6 In training and development, do you emphasise:

- \* personal development?
- \* social development?
- \* moral/ethical development?

What kind of outcomes do you generally look for from training?

- 3.7 What training/learning methods do you use and why?

Are there difficulties in using certain methods which you would otherwise use? If so, what are these?

Are there any special training/development methods or technologies you have devised which are peculiar to this organization or are you developing any

How do you identify training needs?

- 3.8 What is spent on training, learning, and development and what do you count as covering these activities? (Figures for last 5-10 years).

What significant activity does this miss out (e.g. continuing, informal, on-the-job training)?

- 3.9 Training/development (trends) in terms of numbers trained and number of days training/learning per employee

- \* outside the organization
- \* inside the organization, off-the-job training

What is dictating which of these activities is used?

- 3.10 Do you formally evaluate training/learning undertaken and if so, when and who does it?

How do you evaluate training, learning, and development:

- \* costs only?
- \* costs and benefits?
- \* other criteria?

What is the time scale over which you assess benefits?

- 3.11 How important is cost as a limiting factor on the training you provide?

Training, Learning and Development:

"We've talked so far about training, learning, and development without distinguishing between them. Neither have we distinguished between these three activities in terms of how they meet organizational needs and individuals needs, and the general educational and development of employees at all levels in the organization to satisfy longer-term goals."

- 3.12 Do you make any distinction in the organization between training, learning, and development for both the organization as a whole, and the individual?

If you can categorise activities for training, learning, and development, what are they and how is each accomplished?

Does the organization fund and/or in other ways sponsor, support or pay for these activities in each category?

What kinds of activities fall into each category (e.g. job rotation, group working, mentoring, planning meetings, individual and/or group projects, open learning, formal development programmes, time off for professional study, quality circles, etc).

Describe the most significant of these: training, learning, development, and the most important activities which each involves.

Why and how did you start these?

- 3.13 Are these activities which are consciously/formally planned, reviewed, and evaluated?

If so, what outcomes or benefits do you expect from these?

Are there advantages over more conventional training, learning, and development practices?

- 3.14 Do you do any succession planning to ensure there is cover for key positions?

Are line managers responsible for developing their own staff?

Do you undertake any career planning for individuals?

Do you provide personal development programmes for individuals (e.g. special education (writing, reading etc) written and/or oral communication courses, confidence training, assertiveness training and so on?)

Do you have an active management development programme? (Explain what it involves and who devises and delivers the programme).

What do you perceive to be the right skills and competencies a manager or director needs (a) generally, and (b) specifically in this organization? (Use this question to see if ethics, morals, values currently form part of their thinking.)

#### **4. TRANSFORMING TRAINING, LEARNING, AND DEVELOPMENT**

(Objective: To identify and evaluate the forces driving, stabilising, and inhibiting HRM and learning and the impact this has on the change process for both the individual and the organization as a whole.)

- 4.1 What factors help to raise/depress the concern for training, learning, and development (e.g. technological change, product-market changes, legislation, customer influence, employee influence, etc)?

- 4.2 Consider, first, training for specific and general needs, then learning for specific and general needs, and finally personal development of individuals for specific and general needs.

- \* Is the provision for each of these adequate?
  - \* What are the things inside and outside the organization which encourage or restrict continuing development?
- 4.3 Can you describe an example in recent years where the organization has faced major change(s), and/ or where it has made a significant change in training, learning, and development strategies for whatever reason?
- \* How did this come about?
  - \* What happened?
  - \* Why did it occur?
  - \* How did the organization tackle the situation?
- 4.4 Are there such changes looming now?
- 4.5 Have these changes (and any which are looming) permanently influenced the organization and what it does in terms of HRM and training and development?

<INDIVIDUAL AND ORGANIZATIONAL LEARNING>

(To identify what individuals and the organization as a whole perceive learning goals to be and to analyse the activities and events which trigger the need for individual and collective learning.)

(a) Individual Learning

"Learning is often defined as an activity which produces and complete change in attitude, skill, or the way an individual perceives something."

- 4.6 What do you think learning is and how different is it to training?
- 4.7 Do you think your job regularly produces (a) learning as I described it and/or (b) as you have just described it?
- If so, can you tell me when, where, how and why your job does this?
- What specific changes have you seen and personally felt in yourself as a result of working in this organization? (Describe what brought these about.)
- 4.8 What do you personally feel you still need to learn (a) in terms of your job, and (b) in terms of your own personal development (e.g. better writing skills, computer skills, personal confidence, etc. Get respondent to detail personal development in terms of work/job and in terms of life in general.)
- Do you think the organization should be responsible for your personal development learning? If so, how else could it help?

(b) Organizational Learning

4.9 What do you think the organization is good and bad at learning and why?

What do you think the organization needs to learn more about and why?

How can this learning be best achieved and organized?

What then encourages and inhibits learning in this organization?

4.10 What do you think influences management style and practice and what does management need to learn?

What do the most senior managers need to learn and how best could this be achieved and organized?

Can you identify specific additional groups and/or individuals who need to learn more to ensure required change occurs?

What more do they need to learn?

Is the lack of learning inhibiting change in the organization? If so, where, when, how and why?

## 5. ORGANIZATIONAL AXIOLOGY ISSUES

(Objective: To explore the relationship between the individual and the organization in terms of how each responds to the others moral, ethical, and value systems and the impact these have on the decision making and change process and the organization's general operational systems.)

"There is an increasing awareness now about how organizations do business and the moral and ethical principles which underpin the organization. Issues such as bribery and corruption, how contracts are secured, whether an organization pollutes the environment or invests in countries which ignore human rights are now becoming more important. In addition, the equal opportunities people have in organizations to contribute to what is done and how, and the extent to which there is concern for people, are also emerging themes some organizations are concerning themselves with. I'd like to explore some of these issues with you now."

5.1 How important do you think it is for an organization and individuals to operate using a set of principles or values, and for management and employees generally to be aware of these?

5.2 What do you understand by the words, ethics, morals, and values?

5.3 Would you describe this organization as an ethical and moral one? (Explore the response in some depth).

- 5.4 What particular activities require the organization to be concerned with ethics, morals, or values?

Does the organization, in your view, act in the right way in dealing with these matters?

- 5.5 In your view, who should be responsible for making ethical and moral decisions on behalf of the organization?

Do these people make such decisions at present?

Does the organization have a vision and/or mission statement which includes its ethical/moral position?

Where is this to be found or described?

### The Organization and Personal Development

"I now want to explore in a little more detail how the organization does or does not influence your own personal attitudes which, in turn, may or may not impact on your attitude to society in general, what you feel about yourself, and the influence this has on your perceptions of the organization."

- (a) Personal Identity and Development:

- 5.6 Do you feel the organization allows you to be who and what you are/want to become? If yes, how? If not, why not?

How could the organization permit you to express your real identity and/or develop it further?

- 5.7 Do you consider the organization influences or colours what you think about people and the world in general? If so, how and why?

- 5.8 Do you think the organization influences who you have as friends and/or your personal relationships at work, i.e. do you feel you should only mix with or speak to certain 'preferred' people?

- 5.9 Does the organization impinge on your personal or family life? If so, how and why?

Does the organization have concern for your non-work life and activities?

### Health, safety, and sexuality

- 5.10 Do you feel too much is expected of you which then results in stress? If so, how and indicate the impact this has, loss of time, strain on yourself, family, colleagues etc.

- 5.11 Do you feel you can react against what the organization demands of you - for example, by taking time off work when it suits, or taking materials for personal use?
- 5.12 How do you feel the organization influences your ideas about sex, morality, society, and ethics?
- 5.13 Does the organization sufficiently allow the expression of sexual orientation and practice without fear or favour?

#### Social ethics

- 5.14 Does the organization influence an individual's political views and opinions? If so, who or what provides this influence?
- 5.15 Does the organization influence personal views about the economic order of things, wealth distribution and equity in society? If so, who or what provides this influence?
- 5.16 Does the organization in any other way hamper freedom of thought and expression? If so, how and why and what, if anything, should be done about it?
- 5.17 Does the organization permit or encourage personal dissent from organizational values, beliefs and practices? If so, when, how and why? If not, how do people personally handle this and how does the organization tend to react?
- 5.18 Is the organization considered 'just'? If so, how and if not, why and in what respect? (e.g. prejudice, racism, rights of minorities, stated ecology policy, etc).
- 5.19 Does the organization operate a 'life boat ethics' policy, i.e. does it allow mistakes (personal/professional) to be made by staff and use them as a learning experience? Give examples. Or, does a 'Noah's Ark' policy exist, i.e. only special people are chosen, get on, or are preferred?

#### The Organization

- 5.20 Does the organization have a 'vision', a clear 'purpose', and 'mission'?

- 5.21 What are the organization's attitudes towards work conditions and the environment?
- 5.22 How flexible an attitude is there towards out-of-work events (need to visit doctor, school support for children, flexible job sharing etc)
- 5.23 Is there a corporate view as to how pay awards are made, including that of the CEO?

Moral Learning and Management Development

- 5.24 Does the organization create time for reflection upon personal experiences at work? If so, how and when?
- 5.25 How does the organization get employees to act and think ethically when decisions are being taken (formal programmes, guidelines for securing contracts etc)?
- 5.26 Is there a moral competence to management and employee decision making? (e.g. willingness to let go of control, listening to others views, desire for feedback.)
- 5.27 Does the organization engage in 'situational ethics' - that is, takes a particular stance to suit the circumstances?

**6. THE LEARNING ORGANIZATION**

"This project is about creating a 'learning organization'. A learning organization has been defined as one which: 'facilitates the learning of all its members and continuously transforms itself'. We have been talking a lot about change and here the word 'transform' is used. This means a complete change in appearance, attitude, character, and culture.

- 6.1 Do you think this organization has simply changed or transformed itself?
- 6.2 Would you describe it as a learning organization, or one which is seeking to become one?
- 6.3 How do you expect to judge when you have created a learning organization and the extent to which learning organization principles make a difference to the organization as a whole and/or to specific individuals and/or groups?

6.4 What transformation have you observed in the past five years? Has it been successful and continuous?

6.5 What specific things are different and why? Is this good or bad?

NOTES: Total questions for complete instrument, including sub-divisions numbered questions totals 184. Some questions will require a simple YES/NO response, others basic data and others will probably require a 5-10 minute response. Taking an average 2 hour interview, covering all questions in all sections would provide approximately 1.5 minutes per response. However, it is important to recognize that this type of interview practice often produces responses to other questions in the course of asking for responses in relation to other questions.

It is likely that the chief respondents will give at least 2, three hour sessions for interviews and probably 1-2 for other single 'one-off' interviews. All the indications are that this will be so. Subsequent interviews with senior personnel are likely to be in the range of 1-2 hours duration.

## **SECONDARY INTERVIEW SCHEDULE**

To be used for subsequent interviews with senior management team to determine the extent to which planned changes and personal development are being achieved, and whether prescribed objectives in terms of creating a learning organization (a) are being achieved and (b) having a positive impact on the organization.

1. How far is the learning organization being successful in terms of:

CONTENT (what has happened, what is happening, and what do you hope will happen)?

PROCESS (how has it happened and do you expect it to happen)?

CONTEXT (the situation(s) in which change/transformation events and activities have occurred, it is hoped will occur)? Does change/transformation occur better in some contexts than others and if so, when, where, and why? Note: receptive and non-receptive contexts for change idea and whether events such as business crisis create the need for learning. How does 'continuous transformation' fit into the equation?

2. What kind and types of learning have so far occurred and why (a) for specific individuals, and (b) for specific groups?

3. If there is such a thing as organizational learning in this organization, how do you know what it is and the extent to which it has happened or is happening?

4. If then, there is such a thing as a 'learning organization' how do you know you are on the way to becoming one?

5. What things are changing, if at all, in terms of:
  - What is done?
  - How it is done?
  - Communications (including any changes in use of labels, language, management hierarchy)?
  - Management style(s)? (Have these changed deliberately to open up situations for learning or been imposed?)
  - Knowledge/skills?
  - Axiologically (ethics, values)?
  - What is the interaction between these activities?
  - How does the organization 'capture' these changes and cascade/communicate them throughout the organization?
6. What do you think is being learned by the organization collectively and by groups and individuals which does not get disseminated or communicated? Are there things which are beyond discovery?
7. What is the difference, in your view, between organizational learning, individual learning and the idea of the learning organization? (Note: Is organizational learning about, action-outcomes and relationships between them which then impact on how management controls the environment thus creating uniformity? Is individual learning about conformity and non-conformity, using the non-conformity as a learning experience and learning from it within the context of the idea of the learning organization - that is, learning organization reduces hierarchy and status and creates an empowering environment in which people are enabled and encouraged to contribute, fail, learn from failure?)
8. Does learning occur within a framework or can it occur in other ways?
9. Can learning be planned in your experience?
10. Peter Senge refers to the 'metanoia' (mind-shift) needed to create a learning organization. What mind-shift(s) have you experienced and why? What 'mind-shift' do you think the organization has experienced? (This will get into issues of ethics, structures and allow respondent to present a wide-ranging personal response to the project to date.)

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# IT(UK)

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24 March 1994

Mr A Jones  
Warwick Business School  
The University of Warwick  
Coventry  
CV4 7AL

Dear Alan

Sandra has discussed with me your letter of March 15 and I list below some of the main areas of change in which IT(UK)'s Board and Senior Management have been actively involved during the past two years. Some of these points may be already known to you through your research work whilst others may need a further chat - please feel free to call when it suits you.

1. Organisation Development

In November 1992 we created three Business Units, one for our Central Services, one for our Training and Consulting work and one to focus on our Mail Order and Distribution business.

The positive effects of this Business Unit structure were seen in a greater focus on the particular nature of each area and it also gave a number of our younger managers opportunities to increase their responsibility and influence.

Our decision during the October 1993 planning cycle to dispense with the structure (a decision mutually agreed by all Senior Management) was due to the complexity of the structure in terms of internal communication and the danger that we were becoming top heavy in management terms bearing in mind a relatively flat growth pattern.

The successor to the Business Unit structure is a much simpler single organisation based around customer focused teams and projects.

## 2. The Overall Picture of our Business Focus

We have clarified our business focus under four main headings:-

1. To delight customers
2. To encourage colleagues, partners and suppliers
3. To contribute to our community
4. To increase profit and cut waste.

All our objectives and measurement criteria are built under one or more of these four headings.

## 3. Total Quality

As you anticipate in your letter, much of our thinking about the Learning Organisation concept has been bundled into the bigger picture of our Total Quality work.

I enclose a diagram from an internal Quality Practices workshop which outlines the link between learning, Total Quality and our business Vision and Mission. I will be happy to expand on this diagram in our a conversation if you wish me to do so.

During the past year we have also embarked on the road towards BS 5750 Accreditation - this will hopefully be completed in two of our critical areas within the next six weeks.

There have been considerable learning points during this journey not least of which has been the challenge of integrating a procedures driven system into a people driven culture! We have learnt many lessons which we are now able to sell to our delighted customers many of whom seem to have been struggling with the same problem.

## 4. Clarification of our Business Offerings

Over the past six to nine months we have been struggling to re-focus and clarify what we offer the market. In February '94 we have published a completely fresh set of brochure materials grouped under three prime headings:-

Managing Time, People and Performance

Delivering Exceptional Service & Quality

Managing Culture Change

A copy of each these materials is enclosed for your information.

## 5. Development of Our People Strategy

Many of the hopes and wishes of two years ago are now accepted as realities in particular the need for each individual to develop his or her own learning agenda. We believe fervently that each of us without exception must embark on a life long learning process.

Our in-house learning curriculum is now well developed and published for all to see. Notably it includes a regular programme on career development conducted by Peter Twigg who has many years of experience in this area.

Another significant development in the area of people strategy has been our progression from a traditional appraisal system (normally conducted at three or six monthly intervals) to an informal Performance Coaching System conducted through a monthly informal discussion.

The thinking behind the Performance Coaching System is that people will grow much better through short frequent encouragement sessions rather than more formal and infrequent sessions which tend to be too judgmental.

Once again we have developed dedicated materials for our Performance Coaching System and these are also being used actively in our work with clients.

Finally, I have been extremely impressed by the work carried out by the RSA in their recent interim report on Tomorrow's Workplace. The 'inclusive approach' recommended by the RSA is extremely close to that which we feel are striving to work.

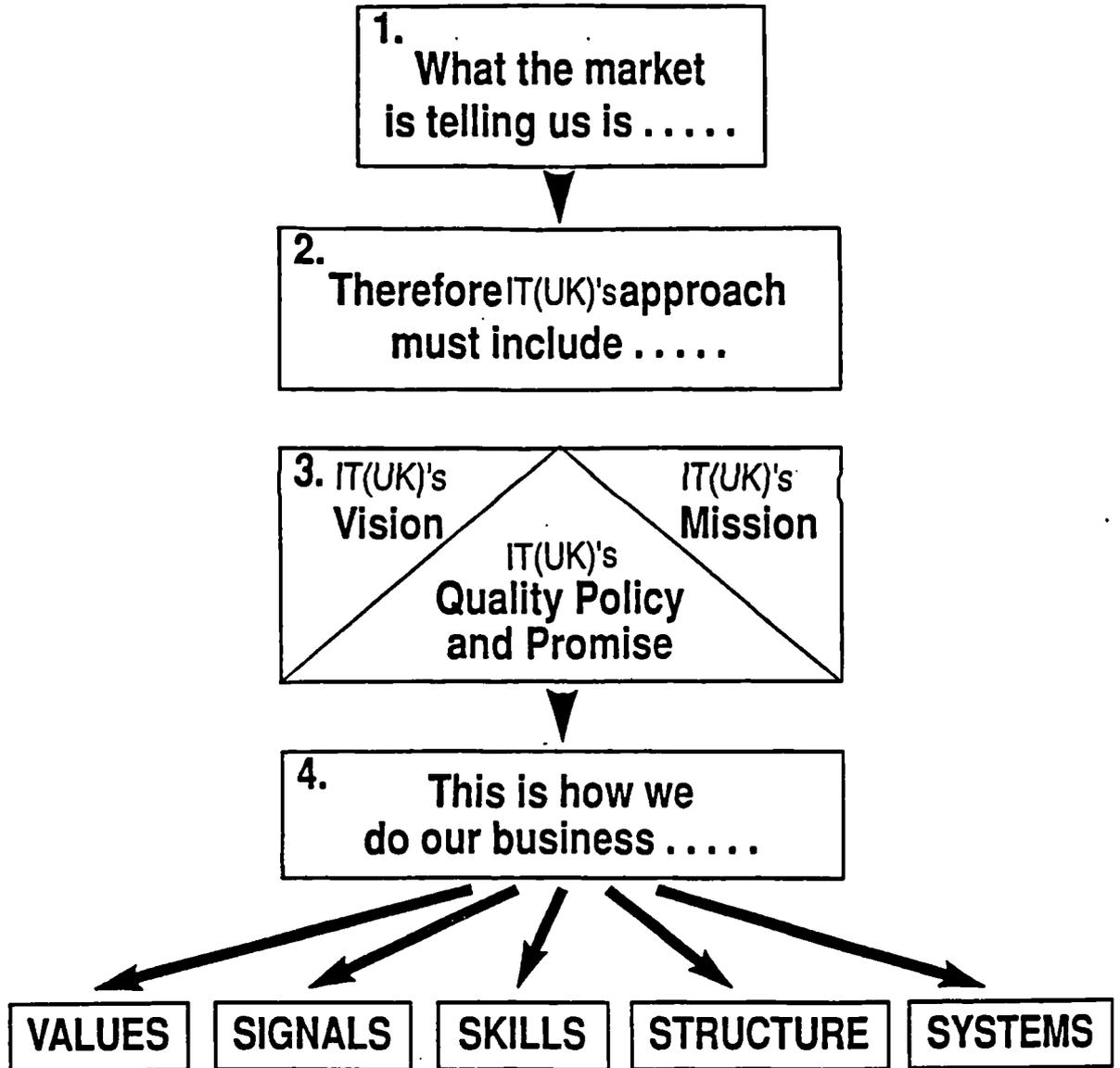
I hope some of this data helps you in pulling together your work. We have been much encouraged by your thoughts and visits so far - I look forward to hearing from you.

Yours sincerely,

**Peter Symmond**  
Chairman

Enc.

# The IT(UK) Market Driven Quality System



## IT(UK)

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