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# Collaborative approaches to management learning in small firms

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## Abstract

The purpose of this paper is to describe how learning in collaborative approaches – in this paper labeled “collaborative approaches to management learning” (CAML) – can support the learning situation of small firm owner-managers. Drawing on a socio-cognitive learning framework, the context of the small firm and its consequences for management learning are framed and discussed. Drawing on four episodes of management learning in CAML, it is suggested that CAML establishes a new context in which old truths can be questioned and new insights can be created. In CAML the owner-managers are offered a position on the periphery of practice of the other managers and other network visitors, where trust among the network participants provides the foundation for admitting and openly facing lack of knowledge on different issues, something that is prohibited within their enterprises, due to the lack of peers and expected omniscience of the owner-manager.

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## Introduction

Group-based approaches to management development and management training have been widely used and researched the past decades. T-groups (Schein and Bennis, 1965), action learning (Revans, 1980, 1982), co-operative inquiry (Reason, 1999), learning networks (Bessant and Tsekouras, 2001), and appreciative inquiry (Cooperrider and Srivastva, 1987) are all methods used in management development programs. All are examples of what could be called “collaborative approaches to management learning” (CAML). The benefit of collaborative approaches is attributed to the usefulness of learning together with peers. Despite the significant interest dedicated to the issue of learning by means of collaborative approaches, little attention has been paid to what the benefits of participation in this kind of activities actually are.

The promotion of CAML has been common in conjunction of small- and medium-sized enterprises (Bessant and Tsekouras, 2001; Levin, 1993; Nachold, 1993), both when it comes to organizational development and executive development. This paper takes the use of CAML in management development efforts directed to owner-managers in small firms as a point of departure. The reason for this focus is that, drawing on a socio-cognitive perspective on learning, it is necessary to understand learning in CAML from the perspective of the learner and his or her primary context. The purpose of this paper is, therefore, to describe how learning in collaborative approaches can support the learning situation of small firm executives.

One reason for the common use of CAML in the promotion of learning and development in small firms could be derived from the management situation in this kind of enterprise. The management function in small firms is different from the situation in larger organizations. A few individuals – or only a single chief executive officer; the owner-manager – are, in many cases, responsible for an array of strategically important functions that in larger companies are divided among a larger

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number of individuals (Storey, 1994; Brehmer, 1991, cited in Boland and Tenkasi, 1995). In this respect, the managerial system in small firms is shorthanded when compared with the systems in larger enterprises. In literature this is sometimes argued to be an advantage of the smaller organization, due to an expected flexibility in its wake. From the perspective of executive learning, the consequences are possibly less constructive, a statement that will be further elaborated.

Following the socio-cognitive perspective on learning applied in this paper – which will also be developed below – it is argued that it is necessary, if one wants to describe the benefits of CAML for executive learning in small firms, to frame the context of executive learning in small firms and its consequences. Drawing on recent learning theorists (Argyris and Schön, 1978, 1996; Kolb, 1984; Lave and Wenger, 1991; Brown and Duguid, 1991; Gherardi *et al.*, 1998), this paper therefore uses a socio-cognitive learning framework to frame the small-firm context that – from an executive learning perspective – has seldom been explicitly framed in the literature on learning. The purpose of this exercise is to describe the consequences this context has on executive learning.

After the contextualization of executive learning in small firms, four cases of learning in CAML are presented, all representing different kinds of learning situations that in different ways contribute to executive learning in small firms. The paper concludes with an analysis of the contribution of learning in collaborative approaches described in the cases; and an exploration of how executive learning in collaborative approaches complements the learning situation of owner-managers in small firms.

### **A socio-cognitive perspective on learning**

The view of learning adopted in this paper draws on the premise that learning, by its nature, incorporates both a cognitive and socially situated dimension, a perspective on learning which has been argued for by many scholars of organizations (e.g. Gherardi *et al.*, 1998). The first premise – that has its

theoretical foundations in experiential theories of learning (Kolb, 1976, 1984) – is that all learning has its roots in experience. The second premise is that learning depends on the situation in which it takes place; a premise that has its theoretical foundations in situated theories of learning (e.g. Lave and Wenger, 1991).

Consistent with Kolb's (1984) theory of experiential learning, the cognitive dimension of learning, as understood in this paper, is constituted by four elements that unite in a cyclic process: immediate concrete experience is the basis for observation and reflection; the observations are assimilated into a "theory" from which new implications for action can be deduced; these implications then serve as guides in acting to create new experiences. These elements constitute the foundations on which learning rests.

Scholars like Lave and Wenger (1991) and Brown and Duguid (1991) have rejected the widely used and internalised knowledge transfer view of learning and argue instead for an analytical approach to learning, defining learning as a socially constructed and socially dependent phenomena. Following this view of learning, the situated dimension of learning, as defined in this paper, learning should be understood and described as taking, as a point of departure, the "community of practice" in which learning takes place. Learning within this perspective is not considered as an isolated phenomenon that takes place within certain educational activities (Brown and Duguid, 1991); learning is instead an integrated and natural element in human activity. Furthermore, it is important, according to Lave and Wenger (1991), to shift the analytic focus from the individual as learner to learning as participation in the social world. Lave and Wenger (1991, p. 43) also argue that we need to change focus from the concept of a cognitive process to the more-encompassing view of social practice.

Following this situated perspective on learning, this paper will specifically consider the small-firm context as a specific and definable context/practice in which executive learning takes place. In the following two sections, the cognitive and social dimensions of learning touched on above will be further elaborated on.

## Experiences and perspectives as foundations for learning

Writings on collaborative approaches to learning often have their theoretical roots in an experiential perspective on learning (e.g. Boot and Reynolds (1997), who prefer the term “group learning”). Within the theories of experiential learning, the primary vehicle for learning is human experience:

Learning is the process whereby knowledge is created through the transformation of experience (Kolb, 1984, p. 38).

As mentioned above, in his Experiential Learning Model, Kolb (1984), conceives learning as a four-stage cycle. Drawing on this cyclic description of the learning process, Kolb (1976) argued that the learner, if he or she is to be effective, needs four different kinds of abilities:

- (1) concrete experience abilities;
- (2) reflective observation abilities;
- (3) abstract conceptualization abilities; and
- (4) active experimentation abilities.

In Kolb's (1976, p. 22) words, the effective learner:

... must be able to involve himself fully, openly, and without bias in new experiences; he must be able to reflect on and observe these experiences from many perspectives; he must be able to create concepts that integrate his observations into logically sound theories; and he must be able to use these theories to make decisions and solve problems.

The central idea, according to Kolb (1984) is that learning requires both a grasp or figurative representation of experience and some transformation of that representation. The isolated figurative grasp or operative transformation is not sufficient. The simple perception of experience, said Kolb (1984, p. 42), is not sufficient for learning – something must be done with it. Similarly, transformation alone cannot represent learning due to the fact that there must be something to be transformed; “some state or experience that is being acted upon.”

From an individual point of view, a barrier for learning is that individuals develop a learning style that has some weak and some strong points (Kolb, 1984). According to Kolb (1984), reflection tends to inhibit action and vice versa. The research behind Kolb's learning style inventory shows that managers as a group are distinguished by very strong active experimentation skills and weak

reflective observation skills (Kolb, 1976); i.e. managers as a group tend to be action oriented, something also noted by Mintzberg (1973) and Kurke and Aldrich (1983).

Bartunek *et al.* (1983) talked about the need for managers to develop “complicated understandings” of organizational events. They furthermore argue that a narrow framework for understanding events often results in ineffective managerial behaviour. In order to be effective, managers need to develop an ability to generate several interpretations and understandings of events inside and outside of their organization. Linking the theory of Kolb to the ideas of complicated understandings, it could be said that reflexive observation of experiences is about the taking of perspectives, while the abstract conceptualization is part of the process to integrate different perspectives.

The action orientation of managers might become problematic – Boland and Tenkasi (1995), identified “interpretive competence” as a necessary condition for un-learning the taken-for-granted rules within a community and replacing them with a new set. According to Boland and Tenkasi (1995) the questioning of those rules is about “perspective taking,” i.e. being able to reflect on and renarrativize the familiar to open up new insights and understandings.

## Learning as a social phenomenon

Learning theorists Lave and Wenger (1991, p. 35) take a specific stance towards learning in that they argue that:

Learning is an integral part of generative social practice in the lived-in world.

According to this perspective learning takes place in a social practice that constitute the central prerequisite for learning. From their theoretical standpoint, Lave and Wenger (1991, p. 47) criticize the traditional individual-cognitive knowledge internalizing view on learning, arguing that:

... [t]his focus on internalization does not just leave the nature of the learner, of the world, and of their relations unexplored; it can only reflect far-reaching assumptions concerning these issues.

With the concept of “legitimate peripheral participation” (LPP), Lave and Wenger (1991) (drawing on the work of Russian psychologist Vygotsky) introduce an

analytical viewpoint on learning that puts the learner in a socio-historical position from which learning can be analyzed. They argue that an ideal learning situation – in which an individual travels from being a newcomer within a specific community of practice to an expert member – includes learning from a peripheral stance of the specific practice that the individual will later be a part of. Central to the concept of LPP is also the term “legitimate” – not only should the learner be able to be in a peripheral learning position, he or she should also hold that position legitimately.

Within the theory of situated learning the interaction with peers is crucial to the learning of the learner. Drawing on studies of different situations of apprenticeship Lave and Wenger (1991, p. 92) claim that it is not the relation to the master:

... but rather the apprentice's relations to other apprentices ... that organize opportunities to learn; an apprentice's own master is too distant, an object of too much respect, to engage with in awkward attempts at a new activity.

According to Lave and Wenger (1991), it seems typical of apprenticeships that apprentices learn mostly in relation with other apprentices, i.e. their peers.

### **The situated nature of executive learning in small firms**

Considering the socio-cognitive perspective on learning as identified above, how should we describe and understand the learning situation of owner-managers in small firms? The following section takes the managerial practice of the small-firm executive as the primary point of departure and frames the context in which owner-managers in small firms learn.

#### **Lack of time and resources for exploration and reflection**

The scope of the managerial function and the functional isolation of the owner-manager in small firms guides actions based on little or no reflection. In a context where few individuals constitute the management function, non-reflection risks becoming competitively problematic – actions risks being taken on the crude assumptions about reality by a single executive. Executives stuck in the “operational buzz” of their enterprises have a

troublesome learning situation both from an individual and contextual perspective.

Using Kolb's vocabulary, it can be said that practitioners need to reflexively observe their experiences and make abstract generalizations from these experiences, from which they thereafter can construct new actions. A difficulty, in relation to this, according to Argyris (1966, p. 94), is that:

... the search process in executive decision making has become so complicated that group participation has become essential.

And that:

... [n]o man seems to be able to have all the knowledge necessary to make an effective decision.

In his study Argyris (1966) found that a big frustration of the CEOs in his study came from the realization that most of the major decisions they faced were extremely complex and required “the coordinated, honest inputs of many different executives.”

The elusive nature of (managerial) problems and the need for reflexive observation (taking of multiple perspectives) and conceptualization (integration of perspectives) of experiences and events puts the often isolated executive in smaller enterprises in a more difficult situation than his colleagues in larger organizations. In larger organizations, multiple perspectives on events and problems are represented by different expert functions. In small firms these expert functions are often held by a single owner-manager. A risk with the learning situation in small firms is therefore that the important complicated understandings of events that precedes effective managerial behavior become only “uncomplicated understandings.”

#### **Being without peers**

The executive in a small firm also struggles with a (socially constructed) need to uphold a professional face towards actors both inside his or her company and also – and maybe to a higher degree – towards external actors. As a consequence, the managers are not “allowed” to admit lack of knowledge but instead are expected to have answers to all kinds of questions. Considering the difficulty of inquiry, the consequence of this is – from a learning perspective – that the learning environment for managers in small firms is inadequate. From this follows that executives

in small firms are seldom given the opportunity to make implicit assumptions explicit. An obvious note on Polanyi's (1958, p. 264, cited in Kolb, 1984, p. 103) notion of tacit knowledge (which is noted by Polanyi himself) is that tacit knowledge, i.e. unarticulated knowing, cannot be criticized, also the position of the lonely, small-firm manager in an unfortunate learning situation.

Being responsible for disparate strategic and operative functions, the small-firm manager also needs the competence of a generalist. The downside that follows is that small-firm management does not have the time to learn on a deeper level about issues at hand which leads to a situation where decisions risks to be taken on intuitive and vague foundations. The need for a wide knowledge base fosters a superficial learning orientation.

Managerial action depends on how the acting individual frames and understands the situation. Due to the constrained management function, managers in a small firm are often isolated without sounding boards that he or she can use in order to frame problems at hand. The subsequent danger is that if problem framing occurs within obsolete governing variables, any action risks become inappropriate.

### **Preferential right of interpretation and the risk of losing face**

Not only do executives in small firms practice learning in a context with few or no fellow managers, which limits their learning possibilities, but if the manager (directly or indirectly) invites others to participate in, e.g. decision-making processes, this does not ensure adding value to the learning process. Kolb (1976) argues that the most effective learning systems are those that can tolerate differences in perspectives. If their subordinates perceive the manager as "the omniscient manager," there is a risk that organizational actions of the enterprise nevertheless are grounded in the preferential right of interpretation by the manager. Subordinates might not represent their points of views in an open way due to assumptions like "the boss will do it his way nevertheless" or "it is up to the boss to make that decision."

Furthermore, having the preferential right of interpretation in the enterprise, the interpretive competence of the executive risks to be enclosed. This might have a negative

effect on the diversification of interpretations of inputs from inside as well as outside of the company.

Suffering from the consequences of being an omniscient manager, isolated both functionally and mentally, and being operational in a context where strategic decisions depend on ones' interpretations, puts executive learning in small firms in difficulty.

### **Research setting**

This paper draws on a project which involved initiating, observing and analyzing learning in CAML. Seven years ago, in a participative manner the researchers, representing academia, together with owner-managers in ten small manufacturing companies (6 to 100 employees), formed two networks (five companies in each). The companies were non-competitive, represented different technologies, and produced a variety of products.

In the initial phase of the networks, the participants met at a different company once a month for half a day. At most meetings, the owner-manager and the production manager represented the companies, but employees have also, over time, been involved in the network (for a more thorough description of the process, see Tell, 2001). Each meeting focused on a minimum of two issues that were of particular concern to the "host" company, but also of interest to the other companies. The meetings were organized into three parts:

- (1) The manager of the host company gave a presentation of the company and the issues he (all managers involved in the project are male) wished to raise, followed by a tour of the plant.
- (2) The participants addressed the questions of the host company in two heterogeneous groups with one of the managers of the host company and one researcher in each.
- (3) The meetings were concluded with a discussion in the network group.

During 1998, an additional two networks were initiated. The objectives were to draw on the experiences of the first two networks and to deepen our studies of learning in networks. The composition of these networks differed slightly from the first two. The third network

consisted of five companies in the same industry, which was not the case in the first two networks. The fourth network organized four companies located in the same community, contrary to the original networks that were geographically apart. These two networks met approximately once a month to discuss company-related possibilities and concerns. As in the case of the first two networks, the formation/design phase was conducted in dialogue with the actors concerned.

All networks drew on research on group dynamics and models of change in organizations, e.g. the search conference method, which provided a number of guiding principles. Through dialogue with the participating managers, the following basic principles have been agreed upon: the network should be a relatively small assembly of individuals with democratic values, built on openness and willingness for long-term commitment towards collaboration, and actors should not have had prior business relationships with each other.

### Methodological considerations

In the project on which this paper draws, we have conducted a longitudinal observational study of how learning in networks contributes to executive learning in small firms. Through a high degree of participation we have been able to closely observe learning processes in CAML, which have made it possible to study a phenomenon that is difficult to observe with other methodological approaches. The project has included participative observation of over 90 network meetings.

Beyond the epistemological arguments for choosing a participative observation method, a more pragmatic reason has been a wish to contribute “on-line” to the situation of the executives participating in the project. The action-oriented approach, in which the executives’ (and their companies’) learning processes are in focus, offers both practitioners and researchers the possibility to learn about the learning processes in networks. To the practitioners, learning comes about through active experimentation together with peers and academics; experimentation that makes research, from an academic point of view, possible on an otherwise difficult subject.

During the observations at least two representatives from the university have been present. The primary method for collection of data has been the taking of field notes. Tape recording has been used occasionally. After the network meetings, de-briefing sessions have been organized in order to collect and reflect on made observations. De-briefing sessions together with participating managers have been regularly organized, during which our reflections have been compared with the experiences of the managers. Between the network meetings, telephone discussions on a more informal basis have been conducted of a “how is everything going?” character.

A challenge with this kind of longitudinal and “grounded” project is the large amount of data that comes out of the observations. This, among other difficulties, puts the researcher in a problematic situation concerning the interpretation of the empirical material. The researchers in the project struggled with the selection of perspective and the selection of the object of interpretation when it came to conducting observation and when it came to the analysis of observations made. Without making any deeper epistemological and ontological reflections on this matter, it is acknowledged that the researcher’s background, norms and values affected the interpretation and results presented in this paper.

### Four cases of executive learning in collaborative approaches to learning

In the following section are presented a number of cases that are extracted from studies of four different CAML. The CAML have included owner-managers representing all 15 companies operating in mature areas of business. It is not argued that the cases presented in this paper are unique, rather that they represent typical learning incidents in CAML.

#### Learning about information technology (IT) (case 1)

In the beginning of 1999 the owner-managers in a network articulated a need to learn about and the impact of IT on their businesses. As a consequence the group decided to devote a series of network meetings to discuss the issue. The experiences of the Internet and

e-mail among the managers in the network at this point were limited.

One reason for the managers wishing to increase their knowledge was bad experiences of salesmen approaching their companies offering technical solutions on supposed problems primarily concerning the companies relation to the World Wide Web. The managers felt that they did not have sufficient knowledge to evaluate either the alleged problems raised by the salesmen or their proposed technical solutions. The aim of the project was to increase the managers' knowledge, in order to facilitate thoughtful purchases of new technology, specific to the needs of the enterprises.

In order to initiate the discussion an "expert" in IT and economics from the local university college was invited to join the network and was introduced to the network at one of the meetings at one of the enterprises. The expert introduced the Internet including a historical review of the background of the World Wide Web, some elementary technology features, and how to make use of the Internet as a channel for marketing. During this introductory presentation the expert also held an on-line demonstration of what the Internet had to offer at this point of time, including visits to some Web pages representing the participating companies' customers and competitors.

At this time the managers held a negative attitude towards IT in general and towards the Internet in particular, arguing that the need for small firms in this branch of business to utilize these technologies was low. The managers furthermore were of the opinion that the public at large held an unrealistic view of the importance and the possibilities of IT. The attitude manifested itself in ironical comments on, for example, the experts' prognostications of small firms' presence on the Internet and on discussions of possible applications.

Taking the utterances of the managers into considerations, the initial governing variables that mapped the managers' experience of the Internet were characterized by the following:

- Its proponents unfoundedly raise the Internet and the applicability of new technology "to the skies," and the claimed benefits were overstated.
- The technical development of the Internet and other communication

technologies would not attain the predicted speed.

- The Internet (and IT in general) would not have great impact on small firms in mature areas of business.
- The applications usable for small firms were limited and the development of applications would come into existence only in the remote distance.

After the introductory presentation the managers asked for a follow-up session. A decision was taken to organize a laboratory session at the university college, including managers and some employees from each company. The session included reviewing Web sites of customers, suppliers and competitors as well as best-practice Web sites where e-business had been realized. As the laboratory session was held in a computer laboratory facility at the university college, where two individuals shared one computer, it was possible for the managers and their employees to ask questions and discuss with the expert and the supporting researcher.

A result of the follow-up laboratory session was an idea for a workshop collecting actors with different perspectives (goals) who were working with developing and selling Internet services. The managers saw that their bigger customers (e.g. building contractors) probably would adopt IT and, for example, use the Internet in their purchasing routines (which at this point of time were made using telex). The idea of a workshop grew and three months later the expert together with a number of regional (and national) actors organized a two-day workshop with the purpose of illuminating the benefits with broadband and IT, discussing visions and plausible developments of technology and services around it, demonstrating how IT is used today and showing the latest achievements in IT. One important goal was to let the participants experience IT in practice.

Drawing on earlier discussions and experiences, the discussion in the network thereafter focused on the question of ways the companies could use the Internet as a marketing channel and to what extent there was a need for such activities. The managers did not consider their company to possess either the financial resources or sufficient knowledge to conduct the required studies in order to obtain information on which

decisions could be made. As a consequence, students of economics from the regional university college were invited to conduct studies of the conditions in all companies in the network. Part-time over two months the students, in groups of four or five, conducted company-specific studies. The results were presented both in writing and verbally to the companies.

The informal evaluation of the studies conducted by the students showed that the owner-managers regarded the students' work as valuable and well accomplished. The results from the studies were used as contributions to the discussion in the network on marketing on the Internet. One result that received specific attention was that one of the studies showed that 59 per cent of the company's customers (within all segments) proactively used the Internet in their purchasing process. After the initial discussion on the students' results, a professor in economics (marketing) was invited to deepen the discussions of the results. All executives stressed the importance of making use of the result from the student projects and initiating a more extensive use of the Internet.

At this time, two of the enterprises decided to join a national research project aimed at studying the conditions for e-commerce in small firms. One manager also became active in the work of obtaining broadband access for the local community in which his company was located.

During the time of the collaboration, two of the companies established company Web sites representing the company on the Internet. At one of the later meetings one of the managers communicated his experiences from having a Web site. He began by criticizing the quality of his company's home site, but said that even with its shortcomings the company had got an order from Great Britain over the Internet as a direct consequence of their Web site. From the company's point of view the order was regarded as big. Furthermore, the manager told the group that his company was processing another order of the same size also from a potential customer in Great Britain which had found the company on the Internet. According to the manager, the company was working on extending the Web site in order to increase its functionality for potential customers seeking suppliers on the Internet. He also said that he now regarded

the Internet as an important channel for his company's marketing efforts. The researchers present at the meeting reminded the manager and the rest of the managers of their initial attitudes towards the Internet and on the perceived importance of this technology for small firms when the discussion on the issue was initiated one and a half year before. The managers all agreed that their attitudes had changed since the beginning of the discussions.

### **Reframing the perception of IT**

In the case above it is possible to observe a significant change in the executives' attitudes towards the Internet as a marketing channel for small firms active in mature areas of business. The executives moved from a negative and reactive attitude towards IT and the usefulness of the Internet for small firms, to a proactive stance where technology was evaluated from a critical but constructive point of view. Not only did the change express itself in the executives' espoused attitudes, but also in their actions:

- establishing and developing company Web sites;
- joining a research project on e-commerce in small firms; and
- working with obtaining broadband for the local community.

The observations indicate that some of the barriers for learning, deriving from the learning situation of the small-firm owner-manager, had been circumvented. The CAML supported the participating owner-managers questioning of governing variables concerning the apprehension of the Internet and the impact of new technology.

### **Implementation of semi-autonomous workgroups (case 2)**

The following dialogue took place at a network meeting during the second year of co-operation in one of the networks. The discussion is about semi-autonomous workgroups. The discussion concerns the management of such groups. At the time of the discussion, the issue had been under consideration for some time, and recently some of the companies had launched projects in order to implement semi-autonomous workgroups.



The owner-manager of the host company raised the question of how to go on with the implementation of semi-autonomous workgroups. He also expressed concerns about the difficulties regarding the issue of leadership in that context. His implicit idea was to use permanent group leaders, but a question of how to tackle the issue of leadership in the groups was brought up by another manager. The question triggered a discussion concerning how the company felt about the leadership of the groups:

Visiting manager (A): "Have you thought about rotating the leadership or to have a permanent group leader, and anyway, are you offering all employees the possibility to become the group leader?"

Visiting manager (B): "To me it sounds like a good idea to rotate the leadership, as we are doing in our company."

Visiting manager (C): "That will only lead to no one shouldering the responsibility of the group."

Researcher (X): "If you rotate it's easier to implement a bonus system and other things on a group level. That is, the group is responsible. The group leader's function could also be rotated and anyone who wants could be offered the possibility to develop competence to lead the group."

Visiting manager (D): "We have tried rotating group leaders. Some of the employees are taking an active part and some are not, others don't want to be part of such a system."

Manager of the host company: "Yes, we have experienced that there are too few employees with the competence to be group leaders. We feel that we don't have ... – but on the other hand – maybe it isn't a bad idea to rotate the leadership."

Researcher (Y): "Maybe the employees who have been passive so far would step forward."

Manager (B): "It will show – exactly as you described earlier – that you thought the problem should be the assembly, but it didn't turn out that way, and it will be the same here. What you think will not work will work just fine. We have had those experiences. We had a man who was completely impossible – a lone wolf – who was responsible for running a machine, and he said: 'This is my machine, I have been here 20 years'. I was convinced that he wouldn't take any initiatives, but he was the one who turned out to be the best."

Manager (D): "It is often those who complain that possesses the best leadership abilities."

The manager of the host company: "Yes, we have such a man; he always gives his perspective on everything. He has the potential to become a leader."

The manager of the host company continues: "If we should try and 'eat the cookie and still have it,' that is to have a rotating group leader in the

workshop, and a stationary group leader in the assembly. This idea feels satisfying. It doesn't have to be a permanent solution. We can say to the employees that we will give it a try. We can start rotating the leadership in the workshop and see how it works out."

The manager of the host company turns to the production manager and says: "What do you think of this idea?"

The production managers: "Yes, to me it sounds like a good idea."

The manager continues: "Good, we will try it!"

After this meeting the idea of rotating leadership was realized and semi-autonomous workgroups were implemented at the company.

One year after the meeting the production manager said the following on the outcome of using the networks as support when implementing semi-autonomous workgroups:

We have semi-autonomous workgroups that work just fine. We would never have initiated this project without the support of the network, I am sure of that. I have gained a lot of assistance from the network, and I have seen that the problems at the other companies have been the same as at our company. The implementation has not been as easy as you read in books. I began to see that problems related to a single person could grow and damage a whole group. The other companies have had the same problem, and from that you can learn a lot.

The manager continued, saying that without the support of the other companies:

[W]e would not have been able to pull through the implementation due to the fact that we ran into more problems than we could handle on our own.

An evaluation concerning the managers' behavior showed that several managers changed the way they interacted with their employees. They exhibited greater openness towards their employees and encouraged them to participate more actively in the development of the company. According to one manager:

I have begun to delegate more, I think I was more dominating before. I kept everything to myself. Today it is not like that; instead the others are involved more. I have seen that the other managers managed to do that. Earlier I was convinced that everything was dependent upon me, but now I figured out that it depends on the group.

It is important to note that not all network meetings contained the feelings of "eureka!" but over time the work in the networks oscillated between less productive meetings to

meetings that have been more giving to the participants. One manager gave the following answer on the question on what participating in the network has meant to him:

It is a valve. It is the most important point, a forum for everyone, and you don't have to feel any fear of asking questions. There are questions that you prefer to bring up in the network than in the company. As time passes and the better you get to know each other, the easier it is to ask the sensitive questions.

### Questioning implicit ideas

In the case of semi-autonomous workgroups the owner-manager was supported in his decision to use rotating leadership in the workgroups, a decision that confronted his initial idea to have permanent group leaders. The manager got support in questioning his understanding of leadership in this type of organization. He also got support in his decision to try the rotating-leadership-model, a decision that otherwise would have been difficult to make. In the same way as in the case of marketing on the Internet, the learning in this case is of a double loop character. In this respect, the results of this study supports several similar findings of double-loop learning in inter-organizational networks (Argyris, 1977; Chaston and Mangles, 2000).

### Touring the production facility (case 3)

At a network meeting, the discussions were followed up with a tour of the production facility. Upon inspecting the vehicles that the host company manufactures, one of the visiting managers noted that the roof of the vehicle was painted black while the rest of the vehicle had a green color. When he asked why this was so, the manager of the host company said that this was routine but he was not able to present a good reason why. According to the manager, nobody had ever questioned the painting of the vehicle before. The manager emphasized that the question was justified, due to the fact that having two colors made it more expensive. If there was no logical reason for using two colors, they might as well paint it all one color.

### Questioning the obvious

In this case, the network contributed with a trivial question, a question that questioned a

fact that had not been questioned before. This short incident indicates that learning in networks not always has to be about high-level learning but also can be about questioning the obvious on an operational level.

### Evaluating purchasing routines (case 4)

A company in one of the networks had, during a period of time, evaluated the cost for purchasing glue-laminated wood. As the owner-manager at the company knew that another company in the network also used glue-laminated wood he raised the issue at a network meeting. He reviewed the work and concluded that the most cost-effective way was to buy prefabricated glue-laminated wood and not to buy raw material and produce the wood in-house. The reason, the owner-manager said, was that a measure of a delivery of the raw material showed that the delivery included less than 90 per cent of the ordered quantity. This finding initiated a discussion with the supplier of the raw material. The owner-manager of the other company purchasing glue-laminated wood contributed to the presentation with questions and experiences from his company's purchasing routines.

The first company's discussion with the supplier led to the conclusion that the supplier's method of measuring differed from the one applied by the company; a difference that – according to the owner-manager in the network company – did not make sense. The owner-manager, furthermore, exemplified with a story about a larger company in the wood manufacturing industry that had strict regulations of deliveries, including quality check at arrival with defined (and considerable) sanctions towards the supplier if shipments did not meet specifications.

The other manager, who also purchased glue-laminated wood, reacted on the presentation and discussion in the network. He argued that hereafter he would implement verifying routines in order to control his shipments of the same raw material.

### Introducing new points of reference

The last case, about the purchasing routines of raw material, like the case with the color of the roof, presents learning on a operational level, or using the vocabulary of Argyris and

Schön (1978), single-loop learning. Using the experiences of a peer in the network, the reacting owner-manager was able to investigate and change his company's purchasing routines and therefore increase the company's control over inflow of material. The owner-manager, who reacted to the story told at the meeting, was able to share the experience of the story-telling manager. By means of that experience he was able to make a decision to act in order to evaluate the truthfulness of the story.

### **The influence of collaborative learning approaches on executive learning in small firms**

The framing of the learning situation of owner-managers in small firms outlined earlier in this paper shows that their learning situation is characterized and restricted by:

- lack of time and resources for exploration of experiences and reflection on experiences;
- the fact that executives in small firms often are without peers; and
- the fact that executives in small firms often have the preferential right of interpretation and are expected to be omniscient, and therefore fight the risk of losing face.

Each case in the section above represents different kinds of learning situations in CAML. The following section elaborates upon how participation in CAML contributes to the learning of executives in small firms.

#### **Inducing reflexivity**

According to Kolb (1984) the effective learner needs different kinds of abilities. As Kolb's (1984) research has shown, managers tend to have strong active experimentation skills and weak reflective observation skills. As a consequence, the isolated, action-oriented and non-reflective manager needs to compensate for undeveloped abilities as well as learn new abilities (but this is not to imply that all managers in smaller enterprises are non-reflective). In CAML the manager gets a forum where reflection is given time and attention. The network operations – i.e. exchanging experiences and knowledge – seem to stimulate a reflexive approach to both

articulated and tacit assumptions on which organizational actions are taken.

In cases 1 and 2, the discussions with peers in the network initiated and supported the managers' reflection about the importance of the Internet and the use of rotating leadership where all employees were given the opportunity to lead the newly implemented semi-autonomous workgroups. Being confronted with the experiences and attitudes of the other network actors towards the issues at hand, the managers were encouraged to espouse their own attitudes in a way that seldom takes place within the single company. According to Polanyi (1958, cited in Kolb, 1984, p. 103), tacit knowledge is hard to criticize and reflect on. To articulate one's tacit knowledge, e.g. one's assumptions on which actions are taken might sometimes be sufficient to generate learning. At least it can be the first step to unlearning previous governing variables.

The reflexive function of the networks can furthermore be deduced from the dialogic climate in the networks that "allows" stupid questions from the managers, the researchers and other network participants; questions which are prohibited in the context of the owner-managers' enterprises due to the role of the owner-manager in small firms. After some time, in the case of marketing on the Internet, something that might be called an "ironic approach" to dialogue developed. In practice the approach made it possible for network actors to comment ironically (although from a comic and constructive point of view) on each other's narratives, arguments, and contribution to the dialogue. The managers' attitudes, values towards, and assumptions about the new technology and the technology's significance for their companies were enlightened, scrutinized and reflected on.

To sum up: CAML supported the managers' articulation of perspectives and the taking of others' perspectives into account which otherwise are not unproblematic.

#### **Providing new perspectives and specialists insights**

In support of the function of reflexivity, the network approach to learning also contributes in that the network provides new perspectives, and specialist insights are introduced to the owner-manager. In the learning processes described above, different perspectives and

stocks of experiences, both of other actors and the individual experiences produced during the process itself, together constituted foundations for learning; single-, as well as double-loop learning.

In case 1 above, the involvement of an IT and a marketing expert as well as student projects induced different (and novel) perspectives in the network discussions. The induced perspectives represented points of view that scarcely existed within the smaller enterprises. The different perspectives supported the critical inquiry into the participants' worldviews, and increased the possibilities of reflexively approaching the phenomena of the Internet as a channel for marketing. The students, the IT expert and the marketing professor drew the managers' attention to the technological development within the area of IT and the potential usefulness of new technology within the managers' businesses. The conceptualization of the phenomena came about when the managers were familiarized with the Internet itself as well as the notions that are necessary for understanding the possibilities and limitations for the companies concerning IT applications. As a consequence of the managers' understanding of the features of the Internet (supported by specialist perspectives), the insight about the possibilities of the technology increased.

In case 2, the discussion helped the manager to put the experienced problem with leadership in the semi-autonomous workgroups into another perspective; this situation could also be a possibility for the company to find and support employees that earlier did not indicate leadership abilities in their development within these areas.

As illustrated in cases 3 and 4 above, the networks also promoted the adoption of new perspectives on a more trivial level. Having "outsiders" visiting and examining the organization can have direct consequences, as was shown in the case of the dual-colored vehicles. Being in a company for a lengthy period of time makes the individual vulnerable to not seeing things objectively.

## Discussion

All cases of executive learning in networks described above derive from long-term network collaborations in which executives

from different companies came together with academics in order to learn. The long-term commitment to the network (i.e. to the collaboration with the other executives and us as researchers, representing the university) established the necessary conditions for trust among the members of the network. In the wake of trust between the network actors, and by means of dialogue, an open-hearted and questioning milieu has originated – a milieu that, due to the situated nature of learning in the enterprise of the owner-manager, is hard to create within that context.

Over time, the increasing trust between the actors in the networks have made the testing of governing variables and assumptions about reality more comfortable for the managers. In the network the managers are offered a position on the periphery of practice of peers and other network visitors where trust among the network participants provides the foundation for admitting and openly facing lack of knowledge on an issue, e.g. the features of the Internet.

In the literature on difficulties in unlearning, previously held worldviews and behavior have been noted as barriers for primarily higher-level learning. Participating in a CAML seems to support the difficult process of unlearning old guiding variables and previously successful behaviors. It seemed to the researchers that this function also increases over time, partly as a consequence of shared experiences (direct as well as indirect as experienced through others) among network actors. The managers' get to know each other's enterprises, personal as well as business-related problems, and so forth, which makes it possible for the actors in the network to refer to earlier discussions and experiences in the network, which over time make the discussions richer in a way that is not the case in more short-term approaches to learning.

Taking the four episodes of executive learning in small firms into consideration, it can be suggested that CAML establishes a new context – a community – in which old truths can be questioned and new insights can be created. This context circumvents some of the problems of the learning situation of executives in small firms. In the network, the executives have constructed and are continuously constructing a space in time in which reflection is being given priority. The executives are given an opportunity to get out

of the “operational buzz” that constitutes a big element of their learning situation in their organizations.

Issues discussed in the networks are penetrated in a way that seldom is possible because of the lack of time and resources for reflection, the lack of peers, and the often, taken for granted, preferential right of interpretation of the executive when the executive is “in function” in his or her enterprise. For the same reasons the dialogue in the network supports the manager’s conceptualization of experiences. In the network the managers are required to articulate their knowledge and their positions concerning raised issues; this articulation makes possible a reflective attitude towards one’s own and others governing variables. Furthermore, by representing their experiences to their peers in the network under trustful circumstances, the executives endure the process of reflexive observation and abstract conceptualization in a way that is otherwise difficult. In their enterprises, the executives have the preferential right of interpretation that – as noted above – in different ways constitutes a barrier for learning. In the networks the owner-managers are positioned in a context of peers which does not assume them to be “on top of things.” The need for upholding a professional front towards peers in the network appears lower than within the executives’ enterprises. This makes it more comfortable and easy for executives to admit lack of knowledge in different issues. Within this context it is also easy to put forward “stupid questions” which, in other contexts, might be kept tacit. The network is a peer network that gives the executives the unprejudiced sounding board that they often lack within their enterprises.

It is not argued that the benefits of CAML for executive learning in small firms cannot be obtained in other ways; the aim here is only to deepen the understanding of the common use of CAML in conjunction with management development/training in small firms. One might argue that CAML could be the community which executives in small firms often lack – community in which inquiry into the taken-for-granted is supported and in which new perspectives are exposed. Using long-term network collaboration with other executives and academics seems to be a way for small-firm executives to create an executive

learning system that complements the, often inadequate, system operating within smaller enterprises.

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