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# Learning contexts and roles for the learning organization leader

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## Abstract

Describes a range of contexts associated with the learning organization literature and the job of learning organization leader. Offers prescriptions about how classically administered productivity improvement might be implemented in organizations, on the one hand, and how self-organizing, learning networks might be facilitated, on the other. Also examines the problems and leadership challenges associated with organizationally destructive learning communities.

## Comprehensive organization learning – hard and soft learning styles

Effective learning about how to create and innovate new markets, products, services and processes and about how to respond to environmental change has always implicitly underpinned strategic success. Organizational learning has more recently become an explicit strategic issue as strategists have recognized how organization-wide learning underpins productivity improvements and innovatory activity in quickly changing and multi-influence business situations.

Ultimate responsibility for successful organization-wide learning remains that of the top leader. This article explores a continuum of “hard” (classically administered) to “soft” (the facilitation of self-organizing, learning networks) learning-related leadership tasks.

Theory is available to help. On the one side of the theoretical divide are classical administrator, business planning-oriented theorists who bring a very “hard”, prescriptive approach to the improvement of organizational learning and emphasize, particularly, the design and employment of “administrated” learning programmes, which aim, particularly, to improve the way in which the organization’s existing business outcomes are achieved. This type of learning approach is part of a grand strategy whose implementation is devised, directed, and strongly influenced by top management. It is operationalized through mechanisms such as “continuous improvement” and “total quality management” programmes which involve quality teams and the like.

On the other side of the learning organization movement are those who advocate the need for a continuous self-learning organizational capability. This type of “softer” learning takes place through networks of people who “self-organize” around important emerging strategic issues and/or creative ideas to learn about them and to learn how to manage and/or to develop them. Leaders need to facilitate and harness these self-learning communities for the organization’s benefit.

The literature is short on contributions which clarify what is involved in a comprehensive, hard and soft, approach to creating a learning organization. Rather, particular theorists focus attention on particular learning contexts and styles and their related decisional processes. This article attempts to

address this shortcoming. It draws together material on a series of learning contexts, and presents a schema, the first category of which is associated with the “administrated learning” school of thought, and the second with the “self-organizing, emergent-learning” school. It draws heavily from the work of theorists from both schools.

The article introduces the concept of the “organization as a learning iceberg” comprising a continuum of overt, top administrated to covert, lower-level, self-organized contexts for learning and then discusses each of the contexts. Throughout the article prescriptions are offered to help leaders decide how they might intervene to create and manage or facilitate these contexts. The final section presents ten questions which learning organization leaders might ask in deciding which type of learning stimulus to invoke.

### Contexts for learning: the “learning iceberg”

The two sides of the theory-practice continuum described in the introduction might be conceptualized as representing two halves of an iceberg. The top part comprises contexts for learning which are clearly visible, easily accessible and amenable to the control strategies of those leaders with the aspirations and administrative techniques to shape them. The bottom part is submerged – its learning contexts become increasingly difficult to observe, understand or manipulate. In these contexts leadership and control emanate mainly from the personnel involved in the learning communities. What happens in these more covert parts of the organization often owes little to the directives of the formal leadership and people therein often pay little regard to mainstream objectives and aspirations.

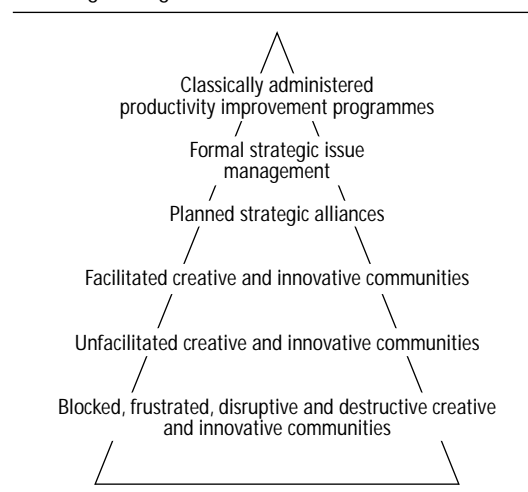
In an era which demands “comprehensive strategic leadership skills” strategists need to be able to administrate classically and to facilitate organizational learning.

The organization as a learning iceberg is illustrated in Figure 1 and the learning contexts which comprise it are discussed thereafter.

#### Classically administered productivity improvement programmes

Classically administered productivity improvement programmes are top manage-

Figure 1 Contexts for organizational learning – the “learning iceberg”



ment-designed, systematic and proactive attempts to improve organizational performance. They involve much looking outwards (to consultants, theorists and other organizations) and bringing into the organization the knowledge gained to improve products, services and processes. This form of organization learning usually focuses on the organization’s functional activities – those activities which can be made more productive through copying how other organizations do them better. Some knowledge is generated by the personnel involved as they develop their own ideas about how to improve marketing, production, distribution, etc. but more often knowledge is copied rather than created.

David Garvin[1], is representative of the group of theorists who provide most help for productivity improvement administrators. He is keen to provide practical help and feels that the literature is over-full of hyperbolic and grand themes and short on “the gritty details of practice”:

Scholars are partly to blame. Their discussions of learning organizations have often been reverential and Utopian, filled with near mystical terminology. Paradise, they would have you believe, is just around the corner. Peter Senge, who popularized learning organizations in his book *The Fifth Discipline*, described them as places “where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together[2].” ... Sound idyllic? Absolutely. Desirable? Without question. But does it provide a framework for action? Hardly.

Garvin aims to provide clear direction for practising productivity improvement administrators. For Garvin:

A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights.

Garvin emphasizes, particularly, the need not only to take on board new ideas but also actually to use them. On this test many obvious candidates for learning organizations, including some universities and consulting firms, fail. “Total quality management, for example, is taught at many business schools”, says Garvin, “yet the number using it to guide their own decision making is very small.”

In creating Garvin’s version of the learning organization strategists need to resolve and act on three critical questions. These are the question of meaning (the development of a plausible, well-grounded definition of learning organizations); the question of management (clear guidelines for practice, filled with operational advice rather than high aspirations); the question of measurement (better tools for assessing an organization’s rate and level of learning to ensure that gains are being made).

Six “building-blocks” are available to help learning administrators implement the “Meaning, Management, Measurement” concept:

- (1) *Systematic problem solving* (which rests heavily on the quality movement). This implies reliance on the scientific method, rather than guesswork, for diagnosing problems (what Deming calls the “Plan, Do, Check, Act” cycle); an insistence on data rather than assumptions or “fact-based management”; the use of statistical tools to organize data and draw inferences. This systematic approach stops the organization from becoming a prisoner of “gut facts” and sloppy reasoning which stifles learning.
- (2) *Experimentation* involves the systematic searching for and testing of new knowledge and is similar to systematic problem solving except that experimentation is more concerned with new opportunities and expanding existing horizons than overcoming present difficulties. Experimentation, according to Garvin, can be facilitated by:
  - *Ongoing programmes* seeking to produce incremental gains in knowledge and proceeding by way of a continuous series of small improvements (Corn-

ing, for example, experiments continually with diverse raw materials and new formulations to increase yields). A steady flow of ideas is paramount to the ongoing programme for improved learning and this, in turn, means that a lot of searching for new ideas needs to take place outside the organization (in other industries and organizations, including academic institutions).

“Benchmarking” is a key strategy in the classically administered learning organization. Also essential to its success is an incentive system which encourages risk-taking. Allegheny Ludlum tackles the difficult task of maintaining accountability and control without stifling creativity by keeping high-impact experiments off the performance evaluation agenda but requires prior approvals for projects from four senior vice-presidents. Finally, ongoing programmes need managers and employees who are trained in the skills required to perform and evaluate experiments. These skills, says Garvin, are seldom intuitive and must usually be learned – the associated techniques include measurement-improving statistical methods, graphical techniques such as process analysis, and creativity techniques, like storyboarding and role playing.

- *Demonstration projects* are usually larger and more complex than ongoing experiments and seek to break from the past by creating new organizational capabilities. They are more transitional efforts than end-points and often involve mid-course corrections. They set policy and decision rules precedents and often encounter severe tests of commitment from employees who wish to see whether the rules have, in fact, changed. Demonstration projects are usually developed by strong multi-functional teams and, in cases such as quality of work life programmes, multi-level as well. They need accompanying explicit strategies for transferring learning if the innovations are to be adopted outside the project team. For example, Copeland Corporation removed complexity from its manufacturing process through a development project, “the focused factory”, which

- required a bigger-than-initial budget of \$30 million, the enhancement of the manufacturing department's status at some expense to that of the marketing department and a new manufacturing policy which resisted any efforts to proliferate products. The first focused factory created a competitive edge in reliability and seized 25 per cent of the market in two years.
- (3) *Learning from past experience* requires a systematic recording and assessment of successes and failures. These assessments must be communicated in an easy-to-understand form to employees – those who cannot remember the past are condemned to repeat it. Failure (of, say, previous new product development programmes) should be the ultimate teacher. IBM's highly profitable 360 computer series, for example, was based on the technology of the failed Stretch computer which preceded it. Often this type of learning occurs by chance but Garvin[1] advocates the need to build into standard procedures a requirement that managers periodically take time out to think about their failures. The organization needs to recognize that a productive failure is one that leads to insight, understanding, and thus an addition to the commonly held wisdom of the organization and that an unproductive success occurs when something goes well, but nobody knows how or why. IBM's legendary founder, Thomas Watson Sr, apparently understood the distinction well. A young executive whose project had just lost \$10 million offered his resignation and was told by Watson: "You can't be serious. We just spent \$10 million educating you."
- (4) *Learning from others* requires the adoption of an organization culture which embraces "enthusiastic borrowing" or "SIS" ("Steal Ideas Shamelessly") processes. This involves systematic benchmarking against other departments, other players from the same industry and against other-industry players. The greatest benefits come from studying practices (the way work gets done) rather than outcomes. Learning organizations benchmark from a stance of expecting to find things to learn as opposed to one which is based on the assumption that "they can't
- teach us anything". They cultivate the art of open, attentive listening.
- (5) *Transferring knowledge* is necessary if the new knowledge is to permeate the organization. Reports and tours are the most popular media for spreading the knowledge. Increasingly reports are often supplemented by videotapes, which offer greater immediacy and fidelity. However, it is very difficult to become knowledgeable in a passive way. Actively experiencing something is considerably more valuable than having it described. Personnel rotation programmes are powerful transferers of knowledge. These programmes move knowledgeable experts around the organization or bring others into an expert's domain of activity so that first-hand contact and practical experience can be effected. Training programmes are another important tool, provided that the opportunity for practice is built into them. Clear incentives need to be in place to foster knowledge transfer and a significant proportion of these incentives needs to reward sharing behaviour.
- (6) *Managers measure progress*. "If you can't measure it, you can't manage it", reminds Garvin[1]. Here, the "half-life" curve is a useful and easily operationalized concept. This curve measures the time it takes to achieve a 50 per cent improvement in a specified performance measure. Plotted graphically using a logarithmic scale, the time taken is represented as a straight line. Steeper lines indicate quicker improvements. The logic behind this system of measuring "half-life" curves is that it acts as a stimulator of lots of small – and quick – improvements. Lots of small project, steep lines add up to overall superior performance in the longer run. These "half-curve" lines can be used on any output measure. However, also required are surveys, questionnaires and interviews which measure cognitive changes in personnel – the extent to which new ideas have been internalized. Domino's Pizza uses "mystery shoppers" to observe and measure changes in "doing" – the extent to which managers commit, in behavioural terms, to the concept of customer service.
- Finally, "learning organizations are not built overnight", warns Garvin[1]. His practical

building-blocks provide help for those who want to get started on the learning road.

### Formal strategic issue management

Formal strategic issue management aims to uncover those difficult to discern trends in the organization's general environments which seem likely to grow into important strategic factors. This, again, is a systematically structured function which feeds its knowledge and information into central business-planning activities so that the organization can develop formal responses to the emerging issues.

Critical strategic issues seem to abound in the modern organization's environment. Pedlar *et al.* [3, pp. 45-6] offer us a catalogue of "straws in the wind which is blowing around organizations today". These represent general issues to which most if not all modern organizations must become alert, learn about and respond to – through new ways of thinking about and, acting in organizations:

At any one time there are all sorts of issues around getting an airing, so many straws in the wind, so how can we spot the ones that we are going to count and move in that direction, rather than have to react to ... threat later?

Here is a short list of such issues:

- demographic trends – fewer school-leavers, proportionally fewer workers, more older and retired people, etc.
- diversity of people, e.g. sex, age, origins and backgrounds – how can we respect and make use of these differences?
- imbalance of rich and poor nations
- the rise of religious fundamentalism
- the increasing importance of business ethics and the lack of these in some businesses
- the rise of world terrorism
- the "peace dividend" – reduction of arms expenditures
- people demanding fulfilment and personal meaning at work
- green issues
- instability of world financial markets
- the "global village" – Europeanization, globalization, etc.
- opening-up of the USSR, South Africa, Eastern Europe, China
- collapse of middle management
- drug wars and the economy in North and South America
- women on the board

- representing ethnic minorities in management
- people's increasing demands for development outstripping a company's willingness and ability to provide it
- authoritarianism and the lack of democracy in business
- a move away from unitary organizations towards federal, franchising and networking models
- increasing importance of information and IT in business
- being a socially responsible company, being a good neighbour.

... without a crystal ball you can't be completely sure, but there are processes you can put in place to make sure you keep looking outwards, inwards and onwards.

Strategic issues that are spotted early, tracked and attended to in good time provide sources of opportunity. Such issues, however, are often left unattended until they become major problems, as case study 1 indicates.

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#### Case study 1: Distant external issues tend to get painfully proximate inside organizations

We have had to get our act together over the bad debts problem. It causes us all kinds of strategic problems.

First, it costs us profit. All the banks have had to wipe off £millions from their profit and loss accounts to cover bad debts. Second, it increases our cost base and, competitively speaking, we need to pursue low-cost strategies. Third, it is bad for our image. The banks need to satisfy shareholders and customers that they behave in a socially responsible way and taking on high-risk clients and then enforcing security when the loan goes bad is a practice which attracts a lot of criticism.

This is why we have to improve our information systems to support our lending managers.

The problems we have experienced over bad debts were "a long time coming". Unfortunately nobody noticed until it was too late. For example, the third-world debt crisis had its roots in the 1973-74 oil crisis when the quadrupling of oil prices increased enormously the cash deposits of the oil-exporting countries. This was accompanied by an upsurge in demand for money from developing countries, partly from those whose import bills were mushrooming and partly from the third world oil exporters who needed money to support faster economic development.

Eight hundred banks, including our own, were encouraged by western governments to provide a

transfer of wealth from their cash-rich coffers to avoid a possible world recession. The banks responded to this “opportunity” with gusto and by the end of the decade held two thirds of the debt of these developing countries.

At this stage nobody saw the looming clouds on the environmental horizon. Inflation in the USA caused monetary policy to be tightened. Thus the cost of borrowing rose sharply and caused a deep recession which depressed commodity prices and world trade.

Mexico was forced to suspend repayments of their loans which encouraged other indebted countries to follow suit, and so the debt crisis was started.

Another important change in the environment then came from the International Monetary Fund, which provided resources and encouraged loan rescheduling in an effort to avert damage to the world’s financial systems.

Then, in 1985, the next entity to emerge from the environment was James Baker, the US Treasury Secretary, who applied political pressure by laying down global proposals for changing the emphasis on developing countries’ debt arising from expenditure on luxury items to that of lending for growth. These proposals were aimed at encouraging banks to lend more money to finance this growth. In the event an insufficient number of banks responded positively to this initiative and growth did not take place.

Brazil then appeared on the environmental scene and announced that it had legally suspended its obligation to repay its loans. This event, seven years after the first crisis-precipitating events occurred, finally sparked the banks into self-protective oriented action. However, the Secondary Market for loans in the banking environment, which can usually be relied on, was not, on this occasion, interested in refinancing these loans owing to the perceived unpredictability and turbulence in the environment surrounding the third world countries.

An initiative from Nicholas Brady, the UK Treasury Secretary, proposed that the third world countries should, in effect, have much of their debt written off and that growth should be refinanced by the leading creditors. The Banks could not comply with this but the damage was already done – the initiative had raised expectations of debt “forgiveness” among debtor countries, who then defaulted on repayments even more.

The Bank of England stepped in to make domestic banks display up-to-date information on their exposures to third world countries.

The present crisis that the domestic banking world faces has been due to poor financial decisions, which

could have been avoided if more attention had been paid to environmental forces. You can see that the debt crisis did not occur overnight!

*Source:* As told to the author

Igor Ansoff[4, p. 20] provides us with a systematic method for strategic issue management. In a world where surprises can spring from the environment at any time, the periodic strategic planning approach to organizational progression is obviously too slow and periodic to provide a comprehensive response by itself, he advises. One additional weapon in the strategic response armoury, therefore, is “strategic issue management”. The system is simple to install and manage, he says, and does not interfere with the existing structure and systems. Issue management involves the introduction into the organization of the following ingredients:

- (1) A continuous surveillance instituted over environmental business-technological-economic-social-political trends.
- (2) The impact and urgency of the trends are estimated and presented as key strategic issues to top management at frequent meetings and whenever a new major threat or opportunity is perceived.
- (3) Together with the planning staff, top management then sorts issues into one of four categories:
  - Highly urgent and impactful issues which require immediate attention
  - Impactful, moderately urgent issues which can be resolved during the next planning cycle
  - Impactful but not urgent issues which require continuous monitoring
  - Issues that are “false alarms” and can be dropped from further consideration.
- (4) The urgent issues are assigned for study and resolution, either to existing organizational units or, whenever rapid cross-organizational response is essential, to special task forces.
- (5) The resolution of issues is monitored by top management both for strategic and for tactical implications.
- (6) The list of the issues and their priorities is kept up-to date through periodic review by top management.

Byars also provides help on how an environmental scanning function might be created (see case study 2).

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#### Case study 2: Implementation guidelines for an environmental scanning programme

- (1) Place a senior manager in charge of scanning.
- (2) Identify a list of about 100 relevant publications
- (3) Assign one publication per person to volunteers within the organization. Extremely important publications should be reviewed by the scanning manager.
- (4) Have each scanner review items in the publication that meet predetermined criteria based on the organization's mission.
- (5) Assign a predetermined code or keyword to the scanned information and prepare an abstract on the information in a few lines.
- (6) Submit the code and abstract to a scanning committee consisting of several managers to determine its relevance in terms of effect on the organization. The scanning committee should also add a relevance code.
- (7) Computerize the codes and abstract.
- (8) Prepare a newsletter to disseminate the information organization-wide. Encourage managers who are directly affected by the information to contact the scanning department for further analysis.

Source: [5, pp. 45-6].

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*Weak signal management* goes hand-in-hand with strategic issue management and involves the tracking and monitoring of emerging strategic issues. It should be made the primary responsibility of an environmental surveillance unit.

Initially, the environmental surveillance unit "senses" a potential threat or opportunity and does little more than decide to monitor the situation and to identify, as things become clearer, the relative strengths and weaknesses of the organization.

As the signals become stronger, the unit clarifies the source of the threat/opportunity but not the actual threat/opportunity (biotechnology will be likely to produce an opportunity for those involved in the farming industry but the exact nature of the opportunity might not yet be clear, for example).

At stage three of the weak signal-tracking process knowledge is raised to the point where the issue is seen to be materializing into a form which will require an organizational response (the potential for the electronics

industry of solid-state physics materialized when the transistor was invented). However, at this point the situation is still too uncertain and ambiguous for the surveillance unit to shape a defensive or an aggressive response to the phenomenon being observed.

At level four, top strategists, who have now been brought into the tracking process, are able to decide whether the organization should make a concrete response to the issue being tracked. It can thus invest time, people, money and other resources into the provision of a general response – for example, the allocation of an R&D budget to investigate and develop a transistor-based product range. However, at this time, the potential of the environmental issue to become a major opportunity or threat and the ability to quantify the financial significance of the phenomenon is still uncertain.

At stage five, important variables such as market size and potential profitability become assessable and the organization is able to make specific strategic plans and to take any associated actions. Thus the organization becomes a leader in taking advantage of an opportunity or in avoiding a threat – many of its competitors who have been working without an appropriate weak signal management function perceive the "sudden" development as a shock event. Often, their response is then too late to unseat the entrenched leader or to avoid some of the costs of a newly adverse situation.

In the trawl for weak signals many people need to be consulted. The very nature of the weak signal makes it highly likely that it will arise, initially, somewhere well away from those organization personnel who have been specifically charged with the job of picking up weak signals. One source of the detectors of weak signals is socio-political-economic-technological experts who are outside the firm. Such people need to be consulted. Importantly, too, the rank and file of the organization need to be harnessed into a sensing, understanding and communicating system which ensures that people are skilled in and motivated to the picking up and sharing of "snippets" of information which might "turn out" to be of interest (see case study 3).

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#### Case study 3: Environmental scanning at Harvest Bakeries

At Harvest Bakeries, everyone has a "boundary role" – everyone with working contacts outside the

company is expected to pick up useful information and bring it back. Marketing people are used to doing this, but now the delivery people enquire about complaints and ask supermarket managers what new products they would like to see Harvest Bakeries offer. This information is pooled at weekly debriefing meetings and the bonus system rewards named individuals for useful ideas.

Many companies spend a good deal of money on market research to find out things their people already know or could easily find out. To make your boundary workers into environmental scanners means convincing them that this is important and worthwhile ... Using your people as intelligence gatherers could really open your eyes.

*Source:* [3, p. 70].

Continuous scanning and monitoring of environments results in productive learning:

- (1) People involved are more aware of the strategic situation of the organization and so better equipped to help in the formulation and implementation of pertinent strategies.
- (2) The organization is better able to take advantage of opportunities which might otherwise pass by unnoticed.
- (3) The organization is better able to avoid threats which might otherwise impact suddenly and surprisingly.
- (4) By building a response to an important emerging trend gradually and incrementally the organization should put itself well ahead, competitively, from the more ignorant competition. For example, in the high street store sector the organization that had been upgrading its quality image during the 1980s is likely to have been much more competitive and well-prepared for the intensely competitive, customer-powerful and recessionary 1990s than the organization which had failed to move with the times.

The limitations of a system of continuous surveillance relate to the costs in time and money involved in collecting information. However, these do not have to be large – a simple, informal system is better than no system at all. Another problem might arise if people involved in the exercise become too interested in one particular issue and so take their eyes off the wider scene.

## Becoming PALs: planned strategic alliances

Planned strategic alliances are joint ventures which bring together people and resources from different parts of one organization, or different parts of different organizations to create new structural configurations and to facilitate the development of a mutually beneficial project. Some power is given away by top management to those personnel who are required to lead and develop these joint ventures but, by and large, the ventures themselves are part and parcel of each formal organization's planned development approach, and the people working in these operations "network" within constraints imposed by their respective head offices.

Rosabeth Moss Kanter prescribes how "lean, agile, post-entrepreneurial companies" can stretch in three alliance-achieving ways:

They can pool resources with others, ally to exploit an opportunity, or link systems in a partnership. In short they can become better "PALs" with other organizations – from venture collaborators to suppliers, service contractors, customers and even unions ... distinctions like inside versus outside or us versus them have less meaning when teaming up might produce benefits for each group [6, p. 118].

Table I and Figure 2 identify some of the many ways in which organizations have "come together" to further their respective business objectives.

In the 1980s and 1990s strategic alliances have grown and intensified in terms of their volume, market scope, size of operations and the closeness of the relationships between "partner" organizations. These joint ventures are intended to create synergy – together, each partner in the collaboration expects to create a safer and/or wealthier market position than it would have achieved alone. Richardson [8] has discussed specific rationales for the strategic alliance as a strategic development method and these are alluded to in Table II.

Often, however, the hoped-for productive learning fails to become an outcome of the strategic alliance. Richardson has outlined why this is so (see Table III).

Clearly, the strategic alliance movement creates learning networks. Clearly, too, some of these networks will locate towards the "water line" of the learning iceberg – many of these projects are built by the discretionary decisions of the network allies themselves.

**Table I** Generic strategic partnerships

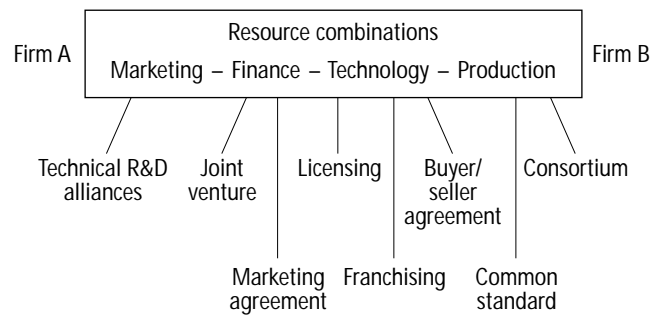
- *Service alliance cross-company consortium.* This type of alliance involves the least overlap and co-operation between firms. It is, for example, a jointly controlled industry research consortium created to fulfil a commonly felt research need which might otherwise have been too difficult or expensive to fulfil. Consortia involve higher costs and more restricted membership than is the case with weaker alliances such as trade associations. However, they have more strategic significance and are expected to create specific benefits for specific companies rather than more general or abstract benefits.
- *Opportunistic alliances/joint ventures.* These seek to gain immediate, but perhaps only temporary, competitive advantage through an alliance that gets partners into new business areas that they could not have entered alone. Each partner in this type of alliance seeks to add to and draw from the other's competences. Often, one partner contributes a technology while the other provides access to particular markets.
- *Stakeholder alliances, suppliers, customers and employees.* These alliances are defined by pre-existing interdependence. "Stakeholders are involved in different stages of the value creation chain. Stakeholders are those groups on which an organization depends – the people who can help it achieve its goals or can stop it dead in its tracks. "Working more closely with suppliers, customers and employees on quality and innovation drives provides competitive benefits. This category of alliance establishes the closest ties of all three types of collaboration and the greatest degree of overlap between the activities of the parties.

Source: adapted from [6]

However, in general, these projects are authorized and monitored by the formal organization and many of the theorists who seek to help improve the success rate of strategic alliances have advocated a systematic approach, by corporate leadership, to the creation and control of these types of learning contexts (see Figure 3 and Table IV).

### The double-loop role of below-the-water-line learning

Although classically administered methods of stimulating productive organizational learning are necessary and desirable tools of leadership, their usefulness is limited. Stacey[9, pp.

**Figure 2** Resource combinations

Source: [7]

338-9] points out some of the inadequacies of a bureaucratic, classically administered, traditional organization.

First, this type of organization creates adverse reactions from the people working in it:

- Bureaucracies alienate because people are allocated narrow jobs and treated as means to some end (often profit). In turn this leads to dysfunctional behaviour as people attempt to get even or otherwise respond to the system which bars them from being creative or from social contact.
- Bureaucracies emphasize rules and so make people subordinate, passive, dependent and lacking in self-awareness. This reduces motivation, commitment and creativity – important features in modern situations. Administrated processes are excellent at generating single-loop learned outcomes (those which improve what already is) but covert "knowledge communities" are required to generate double-loop learned outcomes of radically different and improved products, processes and paradigms.
- Bureaucracies often require people to perform work that has lost its moral character and cultural significance. People then perform according to rules in which they do not believe, which in turn means that shared values and visions are absent from the organization and that, rather, the situation will be one of divisiveness and conflict.
- Bureaucracies take away decisional discretion and leave people unprepared to make decisions for themselves.
- People in bureaucracies often use the rules to avoid having to make more worthwhile and committed contributions to the development of the organization or to use the flexibility which is needed to "oil the bureaucracy's wheels".

**Table II** Ten reasons for choosing a strategic alliance

- (1) Because big, diverse, global market development opportunities are presenting themselves to organizations lacking the financial and marketing resources to address them with sufficient speed alone.
- (2) Because some markets are politically protected.
- (3) Because many new product opportunities require complex technologies, massive expenditure and rapid development, while many of the opportunity seekers, individually, have limited R&D and manufacture capabilities, inadequate finance and comparatively small potential market take-up positions to develop products sufficiently quickly and to acceptable levels of risk.
- (4) Because the strategic alliance is a competitive advantage bestowing learning process, whereby learning takes place more quickly than is the case with “do it alone” methods.
- (5) Because governmental incentives make it worthwhile to collaborate.
- (6) Because strategic alliances make sound defensive competitive sense. (Multinationals, for example, could overrun the post-1992 European internal market and smaller, nationally-based European firms cannot counter this threat individually.)
- (7) Because strategic alliances can improve cost- and differentiation-based competitive advantages.
- (8) Because strategic alliances avoid the problems of merger and acquisition.
- (9) Because the supply of strategic partners is running out.
- (10) Because not to create strategic alliances might result in a *worsening* of competitive position.

Source: [8]

Another major problem inherent in the bureaucratic system of leadership is its inability to handle ambiguity and uncertainty:

- Bureaucracies are too slow and inflexible to respond to quickly changing, issue-generating modern environments. Previously devised rules and regulations are often not appropriate for open-ended situations and much time is often wasted trying to fit solutions into existing rules and regulations rather than dealing with the issue more appropriately.
- Bureaucracies are set up to monitor or implement what is already known. This function drives out attention to what is

**Table III** Why strategic alliances sometimes fail

Alliances fail because the “other” partner:

- (1) Occupies only a weak competitive position and thereby provides an inadequate contribution to the alliance.
- (2) Looks to “stab you in the back”.
- (3) Learns at your expense.
- (4) Seeks dominance – and exercises the power gained to your detriment.
- (5) Is unprepared to match your commitment to the collaboration.
- (6) Procrastinates in decision-making processes.
- (7) Is mistrustful of you and your approach to the alliance.
- (8) Has objectives and an organization structure/culture which are mismatched with your own or do not facilitate an appropriate organization system for the alliance sub-unit.
- (9) Has links with other marketplace competitors and is careless about passing on your secrets.
- (10) Is looking to “catch up” rather than to “stay ahead”.

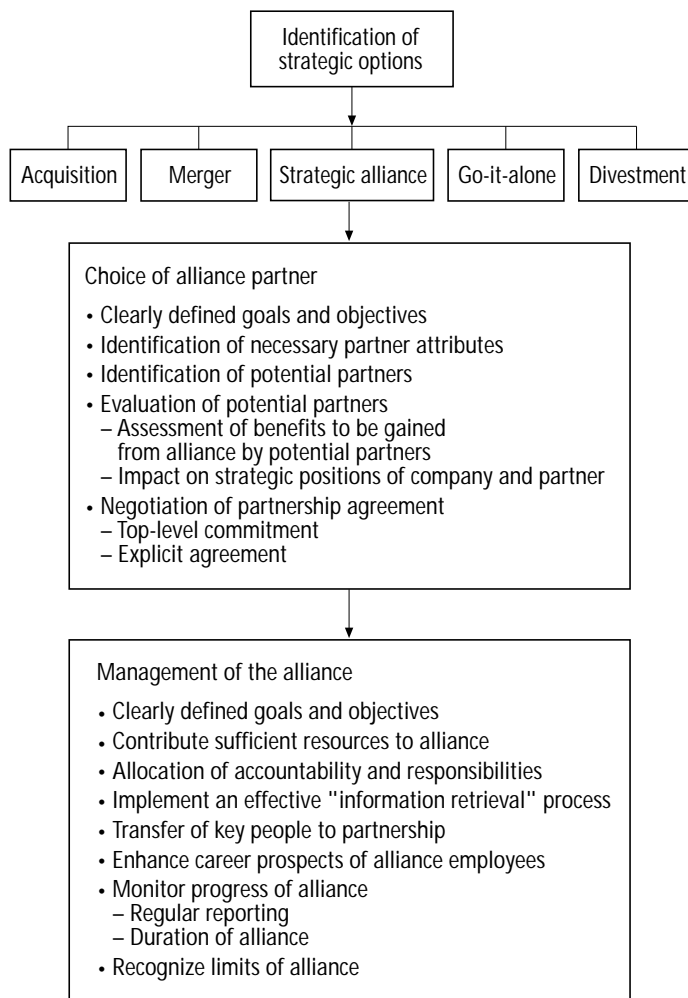
Source: [8]

new. Also, the primary functions of reviewing the past, legitimizing decisions, and discussing symbolic actions are emphasized most at the top of the organization where newly important issues, therefore, are likely to arrive last.

The modern requirement that organizations continuously innovate, respond to “sudden” challenges, and develop via the medium of emergent social networks, means that the formal organization is not up to the task, alone, of leading strategic development. Other than top managers need to be given decisional discretion if changes are to be achieved sufficiently quickly, innovatively and appropriately. From the perspective of the formal organization, too, these “self-organizing” middle-level leaders should be motivated to use this discretion for the welfare of the organization. In an era when winning approaches to strategic development soon become outdated the formal organization needs the inputs of creative innovators of new paradigms, processes and products. These rarely flow from the administrative regime of the organization.

In contrast with the clear rules and regulations of “ordinary” management, the learning contexts below the water-line of the learning iceberg are places where:

Figure 3 Strategic alliance checklist for success



Source: [7]

Table IV The "six I's" of successful strategic alliances

- (1) The relationship is *important*, and therefore gets its adequate resources, management attention, sponsorship.
- (2) There is an agreement for longer-term *investment*, which tends to equalize benefits over time.
- (3) The partners are *interdependent* which helps to keep power balanced.
- (4) The organizations are *integrated* so that appropriate points of contact and communication are managed.
- (5) Each is *informed* about the plans and directions of the other.
- (6) The partnership is *institutionalized* – bolstered by a framework of supporting mechanisms, or legal requirements to social ties to share values, all of which in fact make trust possible.

Source: [6, p. 173]

Managers carry out the tasks of extraordinary management through a shadowy informal organization simply because the formal organization embodies and exists to protect the paradigm, the status quo, not smash and change it. For that revolutionary task managers have to

operate in informal groups in which they spontaneously self-organize. Here the organization does not empower managers as it does for the tasks of ordinary management. Instead managers empower themselves as they self-organize into political factions and communities of practice that learn together. The role of informal groups is no longer simply that of oiling the wheels of the formal organization, but [also] that of creating and coping with uncertainty and ambiguity, the tools needed to undermine the paradigm. To carry out their extraordinary tasks, managers use informal networks to work alongside, to support and to undermine the formal organization[9, p. 337].

Also in contrast – with the problems created by classical administration – informal organization:

- learns through informal, loose networks of learning communities where membership is based on perceived contribution rather than position in the formal hierarchy;
- creates new knowledge through members of networks "tapping one another's tacit knowledge of what is going on in the organization and its environment";
- presents stretching challenges and fundamental aspirations that are ambiguous and, in creating the chaos which ensues from this, destroys the existing paradigm and changes the business philosophy;
- manages the boundaries created by different perspectives and different amounts of power through persuasion and building political support among network participants;
- makes periodic and partial interventions to improve learning skills and to create the atmosphere conducive to self-organized learning and doing[9, pp. 337-8].

An important reason behind the development of these informal learning networks is that the people involved in them prefer the outcomes they generate to those that the formal organization produces. Informal networks enable people to express themselves at work. They are thus the haunts of the most creative, entrepreneurial types – those who have a natural inclination to resist standard controls and to be more inclined to take charge of their own destinies, and those politically ambitious people who seek "to get on" through having the "right connections". Thus, although the self-organizing-network-organization movement is associated with the theory of learning, the best examples of networking in action are in the "visionary leader" literature

and in the new-product development literature associated with the marketing theory base.

The next sections examine aspects of three “submerged” organizational learning communities.

### Facilitated creative and innovative communities

Facilitated creative and innovative communities are networks of learners which are recognized and supported by top management and granted much autonomy of operation. Their task is to create new ideas and innovate these ideas into successful new products, processes and services. This creative task is one which thrives on interaction between the co-leaders of the innovatory network – a network selected partly by the formal organization and partly evolved by the network members themselves. The key task of the formal organization leaders, therefore, is one of enabling creativity to take place to achieve outcomes which enhance and perhaps even redirect organizational practice and performance. Thus, although these innovative communities learn among themselves in R&D laboratory settings, for example, and develop creative ideas free from a lot of central direction, nevertheless, they are facilitated and broadly guided by the formal leadership.

Richardson[10] has provided a CREATE framework to help strategists facilitate this type of innovatory function. The essentials of the framework are identified next.

*Step 1. Create a corporate-wide creative/innovative culture.* Importantly, a corporate-wide desire to seek productive change is an essential underpinning to the creation of a more specialist force for innovation. Ansoff[4] provides a checklist of questions which can help in the evaluation of existing levels of change receptivity (see Table V).

*Step 2. Restructure to create a separate creative/innovative function.* Bart[11] has outlined the reasons why, within a change-receptive general system, a specialist force for innovation is necessary:

- (1) *Speedier new product development:* New venture units can speed up the development and launch of new products. IBM, for example, claims that such a unit was responsible for the swiftest production of

**Table V** Assessing general organizational competence for dealing with high levels of environmental turbulence

Components
• Attitude towards change: hostile/passive/predisposed?
• Propensity towards risk: avoids/tolerates/seek?
• Time perspective: relies on past/prefers to deal with present/emphasizes future?
• Action perspective: focused on internal operations or external environment?
• Goals of behaviour: emphasis on stability/efficiency/effectiveness/growth/innovation?
• Trigger of change: needs a crisis event or accumulation of unsatisfactory performance or whether seeks change?
• Power distribution: centralized or shared between groups?
• Power stability: entrenched or changeable?
• Power militancy: apathy or drive to use power?
• Power orientation: selfish or common/collaborative?
• Problem-solving style: based on precedents/optimization of available alternatives/creation of new alternatives?
• Problem-solving process: compartmentalized and hierarchical, or firm-wide and problem-centred?
• Management process (informal as well as formal): controls to past performance/anticipates familiar futures/creates new futures?
• Information used: derived from historical performance, extrapolation or wide-ranging environmental surveillance?
• Structure: inflexible and long-winded or flexible and quickly adaptable?
• Rewards: geared to historical performance/growth/initiative/creativity?
• Job definition: narrowly circumscribed or open, encouraging venture and initiative?
• Technological aids to decision making (computation procedures, rules, models, computer programs, etc.): whether they assist routine and repetition or innovation and change?
• Organizational capacity: the sum total of each manager's work output capability: small or large and increasing?

Source: adapted from [4, pp. 211-12]

any new product (personal computers) in its history.

- (2) *Appropriate attention:* Existing products drive new products out unless a device such as a separate innovation unit exists to remind senior managers, forcefully, of the importance of new products/services and processes to longer-term prosperity.
- (3) *No glass fishbowl:* IBM and Levi Strauss each incorporate a separate company to handle new innovatory developments. This has helped reduce the extent of nervous, and interfering, line managers and has maintained the privacy and

breathing space necessary to allow new developments to evolve successfully.

- (4) *Entrepreneurial environment*: A new unit can adopt different perspectives to the traditional “today’s business”-dominated units. A smaller unit can make quicker decisions and stay more “nimble-footed” in terms of changing market needs.
- (5) *Motivated and communicative environment*: Smaller teams with easier-to-perceive common goals can more easily develop the interactive and cohesive mode essential to group creativity.

*Step 3*. Enlist key personnel for the success of the creative/innovative function. The new product development literature has identified a number of key roles which contribute to successful innovation. These are:

- (1) *top leaders* – people at the very top of the organization who reward risk taking (for the benefit of the organization) and who lead by example in promoting a climate of change receptivity.
- (2) *a sponsor* – a senior manager who protects his/her innovative learning community, is prepared to take personal risks on its behalf and continues to find resources for it to continue its project developments.
- (3) *a champion* – a middle-level manager who owns passionately the learning community’s project and is prepared to find ways through the formal system to keep it alive and well, to work excessively to develop it, and to find creative ways around obstacles which confront its development.
- (4) *a team of specialist and committed contributors* – people recruited for their special skills and experience to create synergistic learning.

*Step 4*. Activate systems for the promotion of creativity and innovation in the unit. In particular, the facilitated learning system needs to achieve balance – an environment which is loose enough to stimulate creativity and, at the same time, tight enough to generate useful innovations. Balancing tasks include:

- (1) *Balance rewards*: too little reward makes innovation unit membership unattractive – too much makes innovation overexpensive.
- (2) *Balance failure/success expectancies*: too much failure cannot be tolerated – too much *fear of failure* will make staff poor innovators.

- (3) *Balance control systems*: too much sponsor intervention will stifle creativity – too little can result in wasteful “drifting” and/or chaos.
- (4) *Balance pressure and ambiguity*: too much pressure (in terms of tight resource or time budgets/deadlines) will constrict creative developments, too much ambiguity (in terms of the objectives to be achieved) can produce waste and harmful tension – and yet creativity thrives on *effective* mixes of tension and ambiguity.
- (5) *Balance individualism and team work*: Many highly creative people prefer to “beaver away” alone, jealous of their secrets – yet synergy is to be had from sharing creativity. Further, individual autonomy must be harnessed to the *organizational* cause.

Above all, the facilitated learning community should be underpinned by reward and communication systems which stimulate and facilitate people to talk to one another and to work with one another.

*Step 5*. Take control of the creative process. Creativity breeds new ideas and new projects. Successful innovation is achieved when such ideas and projects are moved into real competitive advantage. Industry-wide there is no shortage of new ideas and projects. There is, however, a comparative shortage of successful innovations. *Most* new products, for example, fail to secure a viable market position. As a result of this failure rate problem theorists [12, ch.13, for example] have advocated the introduction of a systematic screening process better to control innovation and to improve the chances of actually attaining success in the marketplace.

This step-by-step approach provides a heavy rational counterbalance to the otherwise largely unstructured nature of the facilitated learning community. It promotes “pulling the plug” (thus avoiding further wasteful resource inputs) at different stages in the development process. Stages in this control mechanism are as follows:

- (1) *Preliminary screening*. At this point new ideas are evaluated against a range of decision criteria such as fit with competitive strategy, market potential and organizational resource capability. Early “intention to buy” research of potential customers can assist “go” or “drop” decisions here.

- (2) *Profitability analysis.* Soon after the preliminary screening, decision makers should estimate the financial viability of the development investment under review.
- (3) *Product/process development.* A decision to “go” at (2) should stimulate early prototype developments, continual testing of the evolving product and work on packaging for the market-ready innovation. Previous “go” decisions will have been vindicated if, at the end of (2), the innovation unit has produced a refined prototype which:
- is seen by consumers as successfully embodying attractive attributes;
  - performs safely under normal use and conditions;
  - can be produced for the budgeted manufacturing costs.
- (4) *Test marketing.* If market launch and/or market penetration is likely to be costly; if the product/process is revolutionary rather than evolutionary; and if the organization has the time available, then test marketing makes sense. This involves the *actual selling* of the product, in the context of its likely marketing mix, to target customers. New products might, for example, be “tried” in selected stores and selected cities. Information gleaned from this exercise can be used for decisions to “firm up” sales forecasts, rectify product problems, amend planned marketing mixes and, even at this late stage, to drop the innovation.
- (5) *Commercialization.* All that remains now is the planning of marketing campaigns based on decisions over target customers, marketing mixes, market entry strategies and entry timing.

*Step 6.* Entwine the facilitated learning community with change-receptive corporation. The final stage of the CREATE process checks total organizational morale, including that of those important people “left minding the store”. Attention needs to be paid to this aspect of the facilitated learning community programme to ensure that total organization effort is not undermined by a generally prevailing sense of inequality based on the perception that those in the specialist innovatory function are being treated preferentially. Providing opportunities for rank and file personnel to participate in the specialist innovation team is one way in which its position might be better

understood and accepted. Not forgetting to extol the importance of “shopfloor” people and rewarding their contributions are others.

Although the process of creativity and innovation thrives on the application of intuition in the face of ambiguity, facilitating the creation of a *specialist force* for innovation is, according to the theory of management strategy, best undertaken, still, from a rational, deductive base. The CREATE model accedes to the idea that people need to be allowed to manage creativity themselves but nevertheless maintains top administrators in the innovation “driving seat”. Facilitated learning communities, therefore, operate below the water-line of the learning iceberg but only just below it.

### Unfacilitated creative and innovative communities

Unfacilitated creative and innovative communities are covert networks which grow ideas into successful innovations despite opposition from the formal organization. In these types of networks, contributors find ways to “buck the system”. Often, their activities break through into open organizational life to gain formal acceptance, only after they have virtually proved themselves. Unfacilitated learning community leaders are expert at developing “creeping *faits accomplis*”. They present their ideas to the formal leadership only when they can also present strong evidence to support their viabilities. Because they are at odds with the formal organization these informal networks are the spawning grounds for new products, practices and paradigms about the way “organization” should be undertaken.

Given the shortcomings of the bureaucratic organization, and the seemingly inherent need it exhibits for even innovatory functions to be structured into the general framework of activities, people who are “not supposed to be innovators”, or have ideas too radical to gain a foothold in the formal structure, collude to operate “mock” bureaucracies but act instead within an informal organization that they set up themselves. They pay lip-service to the rules of the traditional organization but tacitly agree not to enforce them. Thus, on face value the administrative bureaucracy operates in its pre-ordained, orderly way, while “under the surface” a myriad self-organizing networks are active.

These groups are essentially political in nature; that is people handle conflicting interests through persuasion and negotiation; implicit bargaining of one person's contribution for another's; and the application of power that takes the form of influence rather than authority; that influence is derived from personal capability and the breadth of other network contacts.

They may be short- or long-lasting and they rarely receive official approval. They create their norms of conduct through interaction rather than through history or hierarchy and last only so long as people continue to be persuaded that it is in their interests to stay in, join, or re-join. These networks are not led in the traditional, hierarchical sense; therefore, rather, leaders are to be found throughout the network, managing differences of opinions and interests and contributing their expertises at crucial times.

"Unfacilitated learners" thrive only in conditions which allow them to "steal" time and other important resources and enable these networkers to make working contact with one another. Critical to their success, too, are the "passionate mavericks" who drive them – people who, unlike the "facilitated champions" referred to in the previous section, are not afforded the luxury of a work setting which encourages risk-taking for the sake of innovation. In contrast, "unfacilitated mavericks" work under varying degrees of fear about the consequences of their covert activities being discovered by the formal organization. They continuously assess how much the organization will let them get away with and continue to grow their projects for as long as these assessments remain positive. People in unfacilitated communities often take big personal risks in bucking the system to develop their interests into ideas and on into projects. Such is their passion for their learning topic.

Unfacilitated organizational learning has more chance of breaking through into improved organizational performance, therefore, if the organization culture is other than so frightening that the would-be innovators dare not break the rules and "do their own things" or other than so tightly controlled that they are starved of contact-opportunity and resource. Top, formal leaders, therefore, although they can exercise little direct control in the machinations of these types of groups, still have an important role to play in creating

climates and resource bases conducive to their development and operation – on the assumption that some, at least, of these learning communities are likely to produce organizationally beneficial outcomes.

The issue, of course, is one of degree. Key questions facing the learning organization facilitator leader are "how 'loose' and forgiving of unfacilitated innovative activity should I be?" and, "which of my people should I be particularly 'loose' with?" These questions take us into the art (rather than science) of management and are not easy to answer prescriptively. Top leaders who assume the role of learning organization facilitators should expect to make mistakes in performing the role – inevitably, they will block some informal activities which should have been allowed to develop and will sanction some which, given the benefit of hindsight, should not have been sanctioned.

Such people, however, can take heart from the knowledge that most organization personnel do not have the personality which drives the need to be an "unfacilitated intrapreneur", the skills to be one, or the motivation to endure the emotional pain and sheer hard work involved in the process. These are the "mavericks" who come closest to enacting Gifford Pinchot's [13] "the intrapreneur's ten commandments" (see Table VI). Organizations are not generally awash with such people.

Table VI The intrapreneur's ten commandments – according to Gifford Pinchot

- (1) Come to work each day willing to be fired
- (2) Circumvent any orders aimed at stopping your dream
- (3) Do any job needed to make your project work, regardless of your job description
- (4) Find people to help you
- (5) Follow your intuition about the people you choose, and work only with the best
- (6) Work underground as long as you can – publicity triggers the corporate immune mechanism
- (7) Never bet on a race unless you are running in it
- (8) Remember it is easier to ask for forgiveness than for permission
- (9) Be true to your goals, but be realistic about the ways to achieve them
- (10) Honour your sponsors

Source: [13, p. 22]

In this area of strategy, particularly, much reliance is to be placed on the maxim that “good descriptive theory in the right hands is a prescriptive tool, perhaps the most powerful one we have” [14]. This section closes, therefore, with a description of an unfacilitated creative and innovative learning community leader at work (see case study 4).

#### Case study 4: “I do not want to see that project in the labs”

Life is not easy for entrepreneurs, not even at Hewlett-Packard. At 26, frustrated oscilloscope designer Chuck House accepted the challenge from a senior manager looking for volunteers to take on the development of an electronic lens for the Federal Aviation market. House and his team quickly built a monitor, incorporating the lens, which was half the size and weight of other monitors, 20 times as fast, produced a brighter display but used less power.

It did not, however, provide a picture clear enough to enable air controllers to read identifying code numbers on the planes they were monitoring. House's supervisors encouraged him to give up the project. House, however, had spotted other market opportunities – and he now had a prototype. At this point he crossed the threshold from engineer to champion entrepreneur. During the next months he undertook a number of “champion” activities including:

- (1) taking the prototype with his family on holiday so that he could introduce it to potential customers *en route*;
- (2) breaking the Hewlett-Packard rule of *never* showing customers prototypes (arguing that the project had all but been scrapped anyway);
- (3) winning begrudged additional (but limited) time and finance for his project from supervisors;
- (4) arguing with the marketing people who had surveyed the “traditional market” and predicted a total market take-up of only 32 units. House said they had surveyed the wrong market segments and that anyway their estimates had not included the two units his father had promised to buy, personally;
- (5) gaining his team's support in the quest to find new customer segments and to have the product out of the lab and into production within a year – following a literal (and creative) translation of top executive Dave Packard's stipulation that “when I come back next year I don't want to see that project in the lab”;
- (6) maintaining the support of his immediate superior, Dan Howard, who put himself “on the line” in the process.

In double time House produced three versions of the product and all achieved glory in their first year. The moon monitor supported man's first trip to the moon. The medical monitor was used in the first artificial heart transplant. The large screen model helped win a special effects Emmy Award. Within a few years project products were generating over £10 million in annual sales[13].

#### Blocked, frustrated, disruptive and destructive learning communities

Blocked, frustrated, disruptive and destructive learning communities consist of learners who feel frustrated by, and dislike immensely, their formal organizations. Their view of the organizational world is very different from that of the organization's leadership. From the perspective of a “blocked network” the formal organization is a control mechanism which stifles initiatives, “knocks” good ideas and does not grant anyone other than those of the upper echelons the status of being worthy of being listened to. If such perceptions are based on reality or are allowed to persist, anyway, then blocked communities become the breeding-ground for organizationally destructive learning. People in blocked communities learn how to damage the organization (see, for a discussion of this topic [15, pp. 73–8]. Case study 5 provides an example of one person giving vent to his feelings about an organization he perceives to be of the “blocking” type.

#### Case study 5: BBC accused of “Communist rule”

Working at the BBC is so tightly controlled it is like “life under communism”, former Radio One controller Johnny Beerling said yesterday.

And he criticized “His Royal Birtness” – director-general John Birt – for presiding over a bureaucratic system.

“Total control from the centre and very little flexibility or room for manoeuvre – no wonder some have compared it with life under Communism”, he told the Radio Academy conference in London's Olympia.

Mr Beerling, replaced four months ago by Matthew Bannister, said he left because he could not work within Mr Birt's totalitarian organization.

“I left because in the last two years my job had less and less to do with the creative role and more and more to do with bureaucracy. From what I hear, it goes from bad to worse, with everyone currently under the need to provide the centre with an annual

performance review – whatever that is”, he said.

Mr Beerling attacked presenter Danny Baker as epitomizing the “new BBC man” – a DJ who is interested only in promoting his own reputation rather than the network as a whole.

Mr Baker took over from Dave Lee Travis who was forced out from Radio One last year, and presents two weekend shows.

“Danny Baker brought with him his own team of producers, and when do you hear him trail the other jocks, remember the name of the newsreader, phone number of the station, play a jingle?”, asked Beerling.

“Station team spirit or pride in the network seems to be a thing of the past.”

Mr Beerling said he was not “doing a Mark Tully”, referring to the veteran India correspondent who mounted a personal attack on John Birt.

Mr Bannister hit back at Mr Beerling’s comments, saying his predecessor had been criticizing Producer Choice specifically, a new policy under which he had barely worked.

“Johnnie was there at the introduction of a new system; it’s been difficult and it’s been hard work, but we are now beginning to see the benefits. He left before that stage. Producer Choice is coming to the end of only its first year and already at Radio One we have been able to take 10 per cent out of our non-programme-making spend and we will be investing more than £1m back into the programmes over the next year.”

Source: *The Yorkshire Post*, 4 March 1994, p.3

Activities which “blocked learning communities” implement to the detriment of the formal organization include learning how to:

(1) *“Soldier” and control groups of “soldiers”*.

Soldiering is the term used by Frederick Wilmslow Taylor to describe the tendency of workers to find ways of taking life more easily than the formal system would wish. In the famous and often-reported Hawthorne Studies, for example, a group of workers in the Bank Wiring Room of Western Electric’s Hawthorne Works in Chicago learned their own informal group norms which included:

- You should not turn out too much work. If you do, you are a “rate buster”.
- You should not turn out too little work. If you do you are a “chiseler”.
- You should not tell a supervisor anything that will react to the detriment of

an associate. If you do you are a “squealer”.

- You should not attempt to maintain social distance or act officiously. If you are an inspector, for example, you should not act like one.
  - You should not be noisy, self-assertive, and anxious for leadership (of the informal group and, perhaps, through attaining a position in the formal organization’s ranks)[16, p. 79].
- (2) *Resign* – thus taking their creativity elsewhere. Pinchot[17] points out that many thwarted innovators eventually give up “banging their heads against the brick wall” of the formal organization and leave it to create or join other organizations which are more appreciative and supportive of their talents. These people then become competitors of the organization they have left. Tardiness and absenteeism are two other forms of resignation which involve learning how to “resign without leaving”, as is the passive resistance strategy discussed under “regress” below.
- (3) *Regress* – into childish behaviour directed at damaging the organization. Thus the group learns, for example, how to innovate “horseplay” of a type which acts to deride the formal organization (“spoof memos”, which get circulated and which caricature aspects of the organization which the “blocked” group finds particularly unattractive, are one example of this type of activity). In another form of “childish behaviour” group members “take their bats home” and become passive resisters whereby they do “just enough” but never provide loyalty or committed effort to the organization, or whereby they invoke official rule-based legitimations for not participating helpfully in the formal organization’s programme of activities.
- (4) *Fixate* – into obsessional and confrontational behaviour which constantly resurfaces to demand that the formal organization listens to and takes up a particular project or a particular point of view. This is often supported by much repetitive and unproductive discussion, about the fixated issue, between “blocked group” participants and between members of this group and anyone else who can be attracted – or “cornered” – to spend time listening.

- (5) *Become aggressive* – through “bad mouthing” the formal organization and its official leaders, working to rule, talking rather than working, and actively plotting to sabotage formal organization pet-projects. Increasingly, aggression is being released as physical violence to others in and around the workplace[18].

Key tasks for organizational leaders, here, are those of locating these pockets of discontent and disruption and deciding whether to ignore them (perhaps because the leader has insufficient power either to satisfy their grievances or otherwise to remove their destructive forces, or perhaps because he considers an element of constant “grumbling” to be a healthy aspect of organization culture); listen, understand and attempt to change their – or the organization’s, if more appropriate – attitude and behaviour; or to intervene to change the composition (and hence the nature) of the “blocked/frustrated” network by removing or “sidewalling” recalcitrant central figures of disruption and destruction[19].

### Deciding which leadership learning style to use

Questions which help to determine whether “administrated, directed learning” or “facilitated, self-organizing” fits a particular context include:

- (1) Is the knowledge to be generated and shared migratory (available generally, in books or other documents, for example, or from consultants) or embedded (it resides in the working relationships of “creative communities” – people in particular parts of the organization who have their own, often unwritten and sometimes unspoken ways of doing things and where the knowledge is embedded in the culture of that community)? Clearly, migratory knowledge is easier to obtain and pass on in a top management planned way than is embedded knowledge. (See Badacarro[20, chapters 2 and 4] for a discussion of embedded and migratory knowledge.)
- (2) Are the acquisition and development of knowledge controlled by mainstream management or by the people who work in and contribute to the “knowledge-learning” network?
- (3) Is the network in which learning and innovating take place part of the organization bureaucracy, i.e. part of the formal structure of the organization, or is it of the informal, participant-created, type?
- (4) Are the learning outcomes planned? – as is the case with administrated benchmarking programmes, for example, or emergent in the sense that outcomes are “crafted” [21] as people in learning networks do things, and learn from doing?
- (5) Are the decisional processes, involved in the development of knowledge and its use, of the imposed (by top management) type, or of the negotiated (between people associated with the network) type?
- (6) Is the problem being addressed one which involves simple, mechanical-computational decision-processes (administrated learning) or inspirational ones (self-organized) [22]?
- (7) Is the learning activity expected to produce productive improvements or, alternatively, is it inherently risky and potentially costly to the organization? Administrated processes are more controllable. As we have seen, radical innovations tend to flow from the interactions of a “knowledge community”. However, successful outcomes from these type of networks are not guaranteeable.
- (8) Is the learning which takes place achieved overtly (administrated) or covertly (facilitated)?
- (9) Is the outcome being sought single-loop or double-loop? Single-loop learning improves present performances or assimilates outcomes which deviate from the organization’s intended strategic course and produces responses which seek to realign the organization with its traditional objectives. Double-loop learned outcomes are those which challenge traditional objectives, paradigms and recipes and set a radically new course. Single-loop outcomes are achieved by administered learning processes; double-loop outcomes flow from self-organized learning.
- (10) To what extent is the process concerned with the empowerment of personnel? If top management is not interested in using learning to develop an empowered culture, wherein people have the motivation to further the organizational cause

and the discretionary power to do their “own things” on its behalf, then a classically administered approach will be more appropriate than a facilitated one.

## Conclusion

The learning organization should be a place in which networks of learning communities work towards the successful development of the formal organization and to facilitate radical, new developments which change the organization for the better. The learning organization leader thus needs to direct people throughout the organization towards continuously learning how to do the tasks of mainstream organization better. He/she also needs to facilitate the activities of more covertly acting, “maverick” groups who, despite their predilection towards “bucking the system”, nevertheless have the organization’s welfare at heart.

This, in turn, requires the skilful, simultaneous deployment of “harder” planned approaches and “softer”, political, social and cultural approaches to the development of the learning organization. Learning networks can thus be of the structured, formal type and of the more fluid, self-organized and informal type. Their focuses of interest can be outwards towards sensing and responding to the strategic issues arising in the environment or to working with people from other organizations, or inwards towards creating and innovating new products and approaches. One organization’s learning outcomes become learning topics for other organizations in our interactively networked, global configuration of business activity.

The learning organization leader must develop his/her own skill base as well as those of his/her managers. All levels of personnel need to be able to adopt a facilitator role as well as administrator and planner roles. A comprehensively competent approach to the creation of an effective learning organization demands skilful attention to hard and soft learning contexts and to the development of administrative systems and self-organizing processes.

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