Individuals’ Sense-Making of the Learning Organisation

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Declaration

I certify that this work has not previously been submitted for a degree or diploma in any university. I also certify that the thesis has been written by me, any help received, and all sources used in the preparation of this work have been acknowledged.

Signed

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Nola Gail Young
Acknowledgements

This thesis is dedicated to Minki.

Writing this thesis has consumed a large period of my life. Undertaking the journey has been both a rewarding and at times challenging experience but an experience that has nonetheless provided me with a wealth of invaluable knowledge. One does not undertake such a journey alone. I would like to thank my husband for his support and encouragement when at times I felt like giving it away. For his patience during the many nights and weekends that I spent time at the computer while he watched movies, for the many times he listened to my ideas and provided feedback and editing and finally for his faith in making me believe that this was something I could achieve. I would especially like to thank my friend Heather for her dedicated and meticulous sub-editing of this thesis in its final stages. Your friendship and your help are warmly appreciated.

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As I reflect on the culmination of this effort, I think about all I have learnt and the key strengths this thesis has provided me with that I have subsequently taken into the workplace. Undertaking such a large study, involving original research while also holding down a full-time job, entails time management skills, the ability to prioritise conflicting events and personal discipline. Long hours of reading, synthesising copious amounts of data, tedious editing, writing and rewriting of sections and chapters requires discipline to forgo many of the weekend pleasures one would usually pursue. I have also learnt the value of critical reflection and the ability to construct a clear and concise argument when confronted with the decisions and assumptions made by others.

Finally, to the participants who shall remain anonymous but gave up their valuable time to share their experiences and contribute to this research, thank you all.
Abstract

In the last two decades, organisations have had to respond continually to the pressures of change in order to keep abreast of the variations in the economic climate amidst technological advances. As a result, paradigm after paradigm has emerged as theorists from a diverse range of disciplines attempt to conceptualise how organisations can learn to adapt to uncertainty. The learning organisation was seen as the vision that would help organisations keep ahead of the ever-changing demands.

The most influential model has been Senge’s (1990) five disciplines of the learning organisation encompassing personal mastery, mental models, shared vision, team learning and systems thinking, and most discussions of the learning organisation draw on his theorising to a greater or lesser extent.

A review of the literature highlighted several concerns with the way the learning organisation is conceptualised. Firstly, the concept focuses heavily on organisational culture, often implying there is, or should be, a single culture within an organisation and fails to address adequately the structures and the people. Given that various units of the organisation can exist in different states at any given time, the literature does not explain adequately, how knowledge is generated, stored, and shared across the organisation when these circumstances prevail. Secondly, the literature displays a distinct lack of understanding of the emotional factors that individuals experience when confronted by change. Further, the majority of the research on the learning organisation has been conducted at the leadership level and the literature rarely provided acknowledgement of how individuals make sense of and give meaning to their learning experiences, yet this is a fundamental aspect of the individual disciplines in Senge’s model. Much of the literature addresses the learning behaviours of individuals in very simplistic terms for example, using the notion of reward and punishment whereas, the interaction between the individual and the organisation is much more sophisticated than the literature suggests.

Central to the concept of the learning organisation is knowledge and the individual, in particular, how knowledge is stored and shared across the organisation. Learning organisation theory fails to acknowledge that knowledge must be shared across very different and at times competing groups.
It does not adequately address questions at the individual level such as, what is in it for the individual to learn or, when differences exist, how knowledge and learning are transferred between both groups and individuals. Individual and group circumstances dictate the transfer of knowledge and this becomes more salient once the unitary perspective is challenged by a fragmented depiction of the organisation.

To make the distinction between the organisational level and the individual level more salient, I developed the Individual/Organisational Orthogonal Model (I/O Orthogonal Model), which separates individual learning from organisational learning. The model assumes a social constructivist perspective. From this perspective, learning is considered a socially constructed and situated activity, allowing for the possibility that there would be differences among people depending on a range of social factors both internal and external to the organisation. The aim of the model was to explore a range of concepts examined by Senge and other theorists across different groups of stakeholders, while questioning the assumption of shared culture or shared vision.

To develop a more sophisticated understanding of the individual learning dimension, the model identifies the need to draw on the literature from psychology and education on the nature of learning, especially those theories which take a social constructivist perspective. Theories about interest and motivation are also included because they attempt to explain why individuals vary in their engagement with learning. Research in these disciplines has the advantage of having been tested more rigorously than much of the theorising in the management literature.

The literature on the learning organisation has for the most part been prescriptive and predominantly discussed at the broad managerial level and not at the worker level. This often equates to a gap between the leaders perceptions and the perceptions of other organisational members as to how learning occurs and what learning occurs. Therefore, this thesis asks the question:

“What are the challenges of implementing the principles of the learning organisation given:

- The complexity of interpersonal and group relations and
- The multifaceted nature of learning in organisational settings?”
Phase one of the empirical research addressed the question from the perspective of staff and management within the organisation using the case-study approach. Participant observation, document analysis, questionnaires, and interviews were conducted within two companies, one that had adopted the principles of the learning organisation, and another that was attempting transformation to a learning organisation. The intention of these studies was to do what few studies have done previously, and that is to obtain the employee’s perceptions, visions, values and attitudes to workplace learning and how they make sense of the learning organisation. The unacceptably low response rate in the Utilux case study could have been attributable to at least two causes. Firstly, the frequency with which the employees had been surveyed in the past had no effect. Secondly, management had not engaged the employees from the learning organisation perspective, hence the concept was meaningless to them therefore perhaps they had nothing to say. Overall, this result reflected poorly on Utilux as a learning organisation.

Phase two addressed the research question from the perspective of contractors and consultants who take their knowledge across organisations. The aim of this phase was to examine the implications of contracting out; is it challenging the organisational structure and affecting the principles of the learning organisation regarding trust, loyalty, and commitment, and, what are the implications for knowledge acquisition and transfer? Sixteen contractors or consultants were interviewed using active interviewing as conceptualised by Holstein and Gubrium (1995).

The results of the case studies revealed a clear pattern across both organisations to suggest that the initiative towards becoming a learning organisation did not have organisation-wide commitment. The results challenge the suggestion in the literature that an organisation is a monoculture that can be converted to another type of monoculture, that of a learning organisation. The results also revealed contrasting positions between the two cases in the cultural and learning environment. QBE relied heavily on the intranet and self-direction for learning, and this left employees little or no time to connect. Utilux relied on the Excellence Model however, there was no clear understanding about what the model actually represented. Although the Utilux study could not be analysed due to the low number of responses, the General Manager and employee interviews indicated the company had a problem with trust. There was evidence of an *us and them* attitude between the white-collar and blue-collar workers resulting in a distinct lack of social capital and trust overall.
The results substantiated the problems with the conduct of previous studies at the leadership level. All managers thought they were applying the principles of the learning organisation. They claimed to recognise the role of people in the new paradigm; however, this is not substantiated by the findings. Research conducted solely at the managerial level fails to acknowledge that employees have an opinion of management and how management are performing and this opinion is openly discussed at the employee level.

Results of Phase two revealed the majority of participants identified with many of the key problems noted in previous research. The findings contributed to the strong body of evidence suggesting that the labour without obligation employment model is threatening or at least redefining the principles of the learning organisation. The contractors and consultants defined different types of commitment, loyalty and trust. In the world of globalisation, new types of trust are emerging to cater for different business contexts. A key construct to emerge from the data was the concept of a workable level of trust. This thesis examined trust from the traditional types of trust (i.e. incremental, span of trust, low trust etc), then compared the new construct of a workable level of trust with other recent conceptualisations of trust that have been realised in situations where there is a need for individuals to build trust quickly.

Most importantly, this research gives credence to the importance of the context of the industry in which it is being conducted. Research exploring the concept of knowledge must consider the context meaning of the information at the various levels of the organisation, for example, team level, business unit level and organisational level. It also substantiates the contention that context must be considered in conjunction with the motivations of the authors. It is not sufficient to explain any of the constructs examined in this study in abstract terms.

The findings illustrated that advancement through becoming a learning organisation and advancement through becoming leaner and meaner by way of downsizing appears to be incompatible. The practical implication of this research suggests that organisations have to make choices about whether they continue to downsize, whether they want to be a learning organisation or whether they want to outsource or be traditional, hierarchical, compartmentalised organisations as the research indicates that these states appear to be incompatible.
The I/O Orthogonal Model proved a valuable starting point in identifying key gaps in the literature reviewed and as it suggested, some of the personal and emotional aspects came out in the findings. On a positive note, the ideas of the learning organisation and knowledge management may actually form part of the push against the tide for those who perceive disadvantages in short-term thinking. Organisations are facing tangible and intangible losses. They are losing the trust of their employees, losing the commitment of their employees and are losing knowledge. These are all costly and non-sustainable in the long-term. Gradually, as organisations truly realise what they are losing, the case for a return to long-term thinking strengthens and we may witness a sea change within management practice.
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Chapter 1  Introduction

This chapter identifies the rationale for the research and the underlying structure of the thesis. The chapter commences with the identification of four key aspects that emerged from a review of the learning organisation literature. This leads to an examination of why there was a perceived need for a new paradigm in organisational learning. The chapter then introduces the new paradigm – the learning organisation and examines the key principles. The chapter follows with a critique of the learning organisation literature by examining a number of specific areas that have not been adequately covered in the learning organisation domain suggesting there is a need to draw upon complimentary theories in order to gain a holistic perspective of the individual and the organisation in the learning organisation. Finally, the chapter introduces the present research that draws upon complimentary theories to address the research question.

1.1  Background to the Research

My initial interest in studying the learning organisation was a direct result of my experiences working across a diverse range of industries in both traditional environments and in a consulting and contracting capacity. During that time, my experiences were often of frustration associated with the lack of access to knowledge in organisations even though many of the organisations cited visions based upon the concept of the learning organisation. One particular organisation was attempting the transformation to a learning organisation. At the time, the transformation was predominantly being driven by a manager who was passionate about the learning organisation principles. My interest in the idea of the learning organisation began to grow, particularly as my experience in the workplace often contradicted the learning organisation literature.

During a review of the literature, four aspects immediately became clear:

- First, the learning organisation has become a popular topic over the last fifteen years and this is reflected in the vast array of literature available. The popularity of the topic reflects many organisations’ concerns with how to find ways of capturing the collective learning experiences (Senge, 1990; Dixon, 1994; Easterby-Smith, Burgoyne & Araujo, 1999; Gordon, 1999; Cohen & Prusak, 2001). Companies are constantly faced with the need to become smarter and more knowledgeable in attempts to retain their competitive advantage. However, the issue of an organisation becoming more knowledgeable raised many questions, such as how are
employees currently learning both formally and informally and how could this be improved. How is knowledge stored so it is not lost when an employee leaves and how is the knowledge made accessible to others who need it. Does a learning organisation need to engage all it’s divisions and sections; can knowledge acquisition, storing, access and distribution all be achieved within the organisation’s current structure, processes and culture and if not how do they need to change?

- Second, the seminal work of Senge (1990) “The Fifth Discipline” is core to much of the writing. Senge presents the learning organisation as a superior form of organisation. He sets the tone for most other work, which is largely prescriptive, general, and aimed at the macro level of management. As a worker, I was aware that there was no consideration of how employees might react to the prescribed changes.

- Thirdly, there was a divide between the learning organisation viewed as a superior form of organisation versus organisational learning as a process. The latter described the many ways that learning takes place within an organisation. Some authors examining learning processes do consider the micro level of the individual workers but do not articulate the links to the macro level. Some take the view that learning occurs only at the individual level (Argyris & Schon, 1978) and others take the view that organisation learning is no more than the sum of all individual learning. Some authors concentrate on knowledge but neglect the processes of how that knowledge is generated (Dixon, 1994; Easterby-Smith, Burgoyne & Araujo, 1999). My experience confirmed that there were many learning processes within organisations, the interesting questions are how to provide conditions to support learning in its many forms and how micro level learning can be linked to macro level learning. Thirdly, there was an over-representation of theory and a dearth of empirical evidence. Working within a self-identified learning organisation, I was able to address that gap.

- Over the last twelve years, Australia has not been exempt from the practices of the organisational drive towards downsizing, outsourcing and labour-hire in efforts to cut costs and remain competitive. Downsizing is placing enormous pressures on employees and has implications for learning and job security (Noer, 1993). Outsourcing is another trend also threatening learning and job security. As the paradigm shift continues, employees are facing the pressure of having to work longer and harder. As organisations perceive people as short-term costs that need to be reduced, the entire concept of the relationship between the
organisation and the individual has seen a fundamental shift to one where it is argued that loyalty is no longer valued or expected. Downsizing in particular seems incompatible with the notion of the knowledge explosion. Although outsourcing is not seen as entirely incompatible with the knowledge paradigm, it is resulting in a shift of intellectual property from organisations as a whole into the hands of a select group of outsourcing companies, hence undermining the idea of competitive advantage (Handy, 1996; Gryst, 1999; Hall, 2000).

This change is said to be causing a psychological shift in the relationship between the individual and the organisation. Having been involved in the shift to outsourcing, I was intrigued by how this new employment model might be challenging the principles of the learning organisation and this interest culminated in phase two of the research. My personal experiences together with the four salient aspects of the literature and the move to outsourcing provided the grounding for the research. One major contribution of this research therefore is to challenge and add to the concepts associated with the learning organisation from the perspective of its implementation. The other major contribution is empirical evidence. The first empirical contribution consists of two case studies of organisations identifying as learning organisations. The second empirical contribution consists of interviews with consultants and contractors where the focus is aimed at examining how outsourcing is affecting organisations capabilities to retain and deploy knowledge.

1.2 The Origins of the Search for a New Paradigm - Why the Need for Change?

In the early 1980’s, the literature on organisational learning addressed the need for a new paradigm in workplace learning if organisations were to survive the post-industrialist era (Marsick, 1988). Authors such as Marsick (1988) and Kofman and Senge (1993) criticised the behaviourist approach to workplace training and development. The behaviourist approach to workplace learning was described as a rigid and inflexible paradigm unable to cope with the constant changes occurring within organisations. Marsick viewed the behaviourist paradigm as “a fundamental world view that influence[s] the way in which its adherents define reality and locate and solve problems within it” (1988:188). She argued, “behaviorism, while interpreted somewhat differently by its adherents, is defined as that educational philosophy which emphasizes environmental conditioning of responses” (1988:188). Marsick outlines the following characteristics of the current behaviourist paradigm for workplace learning:

- Performance outcomes are behaviourally oriented and measurable. These outcomes can be observed, quantified and criterion-referenced.
• There is a distinct separation of personal and work-related development.

• Organizational ideal for which training is designed as a well-functioning machine with clear hierarchical lines of authority, jobs that do not overlap, and rational systems of delegation and control.

• Training is designed to meet the needs of individuals, not groups.

• Learning is designed on a deficit model that measures individuals against standard, expert-derived norms.

• Problem solving emphasizes objectivity, rationality, and systematic procedures.

• Training is typically classroom based formal group activities.

• Trainers focus on “pure” learning problems, with support provided to the organization to manipulate the environment to sustain outcomes.”

Adapted from (Marsick, 1988:188).

Opponents of the behavioural approach are critical of the limited ability such an approach had in fostering the reflective abilities required by individuals to learn new knowledge in the workplace. Marsick, amongst others, acknowledges that under certain circumstances, the behaviourist approach is suited to tasks requiring specific techniques that allow for little variation. However, she argues that in the post-modern era this approach no longer meets the demands of the ever-changing competitive environment faced by most organisations. Several authors have presented models departing from the behaviourist approach. Kolb (1984) and Knowles (1980) suggest alternative approaches to overcoming the behaviourist approach and in so doing identify other problems in this area (explored later in this chapter). Kolb (1984) for example talks about experiential learning where the central idea of learning is based upon the experiences of the learner as a continuous lifelong process. Another shift from the behaviourist paradigm was “Andragogy” (Knowles, 1980). Andragogy focused on the active role that the learner takes in setting and controlling his or her own learning objectives based around their need or desire to learn that knowledge or skill at a particular point in time. A central theme of Andragogy is the learner’s move away from dependency towards increased self-directedness (p.43).

Yet, another alternative to the behaviourist approach to learning is Mezirow’s (1981, 1985) model based on critical social science where the focus is on the organisation and the self. His three elements of the learning process involve Instrumental Learning, described as a task oriented approach to learning based on cause and effect or the how. Dialogic Learning, describing how
people come to understand societies, norms and values through critical reflectivity and finally, self-
reflective learning, described as individualised where the focus is on one’s self and explains the
process of how individuals learn about themselves and are then able to take action to bring about
personal change in their own mindset.

Several authors are critical of the fragmented approach to learning that characterised behaviourist
The fragmentation of knowledge or the “Taylorism principle” as it is commonly referred, has been
profoundly criticised for its propensity to separate knowledge from meaning and undermine the
capacity for the transfer of learning or skills acquisition (Gribble, 1990). Knowledge that is
presented in incremental modules, according to Gribble, fails to address a holistic approach to
learning and acquisition because what is needed is task integration not task segregation. These
methods concentrated on the what, when and how but ignored the why. With the current emphasis
on learning organisations, the literature is advocating a more holistic approach, which
encompasses the why. Numerous authors propose that learning the reasons why often involves
some kind of transformation in thinking about the work and, subsequently in the learner’s behaviour
(e.g. Garvin 1993; Kofman & Senge, 1993; Sefton, Waterhouse & Cooney, 1995). Task integration
incorporates a wider view of production allowing critical reflection, flexibility and innovation within
the social context of work (1990:48). Tasks broken down to their constituent parts has some
application when talking about processing, however, Gee (1992) suggests that such learning does
little to enhance actual task or job performance and does even less to challenge the learner’s basic
assumptions and understanding. Gee (1992, 1994) distinguishes between fragmented learning and
what he calls acquisition, which he believes is more closely linked to actual performance.
Acquisition occurs when individuals subconsciously acquire something that is both meaningful and
functional while interacting in natural settings (1992:113). Acquisition, he contends cannot be
gained through such methods as direct instruction (overt teaching) or an analysis of the parts, but
can be attained through the holistic processes of engagement and apprenticeship. The idea of
apprenticeship is examined in more detail later in this chapter.

Fragmentalism has been blamed for our institutes becoming dysfunctional (Kofman & Senge,
1993). From the business perspective, fragmentalism creates walls or chimneys, which act as a
barrier to the flow of knowledge by creating “separate different functions into independent and often
warring fiefdoms” (Kofman and Senge, 1993:8). Holistic approaches towards skill formation encompasses “...and integrates formal education, induction, continuous on-the-job learning, recurrent off-the-job learning and personal development” (Ford, 1990:8). The problem with fragmentalism is that it is entrenched in our mindset from an early age. Kofman and Senge (1993) construe that “we eventually become convinced that knowledge is accumulated in bits of information and that learning has little to do with our capacity for effective action, our sense of self and how we exist in our world” (p.8).

One of the few practical examples of the application of a holistic approach in workplace training is the work undertaken by Sefton et al. (1994) for the Automobile Industry. In 1994, the Automobile Industry commissioned Sefton et al. to design a model of integrated training. Their study defined integrated training as encompassing all elements, which were applicable to the training context. They developed their model using a holistic approach, which recognised the role that issues of gender, ethnicity and culture play in workplace learning. While acknowledging that there is no doubt that people learn at work, Sefton et al. (1994) were more interested in what people are learning, how they are learning and who is learning. The integrated model espoused by Sefton et al. moves beyond competency-based approaches where learning is based around measuring and testing the what and how but ignores the why, to a model that supports the theoretical perspectives of active, experiential (learning based on first hand experience of the learner) and enquiry-based learning. Active, experiential and enquiry-based learning encourages reflection, creativity and discovery learning. The importance of critical reflection is a fundamental requirement for double-loop learning, which is examined in Chapter 2.

Other trends in the eighties promoted new paradigms such as entrepreneurship and intrapreneurship, decentralisation, networking, participatory management, flattening of middle management and a culture of empowerment (Kanter, 1983). Even though these new paradigms provided a diverse range of options for organisational change, the authors acknowledged that new forms of organisation were still essential. They were quick to point out that new paradigms were still required to recognise the role that intangible factors “...such as human values, new forms of social interaction, commitment, a service orientation, risk-taking, independent thinking, internal and external integration and creativity” (Marsick, 1988:189) play in advancing workplace learning and placing organisations in the position of realising continued success.
This section provided an overview of the genesis of the perceived need for change in the way that organisations approach learning. It established the view that mainstream literature perceives the fragmented behavioural approach to learning was no longer relevant for the way that organisations need to work in today’s fast pace of change. The section also discussed three models that have attempted to depart from the behaviourist approach, experiential learning, Andragogy and critical science. The next section explores the literature on what is perceived by many authors as the new paradigm in organisational learning, the learning organisation.

1.3 The New Paradigm: The Learning Organisation

In the early 1990's, that new paradigm was seen as the learning organisation.

At the heart of a learning organisation lies the belief that enormous human potential lies locked, undeveloped in our organisations. Central to this belief is the conviction that when all members of an organization fully develop and exercise their essential human capacities, the resulting congruence between personal and organisational visions, goals and objectives will release its potential (Navran, 1996c).

Quotes like the one above reflect the passion and enthusiasm of the many learning organisation authors, however one could ask the question, why would fully developing and exercising one's essential human capacities lead to congruence between the individual and the organisation’s goals? Many writers about the learning organisation make dramatic claims to the ability of the transformational effects. There is strong consensus amongst organisational learning and management authors that organisations will only survive the continually changing environment by transforming to a culture that supports continuous and collective learning. Senge (1990) for example, makes some very strong claims for his concept by asserting generative learning is the essence of what it means to be human, as he believes “real learning gets to the heart of what it means to be human” (p.14) and it is only through learning “we re-create ourselves” (p.14). Dickinson (1992) also points out “…generative companies are excellent examples of organizational “self-actualization” that not only sustains their economic success but creates a better world” (p.7). The creation of a better world occurs because generative companies consider the needs of both the employee and the company by providing a supportive environment that encourages on-going learning, provides flexible working hours and encourages job-sharing. Many generative companies
also provide for the employee’s, personal welfare and health care facilities. Although it is wise to be cautious of such enthusiasm, there appears to be enough substance to warrant further investigation.

**What is the Learning Organisation?**

Senge (1990) popularised the vision of the learning organisation through his book the “The Fifth Discipline”. The five disciplines of personal mastery and shared vision (aspiration), mental models and team learning (reflection and inquiry) and systems thinking were intended as a vision to help organisations transform and overcome their learning disabilities. Senge postulates that three of the visions are personal visions and two are systems related and based around a collective framework. Yet, he contends that they must all exist for the learning organisation to succeed and that systems thinking is the key principle that binds them all together. Organisational transformation to a learning organisation involves more than simply a change in practices. As Senge explains, it involves *metanoia* a Greek word that means a fundamental shift of mind (1990:13). This fundamental shift of mind crosses all aspects of the way organisations undertake change. The following table describes the five disciplines of the learning organisation.

<table>
<thead>
<tr>
<th>Table 1-1. Five Disciplines of the Learning Organisation</th>
</tr>
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<tbody>
<tr>
<td><strong>Systems Thinking</strong> – Senge refers to systems thinking as the fifth discipline. In his view, it is the foundation that enables organisations to discern the structures or the “wholes” and rise beyond the complexities of change concerning continuous learning.</td>
</tr>
<tr>
<td><strong>Personal Mastery</strong> – Relates to an individual’s preparedness to seek mastery in learning and the reciprocity to contribute and connect between themselves and other groups in the organisation</td>
</tr>
<tr>
<td><strong>Mental Models</strong> – Involves inward reflectivity and allows us to question our assumptions put them out there for scrutinisation and receptively listen to other’s viewpoints and ideas.</td>
</tr>
<tr>
<td><strong>Building Shared Vision</strong> – Shared visions are created through personal visions and when the two align, the organisation will become a creative and innovative workplace.</td>
</tr>
<tr>
<td><strong>Team Learning</strong> – Team learning occurs through the suspension of assumptions and the fostering of open and flowing dialogue.</td>
</tr>
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</table>

Definitions of what constitutes a learning organisation are diverse (refer to Appendix A for a table of definitions). Regardless of the author’s orientations, most definitions centre on similar key themes such as systems thinking, knowledge generation, collaboration, collective learning, generative learning, and from the cultural aspect, the concept of a community and supportive culture.
incorporating fundamental training and development and the ability of organisations to foster a shared vision.

The learning organisation has been defined as a system, which embraces openness, creativity, empathy, systemic thinking and feedback (Senge, 1990). Other authors include empowerment as a construct in their definition (Cullen, 1999; Field, 1998; Watkins & Marsick, 1993). Empowerment in the learning organisation is described as a culture inherent in supporting on-the-job learning that promotes individuals towards empowerment and as “…a process by which management delivers power to the employees or the employees assume power” (Field, 1998:72).

A number of authors include generative learning as part of their definition. With generative learning, (Senge, 1990; Dickinson, 1992; Kao, 1998) the emphasis is on the role of how experimentation and feedback is used to define, examine and solve problems leading to knowledge-generation. According to Kao (1998), the knowledge-generation process involves “…discontinuous leaps from one level of knowledge to the next” (p.60) and this happens when the output of one team is used as input to another team.

A recurring theme highlighted in other definitions of the learning organisation is the need for reflection and analysis (Cullen, 1999; Garvin, 1993). For example, Garvin (1993) maintains that when determining a learning organisation model, the first step should see an organisation fostering an environment that is conducive to learning. He asserts that an organisation needs time for reflection and analysis. They must learn from past experiences and he reinforces this view with a citation from the famous philosopher George Santayana, “Those who cannot remember the past are condemned to repeat it” (p.85). Companies must be able to think about strategic plans, dissect customer needs using observation and feedback, assess current work systems and invent new products. Boundaries must be opened up and management must be prepared to stimulate the exchange of ideas.

Continuous learning is a central focus in Watkins and Marsick’s definition. Their definition espouses the concept of a learning organisation as:

One that has embedded a continuous learning process and has an enhanced capacity to change or transform. This means that learning is a continuous, strategically-used process integrated with, and
running parallel to, work that yields changes in perceptions, thinking, behaviours, attitudes, values, beliefs, mental models, systems, strategies, policies and procedures” (1992:128).

Their model of the learning organisation is based on the level of the **individual**, the **team**, the **organisation** and **society** (1992:118). Learning can be accomplished in micro ways as individuals are helped in the pursuit of their natural curiosity through supportive structures that permit learning and encouraging relationships that foster learning (1993:277).

Many advocates supporting the principles of the learning organisation ardently believe that a shared vision is conceivable and suggest this principle, combined with many other principles, as the new paradigm for organisational success in an ever changing and competitive climate (Senge, 1990 1999; Kofman & Senge, 1993; Marsick & Watkins, 1988, 1990; Watkins & Marsick, 1992; 1993; Ray, 1992; Navran, 1996e).

While the above discussion highlights the diversity in definitions, it is important to point out that the diversity appears to stem from the various orientations of the authors. According to Yeo (2005), a great deal of the variation is due to the disparity of the ontological and epistemological differences between the realists versus the nominalist positions (p.370). The nominalist position views the learning organisation as an organic system capable of generating and sharing tacit knowledge via interactive relationships (based on shared mental models) whereas the realist position views “…knowledge as hard, explicit and capable of being transmitted in tangible form” (Yeo: 370). Nonetheless, both positions assume similar themes. What can be ascertained from the above definitions is that any learning organisation must make a substantial investment in their people, policies and programs in order to support the transition and must identify the types of work systems and technologies that will be required in order to deliver flexibility and improved productivity.

Having identified the vast array of learning organisation definitions, attention now turns to examine the conditions under which it is argued facilitates improved learning and knowledge transfer outcomes in the learning organisation.

**The “Systems” Debate**

One way that the individual and organisational levels are brought together theoretically is by adopting systems theory. (Marsick & Watkins, 1990; Senge, 1990; Dickinson, 1992; Watkins &
Marsick, 1992; Marquardt & Reynolds, 1994; Ayas, Foppen & Maljers, 1996; Carr, 1997; Dunphy, Turner & Crawford, 1997). Theorists supporting the systems perspective, assume that the individual and the organisation are part of the same system. Like the definitions of the learning organisation, the definitions of systems theory are diverse depending on the orientation of the author. An entire review of systems theory is beyond the scope of this thesis. Therefore, the focus for discussion primarily concentrates on Senge’s conceptualisation of the term systems thinking, in particular, how it relates to the learning organisation.

Systems thinking or the systems perspective provides a conceptual framework for how we view interrelationships and the patterns of change. Systemic thinking forms the conceptual foundation of Senge’s approach. He explains, “it is the discipline that integrates the disciplines, fusing them into a coherent body of theory and practice” (1990:12). The systems perspective allows the viewing of matters as a whole and the interrelationships that interact with that whole. According to Senge (1990), the discipline of systems thinking, when combined with the other disciplines, highlights the argument that the whole can exceed the sum of the parts. By taking a systems perspective, we are able to look beyond simply seeing ourselves as disconnected from the world to being part of the world. We are then able to embrace the change in mindset that is required to become a learning organisation and continually re-create ourselves.

Through systems thinking, Senge believes that a learning organisation can continually [expand] its capacity to create its future “...adaptive learning must be joined by generative learning, learning that enhances our capacity to create (Senge, 1990:14). The concept of systemic thinking advocated by Senge also stresses the importance of shared vision and work teams examined later in this chapter) as key factors in the learning process. Accordingly, during their time at the Massachusetts Institute of Technology (MIT) Center for Organizational Learning, Kofman and Senge (1993) continued to develop Senge’s ideas regarding systems thinking and build their communities of commitment theme around the collective nature of the organisation. They point out that the dysfunctional regimes of reductionism and mechanical thinking has no place in organisations. Communities of commitment are the new way forward as they are built around the vision of a common system. For example, Senge remarks, “teams, not individuals, are the fundamental learning unit in modern organizations” (1990:10).
Some authors assume the position that learning is a systems-level phenomenon because knowledge remains within the organisation, even if individuals come and go (Nevis et al., 1995; Balasubramanian, 1999; Ortenblad, 2005). Balasubramanian articulates that in his view organisational learning is more than the sum of the parts. He contends that the learning abilities of organisations are not affected when members leave the organisation because to some degree, any form of organisational learning contributes to organisational memory. Thus learning systems not only influence immediate members but also future members due to the accumulation of histories, experiences, norms and stories” (p.1). Ortenblad (2005) concurs with this position. He insists that it is a misnomer to suggest that organisations cannot learn simply because they are not human. In his opinion, the organisation as a collective is what learns, and that incorporates, the individual, groups, the collectives, and the organisation. Once again, the challenge is how to store the collective expertise in the organisational memory.

Building on the concept of the systems perspective providing a conceptual framework for how we view interrelationships and the patterns of change, globalisation is creating another level of complexity for organisational learning. The ability for organisations to transform to a learning organisation becomes more difficult as it involves managing a combined pool of resources, be it individuals or teams, across multiple countries within the idea of a system or a system and its subsystems (Marquardt & Reynolds, 1994). Marquardt and Reynolds’ three-sphere model addresses the global aspects of the learning organisation. They claim that the “global learning organization takes the learning organization definition and models to another magnitude advocating the relationships and interactions in global learning organizations are even more complex and certainly not intuitive” (p.26).

In developing their model, they advanced on the ideas of Watkins and Marsick’s (1993) earlier triangular model, which incorporated the organisation, teams and individuals. The Marquardt and Reynolds (1994) model of the global learning organisation consists of three spheres. The outer sphere represents the world, the middle sphere represents the organization and the inner sphere represents learning – the people (p.28-29). The middle sphere consists of eleven elements that Marquardt and Reynolds assert are essential to support learning in the learning organisation. While acknowledging that each of these elements also exists in the domestic organisation, Marquardt and
Reynolds argue they are compounded in a global sense due to language barriers and common economic and legal concerns (p.33).

Figure 1-1. Marquardt and Reynolds Model - The Compleat (sic) Learning Organization

Marquardt and Reynolds’ model does not adequately explain the divisions that often exist between the individual and the organisation or the interactions that need to occur within and across each of the spheres at the local level let alone the global level. Like the framework of the learning organisation, the model implies a unitary view that as argued previously is highly problematic. Senge (1990) suggests that the interactions to support learning and the transfer of knowledge occur through the process of teams and groups. The next section examines the value of teams and considers what it means for the learning organisation.

The Value of “Teams” Debate

Initially, the concept of teams and team learning was postulated as a means to improve cross-functionality, enhance efficiency, help in the sharing of knowledge, and improve communication and increase productivity (Ferguson, 1999). In the 1990’s, 68% of American companies were using self-managed work teams. During this time concepts such as executive teams, cross-functional teams, process redesign teams and self-directed work teams was the dominant language in organisational theory. It was during this time, Australian companies also embraced a culture based predominantly on the concept of teams.
The notion of teams is predicated on the idea that people are more productive when they work in teams. Team learning not only helps collective learning but it also paves the way for the members of the team to recognise when events are taking place that actually undermines learning (Senge, 1990). This allows for corrective action that in turn enhances the organisation’s learning capabilities.

The group aspect of learning is the central focus of Field’s (2002) work. He argues that organisation learning in effect represents group learning and he maintains that most of the organisational learning occurs at the group level due to the group’s shared-interests be they technical interests or economic interests. His examples include, board memberships, workplace unions and project teams. One point of difference between Senge’s (1990) concept of teams and Field’s concept of group shared-interests is that Field addresses the association of the political and emotional dimensions and their impacts on learning.

The literature exposes four areas of concern associated with teaming. The first is that often, companies simply combine a group of individuals and call them a team (Ferguson, 1999). The team consists of individuals who have their own agendas and their own egos and they have no idea of how to work together as a team. Field (2002) bases his argument for shared-group interests on the notion of committees and predominantly in unionised industries. In some cases, one could argue that in shared-interest groups, all members learn and then again, one could argue that they may not. In organisations not all members get to choose their group affiliation and they may be involuntarily placed so what does this mean for group shared-interests? Furthermore, in these situations I have had personal experiences where members in a group choose not to engage for the better of the group, learn nothing, and give nothing back to the group.

A second problem is that even though the idea is used throughout nearly every organisation in some form or other, the team approach has not always been successful and yet there has been little research conducted into whether the use of teams translates into productivity increases. More importantly, there has been virtually no research examining the implications of the effects that teams have on the rest of the organisation (Onsman, 1999; 2003). Ferguson’s (1999) cites such an example of a financial services company that implemented the concept of dream teams as a means of lifting the company’s performance. After eighteen months, the company experienced
mass walkouts, burgeoning debt and record losses. As Ferguson explains, there is a dark side to
the so-called dream team and that is "rivalry, bitchiness and the conflict between wanting to belong
and wanting to be noticed as an individual" (p.16). She declares, a company that advocates a team
philosophy but openly encourages individuals is heading for a workplace where conflict is
prevalent. Recently the reality of conflict in the workplace found its way into the mainstream with
the Sydney Morning Herald March 15-16, 2003 carrying an article ‘Hostile Territory’ (Matthews,
2003). The article discusses a report conducted by Roffey Park of London on 372 managers across
all sectors of employment. The article discussed how “fear and loathing in the workplace has
tiggered a wave of bitching an in-fighting” and that “bitching, backstabbing and bullying are
reaching epidemic proportions at work as anxious, overworked staff begin to fear even more for
their jobs” (2003:1). Matthews writes, “although many companies talk about the importance of their
tems, what they actually reward is individualistic and ruthless behaviour that puts one person’s
career needs above the welfare of the team as a whole” (2003:1). Jane Clarke who is a director of
business psychology consultancy Nicholson McBride commented, “while some companies are
beginning to address the problem of excessive conflict in the workplace, very few firms have made
the link between the changing values of individuals and the changes now reshaping the values of
some of the worlds largest corporations” (Matthews, 2003:1).

Another problem that undermines the concept of teams can be found in the lack of suitable
mechanisms allowing organisations to measure the team’s performance and yet employee’s
remuneration is nearly always based on that performance. When some members of the team
believe that they have worked harder or contributed more than other members contribute, yet they
are all remunerated the same, conflict often occurs in the team and it becomes counter productive
(Ferguson, 1999).

Consensus amongst advocates of team learning dictates that while teams may be effective in the
short-term, structural changes are required for long-term effectiveness. These changes can take
anything from five to seven years and managers are not afforded this type of long-term thinking.
Failure to address the administrative and structural aspects of the organisation can lead to
groupthink syndrome. Team members can become isolated from the rest of the organisation to the
point where they loose access to the critical information. Secondly, dominant leaders can use their
power to influence decisions over other group members to the point where open inquiry and critical
reflection are blocked (Janis, 1982). Consequently, it would appear that when groupthink is predominant it contradicts Senge's vision of the purpose of teams.

The idea of team learning and shared group-interests is predominantly based on the idea that all members work collectively because they all share the same vision. This raises questions as to how organisations create a vision that joins with the individual's vision when the individuals' visions are not aligned with the organisation's vision. The next section explores the debates around the principle of shared vision.

**The Shared Value and Shared Vision Debate**

Organisations are structures of complex subsystems and these subsystems are composed of many individuals who have incongruous values, attitudes, goals and beliefs. For an organisation to realise their capacity to continue to grow in the face of adversity, they must be able to establish a group of shared assumptions that cross the boundaries of all subsystems plus be able to survive when a change in the individual membership of one subsystem (culture) threatens other subsystems (Schein, 1996a:2). Concepts such as a shared vision, shared assumptions and a single culture are common terms used when discussing the role of culture in the learning organisation. The vision of the learning organisation endorses such ideas as shared values and shared goals or commonality of purpose. From the educational perspective, values are the socially and culturally accepted standards, which underlie the rules of behaviour. These ideas are not unlike the expected values to be found in the workplace. For example, Lagan, considers "values are the unwritten, often subconscious beliefs that govern the way each of us behaves" (1998:28).

Management by values became the mantra for organisations during the 1990’s. Alignment of organisational values with the values of the individual was viewed as an invigorating way to gain employee commitment and enhance employee morale and implies organisational changes in order to achieve this. The conceptualisation was that the reconciliation of personal values with organisational values would lead to a more trusting environment. Likewise, Senge (1990) believes core values provide the guidance for people to make day-to-day decisions that translate into observable behaviours. Through the process of core values, collective learning helps individuals realise new values and operating assumptions and encourages them to practice personal mastery. A substantial number of authors from the early 1990’s wrote about the need for organisations to
address values incongruence and align personal values with organisational values. This alignment of values is important in workplace environments consisting of a team culture as people’s value-based assumptions consist of the mindsets that guide what they are prepared to do (Blake & Mouton 1975:112). According to Senge (1999), the alignment of the individual and organisational values occurs when the employees are encouraged to be reflective as this reflectivity contributes to commitment (p.199).

The major difficulty management faces is how to assimilate an individual’s values with those of the organisation. The first step for management is to understand the potentially diverse values of their workers and this is not easy. When management decide to embed in the organisational culture a set of stated values, they need to communicate the values in ways that allow employees to recognise and then reconcile their personal values with the new corporate values (Covey, 1992; Lagan, 1998). According to Lagan (1998), organisations that succeed at this are able to reap the benefits of a more committed, flexible and trusting workplace where employee morale is high (p.28). Nonetheless, it might be expected that individuals rarely share the organisation’s vision or values, yet shared vision is also an important element in the concept of the learning organisation. More often than not, the promotion of an organisation’s vision is actually the vision of a single person or perhaps a small group but it is rarely the vision of the workers. A vision imposed upon individuals in the organisation in this manner often commands compliance but rarely commands commitment (Senge, 1990:206). A shared vision occurs when people commit to the vision because it has an affinity with their own personal vision (Senge, 1990).

Management needs to acknowledge that the worker’s own values will always take priority over those of the organisations (Lagan, 1998). This implies engaging a collaborative consultative approach towards developing the corporate values and this helps to align the employee’s personal values with those of the organisation or alternatively, align the organisation’s values with those of the workers. Lagan (1998) worked with an organisation that was committed to using the collaborative approach to reach an alignment of values across the individual and the organisation. She conducted a series of value workshop programs aimed at helping individuals identify the personal values that were important for them in achieving satisfaction in the workplace and then align them to those of the organisation. She applied a one-on-one approach in the initial phase and then used small work groups where individuals could share their values and gain self-knowledge in
what Lagan stressed was “…a safe and non-judgemental environment” (p.28). According to Lagan, “corporate values must make sense at an operational level” (p.29) for any chance of success. As individuals can see the same situation quite differently “… there may be many different interpretations of these values throughout the organisation, [therefore] employees need to be given the opportunity to achieve a shared meaning” (Lagan, 1998:29).

Although the literature focuses on such concepts as shared vision and shared assumptions across a single culture not all authors concur with this view. For example, Morgan and Hampson (1998) do not agree with the idea of monoculture. In their view “each corporate function and specialization relies on different ideational, attitudinal and behavioural characteristics” (1998:5) and the “good key to performance is not uniform corporate culture but the innovative management of complex structures and cultures” (p.5).

Employees come from a diverse range of backgrounds so one has to ask whether the expectation of shared values is realistic. Values are often entrenched in individuals from a very early age. The expectation that individuals will change their values to align with those of the organisation simply because the organisation decides one day that the organisation’s core values will now change is unrealistic. For example, take a strong unionised workplace. Union workers share solidarity and have a strong affinity with the values and the norms of the union. As has been demonstrated in recent years, unionised workplaces that attempt to move towards individual enterprise agreements have met with strong resistance from the union and the workers who belong to the union as it goes against their value system. That is not to say shared values do not exist. One such example can be found in non-profit organisations. In non-profit organisations, values are central to the reasons why individuals work for the organisation in the first place, therefore, one would expect there to be a high level of values congruence.

1.4 A Critique of the Idea of the Learning Organisation

This section provides a critique of the literature reviewed and identifies a number of specific areas, as discussed below, which have not been adequately addressed in previous research in the learning organisation domain. These relate to knowledge management, the cultural conditions that are necessary for learning and knowledge transfer, and the effects of individual motivation, interest and emotion regarding learning. Some address the paradigm from the perspective of the individual,
others from the point of view of the organisation, while others choose not to distinguish between the two dimensions and treat them as one. Examination of the various theories and models of the learning organisation, however, has revealed some agreement about the types of issues that confront organisations when attempting to instigate the paradigm change to become a learning organisation. The following list although not exhaustive, presents some of the issues examined during the literature review, most of which remain unanswered.

- Can it be said that the organisation learns?

  *Senge’s assumes that individual and collective learning processes converge through systems thinking or interconnectedness. Yet, he fails to address the emotional factors or intent that individuals bring to a learning situation and this determines the systemic or collective nature of learning.*

The mainstream view in the learning organisation literature assumes that organisations can learn but this should not be taken for granted. There is a need to be cautious about anthropomorphising the organisation. However, Ortenblad (2005) challenges this assumption and contends, “…organizations, in fact, are living entities that indeed are capable of learning” (p.213). He refutes the mainstream contention that when individuals leave the organisation the organisation loses the knowledge. He suggests that individuals leave sediments of knowledge because they originally took part in the cultural learning. Ortenblad (2005) also believes that another reason for the mainstream view that organisations are not learning entities relates to the issue of power and politics. Rather than focus on where the power lies in organisations he believes the authors should focus more on whom it is that learns. Although Ortenblad’s viewpoint has some validity, he assumes that organisations have the processes and infrastructure in place to capture the knowledge and it was established in the literature review that this appears to be a flawed assumption.

More specific and modest descriptions of organisational learning refer to the ability of an organisation to capitalise on the knowledge of employees (Bird, 1994; Handy, 1996; Pasternack & Viscio, 1998; Nonaka, 1991; Senge, 1999; Davenport & Prusak, 1997) and inspiring commitment and motivation in employees (McCombs, 1991; Dickinson, 1992; Senge, 1999; Cohen & Prusak, 2001).
Those that assume the organisation can learn often depict the organisation as a unified system. Systems theory is not a new idea. There are many critiques on the concept of systems theory and this thesis does not intend to address each one. Its aim is to discuss three key critiques of systems theory as it relates to Senge’s concept of the learning organisation. The first critique is offered by Long and Newton (1997) regarding Senge’s (1990) failure to identify the ontological status of the system. Long and Newton’s (1997) criticism of Senge’s failure to identify adequately the ontological grounding of the system to which he refers, leaves a myriad of questions unanswered. Senge assumes a system exists “out there”. He argues that the process of dialogue allows the system’s members to question and reconstruct the system based on the collective nature of thought (1997:89). This raises such questions as how does one recognise when it is a system. The organisation could consist of many systems or subsystems, or it may not represent a system at all. If it does represent a system, how do managers determine where the system starts and ends? If it is a system as Senge suggests, how does one know when the members of the system are engaging in systems thinking?

A second major criticism of systems theory relates to the lack of attention regarding individual agency. While it suggests a framework for the collective nature of learning, it is actually based around a learning theory where the central focus is on individual cognition. It is argued, “the organizational perspective in this approach becomes the perspective of individuals who separately – encounter organizational structures and processes” (Elkjaer, 1999:78) and is far removed from the notion of social learning theory that Senge’s (1990) model was purported to represent. Being based on communication as a process rather than the actors in the systems, Senge’s concept of systems theory fails to address adequately the diversity of actors in the system. These actors may have very different personal histories and may be at varying different states of mind (Long & Newton, 1997). Long and Newton assert that while Senge’s view of systems theory is based around the idea of dependence and an appreciation of the interdependencies between bounded activities, it’s failure to address the emotional aspects of the “…problematic nature of dependence in human experience” (p.291) makes the idea of systems theory paradoxical in nature. One author to address the emotional aspects in his systems model is Bawden (1998). His model discusses the new component of learning that he refers to as inspirational learning, which encompasses individual’s agency driven by values, belief, goals and attitudes and other group allegiances.
A third criticism of systems theory is to view the system as a closed communication system. It contrasts for example, with social constructivism, which is based on the meanings that individuals attribute to their experiences. In systems theory, although acknowledging dependence on individuals, the system is viewed as the carrier of communication and the social knowledge produced in these communication processes, upholding a reality that is seen as true/not true within the relevance of the scientific subsystem. In contrast to other social theories, the subsystem is not defined based on organisations or actors but rather as a specific type of communication process (Luhmann, 1995).

Certainly, there appears to be a number of serious concerns about using systems theory. I contend that even if it is applied, there needs to be recognition of the formal and informal divisions that exist within most large organisations, which would then make them multi-system entities. In a multi-system environment, recognition must then be given to the different types of management required for each system in the organisation.

- What are the problems associated with shared values and monoculture?

The entire notion of shared values fails to differentiate adequately the divisions between individuals’ personal values, which are core to their identity and those required in the workplace. It is probably unrealistic and potentially discriminatory.

One common process for developing the culture of the learning organisation proposed by the authors (Senge, 1990; Gee, 1994; Lagan, 1998) is the merging of the individual’s values with those of the organisation or alternatively the organisations with those of the individuals. Values are closely linked to individuals' self-actualization. However, as the literature illustrates, aligning individual’s values with those of the organisation or vice-versa is not an easy task. According to Lagan (1998), aligning individual’s values with those of the organisation involves the individual identifying which of their personal values they want satisfied in the workplace. Given the workplace consists of many workers with diverse values it is difficult to line the organisation’s values with those of the workers and vice-versa.
A second important factor is that when aligning individual’s values with those of the organisation’s values, organisations have to be mindful that they do not discriminate in favour of one individual over another or one group over another. Therefore, it is important that organisations clearly state values that are only work related. Nonetheless, the difficulty lies in the fact that individuals’ values do no neatly divide, for example valuing family or other group memberships over work. Changing organisation values to fit the workers, assumes there is a common set of worker values. This requires a clear message and understanding through a process of negotiation. Further, values take a long time to change and can be core to an individual’s identity. Given the short-term mindset of Australian organisations, organisational values can change several times over a short time period with each change of executive management and individuals can suddenly be faced with values that conflict with their core identity.

Another critique relates to the concept of a shared vision, which is central to Senge’s (1990) vision. Accordingly, Senge contends that organisations cannot force individuals to develop a vision but must undertake positive actions to create a climate that encourages personal vision. As Senge declares, an organisation that tries to enforce a shared vision will only gain compliance and not enrolment or commitment. The problem with the concept of shared vision and the issue of compliance is that both Senge (1990) and Gee (1994) assume all workers will identify with the organisation’s ends, goals and visions and they do not provide ideas for how to overcome this when it does not happen. Shared values and shared vision are the glue that binds the organisational and individual aspects together and if this is not possible or even desirable then the impacts on the argument for cultural transformation and the vision of the learning organisation is immense.

- Knowledge Management

The literature on the learning organisation does not adequately deal with the difference between the two paradigms of the learning organisation and knowledge management.

The primary functions of knowledge management in organisations are to capture, store, share and maintain knowledge. However, the question remains, do organisations understand the strategic importance of knowledge management. Even if the knowledge does find its way into the corporate
memory, do organisations have the infrastructure and processes in place to ensure that the knowledge is up to date, accurate and accessible to everybody throughout the organisation?

As discussed previously, knowledge management is said to be the new paradigm and is said to supersede the learning organisation (Evans, 2000). Logically, the two constructs are a subset of each other and both rely on people, systems and processes plus time, money and resources in addition to commitment from all levels of the organisation. In a practical sense, knowledge management is analogous to how knowledge is collected and managed so one could argue that knowledge management represents the practical side of the learning organisation. Logically, a learning organisation requires ongoing knowledge management. As illustrated in Gorelick and Tantawy-Monsou’s study, apprenticeship represents a form of knowledge management system if organisations have the culture, processes and social networks in place to learn throughout all stages of a project, event or change.

In contrast, it appears that knowledge management does not require to a greater extent, the cultural change required for a learning organisation. Contrary to Balasubramanian’s (1999) view that organisations do not lose knowledge when employees leave the organisation, it makes sense that organisations not proficient at generating and sharing knowledge, will find the knowledge does not make its way into the organisational memory in the first instance. Many organisations lack the infrastructure, mechanisms and processes to capture the collective knowledge so one could also argue these operate as barriers to managing the knowledge.

It is widely acknowledged that the exchange of knowledge occurs through continual social interactions. One such way of ensuring the exchange of knowledge is to support a culture of openness and free-flowing dialogue. The central critique of the learning organisation is the lack of recognition of the difficulties in ensuring a positive interaction between the individual and organisational dimensions. Since learning organisational literature has only recently started to explore the emotional and motivational aspects of individual learning, it fails to acknowledge adequately, the barriers of knowledge transfer. In particular, the emotional aspects and how cultures of competition detract from an individual’s willingness to share knowledge. Power limits knowledge sharing as individuals seeking power may be hesitant to share their knowledge and may use it for their own immediate benefit or for a benefit some time in the future. If employees
choose to retain knowledge in their heads and decide to leave the organisation, the knowledge leaves with them (Drucker, 1997). Trying to rebuild the knowledge after the worker has gone can be time consuming and there is no guarantee of its accuracy.

Even when knowledge is shared, there is always the problem of not knowing if the information is correct or complete. An observation throughout the literature reviewed is that organisations are struggling to find ways of capturing an organisation’s collective experiences and wisdom, in particular, the ability to capture the tacit know-how that resides in people’s heads and sharing it through the organisation to make that knowledge explicit. The majority of organisational theorists reviewed in the literature support the role that dialogue plays in both creating knowledge and socialising knowledge throughout the organisation. Nonaka in particular, identifies with Vygotsky’s theories on the social internalisation of knowledge using the master apprentice method. However to share knowledge, organisations must commit to a culture where dialogue and collectivism are valued as a means of ensuring individual tacit information becomes explicit and is embedded in the organisation’s memory.

The central theme running through much of the theory in the literature regarding knowledge supports the stance that the creation and exchange of knowledge is based upon the conditions of trust and social capital. The current nature and climate of the workplace through downsizing and restructuring is said to be contributing to the erosion of organisational trust and social capital. Many organisations are going to realise in years to come that they have not made the investments required to ensure they maintain a strong knowledge management culture. When discussing the sharing of knowledge, the literature assumes that individuals will automatically share knowledge because everybody in the organisation shares a common goal for the benefit of the organisation. This scenario is the ideal proposition realistically though, rarely achievable. Why? Individuals are just that; individuals and they have their own incongruous values, attitudes, goals and beliefs. In addition, as change affects processes and people, this in turn affects knowledge. Structural changes often equate to changes in employee’s roles, relationships and responsibilities, which ultimately results in changes in human knowledge and the redistribution of that knowledge (Berr et al., 1990, cited in Laakso & Lehtonen, 1997:1).
How do organisations move from individual learning to organisational learning and vice versa?

The literature places too much emphasis on the value of dialogue and then relies on the concepts of dialogue and teaming as the principal mechanisms for building shared mental models and explaining how organisations move from individual learning to organisational learning and vice-versa.

A major constraint in the learning organisation literature is the vagueness as to how individual mental models become shared mental models. Some authors (Watkins & Marsick 1993; Senge, 1990; Schein, 1993; Bohm, 1996; Kopra et al., 2000) declare dialogue as the determining mechanism. Dialogue could be reasonable within a unit or division however it could also be difficult across the entire organisation as business units are often set up to compete against each other and this is frequently encouraged in organisations. In moving from the organisation to the individual, apart from formal training, the literature assumes individuals will make use of distributed information as it assumes all individuals are motivated and self directed and will automatically absorb information for the benefit of the organisation.

Several authors see this assertion as a failure by advocates of the learning organisation to acknowledge the commonality of power in organisations (Coopey, 1996; Field, 2002; Fielding, 2001; Willcoxson, 2002). In his critique, Fielding connects the “…pervasiveness of power in organisational life” (2001:21) to the debates surrounding Senge’s (1990) emphasis on the role of dialogue. According to Fielding, the extreme emphasis on the value of dialogue fails to acknowledge the perverse nature of differences and conflict in organisations. While the importance of dialogue cannot be negated, Senge implies that these differences can be resolvable through discussion and dialogue. Field (2002) supports Senge’s view by asserting that a substantial amount of the learning in organisations happens at the group level, hence, organisational learning in reality is learning by groups of people with shared interests. This in itself fails to acknowledge that information is power and often individuals with bestowed power or accrued power will not submit to the organisation’s interests because they have their own agenda. It also fails to address the issue of how shared-interest groups in this scenario affects those members who sit outside the group and what this means for knowledge transfer across the organisation as a whole. This
argument is supported by Willcoxson (2002) in her discussion of how the perverse nature of power can undermine the nature of learning with particular reference to team learning.

Other mechanisms for explaining how the individual learns from the organisation have predominantly emanated from the educational arena. They include master apprentice models (Vygotsky, 1978; Collins, Brown & Newman, 1989; Lave & Wenger, 1991; Schein, 1996; Dovey, 1997), reciprocal learning (Brown, 1987) and peer group learning (Slavin, 1995; Salomon & Perkins, 1998). In the organisational context, double loop learning (Argyris & Schon, 1978), formal staff development programs and committees (Gerber et al., 1994; 1995; Sorohan, 1993; Baskett, 1993; Field, 2002) have featured as the mechanisms in most discussions. The important point to note is that all these mechanisms focus heavily on the social nature of learning and this is not adequately covered in Senge’s vision or many of the learning organisation models, it is simply implied.

Combined with dialogue, teaming is also said to help in the formulation of shared mental models. The notion of teaming is another paradox in the concept of the learning organisation for two reasons. Firstly, organisations predominantly consist of multiple teams. It is conceivable that there is shared vision within teams and team learning readily occurs within the team but that does not necessarily equate to shared vision across teams. Logically, when this type of scenario exists in organisations, team learning does not span the entire organisation. Secondly, apart from the idea of the system, which as highlighted above is fraught with shortcomings, Senge’s (1990) vision of the learning organisation provides no conceptualisation for how to extend beyond individual teams and individual team learning where shared mental models span the entire organisation. As discussed in Chapter 2, recent attempts at developing models to bridge the divide have been suggested (Sun & Scott, 2003; Ortenblad, 2004). However, these models are yet to be proven.

The issue of whether the whole is more than the sum of the parts is a contentious issue, debated by organisational theorists. Proponents of the learning organisation postulate the view that if organisations are to overcome their learning disabilities, learning must occur at the collective or team level hence the author’s use of language such as teaming, communities and systems thinking. Nonetheless, teams and collaborative learning can fall victim to problems of groupthink (Janis, 1982) and this can be counter-productive. There are numerous unwritten rules in
organisations that are rarely addressed and they can occur at all levels of the organisation. As discussed earlier, transformation to a learning organisation often involves a total change in mindset not only at the managerial level but also at the individual level. This requires change in an individual’s belief system, which is an enormous task and oftentimes is beyond the capabilities of many organisations.

- Changing Cultures. What does it really mean? 

Senge’s (1990) vision places too much emphasis on the cultural dimension without due attention to the structural changes that are required to ensure organisational change and transformation and the connection of the processes to the strategic direction of the organisation.

There are obvious similarities in the learning concepts used by the educational literature and the organisational literature. The difficulty is that the organisational theorists have taken the concepts across from the educational setting where they were developed with the classroom in mind and the institutional structures set up around the notion of learning, without considering the institutional setting and structures that are required in the workplace setting where learning is relatively fragmented and incidental. Learning organisational theorists need to address the implementation of learning concepts within the context of a vision of the organisation’s structure after the principles of the learning organisation have been implemented. They then have to address the structural changes that need to occur for it to be successful.

One of the major problems is finding a means by which traditional organisations can change from the old culture to the new culture. Many of the recent examples of learning organisations are of new companies designed around the new culture. Clearly, the change has to be implemented at all levels. However, the issue is whether different forms of cultural transformation are required for different types of groups such as white collar versus blue collar and acknowledgement that organisations can exist as a collection of different systems requiring different values. This argument for different forms of cultural transformation and not always single culture fits comfortably with the nature of structure and work practices. A problem with the majority of learning organisation models is they concentrate on the processes and neglect the human element. Most organisations simply assume that the behaviour of its employees will easily change to accommodate the changes in the company’s formal structure and systems. With Senge’s (1990) vision centered on cultural
transformation and the emphasis on individual and collective learning without due emphasis on the structural changes that are required, it is then vague on the steps to implementation.

In order to understand the impetus behind the concept of the learning organisation, it was necessary for the literature review to juxtapose the culture of traditional organisations with the concept of the supposedly flatter, more flexible organisations. As suggested by James (1997) a learning organisation takes into account more than simply organisational learning. It takes input from the culture where the culture is trusting, supportive and collaborative based and connected by individuals who share the organisation’s values and vision. In moving from a battlefield mindset to an ecosystem mindset the learning organisation culture recognises the constructs of decentralisation, trust, empowerment and flexibility. This comparison attempted to highlight the deficiencies with the traditional approach by exposing the challenges that traditional organisations face in their ability to transform successfully when undertaking organisational change. Many of the reasons why this transformation may fail can be found in the linkages between the individual and organisational dimension and the existing cultural milieu. To achieve an organisational culture based on these elements requires a high level of trust and this is sadly wanting in many organisations in the current organisational climate. To reach their potential, communities of practice also require the investment of time, commitment and money to ensure they remain sustainable and many organisations are not in the position to commit.

• What are the problems with building trust in organisations?

Trust is situational and interrelated with the concepts of community, social capital and empowerment. The literature assumes a unitary rationale and marginalises the role of power in organisations and the affects that constant downsizing is having on trust in the workplace.

In the last decade, organisational theorists have attempted to connect trust in organisations with the development of the concepts of community and social capital based on a more bottom-up democratic approach where individuals drive the culture based on a shared understanding of values, goals and purpose. A review of the literature (Shaffer & Anundsen, 1993; Cohen & Prusak, 2001) has established that trust is the nucleus for the role of community in organisations. They insist it is essential for social capital and is paramount for an empowered workplace. Interestingly, as discussed further in Chapter 2, Bakker, Leenders, Gabbay, Kratzer, & Van Engelen’s (2006)
research established that social capital could not be measured by trust alone. Their research found that although trusting relationships are fundamental for better knowledge sharing throughout the organisation social capital does not necessarily reside in trust but in team membership and reputation.

However, trust is situational. It can be argued that individuals can trust people with different values if there is no threat to their work or identity; however, this is not even considered in the literature. This is important because it affects learning directly and indirectly. As Billet (1993) and Bakker et al’s (2006) studies illustrated, individuals will not value learning from people that they do not directly trust have the necessary expertise. This viewpoint was substantiated in a recent study by Lucas and Ogilvie (2006) that highlighted the importance of identity and reputation in knowledge transfer within the social context. Secondly, when individuals do not trust others it seems unlikely that they will share knowledge. A further complication regarding the specificity of trust is how organisations maintain a high level of trust when employees constantly feel the threat of losing their job in times of economic rationalisation. Organisations and in particular Australian organisations are entrenched in the short-term mindset resulting in rapid change at the executive level, which constantly results in internal organisational restructuring. One would have to argue that the concept of the learning organisation is built on a very fragile expectation.

Adding to the issue of the downsizing trend more companies are opting to outsource their processes and hire just in time labour. The labour without obligation employment model (examined in Chapter 6) is threatening the vision of the learning organisation. The learning organisation stresses the importance of having a specific cultural structure in place for trust to exist, whereas in fact, organisations are employing people that do not meet those conditions because they may have a different type of commitment, loyalty and trust and this does not fit the context of the vision that is central to the learning organisation.

- Do companies really desire employee empowerment and if so, how is it to be achieved?

The notion of empowerment in the new learning organisational culture makes the false assumption that one type of empowerment suits all and that everybody seeks empowerment. The questions remain. Are managers willing to allow employees to be empowered or do they simply want them to believe that is what they want?
The notion of empowerment is another paradox in the vision of the learning organisation. Argyris (1998) articulates two key reasons why empowerment has not dominated organisational culture as it was first suggested. The first is commitment (at the individual level) and the second is cultural transformation (at the organisation level). Managers articulate the empowerment mantra only to undermine it either consciously or sub-consciously in favour of the command-and-control model because this type of model provides them with the predictability and familiarity (Argyris, 1998). Part of the problem for this according to Argyris, can be found in the frameworks of many organisational structures as they operate within predefined processes in a controlled situation. Such environments actually oppose the idea of employees assuming responsibility for their job (p.101). Argyris suggests employee empowerment can work but it will take management to realise that it is not always a uniform culture and some roles will require top-down control while others will be more aligned to empowerment. This substantiates Morgan and Hampson’s (1998) view that suggests the need to incorporate different cultures for different sub-units. However, it contradicts Senge’s (1990) viewpoint, which places empowerment at the team level based on the idea of a monoculture. Field (1998) substantiates this point by also suggesting that the problem with the organisational literature is its tendency to gloss over the difficulties by assuming a unitary perspective where conflicts of interest by those supplying their labour and those controlling the capital are not acknowledged because the unitary perspective perceives employees as joint shareholders in the pursuit of shared goals.

According to Argyris (1998), change management programs have undermined the entire concept of empowerment because most managers fail to understand the positives and negatives in establishing an empowered workplace. Carr (1991) maintains that it takes substantial effort, time and training to prepare workers for their new roles in the empowered workplace. Argyris (1998) supports this view and believes that when determining job roles management need to acknowledge and manage both internal and external commitment and distinguish job roles that require either one or the other. Part of the success in achieving an empowered workplace is the manager’s perceptiveness of knowing when it is necessary to provide direction and when to let individuals direct themselves. Combined with the ability to recognise that there are limitations to empowerment and, articulating these limitations clearly, openly helps build trust.
One of the major benefits of empowering others is that the organisation gains access to expertise, ideas and information that they might otherwise have been denied. Nonetheless, empowering individuals will not always be the answer because as Argyris explains, empowerment consists of external and internal commitment and internal commitment is the most difficult to achieve (1998). An additional complication according to Argyris can be found in the framework of most change programs because they actually deter employees taking responsibility for their jobs and it has the opposite affect by creating frustration and mistrust (p.101). Managers themselves may feel that their organisational culture is an empowering one, but individuals may see it as a top-down command-control culture. The key to empowerment is that empowerment exists only where there is trust. The learning organisation proposers need to acknowledge that there are no guarantees. Even when the environment is an empowering workplace, not everyone will learn, not everyone will trust and not everyone will seek empowerment.

- Are the individuals highly motivated to learn and to what extent are they self-directed?

_Much of the literature on the discussion of an individual’s motivation and learning is absent with the apparent assumption that the individual will be motivated and self directed to conform to an organisation’s direction._

Senge’s (1990) concept of personal mastery refers to a person’s preparedness to seek mastery and learning and to connect with others in the organisation. He acknowledges the need for a supportive organisational environment. However, he does not address the existing literature on motivation, interest and emotion, which raises the complexity of these human experiences and possible resistance to organisational pressures (see Chapter 3).

Interest, motivation and self-determination are said to drive an individual’s motivation and interest to learn (examined in Chapter 3). Core to the concept of self-determination theory is the notion of intent. This element, established by Boud and Walker (1991) suggests that learners bring their own element of intent to a situation. Conceptual connections can be found between Boud and Walker’s (1991) construct of intent and Long and Newton’s (1997) critique of Senge’s work ignoring the emotional aspects of the learning organisation. Long and Newton (1997) contend, experiential learning involves the capacity to learn, both individually and collectively and this involves first achieving a special state of mind (p.294). Senge (1990) assumes that we all want personal mastery
and he fails to acknowledge that some individuals can harbour a hatred of learning (Long and Newton 1997:288). Logically it could be argued that individuals harbouring a hatred of learning would have no desire to seek personal mastery. Boud and Walker’s (1991) construct of intent suggests that the special state of mind suggested by Long and Newton (1997) is driven by the individual’s particular intent and that emotion and intent are intricately interwoven.

While acknowledging the social and collective nature of learning, self-regulated or self-directed learning (see Chapter 3) is clearly a significant ingredient of organisational learning which needs to be incorporated into the learning organisation literature. The literature implies that self-direction is a significant characteristic in workplace learning because workers need to be critically reflective on their informal learning experiences and learn from their mistakes (Brookfield, 1985; Marsick, 1988). Senge (1990) argues for personal mastery as requiring competence and skills in addition to spiritual growth for approaching life as a creative piece of work. Yet, Senge (1990) and learning organisation theory neglect not only the role of self-direction in the learning process but they fail to discuss individuals’ motivations and feelings concerning their enthusiasm or lack of enthusiasm for wanting to learn.

One of the major problems is determining when an individual is actually participating in self-directed learning. Combined with this is the added complexity of the social nature of the interactions between the individual and their environment and how this affects learning. The majority of models largely ignore this. Contrasts are evident between the conceptualisations of self-directed learning of those such as Piskurich (1993) focussing on economic outcomes and humanists such as Brookfield (1985, see Chapter 3) who believe self-directed learning is embedded in the personal attributes of the developing individual. Nevertheless, Gerber et al., (1994) contend that to understand the variations in concept, one must look beyond context to understand the authors acknowledged purposes or goals of self-directed learning. This includes increased productivity and improved efficiency against the ideals guiding their conceptualisations such as the humanists ideals of social betterment and human self-realisation, based on critical reflection (p.147).

Researchers are starting to address the issues of emotion at work (Goleman, 1995:1998; Gabriel & Griffiths 2002). Daniel Goleman (1995; 1998) advanced on the original works of Peter Salovey and
John Mayer (1990) who introduced the term of Emotional Intelligence to psychology in the early 1990s. Goleman (1995; 1998) developed five components of emotional intelligence at work and these include self-awareness, self-regulation, motivation, empathy and social skill (proficiency in managing relationships and building networks). Emotional Intelligence is defined as people's capacity to perceive, assess and positively influence their own emotions and the emotions of others. However, one of the problems with emotional intelligence is it is based on a behaviourist paradigm and ignores the most important side of emotion, which is feelings-related. Individual transformation occurs through the process of reflection on our behaviours and feelings and it is a long-term self-regulated activity.

- How do we know learning organisations are successful? What are the problems with using performance measures?

When talking about whether the organisation learns, the authors always regress to suggest outcome performance indicators as a measurement of success, which is not what the learning organisation symbolises.

The major problem with performance objectives is that when learning organisations talk about performance, in reality they are talking about evidence of becoming a learning organisation through measuring the outcomes because of innovative change. This is reflected in Garvin's (1993) criticism that Senge's vision lacks any forethought to a framework that can be easily implemented and measured. Additionally it lacks vision as to how organisations can measure whether learning has actually occurred.

In his book, “The Dance of Change” Senge (1999) discusses assessment-measuring tools. One of these tools, Performance Dashboards provides graphical feedback for measuring performance. By developing a set of indicators, Senge believes that Performance Dashboards allow members across multi-function teams to assume a common language for reviewing their progress and tracking their actions. A major concern that I have with the use of this type of assessment is that, from a group perspective, performance dashboards measure how the group or groups are progressing. They do not necessarily measure whether an individual is learning. My experience has shown that many individuals can choose to sit back in the group and in the process, actually learn nothing themselves. In addition, Moilanen’s (2005) study of diagnosing and measuring 25
organisations returned mixed findings. While the results showed that individuals were self-directed in their own learning rather than relying on their organisation’s learning environment, when it came to specific lines of business, the difference was more noticeable between those individuals that scored the organisational learning environments higher than those individuals that scored it lower.

Another shortcoming of the learning organisation models is their lack of mechanisms to connect the individual and collective learning processes to the organisation’s strategic objectives. Most of the theorists assume that such a link exists (Dixon, 1994). Outside of dashboards and other measurement tools such as the half-life curve, where the aim is to measure improvements on output, organisations must look the processes and consider how the individual interacts with those processes. On-going evaluation of the processes used to capture, distribute and use the information are required in order to determine if both the individual and organisation are learning from each other. Additionally, this evaluation needs to be looked at across three levels; the individual, the organisation and belief systems, to ensure that the sharing and gaining of knowledge forms an integral part of their work. One method suggested by Senge (1990) for linking learning and business performance is to define an assessment strategy that clearly identifies the various phases of the learning process, identifying the inputs, the learning output and what tools will be used to measure the output (Senge, 1999).

Nevertheless, even when a strategy exists, some learning will always be impossible to measure. For example, becoming a learning organisation is a long-term proposition that may not lead to short-term improvements in performance, especially as workers may be engaged in self-directed work activities. Gains may not be in long-term performance at all but rather in terms of resilience when confronted with external change and this is not easily measured.

In conclusion, the issues discussed above emphasise many of the limitations in both Senge’s (1990) vision of the learning organisation and many of the other authors that have adopted the ideas of the learning organisation. First, Senge’s failure to identify the ontological nature of the system to which he refers then his failure to address the connection between the organisation and community, let alone provide any definition of community are major shortcomings. The over emphasis on the cultural dimension regarding shared vision, shared values and empowerment fails to identify the connections required to link individual and organisational learning, although Cohen
and Prusak’s (2001) definition of community as a tightly bound connection encompassing the constructs of trust and social capital is a positive move to reconstruct these limitations of the vision.

Second, the emphasis on dialogue without due attention to the issue of power in organisations is a reflection of the unitary approach Senge (1990) adopted for his vision (1990). Many organisational learning and learning organisational theorists including Schein, (1993) and Watkins and Marsick (1993) have followed Senge’s (1990) unitary line of reasoning concerning the role of dialogue and have not adequately acknowledged the visibility of power and the structures of the organisation regarding the affect that this has on organisational learning.

Third, Senge (1990) postulates that the four of the five disciplines are personal disciplines yet on the other hand, the vision consists of a collective framework based around the notion of systems thinking. He stresses that they must all exist for the learning organisation to succeed and that systems thinking is the principle that bonds them all together. Nonetheless, the disciplines involve the individual and that presents a challenge in its own right because it introduces personal agency. Personal agency incorporates the emotional elements and are the most difficult to manage yet Senge (1990) and others fail to address the self-regulated and motivational factors in this vision. Practically, this critique has established that even when the environment is supportive and empowering, not everyone will learn, not every one will trust and not everyone will seek empowerment.

The critiques noted above suggest four preconditions are necessary for transformation to a learning organisation. This substantiates the need to look wider than the literature on learning organisations and explore complimentary literatures that focus on the conditions that are necessary to ensure organisational learning and knowledge transfer from a macro and micro perspective.

1. Clearly, the most basic criterion for a learning organisation is that learning needs to take place. This can take many forms in the workplace. Therefore, one needs to examine literature on organisational learning and the myriad of ways that learning occurs in organisations.

2. Another condition of the learning organisation is that knowledge is managed in some way. Managed refers to the processes of capturing, storing and making the knowledge available
throughout the organisation. Therefore, it is important to examine the growing body of literature on knowledge management particularly how it relates to the learning organisation.

3. A third condition of the learning organisation suggests that knowledge generation and transfer occurs when the culture has high social capital built upon the notion of community where there is shared vision and high levels of trust. Hence, it is necessary to examine the literature on community, trust and social capital to determine if these conditions substantiate the argument that they lead to generative learning and greater knowledge generation and transfer.

4. Finally, the fourth precondition of the learning organisation is that people possess personal mastery and are motivated and interested to learn. Consequently, there is a need to explore the educational, psychological and motivational literature to gain an appreciation of the individual understanding of cognition, in particular, how this relates to the social construction of learning as advocated in the principles of the learning organisation.

1.5 The Present Research

The Research Question

The aim of this research was to explore the question:

“What are the challenges of implementing the principles of the learning organisation given:

- The complexity of interpersonal and group relations and
- The multifaceted nature of learning in organisational settings?”
Significance of the Research

The question is addressed both theoretically and empirically. This research contributes to the present knowledge in a number of ways. First, it provides a literature review of the learning organisation and its suitability in the context of knowledge workers by examining the macro perspective of learning at the organisation level and the micro or individual level in attempts to understand the challenges faced by organisations wanting to become a learning organisation.

Secondly, much of the learning organisation writing is prescriptive and there is a lack of empirical research to substantiate the theory. The theoretical contribution of this study is a two-dimensional model developed as a result of the gaps identified in the mainstream literature. The model integrates the individual and the organisational levels of learning in an organisation. Empirically, the model was used to design the case studies of self-identified learning organisations and an interview study with contractors. The studies were designed to explore how the participants made sense of the concepts of the learning organisation with particular focus on the generation and sharing of knowledge, the meaning they attributed to their learning experiences and how they made sense of a learning organisation culture. Hence, the research was not concerned with learning processes per-se; it aimed to gain insights into the challenges for implementing the conditions necessary to ensure that learning, and knowledge creation and transfer occur. Hence, the present research includes detailed empirical work that casts light on just how realistic it is for an organisation to satisfy the requirements set out in the learning organisation literature. The findings support a pluralistic view that challenges many of the one-size-fits-all assumptions of the learning organisation literature. Lastly, it provides managerial insight of the recently emerged phenomenon of labour without obligation. This phenomenon is changing the roles and boundaries of organisations and it suggested that this is a major hidden challenge for contemporary organisations in the future.
Structure of the Thesis

Chapter Two – The Macro Perspective of Learning in Organisations
Chapter two presents a macro perspective of learning in organisations. It examines the debates about organisational learning and looks at the types of learning that typically occur in the workplace. These include transformational learning (Schein, 1994; King, 1996), double loop learning (Argyris & Schon, 1978), peer group or master apprentice learning (Sefton, Waterhouse & Deakin, 1994; Sefton Waterhouse & Cooney, 1995; Garvin, 1993; Billet, 1993, 1994), and experiential learning (Sefton, Waterhouse & Deakin, 1994; Kolb 1984; Dovey, 1997).

The chapter then explores the debates about the various definitions of data versus information. It then examines the literature on knowledge management and outlines the importance of the role of knowledge management in the learning organisation. Following this, the chapter examines computer-based versus people-based approaches to knowledge management in organisations.

The three key conditions of community, social capital and shared vision are said to be the necessary cultural changes required to facilitate learning and knowledge transfer in the learning organisation. Finally, this chapter examines the complimentary literatures across these three concepts.

Chapter three – The Micro Perspective. Individual Learning in Social Practice – The Role of Interest and Motivation
Chapter three provides the underlying foundation for the examination of individual learning in social practice by examining the basic principles and major foundations of the relevant constructivist theories. In particular, cognitive constructivism is relevant because it focuses on the individual mind and the individual’s approach to learning and knowledge, and social constructivism because it emphasises the importance of culture and the social context for cognitive development. The chapter examines learning processes with the focus on Vygotsky’s principle of the zone of proximal development and the genetic law of development as they play an important role in understanding the meaning that individuals derive from their internalised social relations with others.

Educational Theory is also examined. Theorists in the education arena have embraced the notion of constructivist approaches in the development of educational curriculum and the scholarly
conceptualisations are prolific. The literature review examines Brown’s (1987, 1994) concepts of the application of reciprocal teaching and communities of learning, which in essence, expands on Vygotsky’s notion of the zone of proximal development.

The chapter then moves to examine interest and motivation as it relates to the individual and the learning process. The diverse literature available on the topic (Tobias, 1994; Renninger, Hidi & Krapp, 1992; Voss & Schauble; 1992; Schiefele, 1991; Borkowski, Carr, Rellinger & Pressley, 1990) highlights the significance of the role that interest and motivation contributes to the learning process.

Chapter four – Research Methodology and Design
Chapter four consists of two sections. Section 1 provides an overview of the case study methodology, outlining the distinctions between the positivist and constructivist approaches. The section discusses the rationale behind the use of case studies as the methodology for phase one of this study. The chapter also outlines the data collection process, participant selection and the various methods used to collect data including researcher observation.

Section two of the chapter provides an overview of the active interviewing methodology adopted for phase two of the research. In addition, the section discusses the application of grounded theory and provides commentary as to current debates surrounding the use of grounded theory. The section then describes the processes used for participant selection, data collection, and methods of analysis. One of the points addressed in this section entails a brief commentary explaining the contextual differences between the case studies and the interviews when canvassing the issues of knowledge transfer and trust in relation to the principles of the learning organisation.

Chapter five – QBE Case Study
Chapter five presents a detailed description of QBE Insurance including the company profile. The characteristics of the organisational culture and organisational values are discussed in addition to the overall workplace strategy and learning environment. The chapter imparts the findings from the research and concludes with a discussion of the findings.

Chapter six – Labour without Obligation
This chapter represents phase two of the research and moves from discussion of the learning organisation to discussion of a new paradigm affecting organisations, labour without obligation.
This chapter investigates the concept of the learning organisation from another angle and examines how this type of employment model matches, mismatches, or somehow connects with the principles of the learning organisation. Many organisations are turning to outsourcing arrangements to provide the expertise required rather than carry the high costs of hiring the expertise in-house. These outsourcing arrangements are changing the existing form of the organisational structure. Furthermore, this begs the question, what is the relevance for the concept of the learning organisation in the private sector given the centrality towards the outsourcing of knowledge workers? The chapter starts by discussing the definition of outsourcing used in the context of this thesis. The chapter then discusses previous studies and their findings on the implications of outsourcing (Pearce, 1993; Gryst, 1999; Hall, 2000).

Chapter seven – Contactor and Consultant Interviews
Chapter seven imparts the insights and the perceptions of the contractors and consultants with respect to the five key issues identified and examined in Chapter 6, Labour without Obligation. The central focus of the interviews was based on the contractors and consultants’ perceptions of commitment, trust, loyalty and the generation, acquisition and sharing of knowledge when working in a contracting or consultancy capacity.

Chapter eight – Conclusions from the Research
Chapter eight draws upon the findings of the case studies and the interviews to draw conclusions from the research. In particular the results are discussed from the perspective of any parallels identified between the case studies, the interviews and the two dimensional model developed for the study. The conclusion culminates in a discussion proposal for the way forward and conveys ideas for future research.
Chapter 2  The Macro Perspective of Learning in Organisations

2.1 Mainstream Perspectives of Organisational Learning

As indicated from the critique of the learning organisation (section 1.4), there is a considerable absence of a number of key constructs in the mainstream learning organisational literature hence, there is a need to examine a number of concepts in more detail. Two major concerns relate to the lack of engagement on how learning takes place in the learning organisation and how organisations manage the knowledge that is generated across the various levels. This chapter examines these in more detail.

A great deal of the research on the idea that learning is socially constructed has for the most part been applied to the educational setting. However, the idea that learning occurs through the negotiation of meaning is also highly relevant in the organisational context. Clearly, the most basic criterion for a learning organisation is that learning needs to take place. This can take many forms in the workplace. Throughout the literature, organisation learning implies a performance and improvement bias that is not necessarily process driven but more outcomes driven (Huysman, p. 59). Outcome driven approaches imply that learning always has a positive value, which is not always the case. Although many authors use the term learning organisation and organisational learning interchangeably (Ortenblad, 2001; Nevis, DiBella & Gould, 1995; Watkins & Marsick, 1992; Senge, 1990), the learning organisation literature tends to focus on the conditions that organisations can implement to facilitate better outcomes rather than the process of learning itself.

The organisational learning literature has been dominated by two mainstream accounts of organisational learning, the technical assumption and the unitary assumption. The technical assumption reflects the mechanistic thinking of learning by implying that learning relates to technical areas of the workplace that have a commercial connotation. With the technical variant, the focus is on interventions based on measurement (Field, 2002, Easterby-Smith, Burgoyne and Araujo, 1999). In essence, the organisational learning literature features a technical connotation of measuring and analysing learning processes. The literature cites tools like the learning curve (historical production cost data plotted against cumulative output based by product type) (Easterby-Smith, Burgoyne & Araujo, 1999:8), the half-life curve where the focus is on measuring the success
in improvement processes (Garvin, 1993) and performance dashboards, which measures performance based on a set of indicators (Senge, 1999). Although the literature suggests organisations use these tools to measure learning, Moilanen (2005) argues that while the definitions of learning organisations are well documented, there has actually been little research addressing the measurement and diagnosis regarding learning organisations per-se. Moilanen developed a measuring instrument for learning organisations called The Learning Organisation Diamond Tool. The tool enables a holistic view of a learning organisation using a structure of related elements, encompassing driving forces, finding purpose, questioning, empowering and evaluation, across both the individual and organisational levels. The findings across 24 organisations indicated that individuals have more confidence in self-directing their own learning than the value they place on the organisation as a learning environment. Field (2002) is critical of the technical assumption in two key areas. Firstly, it fails to acknowledge the non-technical aspects of learning namely, learning related to personal development, the complex human personal relations involved in individual and group attitudes and behaviours, and the economic and political aspects that underlies the organisational context. Secondly, he questions whether technical expertise is the only significant knowledge in the organisational framework.

In contrast, the unitary assumption is based on the key underlying theme, which argues for alignment between the activities, values and interests of all organisational members. According to Field (2002), this is reflected in “…Senge’s discussion of ‘structural conflict systems’ (1990:156) that involve a tension between one’s learned feelings of powerlessness and one’s personal vision and aspirations” (p116). The unitary assumption believes that power and politics in organisations has no place as all members have shared vision. Other authors that have contributed to the literature from the unitary perspective includes, Ortenblad, 2001; Watkins and Marsick, 1993; Nevis et al., 1995; Schein, 1993).

In attempts to move beyond the technical and unitary assumptions that have dominated mainstream literature, Field discusses three alternative perspectives, which he believes conveys the constructs of emotions and politics and their foray into the learning equation. Unlike the unitary perspective the focus of the pluralist perspective is acknowledgement by individuals and groups of the differences in others interests, values and agendas. “For many organisational members, one important “sought-after outcome” is likely to be the maintenance of sufficient autonomy to pursue
local strategies and to buffer life against excessive control” (Field:117). The underlying theme for the pluralistic perspective is the issue of power and control. By this Field (2002) means the managers efforts to use power to control and the employees’ resistance to the manager’s pressures (p. 117). Proponents supporting the social perspective of learning argue that attempting to eliminate politics from the organisational scene is futile as they are a natural feature of any social process (Coopey, 1996; Easterby-Smith, Burgoyne & Araujo, 1999; Field, 2002). From a learning perspective, the pluralist perspective argues for acknowledgement of the learning content. By that, they are interested in who is learning and what are they learning, and, are there learning processes in place to ensure learning occurs.

From the postmodern perspective, organisational learning is shaped by local contexts. By that, it is argued that organisational learning is more likely to reflect an incongruent accumulation of learning by different individuals, and groups founded predominantly by local issues and tensions. According to Field (2002), postmodernism would challenge the notion that such learning can ever be fully comprehended (p. 119). Furthermore, he contends,

Postmodern accounts of organisational life are a valuable reminder of the complexity and subtlety of work life. In contrast to a view which sets the interests of workers against management or of capital against labour, postmodern perspectives depict interests as part of the fluid, elusive discord or organisational life.

The focus of the psychoanalytic literature acknowledges the role of how the emotional processes inform organisational behaviour. From the psychoanalytic perspective, “…organisational groups and, at a much more primitive emotional level, learning by individuals and groups is also likely to relate to such survival basics as protection against loss of certainty, anxiety and challenges to self-esteem” (Field, 2002:120). Only a handful of researchers have addressed the role of emotion in organisational learning (Gabriel & Griffiths, 2002; Smith & Sharma, 2002; Long and Newton, 1997). Long and Newton’s research acknowledges the fact that emotions play an important role in determining whether individuals show an interest in learning or not. Similarly, Field (2002) maintains that emotional interest goes beyond just individual interest and needs to acknowledge the role of group interest (p.122). More recently, many authors (Field, 2002; Smith & Sharma, 2002; Gabriel & Griffiths, 2002) concur that society has had a propensity in the past to discourage emotionalism. Organisations have for the most part operated “...with a façade of rationality that
over-emphasises the goal – orientation that drives them, whilst undervaluing the expressive arenas of this life” (Smith & Sharma, 2002, p.199).

When people “meet at their boundary” they are aware of their own needs and are willing to articulate them to others, giving freedom to their passions, hopes, desires and fears moving away from “the façade of rationality”, and becoming attentive to the psychic needs of others. …In an organisational setting, individuals generally create their boundaries based on the needs that can be met in a setting, and the relationships (s)he can develop with others around them, (p.199).

Field (2002) concurs with Smith and Sharma (2002) that the mainstream organisational literature fails to adequately address the place of emotion in organisational learning however, he extends his criticism to argue the literature has a tendency in not only failing to address the role of politics and power but also the role of employee relations.

There has been substantial debate in the field of organisational learning as to whether only the individual learns or whether the organisation can be said to learn. It seems that this debate will continue for some time yet. Many authors (Argyris & Schon, 1978; Kolb, 1984; Marsick, 1986; Senge, 1990; Watkins & Marsick, 1992, 1993; Kofman & Senge, 1993; Kim, 1993; Dunphy, Turner & Crawford, 1997; Cullen, 1999; Ortenblad, 2001, 2005; Yeo, 2005) argue that organisations are learning all the time whether they consciously make the effort to learn or not. Theorists that have examined organisational learning fall into three distinct categories:

- Those who support the notion that it is the individual that learns
- Those who support the idea that it is the organisation that learns
- Those who conceptualise as to how organisations and individuals can learn from one another

While there is contention concerning definitions of a learning organisation, a review of the literature also suggests contention about the definition of the organisation as a learning entity. Ortenblad (2005) maintains that the contention stems from the argument by some authors that organisations are not capable of learning simply because they are not human, implying an individual bias. His viewpoint is that they are in fact living entities and as such are capable of learning (p. 213). The reason for providing a definition of an organisation in this section is to lay the foundation for understanding the debates on the organisation as a learning entity and provide the grounding for
the discussion on the organisational cultural changes required for organisations transitioning to a learning organisation.

An organisation is universally conceptualised in terms of its social entity, strategy and structure (Handy, 1994). Organisations continually operate within chaotic social systems that are challenged by changing market forces, forever shifting government policies, environmental concerns, and the need to keep abreast of technological advancements (Clarke & Clegg, 2000). Organisation strategy may be conceptualised as the clear direction the organisation has decided to take to achieve its objectives as defined by their strategic planning process. The research and scholarship in organisational strategy is prolific and the intention of including it in this section is to acknowledge the role that it plays in the organisation. In particular, when an internal or external force creates a change in the organisation it regularly affects the organisation’s current objectives and goals. This often forces a rethink in organisation’s strategic direction (Handy, 1993; Clark & Clegg, 2000).

Organisational structure is commonly symbolised by the organisation chart, which defines the roles and responsibilities of the people in the organisation and the links between them. The links in the organisation can be defined as the subsystems such as divisions, departments, business units and workgroups. Frequently the traditional organisational structure is top down and based on hierarchical interactions. However, organisational structures can be bureaucratic, entrepreneurial, centralised, or decentralised (Handy, 1993).

Organisational culture is often conceptualised by the interrelationships between diverse structures and a set of systems (Handy, 1993). The corporation’s culture consists of the “cultural mindsets that people use to evaluate the appropriateness of business behaviour” (James, 1997:13) therefore it can be seen to include the composition of shared meanings, understandings, expectations and processes that dictate the expected actions and behaviours of the organisations’ members. Hence, organisational culture is substantiated by beliefs, values, feelings and expectations. Most importantly, culture and structure are closely linked. The relationships between people, power (groups, leaders, and intergroup relations) and practicalities (such as the market, the environment, control systems etc) provide many challenges in ensuring the organisation remains a productive and efficient community (Handy, 1993).
2.2 What is Organisational Learning?

One key debate in the literature on organisational learning is the relationship between individual and the organisational learning. Generally, organisational learning refers to any type of learning that goes on within an organisation and incorporates learning processes at all levels, whereby better knowledge and understandings are developed through continuous actions and interactions (Dixon, 1994). It can be referred to as double loop learning (Argyris & Schon, 1978) or generative learning (Senge, 1990) while Schein refers to it as “learning to learn” (1994:1). A more informal method is offered by Flood (1993), who says, “You learn whenever, wherever and from whomever [you can]” (p.4).

There is no doubt that organisational learning is far more complex than individual learning. According to Kim, the meaning of the term learning remains the same for organisational learning as it does for individual learning (1993:40). The difference between the two can be found in the learning process. He emphasises, “a model of organizational learning has to resolve the dilemma of imparting intelligence and learning capabilities to a nonhuman entity without anthropomorphizing it”, that is, attempting to humanise it (p.40). Without a doubt, the debate as to exactly what constitutes organisational learning will continue and definitions will vary within the context used by the various authors.


Several authors (Argyris & Schon, 1978; Watkins & Marsick, 1992; 1993; Kofman & Senge, 1993) support Kim’s (1993) view that “in the early stages of an organisation’s existence organizational learning is often synonymous with individual learning” (p.40). Individual learning then emerges with organisational learning and as the organisation grows, a system evolves for capturing the learning of its individual members. Comparisons can be drawn between Kim’s idea of the learning process and that of Watkins and Marsick (1992). In Watkins’ and Marsick’s view, “organisations do learn through individuals, but only when that learning is socially constructed, shared and used to make a difference in larger social units or subdivisions of the organisation or, more typically in the entire organisation” (1992:118). Furthermore, they declare, transformation does not need to occur simultaneously and can be achieved in gradual increments.
Learning can be accomplished in micro ways as individuals are helped in the pursuit of their natural curiosity through supportive structures that permit learning and encouraging relationships that foster learning” (1993:277).

Using a systems approach, writers such as Senge, argue that the only way an organisation learns is through a collaborative process based on systems thinking and shared mental models (DeGeus, 1988; Senge, 1990; Ayas, Foppen & Maljers, 1996). As examined in Chapter 1, the idea of shared mental models is frequently suggested as the means by which individual learning becomes coordinated into organisational learning. Although Argyris and Schon (1978) believe learning occurs through the experiences and actions of individuals, they are advocates of the collective nature of organisations:

There is something paradoxical here. Organizations are not merely collections of individuals, yet there are no organizations without such collections. Similarly, organizational learning is not merely individual learning, yet organizations learn only through the experience and actions of individuals (p.9).

The organisational theory advocated by Argyris and Schon (1978) and discussed by Kim (1993:41) supports the view that “…organisational learning takes place through individual actors whose actions are based on a set of shared models” (p.41). Kim writes that in some situations, very little learning occurs because the organisations,

...Protect the status quo, preclude people from challenging others’ troublesome or difficult qualities and characteristics and provide silent assent to those attributions… (p.41).

Although Ayas, Foppen and Maljers’ (1996) systems perspective is similar to Senge’s (1990) perspective (which perceives the individual as being connected to the world and seeing wholes rather than parts), their concept of organisational learning is one that consists of a “joint product of individual and systems learning” (p.50). Furthermore, even though they view organisational learning from a systems perspective, Ayas et al., also acknowledge the fact that organisations represent a system of individuals whose values and goals may differ to those of the organisation (p.51). This last statement is highly relevant to the concept of shared vision and the learning organisation and they are one of the few authors to acknowledge this. In spite of this, they do not offer any suggestions for what organisations should do when the organisations and the individual’s visions and goals are dissimilar.
DeGeus (1988) advocates an organisational or institutional approach to learning but insists that institutional learning poses more challenges than individual learning. He defines institutional learning as the “process whereby management teams change their shared mental models of their company, their markets and their competitors” (p.2). The challenge lies in a corporation’s ability to recognise a problem and adapt quickly before a crisis arises. As head of planning at Shell, DeGeus has learnt that,

The most important aspect of institutional learning, whether it be achieved through learning or through play as [Shell] have defined it; the institutional leaning process is a process of language development. As the implicit knowledge of each learner becomes explicit, his or her mental model becomes a building block of the institutional model (1988:6).

Both the concept of an organisation’s ability to capture the learning of its individual members and the social contribution to the learning process poses the greatest challenge for organisational learning. There is no reason to assume individuals share the same mental models or have the same goals as those of the organisation management making the concept of shared vision more of a vision than a reality

**Types of Learning Displayed in the Workplace**

A consistent theme throughout the organisational learning literature is the various types of learning displayed in today’s organisations and this forms the focus of this section. More importantly, closer examination of the various types of learning illustrates the social nature of each method. This demonstrates the particular relevance that these types of learning have for the framework of this thesis, which places the notion of master apprentice type learning and mentoring as a means of transferring the tacit knowledge and embedding that knowledge in the organisation’s corporate memory.

Learning occurs through the steady process of accumulating new knowledge and adding it to existing knowledge in an attempt to develop and broaden one’s understandings (Billet, 1993; 1994; Salomon & Perkins, 1998). This transformation process occurs by individuals being able to think critically, reflect on what they are learning and transform that thinking into action. There is a growing trend in the organisational learning literature to view learning as a social practice. From
this perspective, the challenge for organisations is how to transfer the knowledge from the individual to the organisation’s memory.

*Informal Learning and the Expert-Novice Relationship*

Informal learning in the workplace is indicative of most organisations (Flood, 1993; Billet, 1993). According to Billet (1993), learning embedded technical knowledge involves learning from experience and simply by just doing it (p.11).

Several studies have examined the role of trust (discussed later in this chapter) and the expert-novice relationship in workplace learning. Billet’s (1993) study of the coal mining industry in Queensland was to “determine whether skilled worker’s preferences for skill development [were] supportive of current research and theorising about cognition” (p.4). He presented his research around the theories of Vygotsky, particularly activity theory and the interpersonal exchange between the novice and the expert. Rogoff and Gauvain (1984) reported comparative studies involving formal and informal learning have both reported limits in transferability giving some credence to the specificity of context. In addition, Rogoff and Lave (1984) challenged the idea that formal learning settings lead to knowledge that is more robust and transferable than informal learning settings. Billet, (1993) points out that the “…claims about the specificity of knowledge [are valid] concerns …in regard to the transfer and adaptability of knowledge” (p.6). Stevenson (1991) investigated the issue of adaptability and the transfer of knowledge in vocational education. He considers that cognitive structures consist of two types of knowledge; propositional knowledge (knowledge that), as against procedural knowledge (knowledge how). He asserts that both adaptability and transfer are reliant on higher order cognitive skills because “they operate upon specific purpose procedures” (p.146) that we call upon when confronted with the need to adapt to new tasks. Billet (1993) proposes that informal learning settings using authentic activities have the potential to develop those cognitive capabilities. He bases this claim on the supposition that these types of learning settings foster the kinds of propositional and procedural knowledge necessary for transfer and the adaptation of knowledge to occur. Billet’s (1993) study found that workers valued either learning by others or, simply learning by just doing it. An interesting concept to emerge from his research though was the socio-cultural value workers placed on the notion of the so-called ‘expert’. The workers indicated “…being a skilled person meant much more than being technically competent …and the skilled worker (expert) would have to be perceived by others as being an
expert. Workers also [rejected] methods of skill development that were not context specific to mine site work" (p.11), thus adding weight to the idea that knowledge and skills are very much embedded in our social and cultural value system (Goodnow, 1990; Lave & Wenger, 1991; Billet, 1993).

Master Apprentice Learning

Master apprentice learning occurs when a more experienced learner guides a novice learner, using Vygotsky’s concept of the zone of proximal development, which explains how individuals learn (discussed in Chapter 3). Other authors refer to this type of learning as cognitive apprenticeship (Collins, Brown & Newman, 1989; Lave & Wenger, 1991; Dovey, 1997). The significance of this type of learning is that it is context specific and participative rather than didactic teaching.

It is widely acknowledged that informal learning from others is one of the foremost methods used for learning in the workplace (Lave & Wenger, 1991; Garvin, 1993; McCombs, 1991; Billet, 1993, 1994; Schein 1996; Dovey, 1997; Salomon & Perkins, 1998). Master apprenticeship learning is an ideal method for learning in the workplace because encouragement from a “trusted other” can be a “…powerful motivating force, which can be harnessed to support learning” (Sefton et al., 1994:42).

Schein’s (1996) view of learning fits comfortably within the social nature of learning. He believes that ideas are not a social process but rather learning is. He maintains that until “…ideas are embedded in the daily routines of practitioners they have not really been learned” (p.5). Evidence is mounting that this final embedding process happens on-the-job in a social context in which the work is done through the notion of apprenticeship or mentoring. Similarly, Dovey (1997) supports master-apprentice learning. He contends apprenticeship supports three forms of knowledge providing both explicit and tacit levels of learning (1997).

Domain knowledge. This type of knowledge relates to the conceptual and factual knowledge practices of an organisation. [While acknowledging that] “…domain knowledge can be taught explicitly, [Dovey (1997) explains the actual] understanding is greatly facilitated by an experiential frame of reference” (p.340). This is similar to Tobias’ (1994) concept regarding familiarisation with general information in a subject area.
**Procedural knowledge.** This incorporates the ordering of workplace dealings through the monitoring of learning and other processes. This type of knowledge is beneficial when learned in context and it is tacitly acquired through experience in structured settings (p.341).

**Strategic knowledge.** Referred to as “the usually tacit knowledge that underlies an expert’s ability to make use of concepts, facts and procedures as necessary to solve problems and carry out tasks (Collins et al., 1989:477).

The important point to note about master-apprentice learning is that it improves on explicit teaching by socialising the craft.

**Peer Tutoring and Peer Group Learning**

Although similar in principle to master-apprentice learning in that they both represent socially mediated forms of learning, the contrasting difference between the two methods of learning, lies in the application. Where master-apprentice learning involves an adult or expert tutor facilitating the learning of their apprentice, peer tutoring and peer group learning involves peers working together to complete a task (Salomon & Perkins, 1998). Like master-apprentice learning, the group may also consist of an expert peer. Peer tutoring facilitates the developmental perspectives of communication (similar to Bohm’s (1996) notion of dialogue), feedback and guidance and aids others in mastering the cognitive processes of verification and criticism (Slavin, 1995:5; Salomon & Perkins, 1998).

According to Schein (1994, 1996) the social nature of learning embedded in peer group learning and coaching from others who are culturally more similar to the learner is an ideal approach for cognitive transformation that is required for new concepts and practices to be truly absorbed (p.6). He introduced the concept of *cognitive re-definition* to explain the way people gradually transform their own mental models. These mental models represent to some degree their own learned constructions and are not simply “...some arbitrary external reality” (1995:3).

**Double Loop Learning**

Double Loop Learning is a term conceived by Argyris and Schon (1978) as a definition for organisational learning. Double-loop learning moves beyond single loop error detection and error correction and challenges more than the individualist paradigm where the learning is isolated and
contained within the individual’s mental models and is not shared. It examines the structural elements of the values, rules and norms of the organisation and considers how they can be changed; hence, it is based upon a theory of action. From a psychological perspective, Argyris and Schon advocate double-loop learning as a theory that “describes the difference between surface causes and governing variables” (1990:48). Marsick interprets double loop learning as a way of explaining the repercussions of what happens when people gain an unexpected result from a particular action (1988:193). When a person is only engaging in single loop learning, they are unable to adjust their strategy because they are working within the bounds of the organisational strategies and assumptions embedded within a range of organisational norms (Argyris & Schon, 1978:18). For double-loop learning to occur in organisations, individuals must be prepared to step outside the boundaries and use critical inquiry to determine the reasons why the task failed. They must then look for alternatives and take corrective action. (1978:19-21). Double loop learning involves critical reflectivity and the three elements of Mezirow’s (1981) learning model discussed in Chapter 1. The ability to question and reconsider one’s basic understandings and assumptions is fundamental to learning for meaningful change (Sefton et al., 1995). Consequently, Sefton et al., suggest learning for meaningful change involves a shift or altering of the learner’s understandings, perceptions, or behaviours, which represents qualitative changes.

Transformational Learning

Transformational learning is an idea espoused by Schein (1994). Schein conceptualised the notion of transformational learning to distinguish between knowledge and practice. Schein points out that transformational learning involves more than learning new knowledge and gaining new insights. Organisations must be able to embrace the new knowledge and embed it in tacit organisational practices until they become routine (p.1). A significant problem with transformational learning is that it requires a change in both organisational and national cultures, yet organisational transformation frequently requires that we relinquish several well-established cultural assumptions and rebuild organizations on new assumptions (p.2), presenting both an unlearning and re-learning process that is often slow. Other authors for instance, (Brookfield, 1985; King, 1996; Marsick, 1988; Schein, 1996a; Watkins & Marsick, 1993) explain transformational learning as the process, which calls for critical thinking to focus on the learner’s beliefs, values and understanding to compare them to new understandings. They then need to negotiate an integration of the often-diverse concepts that results when new practices are based on new cultural assumptions. The group context of working
with fellow learners helps learners to put aside any anxieties that they may feel and Schein explains, “it is only in this group context that coaches can show learners the new practices that are called for by the new cultural assumptions” (1996a:5).

Experiential Learning

Experiential learning places a high value on the experience of the learner and the need for critical thinking. This view sits comfortably within Sefton et al’s (1994) integrated model of training, which values the direct experiences of the learner, the process of critical reflection and attention to affective as well as cognitive factors. Sefton et al. stress the point that “… attitudes and feelings are as much a part of the learning process as ideas or thoughts and they are key factors in the processes of managing change” (p.40).

Essentially, the integrated training model espoused by Sefton et al. (1994) is based on the idea of active and experiential learning as a teaching-learning change based model. The integrated model encourages critical reflection and encompasses processes to address shifts in attitudes, values and feelings.

Kolb’s (1984) view of experiential learning compliments the position taken by Sefton et al. Kolb believes that learning is a result of the transactions that take place between the person and the environment and these experiences formulate our attitudes of desire and purpose (p.35). If organisational learning is incorporated into the practices of the organisation in a systemised way, learning in the organisation represents virtually any learning that occurs in the workplace. Although Dovey’s (1997) perspective of master-apprentice learning or Collin’s et al’s (1989) perspective of cognitive apprenticeship supports the facilitation of learning at both an explicit and tacit level, Dovey bases his three elements around the existence of a structured environment. As discussed above, most learning in the workplace is informal, incidental in nature and, not formally structured as Dovey’s concept suggests.

A review of the literature suggests that learning occurs on a continuum.

1. The individual must always be part of any learning.
2. Learning occurs by the individual and their peers and it is informal.
3. Learning occurs by the individual and their peers and it is structured.
Learning occurs by the individual and their peers and it is not structured but it represents formal learning.

So the question remains, should master apprentice learning be organised and supported for the organisation to experience generative learning as Senge suggests? Is it possible to have a learning organisation where the process of learning is actually fragmented and decentralised but still conducive to continuous learning?

While most organisations do have some formal training, even when they do, it tends to be mostly fragmented. As illustrated in Billet’s study much of the learning in the workplace is master apprentice based. If you do not know something and someone on the job knows, they tend to teach you and it is as simple as that. This has consequences for the learning organisation. Even though the result is transformational learning and the knowledge is shared, more often than not it is not captured and stored in the corporate memory. The knowledge is shared between the individuals who partake in the apprenticeship process and it resides with those individuals in the form of their mental models. The challenge for organisations is how to commit to a culture and provide the infrastructure that allows those mental models to become corporate mental models. This raises the question of whether this could be achieved by integrating master-apprentice learning or mentoring type practices into job descriptions and everyday work.

2.3 The Role of Knowledge Management in the Learning Organisation

What is Knowledge?

Knowledge is widely regarded as an organisational asset and is the focus of organisational competitive advantage and corporate sustainability in the 21st century. Terms such as knowledge worker and intellectual capital have become common language and knowledge is now perceived as the key factor of production. The literature debates the conceptualisation of what knowledge is. Although a number of authors prefer to make a distinction between information, knowledge and data, (Bird, 1994; Pasternack & Viscio, 1998; Senge, 1999; Davenport & Prusak, 1997) knowledge represents more than simply data in a computer. Some regard information as a sub-set, described as the expertise, insights and processes combined to form the company’s knowledge and, discrete components that, when combined with other capabilities, becomes knowledge (Pasternack & Viscio, 1998). Others conceptualise information as the flow and knowledge as the stock (Bird, 1994:329) because knowledge is derived from personal experience, which is conducive to new
knowledge creation, whereas information is acquired (p.329). In his work, Senge (1999) prefers to
define “information [as] data [which has particular] relevance to the receiver’s situation” (p.421) and
knowledge as “the capacity for effective action” (p.421). Senge maintains, “knowledge only diffuses
when there are learning processes whereby human beings develop new capacities for action”
(p.421). Moreover, he contends that while information technology is critical for ensuring the
distribution of information throughout the entire organisation, it takes people to distribute the
information in the first instance (p.421).

Offering a similar definition regarding information, Davenport and Prusak (1997) view information
as data that is used to inform and make a difference. Rather than attempting to conceptualise
knowledge Davenport and Prusak present a working definition of knowledge that incorporates a
framework based on “…experience, values, contextual information and expert insight …” (p.5). This
framework forms our mental models and becomes part of the everyday processes and routines of
the organisation.

While most of the definitions above conceptualise knowledge from the tacit perspective, Nonaka’s
(1991) (discussed in more detail later in this chapter) definition of knowledge emphasises the
interaction between tacit knowledge and explicit knowledge. Nonaka defines knowledge “as having
individual commitment, a sense of identity and real-meaning based on the tacit and often highly
subjective insights, institutions and hunches of individuals” (p.97).

Adding to the confusion between what is information and what is knowledge is that knowledge is
also referred to as intellectual property and this is often used interchangeably with the term
intellectual capital (Handy, 1996; Clark & Clegg, 2000). Clarke and Clegg make a distinction
between the two. In their view, intellectual property consists of people’s intelligence and their ideas
and their creativity (the same as knowledge or core competencies) whereas intellectual capital
combines intellectual property and other non-tangible assets such as brands and licences (Clarke
& Clegg, 2000).

In contrast, Nahapiet and Goshal (1998) define intellectual capital “to refer to the knowledge and
knowing capability of a social collectivity, such as an organization, intellectual community, or
professional practice” (p.245). They deliberately chose this definition to avoid confusion with the
concept of human capital that deals more with the acquisition of knowledge, skills and capabilities. This thesis adopts the term intellectual property as referring to knowledge except where a clearer distinction is required.

Unlike land, property, or raw materials, it is difficult to put a price on intellectual property and it must be recognised that most companies are experiencing this very problem. Handy (1996) gives recognition to the fact that intellectual property, defined not as patent rights but broadly as intelligence in all its forms, is the potent asset in today’s world” (p.12) and “…may not yet figure on the corporate or personal balance sheets, but it is the only thing that counts long term” (p.12).

Drucker (1997) conceptualised the term knowledge worker to define the difference between knowledge, which he contends is skill and capabilities based, as compared to production (1997). One company that believes in the strategic importance of knowledge is British Petroleum (BP). In an interview with John Brown of BP, Prokesch (1997) reports that Brown believes “learning is at the heart of a company’s ability to adapt to a rapidly changing environment” (1997:148). For companies to succeed they must be prepared to share knowledge. Concepts such as virtual team networks and breakthrough thinking, as used by petroleum giant BP are ways of distributing and sharing knowledge so that workers become knowledge workers (Prokesch, 1997). The literature and scholarly is adorned with copious names promoting the concept of shared knowledge, for example, knowledge workers, knowledge creating companies, communities of knowledge and communities of practice, to mention just a few, however scrutiny of these concepts suggests they are selling the same message.

**Sharing of Tacit Knowledge Debate**

The literature identifies two forms of knowledge in organisations, explicit (coded and formal) versus tacit (mental models and informal know-how). Nonaka’s (1991) model identifies four patterns of exchange for the creation and transfer of knowledge. Tacit knowledge can be transferred via two patterns, tacit to tacit, which explains socialisation of the craft via the master apprentice approach or articulation, which explains the process of when tacit and explicit interact. Explicit knowledge is transferred via combination (explicit to explicit), which explains the process of combining discrete pieces of existing knowledge to create new knowledge and internalisation (others extend the knowledge to broaden their own knowledge). The problem lies with the process of tacit to explicit
knowledge, which deals with articulation. Nonaka (1991) suggests when a person is able to articulate the foundation of their tacit knowledge they convert it into explicit knowledge, thus allowing the knowledge to be shared by others. Senge (1990) argues that “tacit knowledge can never be reduced to explicit knowledge and he suggests that talk of “converting tacit to explicit knowledge” reflects a superficial grasp of the very notion of tacit” (p.423). Likewise, Zeleny (2002:182) considers all knowledge as tacit. He believes that once the knowledge has become explicit “it has become information” (2002:187).

Nonaka’s (1991) model supports the view that fostering knowledge creation using metaphors to depict the indescribable allows individuals to combine existing knowledge and use it in a variety of new and creative ways. At the early stages, it accomplishes commitment to the creative process by “merging two different and distant areas of experience into a single, inclusive image or symbol” (p.100) or, what Senge refers to as a shared vision. The four patterns of interaction in Nonaka’s (1991) model explain how knowledge is shared, while Nahapiet and Goshal’s (1998) paper conceptualises a relationship between social capital and intellectual capital for explaining when knowledge is generated and shared. While acknowledging social capital consists of many different attributes, the focus of their theory concentrates on two elements of intellectual capital creation, namely social explicit knowledge and social tacit knowledge through the processes of combination and exchange. They insist the creation of new intellectual capital only occurs in organisations through the combination and exchange of existing knowledge when three conditions are met.

1. The capability must exist for people to be able to exchange, evaluate and integrate different knowledge and knowledge activities within the many separate knowing communities (Boland & Tenkasi, 1995:358; Nahapiet & Goshal, 1998:249).

2. The parties must expect such deployment to create value. “In other words they must anticipate that interaction, exchange, and combination will prove worthwhile, even if they remain uncertain of what will be produced or how” (p.249).

3. The third condition involves motivation. By motivation they mean, “…those involved must feel that their engagement in the knowledge exchange and combination will be worth their while” (p.249).
The four patterns of Nonaka’s learning paradigm are easily identifiable with Vygotsky’s (1978) concept of the social internalisation of knowledge using the master apprentice model and his concept of the zoped (defined as the difference between what an individual can achieve with the help of guidance and what he or she can achieve without the help of that guidance). The four patterns of interaction also reflect the conditions on which learning by individuals goes through various iterations before it becomes organisational knowledge.

**Knowledge Creation and Sharing through Interpersonal or Group Dialogues**

Numerous authors (Watkins & Marsick 1993; Senge, 1990; Schein, 1993; Bohm, 1996; Kopra et al., 2000) to name just a few, are advocates of the role that shared vision plays in the creation and sharing of knowledge. In Schein’s (1993) view, dialogue is the first step in learning therefore, any group with the purpose of problem solving should follow a dialogue format conducive to facilitating shared agreement and the building of mutual trust (p.42). Senge’s (1990) principle of shared vision is premised on the idea of dialogue and the collective nature of thought. He sees team learning as an important function in relationship building that allows trust to develop between team members who regularly enter into dialogue. Dialogue conducted in a group setting allows participants to explore unreservedly, complex issues from many points of view. Individuals are encouraged to suspend their assumptions but at the same time articulate their assumptions freely. This paves the way for people’s experiences and thoughts to be shared, yet allows the participant to move beyond their individual views (1990). Kopra et al. (2000) contend that real change in organisations only occurs when new knowledge is generated and it is only created through dialogue in an environment built on trust. Watkins and Marsick contend, “dialogue [through inquiry] calls for open minds and open communication” (1993:13).

In essence, this principle is very similar to Brown’s (1984) concepts of reciprocal teaching and the jigsaw method. The notion of dialogue and collaborative teamwork is not a new concept and as previously mentioned, is reflected in the ideas of Brown and Campione’s (1983) concept of community classrooms in the 1980’s as a means of helping students in reading tasks. The main idea behind Brown and Campione’s creation of learning communities was the notion that “knowledge does not reside privately in the heads of individuals” (Gee, 1994:22), similar to the view shared by Kofman and Senge (1993). Rather, [it is] situated in activities and distributed, stretched over, not divided among - mind, body, activity and culturally organized settings (which include other
actors)” (Lave, 1988:1). Gee (1994) comments that Brown’s and Campione’s attempt to create learning communities conforms to Lave and Wenger’s definition of cultures of practice or apprenticeship learning.

Dialogue and team learning is viewed as a fundamental process in the development of both personal mastery and shared vision (Senge, 1990). The discipline of team learning defined by Senge (1990) borrows heavily from Bohm’s (1996) notion that dialogue and skilful discussion helps transform into collective thinking and enhanced learning capability through the suspension of assumptions. The ability to suspend one’s assumptions is a central condition in Bohm’s process of dialogue, which he explains is the process of acknowledging that we have assumptions and hence by putting them up there for examination and constructive criticism we are “sharing a common content” (p.26). There is wide agreement that the value of dialogue is not contentious. Senge (1990) advocates that dialogue goes hand in hand with reflection and inquiry and combined with teaming, enhances the collective nature of thought. A recent study by Lucas and Ogilvie (2006) substantiates this view. Their study found that while culture and reputation represented a positive effect on individual’s willingness to share knowledge they were not the mitigating factor. Even more important was the role that the employees perceived their partners played in the social activity and the strength and closeness of the relationships.

As established above, the conditions of community, social capital, teaming, interpersonal groups and dialogues are necessary conditions for building an effective learning and knowledge creating culture in the learning organisation. However, the question then becomes how to capture the knowledge and embed it in the corporate memory, especially when it happens at the organisational, team and individual levels.

**What is Knowledge Management?**

Knowledge management is an issue for all organisations and companies are forever struggling to come to terms with how they can tap into the experiential knowledge that exists in people’s heads and then have that knowledge accessible to everyone in the organisation.

Research conducted by Roffey Park in the United Kingdom (Evans, 2000) found that organisations have not yet understood the importance of knowledge management as a key business process.
The notion of a learning organisation endorses the fact that although learning in the workplace is a collaborative effort, knowledge is created and distributed by individuals. As Evans (2000) reports, organisations are still in the early stages of understanding the cultural aspects of managing knowledge. This binds with the concept of the learning organisation as the learning organisation principles focus on how organisations can maximize organisational learning to their best advantage. Consequently, one could conceive that knowledge management cannot be separated from the concept of the learning organisation, as the two are complimentary. The requirements for knowledge management mirror those required for the learning organisation. According to Evans (2000):

Knowledge creation is a very idiosyncratic process. Knowledge is created when individuals process new information through establishing connections with existing knowledge, making comparisons and assessing the consequences of this new information. Even though knowledge creation is an idiosyncratic process, it is facilitated and enhanced through social contact; hence the reason why the craft/apprenticeship model is often referred to in knowledge management literature (p.10).

Many of the large consulting firms have their own strategies for knowledge management, however it has been suggested that the majority of organisations have not managed to implement sound knowledge management practices (Gorelick & Tantawy-Monsou, 2005). A vast number of authors view knowledge management as synonymous with the learning organisation. Debates about what constitutes knowledge management are as diverse as the debates about knowledge itself. In essence, knowledge management aims to capture the collective experience and tacit expertise that resides in the heads of individuals and make it accessible to everyone throughout the organisation through people, processes and technology (Evans, 2000; Gorelick & Tantawy-Monsou, 2005).

According to Gorelick and Tantawy-Monsou (2005), organisations need to implement a knowledge management framework that applies structures and processes at the individual, team and organisational levels in order to capture what each level knows. The framework must allow for the organisation and dissemination of the information across each of the levels and the ability to apply the existing knowledge to new learning experiences to create new knowledge going forward (p. 128-129). They insist:

Performance and learning are interconnected and must be integrated in learning organisations to ensure sustained performance and growth. Organisations are complex adaptive systems (always changing) and
need to address profit, culture politics, social networks, communities, people as well as values, ethics and goals within their environment (p. 138).

An important aspect in maintaining a knowledge creating culture is to develop an organisational learning focus by adopting a collaborative working approach, creating learning spaces and building learning into the project life-cycle through the role of apprenticeship and communities of practice are key to (Evans, 2000; Gorelick & Tantawy-Monsou, 2005) enhancing performance, learning and knowledge-management in the learning organisation.

**Knowledge Management Approaches in Organisations**

**Computer based approaches to knowledge management**

Computer-based approaches to knowledge management appear to focus primarily on the codification of the data and its storage in the company’s databases. Larger organisations such as Anderson Consulting and Ernst and Young have tended to use a codification approach (Gordon, 1999; Hansen, Nohria & Tierney, 1999). Here the focus is to gather the data, codify the data and store the knowledge in the company’s computer databases so that it is accessible to all the employees. With this approach, knowledge is codified using a people-to-documents method.

Botkin (1999) offers another computer-based approach although it differs slightly to the codified approach in that his knowledge management model recognises the importance of the role that people play. Botkin discusses the three types of approaches to knowledge management identified during a survey of over 300 companies. Self-service is the most common approach which, “links people to information by putting it on people’s desktops (p.113). The second, Networks, links people to people via communities of practices (similar to Wenger and Snyder’s (2000) concept) and thirdly, facilitated transfers duplicates knowledge across localities. The main objective of Botkin’s networked management model is to integrate the individual knowledge “by converting individual learning to organizational knowledge and thus start the cycle of making tacit knowledge explicit and re-integrated as tacit by the whole organization” (1999:106). This is achieved by making the same information available to everyone so that everyone can see what everyone else is doing.
People-based Approaches to Knowledge Management

In contrast, the people-based approach is more aligned with the definitions of knowledge where the focus is on how an organisation taps into the tacit collective knowledge of its individuals and uses it to develop capacities for action in learning and driving innovation. The people-to-people approach recognises the importance around the development of networks by linking people and allowing the exchange of tacit information (Hansen et al., 1999:68). The theory behind this strategy is that the “knowledge is closely tied to the person who developed it and is shared mainly through direct person-to-person contacts” (Gordon, 1999:3). The focus of this strategy is premised on the notion that shared vision takes place between individuals and is not isolated to knowledge objects in a database (Hansen et al. 1999:66). Other consulting firms such as Bain McKinsey and Company and the Boston Consulting group favour a people-to-people-knowledge sharing approach or what Hansen et al. refer to as the personalization approach.

Other authors to develop similar people-to-people based models are Pasternack and Viscio (1998). As consultants at Booz Allen, Pasternack and Viscio maintain knowledge consists of the understandings that people use in the decision making process or, the actions that are taken based on what is deemed as being valuable to the company (p.97). The knowledge management strategy conceptualised by Pasternack and Viscio (1998) is the Centreless Corporation. Their strategy consists of three business enablers; People, Knowledge and Coherence. Coherence consists of shared vision and a shared set of values “and expands to include numerous linkages across the company” (p.61). They insist their model “addresses knowledge in the broadest possible sense, which is far more than what a corporation knows and can know” (p.97). The people-to-people knowledge approach is more closely aligned to the framework of this thesis as it places the sharing of knowledge within the realm of social interaction and the notion of shared vision.

It is argued that most of the companies that spend large amounts on technology for knowledge management build systems that nobody uses because the fundamental issue is not about technology but rather, it is about culture (Botkin, 1999:111). As an example, Botkin discusses Honeywell’s attempt to implement a corporate knowledge strategy. According to Botkin, they had the major ingredients of technology, vision and a mandate from the CEO but where it failed was the company’s inability to address issues of corporate culture such as the “misalignment between industrial cultures and the [new] culture which recognises the new beliefs, behaviours and values
needed for knowledge management communities” (p.148). With the emergence of computer technologies, companies are tending to focus on knowledge management as being all about the storage of data in computer networks due to their accessibility and codification abilities. However, Gordon (1999) is critical of this approach as in his view:

While knowledge management operates via computer systems, it isn’t about computers and it can’t be if it is to be effective. It has to be about learning ... it has to be about learning that is directly useable on the job, learning that enables better performance” (p.3).

Interestingly enough, this view is not shared by the CEO at Verifone as they utilise their robust computer networks as a knowledge management tool by ensuring that all corporate information is immediately accessible, online and worldwide.

**Barriers to Knowledge Sharing**

The literature identifies three key areas that can act as barriers to knowledge sharing. At the organisational level, two of the major blocks contributing to the scarcity of knowledge sharing in organisations relate to the lack of structure and processes. With electronic processes entrenched in organisations, communication tools such as email have been touted as an ideal mechanism for the exchange of information by opening up dialogue and providing the interactivity leading to the social construction of meaning. Perhaps using technology such as email as a communication tool works in organisations that foster a supportive culture however, in organisations that still foster a more traditional approach, for example, insurance and accountancy, medium such as email may not be the ideal means of taking implicit information and making it explicit. A second key factor is constant organisational change. As organisations constantly change it inhibits learning and the roll-on effect impacts existing and future organisational knowledge (Huysman, 1999).

In moving from the barriers at the organisational level to the barriers at the individual level, barriers to knowledge sharing can be contributed to a lack of motivation, a lack of trust in others, organisational politics at play, the role of empowerment (power) or just thinking about doing it. More than ever before, individuals are operating in a climate of constant downsizing. This has lead to cultures of competition that can inhibit an individual’s willingness to share knowledge. An even greater problem is a reliance on employees recognising what information is valuable for distribution with the result that we are often overloaded with useless data. This raises questions about the conditions that are necessary to facilitate the generation and transfer of knowledge between the
many organisational levels including between individuals, across groups and teams and even external entities when required. Mainstream learning organisation theory insists that knowledge is shared more readily in a community-based culture, where the operationalisation of social capital relies on trust and shared values.

2.4 Cultural Change - the Role of Community, Social Capital and Shared Vision

Introduction

This section addresses the debates surrounding the conditions that would need to be met for the individual and organisational levels of learning to be mutually enhancing. It examines some important key themes including the difficult issue of trust, particularly, how this affects the role of workplace learning and commitment. It explores how trust dictates the role of community and collaborative learning. It also explores the difficult issue of shared values and questions whether shared values are desirable or even possible.

The section commences by examining what needs to change at the organisational level by presenting an example of an alternative culture offered by James’ (1997). Having explored the new culture, culture is then examined through a discussion of the debates surrounding the role of social capital as a measure of the strength of community in organisations. The chapter then takes a micro look at the constructs that need to prevail at the individual level, which includes a sense of belonging, trust and the role of empowerment.

Changing Cultures

An emerging theme throughout the organisational learning literature is how the traditional organisational structure and mindset no longer meets the needs of organisations in the competitive global world. It is argued that today’s organisations need to be flatter, leaner and more flexible. Traditional cultures are giving way to new cultures and the literature applies language such as Virtual Organisations, Centreless Corporations and Knowledge Communities to name but a few (Pasternack & Viscio, 1998; Botkin, 1999; Clark & Clegg, 2000).

The learning organisation literature (Senge, 1990; James, 1997) suggests that a learning organisation consists of a flatter structure, is innovative and flexible on account of a cross-functional team-based culture and supports open dialogue that is conducive to empowered learning. An example of a contrasting approach to the traditional corporate culture is offered by
James (1997) in his book “Giant Killers: The Electronic Elite” (1997). In his opinion, the traditional approach of hierarchical, army-like organisational structures has been superseded by the Business = Ecosystem culture which is based around the constructs of decentralisation, trust, empowerment and flexibility. The Business=Ecosystem culture defined by James is particularly suitable for the concept of the learning organisation as the characteristics of his culture are aligned with the key themes identified in the organisational literature and are particularly suited to the new type of business environment that is decentralised, global and often high technology, such as dot.com companies for example.

According to James, the corporation’s culture consists of the “cultural mindsets that people use to evaluate the appropriateness of business behaviour” (1997:13). Rather than viewing the corporation as a machine with employees as faceless cogs filling rigid roles, where change is complicated and difficult, the new culture views the corporation as a community of individuals with hopes and dreams connected to the organisation’s higher purposes.

In moving from the traditionalist culture, James describes the six cultural mindsets that he believes the “electronic elite” adopts. He maintains that combined, these six mindsets help to transform “…the cultural framework for companies that are decentralised, trusting, empowering, informal and flexible rather than centralised bureaucratic, controlling, formal and rigid” (1997:22).

**Business=Ecosystem.** Corporations exploit market niches by forming symbiotic business relationships. Diversity is the likely road to survival and change is viewed positively. Employees come from a diverse range of backgrounds and alliances and partnerships with other companies are considered the norm (p.21).

**Corporation=Community.** Corporate cultures based around this mindset encourage employees to commit to the goals of the organisation, their peers and their community (p.21).

**Management=Service.** Managers direct and lead the organisation to get the job done. Here the culture is one of collaborative decision making involving all levels of the organisation, teams are the dominant structure, and they set their own rules and direction (p.21).
**Employee=Peer.** All employees within the organisation are regarded with equal importance as to their role in the success of the organisation. The organisation encourages excellence, employees are responsible for their own destinies and competition amongst peers is friendly (p.22).

**Motivation=Vision.** Motivated people have a clear idea of where they want to go and the organisation rewards them when they get there. Motivated employees work harder. They do this not out of obligation or fear, but because they truly share the organisation’s vision and goals and they have an interest in their job. Often in these types of companies, the employees also share in the profits so they have added motivation (p.22).

**Change=Growth.** The Electronic Elite or learning companies for that matter view change as a desirable outcome where change is viewed as part of the adaptation process when confronted with new market conditions. With this mindset, employees do not fear change; embrace new ideas and new ways of doing business with enthusiasm (p.22).

Examples of two companies that have taken the transformational leap from a traditional culture to the new learning organisation culture are Verifone and Oticon. Verifone’s business is in electronic payment systems. They conduct their business under the premise of being a virtual company by conducting a large proportion of their daily business through the company’s electronic media. Secretaries and paper-based correspondence are outdated. Taylor (1995) states people who have previously studied Verifone have been critical of what they consider is the company’s overuse of technology. Counter to this argument, Hatmin Tyabji, the Chief Executive Officer (CEO) makes the point that the electronic infrastructure, especially the use of email is not acting simply as an information system but it represents a social system whereby the values of the company are constantly expressed. Regardless of how the company uses email to communicate, it is still a very limited method for communicating. Email etiquette has always been a problem for organisations and it is very difficult to express oneself and know that the recipient is not offended by the written words. Nevertheless, the company has a global presence and Tyabji is proud of the fact that there is no corporate headquarters and therefore no national origin (Taylor, 1995). Tyabji acknowledges that too much emphasis on technology runs the risk of your people becoming robotic. However, he is cognisant that leadership is not about robotics but involves the human aspect. Nevertheless, companies have a tendency to forget that human beings are just that. By that, he acknowledges that humans are subject to frailties and rather than pretend they do not exist, he prefers to address
them by constantly reinforcing the Verifone philosophy through their mission statement, their electronic university and electronic communications. According to Tyabji, even though others see the company as that of a tough-results-oriented culture, he believes that the company has a caring culture. Taylor does not agree (1995). After his research he conceded that while he sees that the culture is indeed tough and delivers personal freedom, he is not entirely convinced that what he sees is a culture of caring.

Oticon participates in the billion-dollar world market for hearing aids. Lars Kolind took over at Oticon when the company was in trouble. He undertook the usual band-aid steps common to the principles of economic rationalisation by cost cutting, which in the short term lead to increased productivity. However, he was quick to realise that such small adjustments would not suffice if they were to meet their competitors' head on. Kolind realised that a new mindset was required and with that, he wrote a memo to staff explaining his intention to reinvent the company. In his memo, he stated that the company needed the “...combination of technology with audiology, psychology and imagination. The ability to ‘think the unthinkable’ and make it happen. In organizations of the future, staff would be liberated to grow, personally and professionally and to become more creative, action-oriented and efficient” (1995:78). Following the release of the memo, he set about abolishing the organisation. The organisation took on a culture that was project driven, not function or department driven. In Oticon, teams form and disband as required and “project leaders (basically anyone with a compelling idea) [could] compete to attract the resources and people to deliver the results” (1995:78). There are no departments, no titles, no offices and no paper. As Kolind suggests, this organisation is disorganisation and it is working. At the time of Labarre's (1996) article, they were developing products twice as fast as their competitors were.

An interesting point to note is that James' book was published in 1997 during the time when many countries were experiencing a surge in the growth of companies analogous to the Electronic Elite or the dot.com era as it was commonly referred. James made the comment in his book:

Companies that plan to be successful in the future would do well to understand how the corporate culture of the Electronic Elite made these upstart companies so thoroughly undefeatable (p.12).

Many of these organisations established their structure and culture on the type of model espoused by James. During the early 21st century many of these organisations have since failed while others
have been subjected to take overs and mergers. The reasons why these companies may no longer exist may have nothing to do with the structure and culture, or, then again, possibly it did. Any culture implemented to meet the conditions of the learning organisation necessitates a monumental shift of mind to continually expand its capacity to create its future, or in Senge’s (1990) words to experience generative learning. One has to ask the question, is it perhaps just too big a task for many companies?

**The New Form of Collaboration – the Concept of Community**

In recent times, organisational development literature has examined the issue of enhancing the individual and collective (team) aspects of learning through the theme of community building. Community formed the central theme of James’ (1997) strategy for organisational transformation and James is not alone in his focus on community as the source of cooperative connections for organisational learning. The widely held view in the literature is that communities in the workplace facilitate the exchange of knowledge through the role of social groups and co-operative connection between people who hold similar values, beliefs and attitudes (Lave & Wegner, 1991; Shaffer & Anundsen, 1993; Cohen & Prusak, 2001). Shaffer and Anundsen (1993) view community as a necessary phenomenon for the learning organisation to survive as it allows the employees to think systematically and develop connectedness. The next section takes a closer look at what community means, what it looks like and what it means for the learning organisation in practice.

Numerous authors advocate the concept of community in the workplace (Ray, 1992; Ray & Rinzler, 1993; Shaffer & Anundsen, 1993; Senge, 1990; 1999; Wenger & Snyder 2000; Cohen & Prusak, 2001). Senge’s (1990) vision deals extensively with the theme of building communities, especially the interconnectedness between communities and the disciplines of shared vision and team learning. Essentially, Senge maintains that the process of community building is achieved through “learning-ful” conversations (1990:9). Fear (1997) interprets this to mean that through the process of “…connecting learning with the community, we embark upon a lifelong journey. If that journey is truly learning-ful, then it should have a transformative effect on how we function collectively” (p.3).

While there are many conceptualisations of community in the literature, the widely held view is that community is bound by commitment in a variety of forms and dictated by qualities such as shared values, trust, respect, honesty and compassion. Shaffer and Anundsen (1993) have loosely
modelled their concept upon Senge’s (1990) five disciplines. As an alternative to addressing culture from the systems perspective, they have referred to the cultural aspect as the employee based structure, which argues for a community based on a co-operative dynamic body represented by a structure based on intersecting circles connected by dotted lines. Secondly, they have added the idea of group renewal as a form of ensuring sustainability of the community.

Alignment of values – indicated by organisations where the language is we not I.

Employee-based structure – Company structures are flatter and based on interdependent networks.

Teamwork – Culture is based on teamwork rather than individuals and the organisation defines the roles but does not attach the roles to specific people.

Open communication – Communication is open (i.e. vertical and horizontal), face-to-face and feedback is encouraged.

Mutual Support – Workers are willing and eager to support their peers towards the end goal.

Respect for Individuality – Even though the organisation is one of community, individuality is still respected and accepted.

Permeable Boundaries – The us and them mentality gives way to partnerships and alliances.

Group Renewal – Every now and then teams meet outside the organisation to renew the organisational cohesion.

Adapted from Shaffer and Anundsen (1993)

A community of practice is a concept first introduced by Lave and Wenger (1991). The central theme is the formal and informal connectedness and the enthusiasm for joint venture (Wenger & Snyder, 2000:2). The focus of communities of practice is the social and collective nature of how knowledge is shared amongst the community. They argue that as new members join, they bring with them new knowledge that is then shared and made available to all the members in the community. One point of difference between Senge’s (1990) vision of community and Wenger and Snyder’s (2000) concept is the location of community. Senge’s model assumes a systems perspective for the role of community based on his idea of teaming, whereas Wenger and Snyder while supporting the team concept maintain that communities of practice have no boundaries and can exist in small business units, across business units and be external to the organisation.
Other concepts of community based on the notion of communities of practice are knowledge communities (Botkin, 1999) and communities of knowing (Boland & Tenkasi, 1995). Botkin conceived the term to connate groups of people with a common purpose, which is, to “share and use knowledge for tangible business purposes” (p.30). Like communities of practice, knowledge communities espouse shared values, its members have a sense of belonging and there is a high level of trust between the members. Botkin argues, a culture based on community supports teamwork and provides a supportive environment where all employees have the opportunities to learn each other’s skills. While there is no clear difference in definition between communities of knowing compared with communities of practice and knowledge communities Boland and Tenkasi (1995) have differentiated their concept of communities of knowing based on their focus of knowledge-intensive firms and the interactions that take place between multiple knowledge communities. These interactions take place using the processes of perspective making (the process explaining how a community constructs its knowledge domain and expertise) and perspective taking (making the knowledge available for exchange, evaluation and integration by the community) by using narratives.

While the majority of research on communities has focused on the internal organisation, Ghosh (2004) has advanced on Boland and Tenkasi’s (1995) notion of knowledge communities by extending the concept of learning across the inter-organisational domain based on strategic alliances and partnerships. Ghosh provides an exploratory framework of inter-organisational learning based on strategic alliances, using Vygotsky’s socio-cultural theory of learning (examined in Chapter 3), by suggesting that the exchange of knowledge is based on the notion of engagement due to the idea of the perceived value between the partner/alliances knowledge (p. 304). This concept shares similarities with Field’s (2002) notion of group-shared interest; however, where it differs is in relation to the nature of the contract. Strategic alliances are bound by a contractual arrangement whereas group-shared interest is mostly governed by the interests of the group and these may not necessarily be contractual.

Although the authors offer a variety of variations in concept, they all focus on the pivotal role communities perform in improving the exchange of knowledge. The role community has in contributing to the creation and sharing of knowledge is central to the learning organisation and to this thesis. Communities have four important functions in the concept of the learning organisation.
Firstly, the notion of community is linked to the earlier discussion about an individual’s sense of belonging. According to Shaffer and Anundsen (1993), employees from all levels of the organisation are seeking a supportive environment and are seeking connectivity in the workplace considering they spend a substantial amount of their time there. Secondly, communities of practice have an important function in the new paradigm of knowledge-workers and that is to share knowledge and foster the creation of new knowledge. Communities of practice encourage internal networking. This is a powerful informal means for fostering new ideas and innovation both horizontally and vertically within the organisation. This will only occur if individuals have a strong sense of community in the environment in which they are working. The third value-add aspect of communities of practice is their propensity as a forum for setting and sharing best practice (Wenger & Snyder, 2000). The fourth important point is that communities of practice help the development of professional skills by utilising the master apprentice concept through coaching and mentoring by more experienced peers.

Although the concept of community has numerous supporters, the literature acknowledges several major challenges organisations often confront. Firstly, communities are self-organising; consequently, even though they require the support of management to ensure integration into the organisation they are resistant to interference and are difficult to supervise. Secondly, building sustainable communities of practice once they have been established and integrated requires the commitment of organisations providing the necessary infrastructure to ensure their continuity. This commitment includes providing the time, resources and money to allow them to realise their overall goal (Wenger & Snyder, 2000). Thirdly, communities of practice are subject to the same problems associated with group dynamics as hierarchical institutions where control and power related issues can cause internal conflict if not resolved quickly and effectively (Shaffer & Anundsen, 1993). To overcome control and power associated issues, Shaffer and Anundsen maintain that organisations must clearly define the values and system of governance upon which the community is founded. These include a common vision and set of values in addition to agreement on how the decisions are made within the group.

An important contribution by Fear (1997) in his critique of community is his commentary about team-based approaches to building community. He argues that before making teams an essential part of the workplace, managers “must consider the specific organizational context within which
[they] are attempting to innovate teams (p.9). Although Fear (1997:14-15) is an advocate of the collective nature of learning, he notes that in the past few years he has witnessed the dysfunctional consequences of placing too much emphasis on the construct of community building. Fear points out that the most important of these consequences included focussing too much on process to the point where it was seen as sacrosanct or placing too much focus on people’s feelings without the corresponding emphasis on product, quality, outcomes, skills and team performance. He also witnessed evidence of what Janis (1982) termed groupthink where members aim for group consensus and harmony to the detriment of critical thinking. Other factors included evidence of single-loop learning (i.e. learning how to do something and then doing the same thing repeatedly without any reflectivity or meta-learning) and an emphasis on what Noer (1996) calls “accessing others” (i.e. interpersonal learning) as a way of learning with less emphasis on learning through other venues (e.g. reading).

This section provided an overview of the concept of community and its importance in the workplace. It established that there are four primary benefits to be found in building community in the workplace. First, community enhances an individual’s sense of belonging and connectedness to the workplace through a supportive environment. Secondly, community facilitates the innovation and the creation and sharing of knowledge through internal networking and the bringing together of people with shared values and beliefs. It also discussed the major challenges organisations face in achieving a sense of community. These include their informal nature as they are self-organizing and require the investment of time, money and infrastructure, the organisations overall ability to achieve personal interconnectedness of the group in order to realise commitment to the vision. Finally, in peer communities the challenge is to recognise the damage that control and power games can do to a community and ensure that the community’s values and system of governance are clearly articulated.

**The Role of Social Capital in the Context of Community**

Social capital as a construct has been around since the early 1900s however; the term is a relatively new construct to emerge in the field of organisational development literature. Social capital is a diverse topic that represents a study in its own right. For the purposes of this thesis, the examination of social capital is confined within the context of community as these two constructs relate to organisational culture and the transformational change required to realising a culture of
trust and sustaining shared vision, shared values and shared goals. The value in looking at social
capital over and above the concept of trust and shared values is its iterative and cyclical nature in
improving the sharing of knowledge within organisations. As social capital strengthens in
organisations so too does the exchange of knowledge.

There is little variance in the authors’ conceptualisations of social capital. Most draw on the central
themes of the role of social networking, reciprocity and connectivity between individuals (Putnam,
2000; Cohen & Prusak, 2001). Cohen and Prusak also include the constructs of community and
commitment to acknowledge the human aspect and social nature of work. As mentioned
previously, although community is not one of Senge’s disciplines per se, the concept is a central
theme discussed throughout the disciplines of team learning and mental models.

So, what does social capital look like? Cohen and Prusak (2001) explain:

Social capital consists of the stock of active connections among people: the trust, mutual understanding,
and shared values and behaviours that bind the members of human networks and communities and make
cooperative action possible (2001:4).

The World Bank is also drawing on the notion of social capital in current debates regarding
economic and societal development:

Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a
society’s social interactions… social capital is not just the sum of the institutions, which underpin
society – it is the glue that holds them together (World Bank Group, 1999).

Social capital is a measurement of the resource of community that exists in the organisation. The
literature emphasises the relationship between communities of practice and the role of social
capital and it highlights trust and commitment as characteristics that are necessary for social
capital to exist.

Social Networking and reciprocity are conducive to social capital in the workplace (Putnam 2000;
Leonard & Onyx, 2004). The benefits of social capital are said to be many and incorporate both
tangible and intangible benefits from improved productivity to lower turnover rates. Nonetheless,
the main benefit within the context of this thesis is the benefit around improved knowledge sharing.
According to Cohen and Prusak (2001) high social capital leads to improved knowledge sharing when trusting relationships are established through shared understandings and shared goals. The workplace is also said to be a prime site for the development of social capital because of the potential it has for maintaining harmony and improved production in the workplace during challenging times (Leonard & Onyx, 2004).

Social capital is premised on the notion of trusting relationships and the interactions between people that enables community building. Organisations with high social capital benefit as knowledge is shared more readily because relationships are built on trust, shared values and shared goals (Cohen & Prusak, 2001). The United Parcel Service (UPS) typifies such a workplace. UPS is one of the few companies still operating with a long-term view and they continue to make substantial investments to ensure a high level of Social capital is maintained. The company has a low turnover rate and this is conducive to preserving the organisation’s values and core behaviours resulting in a high level of commitment and cooperation (Cohen & Prusak, 2001).

What does this all mean for the learning organisation in practice? Organisations that want to transform to a learning organisation must recognise the importance of building a culture that is conducive to internal networking and workplace community. By creating an environment that is trusting and facilitates the easy creation of interpersonal connections individuals are more likely to commit, connect and collaborate and readily share knowledge for the benefit of the organisation as a whole. Organisations must also recognise that the implementation of community and the achievement of social capital is not a one-off investment. It is a long-term ongoing investment requiring time, energy and commitment.

This section introduced the idea of social capital in particular, how it connects people through shared understandings based on trusting relationships enabling community building. Although this section has established that the workplace is considered a natural setting for the development of high social capital it requires a combination of agency and social connection built around trust and the willingness of the workers to not only bond within workgroups, but also to bridge across workgroups. Given the current economic climate, one could argue that this would be an unrealistic expectation and these organisations lose this notable resource. An important observation is that
social capital is a resource created by trust and networking that can be used to extend knowledge sharing. In other words, social capital is a virtuous circle.

**The Role of Trust in the Workplace**

Organisational literature offers various definitions of trust. However, trust in the workplace is not an isolated theme and is linked to many other cultural aspects in particular the concept of community and social capital examined previously in this chapter. It was established that social capital might be an automatic by-product of trust yet trust by itself is not a sufficient condition for knowledge transfer. Chapter 1 also discussed how downsizing is creating a culture of competition, which may lead to a culture of distrust. This thesis contends that cultures of competition detract from an individual’s preparedness to trust and therefore their willingness to share knowledge. If this is the case then questions can be asked about the implications of this for mismatching the principles of the learning organisation.

Given the current business climate, Howarth (1997) suggests that the word trust “may well become one of the most important terms in the business vocabulary as [companies move towards] collaborative relationships” (p.2). A report by Baird and St-Amand (1995) provides a number of definitions of trust. Examples include; “an expectancy held by an individual that the behaviour of another person or group…[will] be altruistic and personally beneficial” (Heimovics, 1984, cited in Baird et al., 1995:3); “a generalized expectancy that we can rely on the word, the promise, the verbal or written statement of another person” (Rotter, 1980:35). Other definitions of trust imply “a reliance on, or confidence in some event, process or person” (Golembiewski & McConkie, 1975:133) and “our reliance on the integrity, ability and character of another” (Botkin, 1999:161). Another variation of organisational trust is *quick trust* which is “judgement based on reputation and experience” (Cohen & Prusak, 2001:35).

Structural definitions of trust reflect the hierarchical relationships, such as the three levels of trust defined by Fox (1974). *Lateral* trust is defined as the trusting relationship that exists between peers and equals; *vertical* trust defines the trust relations between a supervisor and subordinate; *external* trust defines the trust relations between an organisation and its clients or suppliers (Fox, 1974:79). Building trust is a slow process and to develop an organisational culture based on trust takes commitment from all members of the organisation. Trust within the organisational context must
generally be earned, based on respect and consistency in behaviour and is not merely earned on one’s status or position alone.

Other variations include the span of trust (Cohen & Prusak, 2001) whereby a number of writers on social capital distinguish between thick trust which is found in tight knit communities and thin trust which is a general expectation that people will do what they say they will do (Cohen & Prusak, 2001; Leonard & Onyx, 2004:58).

Clearly, in the literature reviewed there are no differences in the characteristics of trust. What is important is the fact that trust for the most part is said to be situational. People tend to act in different ways depending on the circumstances. A person may be considered very trustworthy to perform a specific task at work and not considered trustworthy to perform other tasks (Cohen & Prusak, 2001).

According to Reece (1999), trust is a personal quality and he introduces five tenets of trust, which he considers apply at the leadership level. Although Reece discusses the five tenets from a leadership perspective, he argues that they can be applied at an individual level, peer-to-peer, employee to manager, employee to trainer and so forth. As emphasised by Reece, “trust is a personal quality that has to be exercised in a personal way towards others” (p.42) and this can occur at either the group or organisational level because of the culture.

**Thoughtful** trust recognises that each person as an individual has perceptions, goals and objectives that may differ to our own.

**Reliable** trust takes into account such factors as people doing what they say they will do. By this, Reece (1999) means that his or her word is their bond.

**Sensitive** trust implies that we show concern for the needs of others and show respect and allow them retain their dignity when circumstances prevail.

**Uplifting** trust emphasises the need to find a reason to praise rather than over emphasise the negative.

**Tenacious** trust recognises that while some may abuse our trust, it is no reason to capitulate and we should continue to pursue trust over the long-term by displaying patience and tenacity.

*Adapted from Philip Reece (1999:42-43).*
Another author to acknowledge the importance of trust in the work context is Handy (1994; 1997). At the organisational and individual level, Handy (1997) defines seven cardinal principles of trust.

1. Trust is not blind – represents the notion that it is difficult to trust people when we do not know them that well.

2. Trust needs no boundaries – represents the fact that “organizations really mean confidence in someone’s competence and in their commitment to a goal” (p.189).

3. Trust requires constant learning – based on the notion that every individual has to be capable of self-renewal (p.190).

4. Trust is tough – trust has to be ruthless when it is proven to be misplaced (p.191).

5. Trust needs bonding – trust is based on self-contained units delivering specified results (p.191).

6. Trust needs touch – based on the notion that shared commitment is only achieved when there is personal contact (p.192).

7. Trust has to be earned – Organisations must first prove they are trustworthy before they can expect their people to show trust in them (p.193).

Low levels of trust lead to low employee morale, low innovation and non-acceptance of change and can act as a barrier to learning (Baird et al., 1995; Golembiewski & McConkie, 1975). Alternatively, high levels of trust result in high employee morale, high innovation and a workplace where change is accepted more with less trepidation. Where organisational cultures are based on cynicism, fear and distrust, it makes sense that the employee’s vision and goals will not be aligned with those of the organisation.

So how does one recognise an organisation built around a culture of high trust? Organisations built around a culture of trust can be observed via the interactions and the language of the organisational members (Shafritz & Ott, 1992). Furthermore, Shafritz and Ott contend, cultures built on trust are a result of agreement by all the members concerning the basic assumptions around decision-making and what is considered acceptable behaviour. Conversely, employees working in an organisation built around a culture of low trust tend to view any change with scepticism. The work environment is quiet, energy levels are low, and management is hierarchical and top down in nature where status is viewed with the upmost importance (Baird et al., 1995). Nevertheless, building trust and maintaining trust is difficult in times of economic uncertainty and constant
structural change. Baird et al. (1995) suggest that management demonstrating interpersonal trust and communicating with the employees in an open and honest manner can overcome these difficulties. On the other hand, one of the problems regarding trust is that it requires people to act in predictable ways. In times of change, people tend to act in an irrational way and their actions do not always follow their words. Trust takes time to develop but can be breached in an instant. Once that breach occurs, it takes a long time to rebuild.

In the learning organisation, the concept of trust is an important element as it relates to the collaborative approach to workplace learning. Organisational learning in the workplace is no longer viewed as simply an individualised event but rather as a collaborative effort. Wagner’s (unpublished) use of a circus as an example of a complex learning environment is based on “Vygotsky’s theory (discussed in detail in Chapter 3), which views learning as being embedded in the social basis of higher mental functions…” (p.5). Complex learning environments provide learners with the ability to develop the entire range of “intellectual, social and concrete skills” (p.5) through the process of interaction in a social and political context (p.5). As Wagner points out, the flying fruit circus depends on interaction at all levels, from the “people who put up the tent, [to] the guys who build the equipment” (p.7). This author does not entirely agree with this view. While acknowledging there are some things that can only be learnt in collaboration with others such as team sports, committee work or choir singing, the creation of new knowledge is often highly individualised until the individual chooses to share it. Once the individual chooses to share the knowledge, the process of collaboration begins. As Lave and Wenger (1991) point out, trust is an integral part of a complex learning environment where everybody has to be able to know he or she can rely on the others. Place the circus example into the context of an organisation facing any kind of upheaval due to change and you have the same scenario where trust plays an important part in building a collaborative effort to ensure success. Cohen and Prusak (2001) suggest organisations consistent at generating trust will realise the compounding effect where trust eventually becomes embedded in the social fabric of the organisation.

This section provided a précis of trust. Firstly, it described the various conceptualisations of trust ranging from structural definitions based around hierarchical relationships as found in the workplace to other variations based on the span of trust such as thick versus thin trust. The first section also canvassed trust as implied at from the individual level, which can also cross over to
the organisational level. Secondly, it discussed how trust is an important element in the collaborative approach to workplace learning and concludes that without trust, individuals will not buy into the collaborative effort. Nonetheless, trust is volatile. So how can trust be encouraged and fostered in organisations? One way is to empower the employees so that they are committed to sharing the organisations goals and objectives.

In summary, this chapter provided a précis of the macro view of the change required in culture to facilitate transformation towards becoming a learning organisation. The chapter established that at the organisational level, cultures built around the idea of community are much more likely to realise high social capital. The chapter also established that community and social capital depend on trust. Individuals that have a sense of belonging are more committed at the collaborative level and knowledge is more readily shared due to trusting relationships and a shared understanding resulting in worker commitment for turning learning into action. Nonetheless, trust alone is not a sufficient condition to ensure the transfer of knowledge. Attempts to build a trusting and empowering culture relies on these constructs mostly prevailing at the same time. In addition to this, individuals can have different interests, be motivated for different reasons and have different values and goals to those of the organisation. The challenge for organisations is to not only change the culture to facilitate the conditions for learning and knowledge transfer but to then encourage individuals to align with them. The next chapter addresses learning from the micro perspective. It examines learning from both the cognitive and social viewpoint. It then examines the concepts of motivation and interest as they relate to the individual dimension.
Chapter 3    The Micro Perspective of Individual Learning in Organisations

3.1 Introduction

Having explored learning in the organisation from the macro viewpoint in Chapter 2, attention now turns to explore the learning individual from a micro viewpoint. As established previously, learning occurs through individuals in the workforce. It was determined that individual knowledge transfer occurs when the cultural conditions are conducive. However, this thesis contends that organisations are diverse and complex and operate within complex human relationships. Not all individuals are willing to learn and not all individuals are willing to share their knowledge. There is a sharp distinction between the macro viewpoint and the micro viewpoint, which is not reflected in the literature as adequately as it could be. As introduced previously, the macro viewpoint in the literature assumes uniform compliance at the individual level. The macro view is based upon the elements that managers can implement and control at a broader level within the entire organisation or within a very large sub-section of the organisation. At the micro level, there are elements that managers cannot necessarily control at the broader level because individuals have personal agency. They are guided by their motivations, their interests and their emotions and organisations cannot control these. They can ensure that the structure is in place to facilitate learning and the transfer of knowledge but this alone does not guarantee individual learning will occur.

Learning as individual cognition explains how individuals become socialised into society (Huysman, 1999). Through socialisation, individuals develop meaning structures (Dixon, 1994) based on the transformation of experiences and the meaning they attribute to those experiences. This chapter examines constructivist theories. In particular, it examines constructivism and social constructivism as they relate to development and learning. The discussion on constructivist theories sets the groundwork for the examination of constructivist perspectives of learning, as this concept is central to this research.

Chapter 1 examined the concept of the learning organisation and presented the mainstream themes that have dominated the literature regarding the transformational changes required for organisations aspiring to become learning organisations. Organisational learning theorists have been re-engineering constructivist theories in attempting to move towards a new paradigm that embraces such ideas as the learning organisation and knowledge workers. To lay the foundation
for the framework of this thesis, this chapter examines the basic principles of the many constructivist theories. Constructivist theory is not a new idea and has been around since the early 1930’s, mainly in the context of child development. It is however, experiencing a recent resurgence in popularity, particularly in the educational arena where there are attempts to integrate constructivist characteristics into the practice of teaching and learning, and much of the following discussion draws on that literature.

Constructivist perspectives including social learning theory (Bandura, 1977), genetic epistemology (Piaget, 1955), symbolic interactionism (Blumer, 1969) and social development theory (Vygotsky, 1978) provide a synopsis of the implications of cognitive development and its application to learning processes.

**Constructivism**

Constructivism proposes three basic principles; individuals interpret meaning through interactions with their environment; a person is an active agent and not passively reacting to the world thereby people can make new meaning and, “…knowledge evolves through social negotiation and through the evaluation of viability of individual understandings” (Cunningham, 1996a:3).

*Constructivist theory* takes the view that when an individual learns he or she does so by acting upon and, constructing meaning from those objects, experiences and events that occur within the environment while the learning process is taking place (Vygotsky, 1978; Wertsch, 1979; Wertsch & Stone 1985; Cunningham, 1996b; Nellen, 1997). Contextual learning promotes collaboration and provides learners with the opportunity of sharing their understandings with others (Nellen, 1997). From this point of view, learning can be described as a “…communal activity or sharing of culture” (Nellen, 1997:1). However, according to Cunningham an important part of the collaborative process involves learning to, or not learning to respect others beliefs and feelings. Individual’s values are attached to understandings and through the understandings of what other learners have gone through, groups develop shared understandings as they work together to complete a task (Cunningham, 1996a:2).

The constructivist view of knowledge is relativistic, in that “nothing is absolute, but varies according to time and space, and fallibilist (nothing can be taken for granted)” (Wilhelmsen, Asmul & Meistad,
The description of constructivism given by Nellen (1997) suggests the constructivist viewpoint is an evolutionary process rather than a revolutionary process because of the way it is simply adapting to the environment rather than changing it.

Constructivist theory is generally categorised under two schools of thought; social constructivism and cognitive constructivism. There are however, as many forms of constructivist theories as there are theorists; therefore, it is not possible to cover all of the theories in this thesis. The following theories are the more notable ones and generally, more relevant to the content of this thesis.

**Cognitive Constructivism**

*Cognitive constructivism* is a major theory underpinning teaching in the classroom. Cognitive constructivism places importance on the classroom setting and the teacher student relationship. Much has been written recently that it offers teachers who value a student's individual construction of meaning to benefit by allowing students to explore the endless possibilities in the way children understand concepts. This is reflected in the central idea of cognitive constructivism where the focus is on the mind of the individual and their approach to learning. The importance that this has for the framework of this thesis is that it forms an introduction for the discussion of the individual dimension only.

Cognitive constructivism focuses on the individual mind and the individual's approach to learning and knowledge. The cognitivist's consider knowledge as abstract symbolic representations in the head of individuals. For example, Jean Piaget is one of the renowned theorists on development theory and his ideas are still widely discussed in both the psychological and educational fields. Piaget’s approach to development theory presents a holistic view. This view maintains that children use many channels to construct meaning and understanding including reading, listening, exploring and via his or her active experiences through interaction with their environment.

Piaget (1955) identified three learning mechanisms that individuals use while learning to adapt to their environment. *Assimilation* explains how individuals utilise or transform the environment to incorporate new experiences into pre-existing cognitive structures (Schemas). *Accommodation* explains the learner’s ability to change cognitive structures to accommodate a new experience.
Finally, *equilibrium* explains the process whereby the learner seeks to gain cognitive ability through the processes of assimilation and accommodation.

One of the most notable theorists on *Social Learning Theory* (SLT) is Bandura (1977, 1986). His concept of SLT spans both cognitive and behavioural frameworks by encompassing attention, memory and motivation. Central to SLT is the importance of how individuals learn new behaviours by observing and modelling their behaviours, attitudes and emotional reactions based on that of others (Bandura, 1986). Bandura believes that SLT explains human behaviour based on triadic reciprocality, that is, in terms of continuous reciprocal interaction between cognitive, behavioural and environmental influences (1986:23).

Bandura (1986) based his SLT around the following three principles:

1. In order to achieve the highest level of observational learning, individuals will initially organize and rehearse the modelled behaviour in a symbolic way, and then explicitly enact it. By coding modelled behaviour based on imagery and language, the result is better retention than mere observation.

2. There is the probability that Individuals will imitate a modelled behaviour if they perceive the result is an outcome that they value.

3. There is the probability that individuals will imitate a modelled behaviour by seeking a model with similar competencies to the ones they aspire to achieve.

**Symbolic Interactionism**

A second form of constructivism is *symbolic interactionism* – defined by Herbert Blumer (1969) as the process of interaction in the formation of meanings for individuals. Symbolic interactionism views individual’s meaning as arising in the process of interaction between people whether on an individual basis or a group basis. Unlike cognitive constructivism that focuses on the individual’s mind only, Symbolic interactionism addresses the way in which individuals form meaning through social interaction with others and how they are prepared to act based on the formulation of that meaning.

Although symbolic interactionism is not related to learning but is more about how we acquire meaning, it is relevant to the context of this thesis in that it addresses how the workers acquire meaning through interactions with their peers and the enculturation into meaning in the workplace.
Both cognitive constructivism and symbolic interactionism form the central focus for the individual dimension of organisational learning. However, as discussed in Chapter 2 organisational learning is two-dimensional and this is where the move from cognitive constructivism or symbolic interactionism to social constructivism has importance for the understanding of the integration of the two dimensions, individualism and the social collective nature of the organisation.

Three core principles formulate Blumer’s (1969) theory, **meaning, language and thought** (p.2-5). Accordingly, these three core principles offer inferences towards the creation of a person’s self and socialization into the wider community.

**Meaning.** Blumer’s definition of meaning defines how humans act towards other people and things based on the meanings arising during the process of interaction (Blumer, 1969:2). In other words, “Symbolic interactionism holds the principal of meaning as central in human behaviour” (Nelson, 1998:1).

**Language.** Language provides the means whereby humans negotiate meaning using symbols. According to Nelson (1998), this principle reflects George H. Mead’s influence on Blumer’s theories because “Mead believed that naming assigned meaning, thus naming was the basis for human society and the extent of knowledge. It is by engaging in speech acts with others, *(symbolic interaction)*, that humans come to identify meaning or naming and develop discourse” (p.1).

**Thought.** As individuals, we are able to modify our thought processes through our interpretations of symbols.

Nelson’s (1998) critique of symbolic interactionism finds that it provides a solid basis for understanding the establishment of meaning. Additionally, Nelson also believes that the theory meets the five humanistic standards (i.e. clarification of values, meaning is derived from interactions, the theory consists of three parts and is straightforward, the theory has community agreement at a scholarly level, and “because meaning is derived from interaction, interaction must not be taken for granted (1998:4) making it a high-quality theory. In arguing his point, Nelson includes a quote from The Society for More Creative Speech in 1996.

Blumer insists that the interpretive process and the context in which it is done are a vital element in the person’s use of meaning and formation thereof, others view the use of the meaning as simply
calling upon an application to specific situations of previous held meanings (http://www.thepoint.net/-usul/text/blumer.html, 07/04/1999).

In other words, Nelson contends, “…a social interactionist believes that meaning arises out of interaction between two people, while a contradictory point of view asserts that meaning is already established in a person’s psychological make-up [or in society]” (1998:3).

Although not stated categorically, one could interpret the contradictory point of view to contend that meaning is a fixed state of mind and would not change. In contrast, the social interactionist viewpoint asserts that individuals can change their interpretation of meaning based on their interactions with another person within the context of which that interaction occurs. That is not saying however, that the interaction necessarily leads to a change in the meaning. More often than not repeated interactions will only reinforce meaning that is already established in a person’s psychological make-up. Alternatively, the meaning may change within one aspect only but the person’s overall meaning remains entrenched.

**Social Constructivism**

Social constructivism emphasises the importance of culture and the social context for cognitive development. The socio-cultural perspective of constructivism focuses on the role that cultural practices play in the learner’s milieu and places the socio-cultural aspect of learning and knowledge in the individual in social action. One of the most notable social constructivist theorists was Leont’ev Vygotsky and his theory consisted of three principal assumptions. Vygotsky believed that learning precedes development; development cannot be separated from its social context; and, tools and language play a central role in mental development (Vygotsky, 1978). These principles are not exclusive of one another; they work together simultaneously.

Central to the first principle is the role that the community plays in the construction of knowledge. This has importance for the learning process because the people and the environment within which the learner associates, can affect the learner’s perception of the world. Individuals construct their own understanding subject to the influences of the social and cultural contexts in which the learning is being conducted. That is, for learning to be meaningful it must occur within the context of which the knowledge will be used. The third principle relates to the tools learners employ for cognitive development. The tools may include adults who are important to the learner such as experts or
peers, or culture and language. More importantly, the type and quality of these tools can determine the rate of development. The principles most relevant to this thesis are Vygotsky's concepts of master apprentice learning and the zone of proximal development (ZPD). The ZPD posits that problem-solving skills can consist of three categories:

1. Tasks that the learner is able to perform independently;
2. Tasks that the learner cannot perform even with guidance from a more expert person; and
3. Tasks that the learner is able to perform with the guidance of a more expert person.

Another author who supports Vygotsky’s ZPD theory is Nellen (1997), although he refers to it as cognitive apprenticeship. He also contends that scaffolding; the process of guiding and coaxing the learner towards self-management and, using a variety of multiple viewpoints in order to have a broad representation of mastering a skill (p.2), all support the constructivist view of how the learner acquires knowledge.

**Similarities and Differences in Constructivist Approaches**

While the cognitive constructivists describe the mind in terms of the individual, restricting its domain to the individuals’ head because reality is knowable to the individual, the social constructivist perspective describes the mind as a distributed entity that extends beyond the bounds of the individual into the social environment via co-participation in social practices (Doolittle, 1999; Huitt, 2003).

Although social and cognitive constructivists share the same basic assumption that a child’s learning and individual development is at the centre of instruction, they differ in their views as to the timing of development and learning. To some extent, Piaget (1955) conceived that development was independent of learning and he believed that unaccompanied active participation provided no guarantee that learning would happen. While Vygotsky’s theories were closely aligned to Piaget’s theory of discovery learning, Vygotsky supported the view that environmental factors and experience play an important role in concept development and that learning processes are culturally mediated or communicated using tools and language. He strongly believed that learning influences development (Vygotsky, 1978) and that learning through instruction is a fundamental feature of human intelligence. This formed the nexus of his concept of the zone of proximal
development, which supports the notion that when instruction proceeds ahead of development it can stimulate those functions, which would still be in the course of maturing (Vygotsky, 1978).

While acknowledging that the definitions of constructivism use various interpretations, this thesis most closely adheres to the stance advocated by proponents of sociocultural approaches, particularly, the theories of Vygotsky. Socio-cultural approaches are particularly relevant to organisations as they can be viewed as a social entity with the individual interacting within that entity.

The next section explores the theories of Vygotsky, in particular how they relate to the social nature of learning and how educational theorists have adopted Vygotskian perspectives in attempts to improve learning in the classroom, particularly given the advancements in technology and the emergent electronic information era. Recall that similar principles have been applied in the workplace with particular relevance to strategic alliances (Ghosh, 2004).

3.2 Learning Processes: The Vygotskian Perspective

Constructivist approaches to teaching and learning have gained increased focus in educational debates over the past 15 years as both theorists and practitioner’s look for new ways to teach. Integrating social constructivist principles into practice and teaching requires a large change in mindset not just for teachers but also for students. Likewise, integrating social constructivist principles into workplace learning also requires a substantial change in mindset by managers and workers. Understanding the social constructivist principles developed from researching children’s development provides a valuable insight into how this integration will work. The first part of this chapter presents Vygotsky’s principles of the learning process, which provides a valuable starting point for understanding the social nature of learning. The second part of this section examines Brown and Palincsar’s (1989) research that looked at the reciprocal nature of learning. One of the predominant themes within this research was Vygotsky’s principle of the zone of proximal development.

Genetic Law of Development

Vygotsky’s concept of the genetic law of development is an important concept in understanding the meaning that individuals derive from their internalised social relations with others. It provides the groundwork for understanding Vygotsky’s concept of the zone of proximal development as it
introduces the notion of the individual’s intra-and inter-psychological planes when social interactions occur.

Leont’ev Vygotsky was a Russian theorist who worked at the Moscow Institute of Psychology from 1923 to 1934. He is one of the renowned social constructivist theorists. Heavily influenced by Marxist theory, Vygotsky was intensely interested in the ideas of how higher mental functions have their origins in human social life. He believed that higher mental functions for example, voluntary memory, voluntary attention and thinking, are derived as a result of internalised social relations. In other words, Vygotsky believed that the composition of all higher mental functions is a reflection of their social origins (Wertsch & Stone, 1985).

Wertsch insists, “Vygotsky made genetic analysis the very foundation of the study of the mind” (1991:19). Likewise, Day, French and Hall, (1985) maintain that Vygotsky’s socialised account of cognitive development “is congruent with [his] cultural-historical theory of the genesis of higher mental function” (p.33-34) which he defined as the genetic law of development:

Any function in the child’s cultural development appears twice or on two planes. First it appears on the social plane, and then on the psychological plane. First it appears between people as an interpsychological category and then within the child as an intrapsychological category. This is equally true with regards to voluntary attention, logical memory, the formulation of concepts and the development of volition (Vygotsky, 1978:57).

Socio-cultural approaches to mediated action are embedded in the origins and definitions of mental processes, which are grounded in socio-cultural settings (Wertsch, 1991). Luckin (1997) asserts that this notion is central to “…Vygotskian theoretical foundations in which social consciousness is primary and the individual dimension of consciousness is derivative and secondary” (p.7).

**The Zone of Proximal Development**

Already introduced earlier in this chapter and one of the most important concepts in the formulation of Vygotsky’s sociological approach to learning and certainly relevant to this thesis, is his notion of the zone of proximal development. The zone of proximal development (ZPD or zoped) is the difference between what an individual can achieve with the help of guidance and what he or she can achieve without the help of that guidance. For example, a child guided during a task by an adult will gradually be able to develop the ability to perform the same task without that guidance.
This concept has been receiving considerable attention over the last 15 years, with a number of researchers conducting studies relating to the zone of proximal development especially in the areas of self-to-other regulation (Wertsch & Stone, 1985; Goncu & Kessell, 1982; Wertsch, 1991), metacognition, reading and comprehension (Brown, 1987; Flavell, 1985).

Another researcher who has closely followed Vygotsky’s line of reasoning regarding social internalisation, the zone of proximal development, and activity theory (also referred to as self-regulation) is James Wertsch. According to Wertsch, “Vygotsky’s general claim about the social origins of higher mental functioning in the individual surfaces most clearly in connection with the zone of proximal development” (1991:28).

Recent research encompassing Vygotsky’s theories on the zone of proximal development has come from the educational arena, particularly in the area of technology in education and the workplace. Technology has brought about changes through the introduction of technical support and Newman (1990) investigated how those changes have also initiated changes in the support for cognition or as he explained it, “as new zones of proximal development that amplify possibilities for instructional interactions” (p.10). Advancing Vygotsky’s concept of the zone of proximal development, Newman adds the notion of “appropriation” to explain how both the teacher and the learner adapt to new technology. The learner is an active appropriator of the tools the teacher provides and individual learners employ the culture’s tools in varying ways in formulating an understanding of the required task with the result that they are constantly changing and re-organising their capacity and possibly moving into a new zone of proximal development with each change (Newman, 1990:9).

While acknowledging that the learner’s mind is not held in a constant fixed state of ability, most researchers agree in some way or another that not all learners aim for the same level or even seek to move in the same direction for various reasons. For example, as Brown and Ferrara (1985) point out, individuals who are competent in one domain are not necessarily competent in other domains. It is quite conceivable for a child with a narrow zoped in one domain to have a broad domain in another (p.297), a concept Brown (1994) refers to as multiple zones of proximal development.
Consider the following point. If an individual's zone of proximal development for a particular skill is known, it offers us insight into how the child will develop and utilise those skills in the near future (Brown & Ferrara, 1985; Brown, 1994; Day et al., 1985). Similarly, if instruction occurs within the child's zone of proximal development it will be more effective. Conversely, if instruction is directed at the level of the child's completed development, the child's knowledge base would increase, but their cognitive ability would not. For cognitive ability to improve, instruction should be aimed just above the child's present zone of proximal development and within their zoped, but not that far above that it is directed beyond their knowledge and cognitive capabilities (Day et al., 1985:36).

3.3 Reciprocal Teaching and the Zone of Proximal Development

One of the foremost researchers in the application of reciprocal teaching is Anne Brown (1987, 1994; Brown & Palincsar, 1989). This method of teaching was originally applied as a method for improving individual's reading and comprehension skills. Furthermore, Brown (1994) believed that the concept was an ideal method for provoking zones of proximal development because “thinking is internalized in the form of discussion” (p.7) and through discussion beginners are given the opportunity to learn further from the contributions of those more expert than they are. Brown has undertaken several joint research initiatives in the area of cooperative learning collaborating with Palincsar and Campione to name just a few. Cooperative learning is described as the means of offering students the motivation to learn more effectively as a cooperative setting openly allows students to air their judgements, beliefs and choices through group negotiation. Central to the idea of cooperative learning is Brown and Palincsar's (1989) Community of Learners (COL) project. The COL initiative aimed at “provoking zones of proximal development within which readers of varying abilities [particularly those who have poor comprehension skills when reading lengthy texts] could find support” (Brown, 1994:7). Keeping in mind that individuals have multiple zoped levels, Brown and Palincsar applied the method of reciprocal teaching, which is designed to work within the zoped using structured dialogue based group cooperation where the pupils and the teachers share the role of dialogue leader. Brown and Palincsar's intention was to bring the less knowledgeable individuals up to the level of the more knowledgeable members of the group and allow them to participate actively, even though they did not fully understand all the concepts. This allows the less knowledgeable members to learn and apply new skills regarding the meaning, relevance and importance of what they have read because they have the opportunity to learn from the contribution of more capable peers.
The traditional direct instruction method of teaching has been extensively criticised by Brown (1989). She believes that the time is right to move towards a more interactive approach as advocated by the dialogue process adopted in her COL project. Gallimore and Goldenberg’s (1992) KEEP project also investigated the application of the role of conversation as an instructional strategy. Like Brown and Palincsar, they believe that direct instruction has a role to play where the knowledge and skill domains are “hierarchically organised and the student can learn in linear sequence” (1992:205). However, for tasks which are less hierarchically organised such as the need to understand and interpret text they advocate a more conversational approach. Based on Vygotsky’s zone of proximal development Gallimore and Goldenberg (1992) believe, the teacher’s role is to design lessons with an instructional purpose that engages the students in conversations that allows the teacher to assist the students in exploring “text analysis and comprehension including activating relevant prior knowledge (1992:209).

The KEEP project encountered several obstacles. The first involved the content knowledge of the teachers themselves. They found that the teachers themselves often had difficulties grasping the very texts that their primary grade pupils were reading. This lack of command of the content knowledge created problems for the teachers when pursuing an instructional purpose (1992:209). The second barrier related to the teacher’s ability to engage students in joint dialogue with the purpose of ensuring that the dialogue was instructional towards students gaining better text interpretation (1992:209).

One of the common problems associated with teaching children through programmed instruction and frequently mechanised instruction where individuals have different learning rates and different zoped levels is the fact that the slower learners are more often than not alienated from their peers and their teacher (Steiner & Souberman, in Vygotsky, 1978:131). Educators have rarely recognised the role that social processes play in allowing more experienced learners to help their less experienced peers and Steiner and Souberman (in Vygotsky, 1978) assert that this restricts many students’ intellectual development.

Another author who endorses the collaborative, communicative aspects of Brown and Campione’s learning communities is James Gee (1994). Gee concurs that the concept is based on Vygotsky’s zone of proximal development because “students [are able to] learn on the cognition of others and
the cognition built into materials, technologies and organizational settings before they can operate on their own” (1994:25) but he does have several reservations regarding the method. Firstly, he contends that it is “post-progressive”. By that, Gee means that even though the method focuses on learning and discovery it does not advocate unimpeded discovery learning (p.26). In Gee’s opinion, Brown and Campione’s use of Vygotsky’s notion of the zone of proximal development using the devices of collaboration and dialogue manipulates the learners into accepting, trusting and committing themselves to the goals, ends and vision of the leader and the organizational system within which they operate (1994:26). Gee’s assessment is somewhat flawed as Vygotsky’s theories never promoted or even implied the idea of children ever having choice.

3.4 Metacognition and the Zone of Proximal Development

From an educational perspective, metacognition offers researchers a new framework for analysing the transfer of learning production and generalization, an area where the more traditional educational methods fell short through a lack of focus on the combined cognitive, metacognitive and motivational aspects of academic learning.

Metacognition allows learners to “become active participants in their own performance rather than passive recipients of instruction and imposed experiences” (Paris & Winograd, 1990:18). Metacognition also relates to Vygotsky’s theory of socially mediated learning as it provides insight about self-appraisal and self-management, which can be promoted by others, through other regulation by more capable peers, or through self-discovery. Metacognition is knowledge about what, why and how we think. Furthermore, that knowledge can be shared among others, or used to direct another’s performance, or we can simply use it to analyse and manage our own thinking (Paris & Winograd, 1990:21). The examples of Brown’s co-operative learning project and the mother-child studies of Wertsch (1981, 1984; Wertsch & Stone, 1985) and Goncu and Kessell (1982) as discussed previously, are examples of this type of metacognitive learning. As emphasised by Paris and Winograd (1990), metacognition is simply a way of facilitating problem solving with cognitive tools. The tools provide the medium through which instructors can then guide learners and help them to construct other meaningful ways to learn.
Definition of Metacognition

The term *metacognition* is used loosely within the realm of cognitive development theories regarding the learning process, particularly in the research areas of reading, writing, memory recall and recognition (Brown, Bransford, Ferrara & Campione, 1983; Brown, 1987, 1994; Kurtz & Borkowski, 1984). Conversely, other authors like Flavell (1985) for example, believe that metacognitive skills have an important role to play in other cognitive activities such as “…perception, memory, problem-solving, social cognition and various forms of self-instruction and self-control” (1985:104).

Brown reports that metacognitive strategies applied to reading activities have been around since the turn of the century and have been widely discussed by many educational theorists (Dewey, 1910; Huey, 1908, 1968; Thorndike, 1917, cited in Brown, 1987). The only difference between now and then was that the authors simply did not refer to the concepts as metacognitive strategies.

This thesis applies the definition of metacognition formulated by both Flavell and Brown, which defined means *cognition about cognition* (Flavell, 1985:104) or “one’s knowledge and control of [one’s] own cognitive system” (Brown, 1987:66). Brown makes the point that she is not comfortable with the term for two reasons. Firstly, she believes it is difficult to “…distinguish between what is meta and what is cognitive” (1984:66) and secondly, the term developed from many different roots of inquiry in this area which, in turn, has lead to conflictive research results. The difficulty between that which is meta and that, which is cognitive, is found in Flavell’s (1985) example of reading a chapter in a book. If we read a chapter in the book and we then asked ourselves questions about it to improve our knowledge, we are according to Flavell (1985) engaging in a cognitive function. If however, we ask ourselves questions from a monitoring perspective, we are engaging in a metacognitive function, which demonstrates the interchangeability of both cognitive and metacognitive functions and portrays just how difficult it is to draw a line between the two.

Paris and Winograd (1990) insist that the term has in fact taken on too many definitions. Most of the researchers in this area however, (Kurtz & Borkowski, 1984; Brown et al., 1983; Flavell, 1985) have now settled on a combination that incorporates both Brown’s and Flavell’s approaches with a
“...definition that emphasises: (a) knowledge about cognitive states and processes and (b) control or executive aspects of metacognition” (p.17).

To understand the notion of metacognition portrayed by Flavell (1985), Brown et al., (1983) and Brown (1987) several key concepts require further explication. Flavell's (1985) concept of metacognition comprises two key concepts; metacognitive knowledge and metacognitive experience. Through these concepts, Flavell attempts to explain how and why we apply, or do not apply, specific strategies during a learning task because a distinction can be made between that which is a cognitive strategy and that which is a metacognitive strategy. For example, the main purpose of a cognitive strategy is to help us achieve our goal for whatever task we are undertaking, whereas the purpose of a metacognitive strategy allows us to use information to monitor our progress in that task (1985:106).

**Types of Metacognitive Knowledge**

The description of metacognitive knowledge defined by Flavell (1985) relates to beliefs, which encompass the human mind and its actions that we accumulate through our experiences and store in our long-term memory (1985:105). Flavell classifies this type of knowledge as declarative knowledge because it deals with knowing that rather than procedural knowledge, which deals with knowing how (1985:105). Metacognitive knowledge is then further subdivided into knowledge about persons, tasks and strategies that we are inclined to tap into during our learning processes.

**Person Knowledge.** If we use knowledge and beliefs to recognise that there are cognitive differences and cognitive similarities among people, we are using people knowledge. People knowledge concerns what we as human beings are like as cognitive processors (1985:105).

**Task Knowledge.** Flavell (1985) also places task knowledge into two categories: the type of information we encounter and deal with during any cognitive task and the actual complexity of the task demands.

**Strategies.** During our cognitive development, we learn that certain strategies help us succeed in our cognitive goals, whether it is a strategy for remembering, comprehending, or problem solving. Flavell (1985:106) refers to strategies as the kinds of strategies we have learned in order to achieve these goals.
**Metacognitive Experiences.** Metacognitive experiences are in essence, cognitive forms of self-appraisal (Flavell, 1985; Paris & Winograd 1990; Borkowski, Carr, Rellinger & Pressley, 1990) and represent our ability to personally reflect upon and self-appraise our status during a cognitive task. Paris and Winograd (1990) interpret Flavell’s (1985) concept of metacognitive experiences to mean that we have the ability to ask ourselves questions when confronted with uncertainty or rumination. In other words, “they colour what individuals think about themselves in relation to such emotions as ...doubt, shame, helplessness, or confidence, pride and self-assuredness” (Paris & Winograd. 1990:23).

**Metacognition and the Self System**

Many would agree that low self-esteem and low expectations are more than likely to lead to less effort when learning a new task. Paris & Winograd (1990) contend therefore, that metacognitive beliefs shape our perceptions and expectations for success or failure regarding thinking and learning as well as our perceptions of self-efficacy and self-control. In a review of the existing literature on metacognition, Borkowski et al. (1990) concluded that the “self-system taking into consideration the constructs discussed above and also including other constructs such as the locus of control, motivation and attribution beliefs symbolises a complex, interdependent system that supports both metacognitive functions and academic performance” (p.58). Since metacognition is a reflection of our self-system, the influence that it has towards our attitudes of learning determines the reasons why we choose to apply ourselves more towards new strategy acquisition. In particular, the probability of successful strategy transfer and the quality of our understanding when it comes to the nature and function of mental processes (Borkowski et al. 1990:54). With the application of the metacognitive system and motivational factors bonded together it is possible to reach our goals, but Borkowski et al. proclaim that to increase strategy transfer it is imperative that we are provided with adequate information, including both general and specific knowledge which includes the why, when and how for the strategies to be successful (1990:65). Likewise, Paris and Winograd (1990) maintain, metacognitive abilities empowers individuals to pursue and manage their own learning pursuits when they are equipped with the knowledge and confidence to do so (p.22).

Traditionally, social psychologists have been preoccupied with researching learning at the individual level. Since the 1980’s, there has been a shift towards researching children’s
development and learning at a higher level by acknowledging the group or collaborative aspects of the learning culture. As mentioned earlier, one such example is Brown and Palincsar’s learning communities project of the early 1980’s. This project was created in the classroom to enhance students’ general thinking skills and meta-cognitive skills. According to Gee, “…these two skills operate only as one is immersed in a rich body of domain-specific knowledge and emerging domain-specific skills” (1994:23).

This section explored the origin of constructivist theories in relationship to the individual and learning. It examined the social constructivist perspective of learning and the importance of the role that cultural practices play in learning and knowledge within an individual’s milieu. Social constructivists have applied concepts such as the zoped, reciprocal teaching and communities of learning centered on the master-apprentice approach to enhance individual learning and knowledge transfer in the educational arena and organisational learning. However, as the section highlighted even when the contextual setting encourages engagement there is no guarantee that all individuals will learn. This thesis makes the claim that the motivations and interests of all individuals needs to be taken into account as it is both the individual and social components and how these constructs interact that influences learning. The next section addresses the concepts of interest and motivation and discusses why some individuals choose to learn and why others choose not to learn, taking into account the two-dimensional perspective.
3.5 Interest, Motivation and Learning

**Knowledge**: What I need to know.
**Skill**: What I need to be able to do.
**Motivation**: How much I want to be able to know and to do.
**Confidence**: My belief that I am able to know and to do.

(Ted Nellen)

**Introduction**

This section explores the various theoretical perspectives of interest, motivation and learning. Learning cannot simply be imposed upon individuals, as it requires engagement. Engagement comes from an individual’s sense of self-efficacy and personal agency and involves a complex underlying process determined by the integration of cognitive factors and interest and affective factors encompassing emotional and motivational dynamics. Personal agency explains the ways in which individuals choose to represent themselves in, their world (Leonard & Onyx, 2004). A review of the literature demonstrates the various orientations of the authors in this field have resulted in very different conceptions of what these constructs mean. For example, authors addressing the factors of interest and motivation can be conceptualised across two dimensions, the individualist or cognitive dimension and the social or environmental dimension, with a great deal of the research having focused on the educational context. The theoretical model proposed in this thesis recognises the differences between the two dimensions by exploring the individual worker in the learning processes in an organisation. In the learning organisation, the individual learns beyond the requirement of their next pay packet. The ideal worker in a learning organisation exhibits a broad interest in his or her field of work, is self-motivated to learn, and readily seeks new learning opportunities.

Presenting a definition of what interest is and what it means for an individual is problematical and the numerous definitions put forward by the many theorists reflects this dilemma. While the definitions of motivation are also numerous, most current theories encompass the concept of intention in that the action is driven by the aim of attaining a desired outcome. The complexities involved in defining these constructs is highlighted by the fact that leading motivational theorists make clear distinctions between what they consider is intrinsic motivation compared to extrinsic motivation and the psychological dynamics that generate the differences.
Motivation is a characteristic that may be driven by an individual’s interest. However, as this chapter will reveal, the notion of motivation itself can consist of several forms and can be either extrinsically or intrinsically driven thus, taking on different meaning for various individuals. Motivation, either intrinsic or extrinsic, is a driving force in the learning process, particularly with respect to the self-directed aspect of learning. Intrinsic motivation emanates from the self and is undertaken for self-gratification whereas extrinsic motivation is driven more by the usefulness that the knowledge has for the individual (Deci, Vallerand, Pelletier & Ryan, 1991). Motivational factors are thought to be another factor that shapes our belief systems (Borkowski, Carr, Rellinger & Pressley, 1990; Paris & Winograd, 1990; McCombs, 1991; Tobias, 1994) and many authors accede that our belief systems are essential factors in metacognition and the development of self-regulated learning. These beliefs are formulated through socio-cultural internalisation by way of parental influences and home-based learning experiences and this is reflected in our judgements, beliefs and choices, which shape our motivational factor to learn (Paris & Winograd, 1990).

The concepts of interest and motivation are relevant to the framework of this thesis because they have a strong relationship and affinity with an individual’s personal agency within a social context. Personal agency not only has a role to play in understanding an individual’s willingness to learn or lack thereof, but is also an important element in the concept of their self-directed approach to learning. Taking learning to the next level involves the self-directed/self regulated aspect of learning. Self-regulation entails a social cognitive perspective (Zimmerman, 1995). According to Zimmerman, self-regulation “...involves a sense of personal agency to regulate other sources of personal influence, such as emotional processes, as well as behavioural and social-environmental sources of influence” (p.218). Essentially, self-directed/self-regulated learning has importance from an educational perspective but its importance for workplace learning is gaining attention, especially from the perspectives of knowledge acquisition and knowledge transfer.

In the organisational context, processes are required at the local and global level so that employees are motivated and interested in sharing their knowledge with others. This thesis takes the position that the three constructs of interest, motivation and self-directed learning occur at three levels. At the first level is interest. An individual may have interest in something be it a task, a topic, or an activity for example; however, it does not necessarily lead to motivation and learning. At the second level, interest may or may not lead to motivation, however when it does the combination of
the two factors augment the learning process. At the third level, self-direction becomes a factor and this involves the more sophisticated use of agency. This determines an individual's motivational processes to seek control of their learning. Consequently, this thesis refers to the definitions of interest and motivation independently from the viewpoint that, interest may not necessarily transform into an action; whereas motivation always transforms into an action be it internally driven or externally driven (for example driven by fear). Intrinsic motivation is driven by the content (subject matter) and as discussed earlier, interest is usually always dictated by the subject matter.

The next section commences with a brief overview of the significance of interest to the learning process followed by a discussion of the concept of interest defined by Schiefele (1991). The concept of motivation follows with an examination of the differences between the various motivational authors. In particular, it examines the concept of intrinsic motivation and how it differs to external motivations and how both types of motivation interact with the concept of interest. Later, the chapter explores the doctrine of motivation. In particular, it examines motivation and the idea of social support (Supportive Environment). It then examines how these factors influence the life-long learning process. The chapter concludes with an examination of the implications of motivation from the perspective of self-directed or self-regulated learning.

3.6 Significance of Interest to the Learning Process

The significance of the role that interest plays in the learning process is a factor that should not be ignored and this is highlighted by the wide array of literature available on the topic, (Schiefele, 1991; Tobias, 1994; Voss & Schauble, 1992) to name just a few. Schiefele declares that the concept of interest, particularly in the psychological field, can be traced back to the late eighteen hundreds with the work of Herbart and, in the early nineteen hundreds by Kerschensteiner (1922) and Lunk (1926; 1927). Schiefele asserts that Herbart was the first to report the relationship between interest and learning. More recently, several researchers (Borkowski, Carr, Rellinger & Pressley, 1990; Deci, Valierand, Pelletier, & Ryan, 1991; Renninger, Hidi & Krapp, 1992; Tobias, 1994; Voss & Schauble, 1992) have supported the relationship between interest and learning. Nevertheless, even though there is agreement that a relationship exists between interest and learning there are several variations in the conceptualisation of the concept of interest with researchers from various schools of thought applying a diverse range of conceptual frameworks. This diversity is even more evident because there is also contention that interest is just another
The concept of interest that Schiefele (1991) describes, positions interest as a content specific concept, consisting of tasks, topics, or activities. He asserts that interest works as a directive force which “explains a person’s choice of an area in which they strive for high levels of performance or exhibit intrinsic motivation” (p.301). According to Schiefele, his framework of interest as a content specific concept: …Fits well with modern cognitive theories of knowledge acquisition, in that new information is always acquired in particular domains. The use of specific cognitive factors such as prior knowledge or domain specific learning strategies should be supplemented by the inclusion of equally specific motivational factors (p.301-302).

According to Schiefele (1991), his concept of interest is not a view commonly shared by most motivational psychological theorists as it addresses the role that content specific concepts such as prior knowledge and domain-specific learning strategies have for knowledge acquisition. Foremost, Schiefele believes that the content aspects of interest, which have particular relevance from the theoretical and educational points of view, have been neglected by contemporary motivation research (1991:299). Of particular concern to Schiefele is the fact that they see interest as nothing more than intrinsic motivation. Schiefele argues that the meaning of interest is much more than that and as his description suggests is content-specific and composed of both feeling-related and value-related valances (1991:299). The only criticism I have regarding Schiefele’s work is that it has only been studied in conjunction with text and comprehension. Nevertheless, he justifies this by stating that text learning is one of the dominant fields within cognitive psychology.
**Individual and Social Aspects of Interest**

In the past, authors investigating the topic of interest have concentrated on the two concepts of *individual interest* (cognitive perspective) and *situational interest* (social perspective) (Renninger, Hidi & Krapp, 1992; Schiefele, 1991). Renninger et al. suggest individual interest influences the degree of interest that a person has for certain subject matter or activities. On the other hand, situational interest is defined as an emotional state triggered by environmental factors (Renninger et al., 1992). Schiefele expands the concept of individual interest by adding two elements to the definition; *Feeling related* valences and *Value related* valences. Schiefele refers to feeling related valences as the feelings that are associated with a topic or object, of which enjoyment or involvement would be feelings that a person would associate with interest. Value related valences refer to the attribution of personal significance that a person may ascribe to an object or subject area. Reasons for this could be the contribution that it plays in relation to the individual’s personality development or competence (1991:303) or, the contribution from significant others.

**The Influence of Prior knowledge on Interest and Learning**

Many authors acknowledge the association between prior knowledge and interest (Schiefele, 1991; Renninger et al., 1992; Tobias, 1994; Lehtinen, Vauras, Salonen, Olkinuora & Kinnunen, 1995; Nellen, 1997) although a great deal of the research has produced variance in the results. The reasons for the variance are many, however Tobias feels that one of the major factors in the studies reporting only a minimal relationship between prior knowledge and interest could be contributed to the researchers’ oversights in including any questions gauged at identifying the “...relationship between domain and topic knowledge” (1994:44). Nellen (1997) believes that the dimension of prior knowledge conforms with the constructivist approach to learning. Furthermore, he contends that the assessment of prior knowledge be used as a starting point to ascertain the complexity of the delivering of instruction. Similarly, Tobias (1994) believes that prior knowledge is an important factor in identifying interest and he argues that it overrules all other affective variables pertaining to the emotional and cognitive aspects of the learning process.

Two types of knowledge are *topic* knowledge which Tobias (1994) describes as knowledge where the person has prior familiarity with the content of the task at hand (p.39) and *domain* knowledge which he states relates to the person’s familiarisation with ”...general information in a subject area, even though it may not be specifically referred to in a particular passage” (p.39). Tobias does,
acknowledge however, that interest “may stimulate a more emotional, more personal and more extensive network of relevant associations than is invoked by prior knowledge” (p.50). Given that Tobias (1994) reviewed a substantial amount of the research conducted to date and identified a linear relationship exists between interest and prior knowledge it also seems logical to assume that if prior knowledge, interest and motivation were tied to specific learning processes, the outcome would lead to a higher quality learning experience.

Finally, with the proliferation of research into the relationship between interest and prior knowledge, recognition of the importance of prior knowledge is rapidly gaining acceptance in educational institutes, particularly, in the area of Adult Education.

3.7 Significance of Motivation to the Learning Process

Recall that earlier discussion argued that interest may or may not lead to motivation. However, when interest does lead to motivation the motivation can be intrinsic because of interest or, alternatively it can be extrinsic, driven by some form of external fear or reward. Both the professional arena and the public in general have been reluctant to acknowledge the existence of extrinsic motivation and the influential role that it plays in regulating behaviour (Bandura, 1986). According to Bandura, “distinctions are often drawn between extrinsic and intrinsic motivators as though they were antithetical. Intrinsic motivation includes several types of contingencies between actions and their effects while on the other hand extrinsic motivators … originate externally and their relationship to the behaviour is arbitrary” (p.240).

Intrinsic Motivation

According to Bandura, behaviour is driven by “…self-motivation and self-directedness [that] require certain basic tools of personal agency, that are developed, in part, through the aid of external incentives” (1986:240). If people are naturally interested in a task or topic then they are more than likely to be intrinsically motivated to learn (Deci, Vallerand, Pelletier & Ryan, 1991; Schiefele, 1991; Tobias, 1994). Furthermore, Tobias (1994) contends that the relationship between interest and intrinsic motivation leads to stability, especially amongst adults and he suggests that adapting instruction to student’s interests can have a beneficial effect in the end. A high level of intrinsic interest also helps a person to acquire more knowledge, leads to higher retention (Tobias, 1994; Schiefele, 1991), creates deeper comprehension (Tobias, 1994; Voss & Schauble, 1992) and these in turn provide the motivation for further learning (Schiefele, 1991). Tobias (1994) concurs with this
view and he insists it is only natural since people enjoy undertaking tasks where they have a specific interest.

**Types of Extrinsic Motivation**

The four types of extrinsic motivation formulated by Deci and Ryan (1985, cited in Deci et al. 1991) and discussed below are based upon their concept of internalisation.

**External Regulation** - refers to “behaviours for which the locus of initiation is external to the person, for example, the offer of a reward or the threat of punishment” (p.329).

**Identified Regulation** - occurs “when the person has come to value the behaviour and has identified with and accepted the regulatory process” (p.329). Once the person has identified with the regulatory process Deci et al. maintain that the person performs the activity more willingly because the “…process has now become more fully a part of the self” (p.329).

**Introjected Regulation** – Based on the idea that regulation occurs because people are motivated through the threat of “…sanctions (e.g. guilt) or promised rewards (e.g. self-aggrandizement)” (p.329). According to Deci and Ryan (1985, cited in Deci et al. 1991) “introjected regulations although within the person, are not part of the integrated self, …so behaviour regulated by introjects is not considered self-determined” (p.329).

**Integrated Regulation** - With integrated regulation, the process is “fully integrated with the individual’s coherent sense of self; that is, the identifications are reciprocally assimilated with the individual’s other values, needs and identities” (p.330).

One could conclude that it is difficult to see how the above types represent extrinsic motivation. It would appear the concept of integrated regulation is related to building the bridge between extrinsic and intrinsic motivation. With identified regulation, one could argue that once behaviour takes on some form of value for the individual and it represents a willingness to learn, the motivation becomes intrinsic rather than extrinsic. Deci et al. (1991) on the other hand maintain there is a clear distinction in that even though the two types are indicative of autonomous self-regulation they differ in context. Activities pursued due to their usefulness are not the same as activities undertaken because the individual is genuinely interested in the nature of the activity and values the outcome.
Motivation - the Individual Perspective

Central to Deci et al’s view of self-determination theory is the idea that “the highest quality of conceptual learning seems to occur under the same motivational conditions that promote personal growth and adjustment” (Deci et al., 1991:36). Self-determination theory views internalisation as a motivated process (p.328) and Deci et al. maintain that socio-contextual factors “nurture intrinsic motivation and promote internalization” (p.325). Deci et al. discuss how people are essentially motivated because of two basic needs, “…(a) to internalize and integrate within themselves the regulation of uninteresting activities that are useful for effective functioning in the social world and, (b) the extent to which the process of internalisation and integration proceeds effectively is a function of the social context” (p.328-329). In their view:

Motivated actions are self-determined to the extent that they are engaged in wholly volitionally and endorsed by one’s self (Deci & Ryan, 1991, cited in Deci et al., 1991), whereas actions are controlled if they are compelled by some interpersonal or intrapsychic force. When a behavior is self-determined, the regulatory process is choice but when it is controlled, the regulatory process is compliance (or in some cases defiance) (p.326-327).

This comment is inconsistent with Vygotsky’s (1978) theory on working with others (i.e. peers, experts etc). Being motivated to learn and feeling compelled to learn cannot be viewed as total opposites. Just because an individual may feel compelled to learn does not mean that he or she is not motivated or willing to learn. More importantly, an individual may not necessarily understand or have a full appreciation of what they are learning or why they need to learn it. However, that does not mean that they are not motivated or willing to learn.

In describing the differences between intrinsically motivated behaviours and extrinsically motivated behaviours Deci et al. (1991) contend, intrinsically motivated behaviours “emanate from the self and are fully endorsed [whereas] … extrinsically motivated behaviours are …performed not out of interest but because they are believed to be instrumental to some separable consequence” (p.328).

Motivation - the Socio-Cultural Aspect

Using the functionalist framework of learning, which advocates the social nature of learning, Voss and Schauble (1992) provide a contrasting perspective from the individualistic ideas of motivation and learning. They discuss how an individual’s goals and interests elevate motivation towards a particular activity or goal which explains how individuals acquire the norms and principles of the
socio-cultural milieu in which they are raised. Through continual interaction with their environment individuals formulate values, beliefs and goals and this includes moral goals, career goals and social goals. As the individual interacts with their environment, they also acquire interests and then develop goals to help them satisfy those interests; thus, goals and interests produce motivation (p.104). The concept of motivation proffered by Voss and Schauble (1992) addresses both the qualitative and quantitative perspectives. From a qualitative viewpoint, they deem motivation as the driving force behind an individual’s decision to select specific activities with the aim of accomplishing their goals or satisfying their interests. From a quantitative viewpoint, motivation provides the individual with the energy, effort and persistence needed to accomplish their goals or pursue their interests. According to Voss and Schauble, values, beliefs, goals, interests and motivation on their own are not enough to cope with the environment. They suggest that the individual must have, as a prerequisite, intellectual equipment. This equipment allows them to form mental models such as event contingencies, scripts, categorical relations, schema and mental maps to understand the environment and satisfy goals and interests (p.104).

3.8 The Significance of Motivation and Interest to Life-long Learning

There is a diverse range of theoretical disciplines regarding the constructs of lifelong learning across both the educational and business arenas. One author to advocate the view that motivation determines lifelong learning is McCombs (1991). McCombs focuses on the fact that in order to understand learning and an individual’s motivation to learn, researchers need to understand about how moods influence learning. Additionally, understanding a raft of constructs that make up an individual’s belief system suggests that the relationship between learning and motivation to learn is complex and needs to take into account seven basic principles, which she believes applies across all individuals (p.118). The basic themes of her seven principles are founded around the notion of how we formulate our beliefs, thoughts and perceptions, our interpretations through mediated learning, social mediation and prior learning experiences. McCombs maintains that in order to understand how our cognitive constructions and belief systems facilitate both learning and motivation to learn, one has to understand how the relationship between thoughts, mood and behaviour affects individual functioning and learning efficacy (p.118). McCombs also follows the Deci et al. (1991) line of reasoning that as human beings, we are basically motivated and possess an intrinsic desire for positive self-development and self-determination (p.119). Another important factor in the equation between lifelong learning and motivation is the support of quality relationships.
with others. Both the works of McCombs and Marzano (1990) and Harter (1988) emphasises the role that soci-economic support from significant others plays in promoting growth and change in the development of skills. This is especially relevant in workplace learning in today’s economic climate where workers are expected to adapt to new work practices and learn new skills on a frequent basis. This point was articulated in the Carnevale (1988) report that found employers believe:

Workplace skills are linked directly to individual’s self-esteem, goal setting abilities, motivation, learning to learn skills and skills for successful personal management are essential because they tend to...indicate successful job transitions and effective training experiences (McCombs, 1991:121).

In addressing the issue of social support, McCombs uses her phrase of will “…defined as an innate or self-actualized state of motivation” (1991:123) and skill, “defined as an acquired cognitive or metacognitive competency that develops in training and/or practice” to emphasise the reciprocal nature of individuals’ motivation and commitment to self-development (1991:123). She proposes that these two concepts address the notion of reciprocal empowerment, from the supportive other to the learner. She maintains that social support entrenched in quality relationships and through interactions with others provides empowerment of the will and the development of skill (1991:123). She refers to it as reciprocal because she maintains that until adults have worked with the learners they have not fully comprehended “…the fundamental principles of psychological functioning and [the] learners inherent motivation to learn” (1991:123). Once the adults have uncovered the learner’s potential within a nurturing positive climate, it enhances the learner’s motivational development to proceed.

Logically, a review of the literature suggests that interest and motivation are not mutually exclusive nor are they synonymous with each other, but rather they exist hand in hand. The constructs of interest and motivation combined with the concept of metacognition (discussed earlier in this chapter) are relevant to any discussion concerning self-efficacy and personal agency regarding self-directed or self-regulated learning. Similarly, personal mastery is viewed as an individualised trait where an individual’s values and motivations lead to continual individual learning in the organisation and self-development external to the workplace (Blackman & Henderson, 2005).
3.9 The Learning Individual

Research on individual learning has predominantly emanated from the psychological arena where the focus was on the individual learner and the conditions by which learning occurred. General theoretical traditions in psychology have tended to focus on the cognitive aspects of learning involving knowledge acquisition and skills transfer and how these influence learning. In the past, mainstream organisation learning literature has had a bias towards the view that individuals are the primary entity in the organisation that enables learning and individual learning was seen as distinct from organisational learning (Dodgson, 1993; Kim, 1993). For example;

“Individual’s are the primary entity in firms and it is individuals which create organization that enable learning in ways which facilitate organizational transformation (Dodgeon, 1993: 377).

The emergence of new paradigms in organisational learning, is witnessing a move in the literature away from the study of learning based on the cognitive view to studying how learning occurs in social contexts (Senge, 1990; Brown & Duguid, 1991, Lave & Wenger, 1991; Shaffer & Anundsen 1993; Boland & Tenkasi, 1995; Salomon & Perkins, 1998; Cohen & Prusak, 2001; Watkins & Marsick, 1993; Ghosh, 2004). Numerous researchers and authors consider organisational learning as a joint product of individual and systems learning (Marsick, 1988; Senge, 1990; Watkins & Marsick, 1992, 1993; Kofman & Senge, 1993; Kim, 1993; Ayas, Foppen & Maljers, 1996). This stands to reason considering that all organisations are composed of individuals. However, what does this really mean? According to Kim (1993) “…organisations can learn independent of any specific individual but not independent of all individuals” (p.37). Dunphy, Turner and Crawford (1997) concur with this position. They assert, “the learning which takes place in organisations is embodied in personal and corporate competencies” (p.236). In their view, the enhancement of individual knowledge has value but the real key is the organisation’s ability to systematically capture and build on the individual insight, because without this, organisations will not become a learning organisation (p.235). They suggest that through the process of engagement, which entails recognition of the individual competencies of commitment and motivation organisations can reshape the individual and operational competencies to bring about effective change and the awareness of collective learning.
Logically this makes sense, however, individuals could also learn independent of the organisation. The competency starts out personal and then becomes corporate if and only if the individual chooses to share it. For a variety of reasons, the individual may choose not to share their knowledge, preventing the information from becoming embedded in the organisation’s memory, blocking the transfer of information or the individual insight. Conversely, it must be acknowledged that the worker can also refuse to learn from the corporation.

Researchers that perceive individuals as the basic units of organisational transformation include Kopra, Schibeci, Blainey, Ogoti and Winterburn (2000) and Cairns (1997). Kopra et al. insist real change comes from within the individual and they argue that is the nexus of the shift from the old paradigm to the new paradigm. Real change comes from inside the individual, “from inner consciousness or spirit” (p.4). Therefore, it makes sense that any business transformation is the result of an individual’s personal transformation (Ray, 1992; Cairns, 1997; Kopra et al., 2000).

Although Cairns (1997) reports that the individual aspect of organisational transformation is widely acknowledged, she still feels that managers are yet to understand the intricacies of how individuals think and behave. In essence, they have to break away from the traditional mindset, which has a linear view of how people function. For real organisational transformation to succeed, Cairnes contends that we have to “increase our level of understanding on how real people actually function” [because] “…real people have their own needs, objectives, feeling and psychological patterns of thought” (p.1).

What can be gleaned from the literature is that other proponents agree with Cairnes. Although Elkjaer (1999) supports learning within the context of communities of practice she also agrees that learning is “…a deeply emotional and personal process (p. 86). She argues that when individuals undertake to solve the same problem, each will approach it differently because they approach a task based on their individual experiences.

Emotions are fast becoming an integral part of the workplace and Emotional Intelligence (EI) has become the focus for many managers. Daniel Goleman (1995; 1998) advanced on the original works of Peter Salovey and John Mayer (1990) who introduced the term of Emotional Intelligence to psychology in the early 1990s. Goleman (1995; 1998) developed five components of emotional
intelligence at work and these include self-awareness, self-regulation, motivation, empathy and social skill (proficiency in managing relationships and building networks). Emotional Intelligence is defined as people’s capacity to perceive, assess and positively influence their own emotions and the emotions of others. Social construction theorists argue that emotions are learned not in accordance with managerial dictates but as a way of making sense of social situations and functioning effectively in them (Gabriel & Griffiths, 2002). According to Gabriel and Griffiths:

Emotion guides the individual in appraising social situations and responding to them. This places emotion firmly in a social context and emphasises emotional display as part of an inter-personal, meaning-creating process.

Both the social constructivist and psychoanalysis approaches agree that emotion plays a fundamental motivational role in complex human relations and more importantly they both agree that emotions cannot be easily quantified using a unitary taxonomy such as emotional intelligence or that it can be easily implemented in the best interests of organisations (Gabriel & Griffiths, 2002).

Individual learning involves a high degree of personal mastery that also drives an individual’s determination for self-development and self-directedness towards learning (Blackman & Henderson, 2005). There is much debate as to whether the two constructs of self-directed learning and self-regulated learning are identical or whether they differ in some way. The next section attempts to answer that question by examining the two constructs within the context of which they are being used, which is, the impact they have upon the individual and the learning process from an individualist perspective and a social perspective.

### 3.10 Self-Directed Learning versus Self-Regulated Learning: Are they really one and the same?

The constructivist perspective of learning involves the integration of self-regulation and an individual’s ability to build conceptual structures through the process of reflection and abstraction (Von Glaserfeld, 1987). The concept of self-regulated or self-directed learning has been popular with both educational and organisational theorists. With many organisations looking for innovative and economic ways to advance employee’s skills and knowledge to keep pace with rapid technological advances in an ever-changing economic environment, self-directed learning was viewed by practitioners in adult education as a means of achieving those goals. With the new emphasis on learning organisations and knowledge workers being espoused as the key to
competitive success, the onus is on the employees to update their skills and knowledge for fear of losing their job if they do not. In the educational field, policy makers and teachers alike are also looking for new ways to set and teach the curriculum for maximum academic achievement and self-regulated learning has been the focus of recent debates. A complete literature review of self-directed learning versus self-regulated learning is beyond the scope of this thesis. However, the discussion below presents a brief overview of self-regulation as seen in the eyes of the educational theorists and self-directed learning as viewed in the eyes of organisational theorists. Discussion of these two concepts highlights the importance of how the motivational and metacognitive perspectives integrate at the individual level.

The Concept of Self-Directed Learning

The concept of self-directed learning emerged from the field of Adult Education, with particular relevance to workplace learning. Researchers have defined the term in a variety of ways, however, Harris (1989) contends that self-directed learning consists of only two perspectives and they are "...self-direction as a process (p.105) and self-direction as a personal characteristic" (p.106).

According to Harris (1989), self-direction has as a two dimensional perspective, the external and the internal. The external process involves looking at the way individuals manage the external conditions of their learning, whereas the internal process involves how individuals internally process information to ensure learning takes place (p.104). Harris is critical of previous research that has been overly occupied with the external processes rather than the internal processing of the learner.

Self-directed learners demonstrate technical competency at being able to set goals. They are able to locate and choose the appropriate resources, and are competent at designing their own learning strategies. They are also planful, independent and are able to reflect on previous learning experiences and learn from their mistakes (Harris, 1989:105; Brookfield 1985; Mezirow, 1985; Paris & Newman, 1990). Being able to reflect on past learning experiences is an important factor in the learning process and Harris contends that reflection, or what he refers to as the cognitive dimension is necessary in order for the adult to become more experienced and more educated. For optimal learning to take place, Harris (1989) stresses that the adult learner needs to reflect on their experiences and ask themselves what they learnt, how can they use the knowledge more
effectively in the future and how did the experience affect their attitudes, values and beliefs (p.110). This view of self-directed learning fits well with that of workplace learning where Marsick (1988) also stresses the importance of how workers need to be critically reflective on their informal learning experiences and learn from their mistakes.

Self-directed learning denotes such attributes as “autonomy, independence and isolation”... [one who] pursues learning with [only minimal] assistance from external sources” (Brookfield, 1985:7). Adults who autonomously seek to acquire new knowledge and new skills are participating in the act of self-directed learning and according to Brookfield are “...investing that act with a sense of personal meaning” (p.14). Brookfield is adamant that self-directed learning is concerned “much more with an internal change of consciousness than with the external management of instructional events” (p.15). He asserts, “the most complete form of self-directed learning occurs when process and reflection are married in the adult’s pursuit of meaning” (p.15). He explains this comment further:

When techniques of self-directed learning are allied with the adult’s quest for critical reflection and the creation of personal meaning after due consideration of a full range of alternative value frameworks and action possibilities, then the most complete form of self-directed learning is exemplified (p.15).

**Self-Directed Learning – the Social Aspect**

The three dimensions of initiative, planning and autonomy form the nexus of the factors that Baskett (1993) insists, enhance self-directed learning within the workplace. While acknowledging that even though the self-directed worker uses initiative and planning they are often restricted to the how, when, why, what and where to learn by other factors such as their position as an employee, their relationships with their peers or the fact that others set the deadlines, available time and resources (p.4).
The following table summarises the theoretical approaches and interpretations of self-directed learning as proposed by the various orientations.

<table>
<thead>
<tr>
<th>Theoretical Approach</th>
<th>Authors’ Interpretations</th>
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<tbody>
<tr>
<td>Phenomenological</td>
<td>Zimmerman (1990) asserts that Phenomenological theorists (e.g. McCombs) perceive students as being motivated “by a global sense of self-esteem or self-actualization” (p.6). “Student perceptions of academic tasks are filtered through a system of self-structures composed of self-beliefs, self-goals and self-evaluations (i.e. when a student is aware of self as agent, a sense of self-efficacy, internalized goals for learning and an experience of competency are produced” (p.11). Self-regulated learning requires more than a cognitive skill; it requires will or [a] motivational component as well” (p.11).</td>
</tr>
<tr>
<td>Behaviorally Oriented (Operant)</td>
<td>Behaviorally oriented approaches focus on tangible and intangible outcomes such as material or social gains (p.11). “Claim that self-regulated learning responses are ultimately determined by contingent external rewards or punishment such as social approval, enhanced status, or material goal” (p.6)</td>
</tr>
<tr>
<td>Cognitively Oriented</td>
<td>This approach places emphasis on intangible outcomes such as self-actualization, self-efficacy, or reduced cognitive dissonance (p.11). (E.g. Schunk, 1991).</td>
</tr>
<tr>
<td>Other Theoretical Perspectives</td>
<td>“Favour such constructs as self-efficacy, achievement success and cognitive equilibrium” (Zimmerman, 1990:6)</td>
</tr>
</tbody>
</table>

Table 3-1. Adapted from Theoretical approaches and interpretations of self-directed learning

An analysis of the concept of self-directed learning indicates that it is somewhat of a misnomer. As the above discussion indicates, much of the literature on self-directed learning is ambiguous, encumbered by the fact that the various researchers have developed their own definitions depending upon their orientation. There is a common conceptualisation between researchers of the various orientations in that most view self-directed and self-regulated learners as being metacognitively, motivationally and behaviourally active participants in their own learning (Brookfield, 1985; McCombs, 1991; Schunk 1991; Zimmerman, 1990). Zimmerman maintains, the “systematic use of [the] three factors is a key feature of most of the definitions of [the self-regulated learner]” (p.5). The second feature of the self-regulated learner is their ability to be self-reflective, self-monitoring and the ability to view the learning process as a feedback loop.

The metacognitive aspect explains the way that self-regulated learners are able to plan, set goals, organise, self-monitor and self-evaluate their progress at various stages during knowledge
acquisition. Furthermore, the metacognitive perspective explains how self-regulated learners exhibit a comportment of high self-esteem, high self-efficacy, self-attribution and intrinsic task interest (Borkowski et al., 1990; Schunk, 1991; Zimmerman, 1990).

A significant difficulty with self-directed learning is how to tell if somebody is actually participating in self-directed learning. Baskett’s (1993) comment on how the individual takes the initiative but is restricted by other constraints is an example of just how difficult it is to determine when self-directed learning is actually being applied. Brookfield (1985) observes that many educators have been heard to declare that they have instigated self-directed learning in their students and in the workplace. However, when pressed for detailed evidence of how they have applied it most have been unable to provide it.

**Self-Regulated Learning – the Individual Aspect**

Like self-directed learning, *self-regulated learning* has also been defined in a variety of ways depending on the orientations of the researcher. Educational researcher, Barry Zimmerman defines self-regulated learning as the orientation by which students ultimately turn out to become masters of their own learning (1990:4). Comparable definitions are apparent between the definition of the Self-directed Learner and the self-regulated learner. The self-regulated learner is also said to possess the ability to "know when they know or possess a fact or possess a skill and when they do not" (Zimmerman, 1990:4); they are seen as being proactive in their ability to seek out the required information when they need it and then take the necessary steps to master it (p.4). Other evident traits include the way they exhibit confidence, diligence and ingenuity in undertaking educational tasks. This demonstrates that Zimmerman views self-regulated learners as possessing metacognitive skills.

**Motivation and Self-regulated/Self-directed Learning**

Advocates of self-regulated learning regard motivation as a driving influence in the self-regulated/self-directed process and Zimmerman (1990) points out that learning and motivation should not be conceived as separate activities; therefore, you cannot talk about one and omit the other when discussing self-regulated/self-directed learning. From the motivational perspective, three of McCombs’ (1991) seven principles of lifelong learning are heavily centred on the motivational factor, as she believes that learning and the motivation to learn are natural competencies for individual learners and are embedded in social contexts and supportive
relationships (p.120). McCombs believes “understanding cognitive constructions and belief systems is an important part of seeing how to facilitate both learning and motivation to learn” (p.119). Therefore, to motivate learning, instructors must be able to draw out the learner’s natural motivations and enhance individuals' inclinations for deeper and more meaningful learning (p.119) rather than providing them with a fixed state of learning where they are simply disinterested. McCombs is also a proponent of the role that caring relationships can play in the learning process. Much of the research on self-regulated learning has been approached from a social context, investigating the role that socio-economic support from significant others (Vygotsky’s social internalisation theory) plays in promoting growth and change in the development skills of learners (Harter, 1988; McCombs & Marzano, 1990; McCombs 1991). Accordingly, a climate where socio-emotional support is experienced makes the individual feel a sense of belonging and empowerment through what McCombs and Marzano (1990) refer to as will and skill and social support to include reciprocal empowerment of learners and the adults who work with them (McCombs & Marzano, 1990; McCombs 1991). To reframe McCombs and Marzano’s (1990) definitions from earlier discussions, will is defined as an “innate or self-actualised state of motivation, an internal state of well being in which individuals are in touch of their natural self-esteem, common sense, and intrinsic motivation to learn” (p.123). Skill is defined as the learners acquired cognitive or metacognitive competency that they have been able to develop through training and practice. Through social support, learners inherit empowerment of will and the development of skill by building quality relationships with others (p.123). Caring relationships enhance the learner’s self-esteem and motivation. This is caused by the fact that the supportive person can see their potential, plus appreciate and accept them for what they are as individuals. In circumstances like this, the door is open for them to access their basic motivation to learn (p.119).

An analysis of self-directed learning versus self-regulated learning reveals numerous similarities. Many of the traits found in self-directed learners are also apparent in self-regulated learners such as the ability to plan, set goals, organise and use critical reflection. Both types of learning stress the importance of motivation, metacognition and reflection upon the learning experience.

**Comparisons between Self-Directed and Self-Regulated Learning**

A comparison of the self-directed learning literature against the self-regulated learning literature although not extensive, reveals similarities between the definitions and constructs of self-directed
learning and self-regulated learning. In juxtaposing the two, the only apparent difference is that they originated from different areas of research. While self-regulated learning is perceived to be the vehicle that drives metacognitive, motivated and behaviouristic active participants in their own learning processes, self-directed learning drives adults in the workplace to achieve the exact same constructs.

Learning in the workplace occurs either consciously or subconsciously and most learning occurs on an informal basis. With the push towards the “adaptable” worker, that is, the worker who is able to enhance their job skills in ways that allow them to keep up with the changes in technology, organisations themselves have to be learning organisations and support the acquisition of knowledge and skills at every level of the organisation. The introduction of new technology brings about change. New computerised technology can cause redistribution in the knowledge base and in the power hierarchy and can cause fear and resentment in some workers while others enjoy the challenge and look forward to the opportunity of being empowered. As discussed earlier, a person’s motivation is a major prerequisite to lifelong learning. Even if a person is motivated and possesses positive self-esteem as articulated by McCombs and others there is no guarantee that the person will learn in the workplace. Why is this so? Cultural context influences the learning process and individuals tend to operate within the particular social position that they find themselves in the workplace. The table below illustrates the core similarities in characteristics between the two interpretations.

<table>
<thead>
<tr>
<th>SELF-DIRECTED LEARNER</th>
<th>SELF-REGULATED LEARNER</th>
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</thead>
<tbody>
<tr>
<td>Critical reflective process on practices and prior knowledge</td>
<td>Is able to understand, value, plan, control and reflect upon the learning process</td>
</tr>
<tr>
<td>Plan and conduct their own learning</td>
<td>Is able to plan, organise, motivate and self-evaluate</td>
</tr>
<tr>
<td>Pursues learning with a minimum of assistance</td>
<td>Is competent and independent</td>
</tr>
<tr>
<td>Able to adopt innovative approaches</td>
<td>Displays confidence and diligence</td>
</tr>
<tr>
<td>Able to set goals</td>
<td>Is resourceful</td>
</tr>
<tr>
<td>Is highly motivated</td>
<td>Is motivated</td>
</tr>
<tr>
<td>Reflects on a social and individual basis</td>
<td>Reports high efficacy</td>
</tr>
<tr>
<td>Regards moral issues such as ideals and values</td>
<td>Accepts greater responsibility for outcomes</td>
</tr>
<tr>
<td>Exhibits intrinsic interest</td>
<td>Exhibits intrinsic task interest</td>
</tr>
<tr>
<td>Are metacognitively able to choose strategies to complete the task</td>
<td>Is metacognitively aware of when to use a skill and when not to.</td>
</tr>
</tbody>
</table>

Table 3-2. Comparisons between Self-Directed and Self-Regulated Learner
As discussed in chapter one, social psychologists have undertaken a major shift in mindset from the individual to the collective nature of learning. In the workplace, organisations are experiencing all manner of new trends as they search for ways of maintaining their economic competitiveness and sustainability. The new paradigm stresses the importance of knowledge with the emphasis on collaboration based on teamwork and systems thinking (explored in Chapter 1). This chapter has established through McCombs’ (1991) work, the complexities involved from the individual perspective and how learning relies on the social context and the relationship of the individual in that context. Through the discussion on self-directed and self-regulated learning, the chapter also established the possibility that learning is a self-directed, planful and regulated activity by the individual. However, this author contends that in order to achieve the new paradigm, organisations have to first take a step back from the idea of the collective systems approach and learn to deal with the individual perspectives and the significance this has for learning and the sharing of knowledge.

**The Significance of the Self-Directed Learning Factor in the Workplace**

Self-directed learning may occur during informal, on the job, learning. Numerous authors concur with the concept of the informal nature of workplace learning occurring within the context of the expert to peer relationship (Marsick & Watkins 1990; Billet, 1993; Sorohan 1993; Baskett 1993; Gerber Lankshear, Llarsson & Svensson, 1994). According to Baskett (1993), by its very nature, informal learning in the workplace is often difficult to distinguish from “work” simply because of the way that it is intricately embedded in work experience (p.2). Sorohan (1993) reports that a study conducted by Scribner and Sachs in 1990 of two manufacturing companies found evidence supporting the way in which learning is embedded in everyday work activities. Such examples of this type of embedded learning include committee meetings, learning through interaction with other members in the organisation and learning from customers outside the organisation. It is difficult to assess how much of this learning has the deliberate and reflective qualities of self-directed learning.

Self-directed learning may be “simply a training design, on par with alternative training designs like classroom teaching, mentoring, or on-the-job training” (Piskurich, 1993:4). Piskurich juxtaposes self-directed learning with that of master-apprentice learning. He contends that trainees work with packages, the basic units of SDL, until they are able to master the package of predetermined
material. Mastery consists in the ability to “exhibit a certain level of expertise through the process of criterion-referenced evaluation” (1993:4). Using his concept, the packages, or “basic units” of SDL as he calls them is acting in the role of the master or the expert. However, a substantial difference can be perceived between the concept of SDL espoused by Piskurich (1993) and other concepts of master-apprentice learning. The methods of instruction offered by computer-based packages are often unable to teach within the learner’s zoped (defined as the difference between what an individual can achieve with the help of guidance and what he or she can achieve without the help of that guidance). Such packages are mass produced and structured and often cannot deal with different individual learning styles.

Contrasts are evident between the conceptualisations of self-directed learning offered by those such as Piskurich (1993) focussing on economic outcomes and humanists such as Brookfield (1985, see Chapter 3) who believe self-directed learning is embedded in the personal attributes of the developing individual. Nevertheless, Gerber et al., (1994) contend that to understand the variations in concept, one must look beyond context to understand the authors acknowledged purposes or goals of self-directed learning including increased productivity and improved efficiency against the ideals guiding their conceptualisations such as the humanists ideals of social betterment and human self-realisation, based on critical reflection (p.147).

A study by Gerber et al. (1994, 1995) attempted to move beyond the current conceptions of self-directed learning discussed in the literature (Brookfield, 1985; Caffarella & O'Donnell 1989; Piskurich, 1993). The study offers what Gerber et al. consider is a “...rich approach...which provides not merely a basis for analysing, categorising, interpreting and comparing the perceptions of self-directed learning but it also provides a framework for developing enhanced social practices of self-directed learning in diverse settings” (1994:148) embracing the discourses theorised by Gee (1992; 1994). Gerber et al’s (1994) study involved interviews with 21 white-collar workers, from various educational backgrounds with varying experiences in the companies/organisations in which they worked. Gerber et al. chose larger companies because they were more likely to be better equipped to develop opportunities for personal training (p.27). The interviews addressed six different conceptions of learning in the workplace including:

- Self-managed observation and learning from mistakes
- Interaction with others
Many of those interviewed felt they learnt extensively through informal means. Much of the learning occurred through close interaction with colleagues, experts and managers but the learning was enhanced by the worker’s initiative to seek guidance through informal observations or other resources in the workplace such as manuals, company bulletins and magazines. A small number reported learning through self-managed observations and by trial and error with both negative and positive outcomes. Formal training was also high on the list, especially when the government made training obligatory through the Training Guarantee Act. The results of Gerber et al’s study (1994; 1995) indicated that those at governmental and managerial level held formal training programs in higher esteem as ways of gaining the extra knowledge and skills even though they also participated in informal training. Those who engaged in varieties of informal training acknowledged that sometimes it was an individual choice while at other times they learnt from formal types of training that the organisation made available to them. The key aspect to emerge from their study was the notion of the personalised nature of the learning reflected in on-the-job training through personal development or a willingness to take control of their own learning and the motivation to seek the challenge of the learning experience whether the training was formal or informal.

An interesting observation from Gerber et al’s study is the perception of what constitutes formal training. Many of the workers said that they had experienced group learning based on peer tutoring or learning from an expert and then showing others. Additionally they met every six weeks or so to reflect on how the learning is progressing. Gerber et al. grouped this type of learning as formal learning, however closer scrutiny would suggest that this type of learning is more informal. Group learning or peer tutoring tends to occur incidentally and is job-specific whereas formal training is structured and the content tends to be more generic and mass produced, even though it is sometimes difficult to distinguish between the two. Nevertheless, the idea of collective or group learning as a means of informal learning is one supported by Marsick & Watkins (1990) and Field
Watkins and Marsick believe that learning in a group or in the organisation setting differs to individual self-directed learning in that it represents different kinds of learning, although they acknowledge the interdependency. They base their argument for informal learning by suggesting that informal learning can constitute planned learning, unexpected learning, and learning that is governed by the needs of the organisation. The distinguishing factor that separates informal learning from formal learning is that informal learning is neither expected nor designed; it simply happens (1990:215).

3.11 A Supportive Environment - Security, Sense of Belonging and Commitment

The idea of a supportive environment in the workplace is addressed by a number of authors in the organisational arena. Senge (1990) maintains that a supportive environment helps the learning process but it does not “...obviate the need for choice. It is up to the individual to choose whether they want to become part of a learning organisation as learning organisations can be built only by individuals who put their life spirit into the task” (p.360). Other authors to address issues of security and a sense of belonging include Dickinson (1992) and Handy (1997). Dickinson argues, “security, belonging, self-esteem and movement towards self-actualization are characteristics that are now essential if individuals, social systems [and] corporations...are to survive” (1992:7).

An organisation’s determination to provide a supportive socio-economic culture enhances an individual’s sense of security, belonging and commitment. According to McCombs (1991), the idea of socio-economic support has relevance for both educators and the workplace:

…Because it cultivates the positive sense of self-worth required for such growth and change to occur. Individuals exposed to a climate of socioemotional support experience being understood (listened to, not just heard), accepted (taken seriously and having their beliefs, thoughts and feelings respected,) and affirmed (genuinely needed and recognized as having value and worth (1991:122).

From the social constructivist framework it stands to reason, “if language, literacy and learning are seen as fundamentally social in nature, it follows that the creation of supportive social settings...is important to facilitate learning” (Sefton et al., 1994:41). According to Sefton et al. (1994), this view implies that people rather than resources such as books, videos and training kits are not the most valuable resource for workplace learning, people are. For this reason, their integrated model adopts the notion of peer and group learning. It is a system of learning that they conclude responds easily to workplace issues. Support for this view is found in Billet’s (1993) study, which offers
evidence for the notion of “guided learning” but only if the “other worker” is perceived as an expert (i.e. skilled worker) by the learner (1993:12). Billet’s (1994) research provided evidence in support of situated learning but he also suggested, “…learning arrangements which are situated on a setting of culture of practice, are not, by themselves, a sufficient quality for the optimum appropriation of knowledge” (p.128). Billet’s conflicting findings provide substance to substantiate the idea that context often determines the learning situation. To ensure situated learning is effective, Billet contends it must be “embedded in the authentic activities and social relations which comprise cultural practice” (1994:129).

An example of one company that has recognised the importance of providing a supportive environment is British Petroleum (BP). Project director of BP’s virtual team network Kent A. Greenes, suggests, “if it’s easy for people to connect, communicate and share knowledge, they will do it. If it isn’t they won’t” (Prokesch, 1997:152). Similarly, the CEO for BHP John Browne, comments that others will only share their knowledge and resources if they have a strong relationship with the other person. In fact, in his interview with Prokesch (1997) he explains that the only way this will occur is through building distinctive relationships not between organisations but between individuals (p.155). He also indicates that if these relationships are to be successful, they must be collaborative, open and flexible.

Provision of a supportive environment is important for employee commitment and this is a central focus in Senge’s (1990, 1999) discipline of building shared vision. Senge argues that shared vision is important for gaining people’s enrolment and commitment when confronted with change. Senge suggests that commitment is still a difficult consensus to achieve in the current environment yet that was not always the case. From the 1950’s to the 1980’s, it was an expected norm that employees were committed to the organisation. As Reece (1999) writes, “In the 1950’s Drucker wrote of the ‘organisation man’, someone so committed to his job (they were usually male in the 1950’s) that family, social life and other experiences that enrich lives became expendable” (p.42).

Recently however, the issue of job insecurity has overtaken the notion of the organisation man. With the large number of companies downsizing or re-engineering their business processes, one would expect there must be a spiralling effect where employees feel that their sense of security, trust and belonging is being eroded. In the 1990’s, the constant downsizing resulting in increased
workloads and, decreased security overwhelmed employees. A recent report out of Britain (Glynn, Steinberg & McCartney, 2002) found organisations are placing excessive demands on employees to work increased hours and increase output. The report also found employee stress was high and morale was low. This has implications for the learning organisation as the discipline of personal mastery is built around the concept of an individual striving for personal growth backed by a supportive organisational environment. With the trend towards short-term thinking and job insecurity, it stands to reason that an individual’s trust and commitment towards the organisation be superseded by cynicism and fear that they may be served with the next redundancy notice. When organisations fail to show commitment and loyalty to the employees, it seems only logical that the employees will show none in return. Furthermore, individuals are no longer committed to a single organisation for the long term and it is now common for individuals to move between organisations more regularly than they once did.

In 1997, Handy wrote of the need for a clearer bond between the organisation and the individual, a term he called the citizen contract. Organisations are constantly changing and Handy advocates the idea of organisations based on the concept of communities as a means of organisational survival where the community is based on common purpose. Community only exists when “organizations live up to the literal meaning of the word company…and regard themselves as communities not property” (p.28).

Many American organisations are recognising the value of work-life balance programs (Glynn et al., 2002). In the knowledge economy, retention of employees is a major problem. Employees seeking to find a balance between work and life are not hesitant to seek out organisations that provide them with opportunities to balance their work life. One of the problems facing organisations attempting to introduce work-life balance programs is how to satisfy the need for increased productivity driven by those above, plus satisfy the needs of many individuals all seeking work-life balance. Moreover, staff burnout, employee recruiting and the training of new staff is expensive.

This section has provided an overview of the importance of an individual’s sense of belonging and security as it relates to the organisation’s culture being that of a supportive environment. It suggests that a sense of belonging and a sense of security are important determinants for individual motivation, interest and commitment as they guide an individual’s personal mastery. It
also argues that downsizing is eroding our sense of belonging, security and commitment. To this point, trust has appeared as the common characteristic in any discussion regarding what has to change at the cultural level in order for transformation to a learning organisation. So far, the micro and macro discussion has established that community relies on trust, social capital depends on trust and commitment is based on the existence of trust. The next section examines in some detail the role of empowerment in the workplace and how empowerment requires high levels of trust.

3.12 Culture and the Role of Empowerment

Another core theme central to the role of culture in collaborative learning environments is the construct of empowerment. Although not directly included as a principle in itself, empowerment is implicit in Senge’s (1990) principle of personal mastery.

In the emerging new paradigm, empowerment both at the individual and group level is a key characteristic of the learning organisation yet the notion of empowering employees to become empowered learners continues to remain a challenge for many organisations. An empowering culture is part of the concept of the learning organisation and like many of the other learning organisation principles; empowered learners require a supportive environment where reflection and autonomy are encouraged (Field, 1998:73).

There are at least three distinct ways to define empowerment. Whereas Field (1998) focuses on the hierarchical nature of empowerment as permeating from the top-down, that which managers deliver to their employees or the way in which employees assume power, Watkins and Marsick (1993) focus on the individual nature of empowerment, which they view as the giving of power from one individual to another individual. In Watkins and Marsick’s view, empowerment is often seen as being an individual trait and people either actively seek empowerment or they do not. However, in a learning organisation “… empowerment is created in the give and take of daily interactions” (Watkins & Marsick, 1993:197).

In contrast to Field’s focus on the hierarchical nature of empowerment, many authors perceive empowerment that relies on management patronage is essentially disempowering (Miller, 1993; Argyris, 1998; Jaffe & Scott, 1993). Miller (1993) argues, “the notion of giving power is inherently patronizing – it implies dependency. Power cannot be given only taken” (p.xvi). The structural
nature of empowerment is the focus for Jaffe & Scott (1998). They contend that empowerment is not an individual process and empowerment only works if organisations make structural changes that support empowered behaviour. A similar view is held by Argyris (1998) who suggests employee empowerment can work but it will take management to realise that it is not always a uniform culture and some roles will require top-down control while others will be more aligned to empowerment. When determining job roles management need to acknowledge and manage both internal and external commitment and distinguish job roles that require empowerment and those that do not.

What can be gleaned from the many variations of empowerment is that empowerment is more about organisations making choices on which type of empowerment, structural, hierarchical, or individual, best suits their circumstances. In order to determine this factor, managers need to be able to understand the positives and negatives of what empowering means for their employees’ in addition to how they propose implementing it into the work practices of the organisation.

Empowerment is inherently about trust and without mutual trust empowering simply will not happen (Covey, 1992; Navran, 1996d). Organisations can benefit from empowering employees because empowered employees share the organisational goals and objectives and are therefore more likely to use their accrued power to ensure those goals and objectives are met (1996d:3). Employees benefit because they have the feeling of being fully utilised. They are seen as intelligent beings and finally, he asserts the organisation benefits through the realisation of a synergistic workplace where leaders and employees work to the same objectives (1996d:3). Although the authors offer a variety of definitions of empowerment, they do focus on the central themes of trust and power, particularly how this equates into benefits for organisations, particularly learning organisations.

Types of Power

The literature identifies many types of power. Traditionally, management literature has concentrated on the explanation of power as permeating from the top down, that which management delivers to the employees. Several authors suggest that this form of top-down controlling governance no longer works (Shaffer & Anundsen, 1993; Miller, 1993; Jaffe & Scott, 1993; Field, 1998). Organisations consist of various sources of power. In the traditional organisation, the most common source of power is hierarchical power based on position; that is,
the management-employee relationship. Other sources of power are professions, gatekeepers and knowledge.

Power according to Navran (1996b) is “the freedom to act in ways which are congruent with one's values, beliefs and needs” (p.1). Two types of power in the organisational context are “bestowed power, that which is [bestowed] to an individual by a higher power and accrued power, that power which an individual accumulates through his or her own actions” (Navran, 1996b:1). Navran maintains that accrued power is deemed more effective in the end. He suggests that bestowed power is finite and relatively ineffective over time, whereas over time, accrued power is limitless. Two of the most notable sources of accrued power are expertise; defined by Navran as an individual’s ability to be adept at applying knowledge in problem solving situations and, information, which relates to an “...individual's possession of, or access to, information and [their] ability to impart that knowledge to others” (p.2).

There is some disagreement as to what empowerment actually stands for. Navran (1996a) for example, believes that the focus on employee empowerment is somewhat of a misnomer as employees are already empowered and what organisations need to be able to do is “…direct that power towards accomplishment of the...organisation's goals and objectives” (Navran, 1996a:1). This is somewhat of a contradiction to the notion of empowerment. Navran contends that empowerment is all about giving employees more power. Yet, by organisations directing the power towards accomplishment of the organisation's goals, the organisation may actually be removing the employee's power rather than instilling it. Empowerment is about flexibility, autonomy, self-directedness and motivation. Depending on how the power is directed, Navran's (1996a) comment suggests that this type of empowerment may still be a form of hierarchical top down process of control.

A learning organisation is not possible without an empowering culture aimed at establishing employee commitment. There are two different types of commitment; external and internal, and although both have some value in the workplace, “…only internal commitment reinforces empowerment” (Argyris, 1998:99). External commitment is defined as contractual compliance brought about by the work practices and rules of the organisation as defined by others. On the other hand, “internal commitment” comes from within the individual. Individuals define their
behaviour and their own commitment to particular tasks based on their own motivations (Argyris, 1998). One author to explore the relationship between purposeful learning and empowerment is Kenneth Johnson (1994). He asserts, as human beings, we have our own purpose, visions, values and goals. He assumes a slightly different position on the role of employee empowerment. In his view, individuals' determination about where they take their life and learning how to create it is what employee empowerment means. Management that dictate the shared vision and organisational values of an initiative without initially involving individuals will not succeed (p.1).

One of the reasons empowerment has been popularised as a learning organisation principle is because it was seen as central to change management programs. Empowerment was seen as the means for organisations to respond quickly and effectively when confronted with unexpected changes in the business environment (Carr, 1994:40, Argyris, 1998) because empowered employees are more likely to be motivated and committed to the organisational vision and goals. Nevertheless, Argyris (1998) insists that many change management programs aimed solely at empowering employees are counter-productive and full of contradictions that hinder rather than enhance innovation and motivation. Argyris believes that often Chief Executive Officers subtly undermine empowerment. In theory, managers find the term empowerment irresistible however, they tend to always fall back into the command-and-control model because it is what they trust and know best. Even the best attempts by organisations to foster a culture of empowerment have failed at the transformational effort. Argyris believes that transformation does not occur because it involves commitment and commitment is not something that can be driven by the human relations department (p.99). This argument was reflected in Field’s (1998) study, which revealed managers are not always prepared to give up control that easily and with empowerment, the reverse actually happens. Field (2002) maintains that those organisations introducing empowerment have to learn to find a workable balance between instigating a culture of empowered employees and their need to preserve the direction of the employees’ work and output. Field has consulted with some of the largest Australian companies who have attempted transformation to a learning organisation culture and during that time, he has witnessed a variety of situations where managers’ behaviour is incongruous with the notion of employee empowerment. He writes:

Despite initiatives designed to foster empowerment and learning (the team-building exercise; opportunities to consult) and despite management espousing organizational learning and associated
ideas, the reality often observed is that managers act in ways that disempower employees and undermine opportunities for positive, contributive learning (1998:77-78).

Likewise, Dovey’s (1997) experience has shown that companies who fail to achieve best practice and transformation within are those who demonstrate a reluctance to loosen the reigns on power. When they do attempt to relinquish power even a little bit, they do so in such an ad-hoc way it is actually counter-productive to the overall organizational culture (p.334).

If top management desires internal commitment from its employees, they must lead the way by involving the employees in defining their own work objectives, specifying how those work objectives can be met, and specifying targets that the objectives can be measured against (Argyris, 1998:100). Furthermore, change programs evolving from the outside rarely result in behaviour that is empowering or liberating. Classic examples of these types of programs are Total Quality Management (TQM) programs embracing best practices. Argyris articulates that they help improve productivity but they undermine internal commitment (1998:101). Another example of the type of program that undermines internal commitment is the use of Champions. Argyris points out “…Champions pursue performance objectives [as dictated by upper management] with tenacity, managing by decree. They have generous resources available to ensure compliance, and they monitor employee’s progress frequently [with the result that]…all these behaviours reinforce top-down control features of the external commitment model” (p.102).

Organisations embracing empowering leaders encourage the sharing of ideas and perceive value in individuals who can solve problems by having the best answers and not necessarily the highest title (Johnson, 1994:4). One of the major benefits of empowering others is that the organisation gains access to expertise, ideas and information that they might otherwise have been denied (Navran, 1996b:2). The sharing of ideas though will only happen in a receptive environment and it is in a manager’s best interests to provide such an environment. If employees are already empowered, Navran emphasises that the challenge lies in getting employees to decide to use their power for the good of the organisation. Workers will only use their power for the good of the organisation if they choose to “…actively participate in the quality culture of the organisation and take full responsibility for all the organisational ramifications of the job” [and] “…actively choose to believe in the ends/goals/vision of the organisation” (Gee 1994:11). Gee is critical of this form of
empowerment. He maintains the leaders are the ones who set the ends, goals and visions for the organisation and not the worker. If the workers choose not to accept them, it could cost jobs. This he suggests is rather an odd form of empowerment (p.13). However, empowering others is still regarded as a positive step. Navran insists, “it is a moral, ethical and a highly touted means for increasing individual and organisational effectiveness” (1996b:3). It does however, have its negative side. Not everybody welcomes the thought of empowering others and some members at all organisational levels resist empowerment altogether. Some feel intimidated and fear that by empowering others they will have less power themselves. Some may see it as an immediate threat to their job and feel that they may lose control; will not be able to demonstrate their own expertise; and in some cases, fear they may even lose their job altogether. This also applies at the managerial level because many managers fear that if they encourage employees to exercise power and learn, they may lose control.

To reiterate a point made earlier, organisations are complex with a multiplicity of factors across a multiplicity of layers. Therefore, logically it would seem significant to recognise that different departments within a single organisation may require different power management. A one-size fits all is not always the answer, and management needs to understand the relevance of this factor when strategising their learning organisation culture. Take for example an organisation consisting of blue-collar workers on the factory floor. The factory floor consists of divisions incorporating workers that perform mundane tasks and another division where the workers are highly skilled tradespeople. The organisation also consists of white-collar workers, some professional and others employed to perform the “administrative” functions. This type of scenario calls for different levels of power management and different levels of empowerment otherwise implementation of a standardised power management strategy could produce chaotic results for the organisation.

The reasons why employees may resist empowerment are many. One of the foremost reasons is that employees may believe that management is using empowerment as a strategy to get something for nothing (Navran, 1996c). They view empowerment as a way of shifting the burden downward and they are reluctant to accept that added responsibility. Another reason for resistance is the fear of retribution. This scenario happens for example, when a person who is empowered in a position has to tell a person in authority that they have made a mistake. For fear of retribution, they choose to remain silent. Other reasons include the wish to avoid blame (Field, 1998; Navran,
A third reason for resistance is the employee’s own failure to recognise empowerment in the first place. This type of resistance is more likely to occur where the employee was not involved in the change process and implementing the strategies for the change. Navran asserts that in this type of scenario, “employees need some training on what empowering behaviours look like and how they are expected to react” (1996c:1). For example, Navran (1996c) recommends that when deciding to empower employees to excel, the employees should be involved in the initial discussions as the “…who, what, when, where, why and how” (p.2). Empowering employees is after all a collaborative effort and all those involved must be able to see that there is value in the empowering process otherwise it will fail (Navran, 1996c:1).

This section explored the concept of empowerment in the workplace and established that empowered employees seek purposeful learning. Essentially, building an empowering culture takes a high level of trust to ensure collaboration is the norm and all employees share a common goal. It established that power is prevalent at all levels of the organisation and this in itself can be counterproductive. An organisation whose culture appears to be based on distrust can be very disempowering; conversely, a trusting organisational culture can be very empowering. This raises questions as to how organisations overcome conflicting mindsets and achieve integration between individual and organisational learning when these constructs prevail. The next section explores three key integrated models encompassing many of the constructs discussed thus far in attempts to integrate individual and organisational learning to ensure the exchange of knowledge transpires.
3.13 Integration between Individual and Organisational learning

Experiential Learning (Kolb, 1984) heavily influenced Kim’s (1993) integrated model of organisational learning, which describes the various phases of individual learning (OADI-SMM, Observe, assess, design, implement - Shared mental models). Kim felt the OADI-SMM cycle addresses the connections and activities that occur within an organisational context. The central theme of Kim’s model is that repetitive interactions help to reinforce previously held meanings and, through repetitive processes, Shared mental models are developed.

In advancing the individual learning OADI model of Kofman (1992, cited in Kim, 1993), Kim’s model incorporates both the individual and shared mental models (both the individual and the organisation) through the concepts of routines and frameworks. He refers to it as Weltanschauung (the organisation’s view of the world). The model provides a process for ensuring that any exchange occurs in a bi-directional way. The model also incorporates Argyris and Schon’s (1978) concept of double-loop learning. This perspective of the double-loop learning process is where individual mental models merge to become shared mental models, therefore giving the organisation the capacity for affecting new courses of action through discontinuous improvement or what Senge (1990) refers to as generative learning.

Routines and frameworks are relevant to the concept of shared mental models because they provide the basis for explaining how people learn and how people understand and then apply the learning. As Kim (1993) points out, the majority of organisational knowledge is stored in the heads of individuals as mental models and it is the knowledge that the organisation must make explicit so that it becomes embedded in the organisational memory.

**Routines.** Routines represent operational learning tasks undertaken at the procedural level, such as standard operating procedures (SOPs) (1993:40).

**Frameworks.** Conceptual learning provides the frameworks for thinking about why we do things the way we do. The challenging of these frameworks can lead to new frameworks in the mental model (1993:40).
An interpretation of the above two constructs, suggests mental models consist of operational and conceptual learning and these are constantly reframed based upon our experiences. Hence, through the process of frameworks, the organisation changes the way it views the world based on the thoughts of the individuals within and through the process of proven individual routines, new standard operating procedures are derived and as a result, new shared-mental models are formed.

The first problem with Kim’s (1993) model is it appears to be building new theory upon existing theory without any empirical testing. The second problem with Kim’s model is that it is premised on individual’s enhancing their own mental models and then making those mental models explicit. As discussed in earlier debates regarding knowledge types, there is contention around the articulation of tacit knowledge. A major limitation with Kim’s model is that it fails to accommodate teams. Kim acknowledges that his model does not specifically address group effects as in his view “…a group can be viewed as a collective individual, with its own set of mental models, that contributes to the organization’s shared mental models and learning” (1993:43). He bases this argument on the idea “that groups themselves are influenced by organizational structure and the type of management style and, therefore represent “extended individuals” (p.43). Hence, individuals contribute to the shared mental models thus, the learning represents both group learning and organisational learning (p.43).

I agree in principle with Kim’s model however, if organisations fail to implement the structures and processes conducive to the transfer of knowledge, transfer is not going to happen. Kim’s (1993) model attempts to deal with the explicit transfer process whereby individual knowledge becomes embedded in the organisation’s corporate memory. Nonetheless, one of the shortcomings of Kim’s model is premised on the organisation having the systems and processes in place to capture individual’s mental models yet at the same time, he acknowledges that often much of a firm’s knowledge is unwritten and therefore resides in people’s heads. His model does not adequately address the social aspects of learning even though he asserts that it is an integrated model for explaining the transfer of learning that occurs between the “exchange of individual and shared mental models” (p.43). Hence, Kim’s model assumes that the individual’s mental models will be transferred, captured and codified through the process of exchange, which for reasons previously discussed when examining the challenge of ensuring the transfer of knowledge from the individual to the organisation and vice-versa, does not necessarily happen.
Ortenblad’s (2004) integrated model incorporates four key aspects of learning identified in the learning organisation literature. Ortenblad refers to Organisational learning as having two fundamental concepts. An awareness that there are various levels of learning occurring in organisations and an appreciation that the knowledge captured needs to be stored in order to be used in practice. Learning at work - often referred to as on-the-job-learning. Learning climate, which highlights the need for organisations to create learning spaces that are conducive to learning. The final aspect is Learning structure. The central focus of this idea acknowledges the need for organisations to structure the environment around a climate that facilitates learning and with this model; it is represented by the teaming concept.

Although Kim’s model is a welcome attempt at addressing the problems associated with the issue of the transfer of learning, it is process driven and can be compared with the earlier problems associated with knowledge management companies whose main concentration focused upon systems and the codification of knowledge (explored earlier in this section), only to find it failed. Why? The answer is that knowledge transformation is about more than systems and processes; it also encompasses a holistic approach recognising changes are also required in culture, structure, people and processes.

Likewise, one of the problems with the supposition of Ortenblad’s (2004) model, like the majority of learning organisational models, is his argument that all aspects must be present if an organisation wants to call itself a learning organisation. Organisations can be simple or complex. In complex organisations learning can be consist of a multiplicity of divisions, groups and learning processes (Dodgson, 1993). The literature fails to acknowledge that it may not be desirable for all sections or divisions of an organisation to be a learning organisation. It also fails to acknowledge that both organisations and individuals can assume different paces of learning, suggesting that both individuals and the organisation can be moving up and down a continuum depending on the internal and external conditions prevalent at the time. A holistic approach is required that recognises the importance of the emotional and sense-making side that individuals bring to a situation.
Sun and Scott (2003) have attempted to bridge the divide by acknowledging the tensions that exist between the various learning levels in organisations. Their framework is largely based around Schein's (1993) learning anxiety theory. The framework proposes that learning tensions act as barriers in the transfer of knowledge and suggests that at the group and individual level recognition of the positive survival tensions, plus the ability to disable the factors that create negative learning tensions, results in the degree of knowledge transfer. Although the framework recognises the importance of tensions at the individual level, it assumes a rational approach to learning and is highly reflective of the behaviourist paradigm. Acknowledgement of the emotional non-rational behaviours and the impacts that these have across complex human relations is starting to gain momentum in organisational learning literature. In particular, Sun and Scott suggest organisations that leverage emotional openness at the team and group level will ultimately realise the benefits in optimising overall performance. One could argue that in order to achieve this state, their framework would need to consider the rational and non-rational emotional aspects of individuals as they interact within the organisation.

This chapter has explored in some detail the complexities surrounding the transfer of individual learning to organisational learning. From the social constructivist perspective, the chapter illustrated that learning is viewed as a socio-cultural event that takes place in situated practice. As viewed by Vygotsky, cognitive learning occurs first at the social level and then at the individual level as mediated by others through the process of dialogue. For individuals to improve their knowledge and make their tacit knowledge explicit it requires a combination of past and present knowledge based on shared community thoughts. While Vygotsky’s concepts support collaborative learning, they fail to acknowledge individual’s motivations and interest to learn. The role that interest, motivation and perception play in the learning process cannot be underestimated yet the literature predominantly deals with it in a piecemeal way. Organisational learning advocates need to take into account both the individual cognitive aspects incorporating the emotional and motivational factors as well as the socio-cultural factors.

The chapter has also looked at three models that have attempted to integrate individual learning into organisational learning. These models have attempted to explain the interactions and requirements for the transformation of individual knowledge to the point where it easily becomes embedded in the organisation. It was established that they deal more with the process rather than
provide an explanation of how the transfer to the organisational level actually occurs. Although there seems to be agreement that dialogue is valuable, it may be limited in transfer to the whole organisation. This begs the question, how does a learning organisation facilitate the transformation of individual knowledge? Secondly, what conditions are necessary for fostering the transformational process?

3.14 A Two Dimensional Model for the Construction of Knowledge and the Individual within the Learning Organisation

The purpose of this section of the chapter is to identify the key gaps in the literature reviewed and present a two dimensional model to address these gaps and integrate them across the individual and organisational levels to foster learning and the generation and sharing of knowledge. A review of the learning organisation literature indicated a lack of adequate research across several key areas. Some of these inadequacies have been acknowledged throughout the mainstream literature however, they still have not been addressed. Even when they are addressed, the authors tend to address them at the macro or micro level only.

- The failure to adequately connect the two dimensions and explain the interactions. This thesis argues that this is a result of the failure by many of the authors to apply a holistic approach, which encompasses the macro and micro levels. The model acknowledges the barriers that inhibit the transfer of learning between the two dimensions and acknowledges that learning occurs along a continuum. It acknowledges that individuals and the organisation as a whole or departments within the organisation or teams within departments can all be at different learning states at different times.

- The monoculture implied in much of the literature is highly problematic. The I/O model recognises that monoculture is not always desirable or achievable.

- The learning organisation literature does not adequately account for the fact that learning has complex emotional and spiritual dimensions.

- Trust is an important element for the creation and sharing of knowledge. However, trust on its own is not sufficient to ensure that learning occurs.

- Cultures of competition can inhibit an individual's willingness to share knowledge. Both Reece's (1999) five tenets of trust and Handy's (1997) seven cardinal principles of trust are
covered in the two-dimensions in the context of the I/O Orthogonal model. The model caters for the fact that trust can exist at both levels but not necessarily exist between levels.

The *Individual/Organisational Learning Model* (I/O Orthogonal Model) was developed to address these major inadequacies. Its purpose was to identify the key themes to be used in the construction of the research design for this thesis. The model presents a contextual framework for the social construction of knowledge within a social context. In particular, how the individual and organisation constructs interact in the learning process to determine success in the generation and sharing of knowledge.

**Figure 3-1 - Individual/Organisational Orthogonal Model for the Construction of Knowledge Interacting at the Organisation and Individual Levels within a learning organisation.**

The I/O Orthogonal Model is designed to make explicit, the difference between individual and organisational learning and to make salient the question of how they inform each other. One feature of this model is its emphasis on the social nature of individual and organisational learning.
Essentially, it argues that both dimensions are essential to the understanding of the learning organisation. The I/O model not only directs attention to the theories from psychology and education related to an individuals learning it affords equal but separate attention to the organisational level. By presenting the individual and organisational aspects as orthogonal dimensions, it allows for the possibility of individuals learning without the organisation learning and vice versa. It also prompts questions about the conditions under which the two levels would inform each other.

At the individual level, people within the organisation may or may not be learning and developing into knowledgeable workers. The model describes the characteristics of the knowledgeable worker as someone who is highly motivated and interested while being self-directed in their learning and readily seeking empowerment. This concept of the individual does not guarantee a high level of knowledge sharing and creation in the organisation because it also takes into account the feelings-related emotional dimension of the individual, in particular, how this informs their learning. For example, a person who takes a professional attitude to work may be adding knowledge and reflecting upon their learning beyond the organisation regardless of the interest and support of the organisation. They may or may not choose to pass this knowledge on to others in the organisation. Therefore, the main issue for the learning organisation is the conditions that are necessary for a worker to pass on their knowledge to the immediate group or to the organisation as a whole. The second dimension, the organisation, lists the conditions under which it has been theorised that individuals will pass on their knowledge. Under these optimal conditions, not only does the organisation benefit from the knowledgeable individuals but also the likelihood that the less knowledgeable individuals would increase their knowledge, skills, motivation and reflection, increases. However, it is also important to note that even under optimal conditions not everybody will choose to take advantage of the environment. It is widely acknowledged that the exchange of knowledge occurs through continual social interactions.

One such way of ensuring the exchange of knowledge is to support a culture of openness and free-flowing dialogue. The I/O Orthogonal Model depicts the requirements for the optimal interaction of knowledge creation and sharing as occurring when the organisation culture is supportive, collaborative and the learning approach is predominantly based on master-apprentice/mentoring or peer exchange.
In the I/O Orthogonal Model, **systems' thinking** is represented by the organisation recognising the input that culture and individuals have in influencing the organisation's behaviours, principles and practices.

Shaffer and Anundsen (1993) view **community** as a necessary phenomenon for the learning organisation to survive as it allows the employees to think systematically and develop connectedness. In the I/O Orthogonal model, this connectedness is represented by the constructs of collaboration, joint project and high social capital at the learning organisational level. At the individual level, the connectedness is represented by the individual’s motivation, interest and the interaction that takes place between the two dimensions within the constructs defined at the organisational level. In the I/O Model, social capital and community are located at the organisational level by joint project/teamwork, horizontal interactions, collaboration and commitment. It places the construct of community building or internal networking through the existence of high social capital as a necessary cultural requirement for the creation, acquisition and sharing of knowledge in the learning organisation.

**Mental models** is represented in the model by the interactions of the individual and the organisation where high knowledge creation and sharing is achieved through the processes of master-apprentice/peer tutoring based where dialogue occurs through horizontal interactions and teamwork is the norm. Building **shared** vision is represented in the model by the constructs of motivation and interest at the individual dimension and a supportive environment and high social capital at the organisational dimension. **Teaming** is represented at the learning organisation dimension by horizontal interactions, joint project and teamwork, and the interactions at the individual dimension where the individual is knowledgeable, interested and motivated to share their knowledge.

Also in the I/O Orthogonal Model, the constructs incorporated in the individual dimension fit easily with the individual disciplines of the learning organisation. **Personal Mastery** is represented by the individual constructs of empowerment, high-self efficacy, interest and motivation that guide the individual’s choice and aspiration to be a knowledgeable worker.
A fourth proposition that is not discussed in the literature but allowed for in the I/O Orthogonal Model is the possibility that the individual and the organisation may be working independent of each other or may even be at cross purposes.
Chapter 4  Research Methodology

4.1 Introduction

The purpose of this chapter is to describe the research process for the study. Firstly, the chapter provides a definition of the case study approach used for the first phase of the research. Each case study outlines the data collection process and includes participant selection and the various methods used to collect data including researcher observation. Also explained is the data analysis approach. Secondly, the chapter describes the process used for the second phase of the research, which used active interviews and a written task. Within each phase of the research, a description of the research approach to data analysis is provided including the process around the evolution of the themes and the challenges that they presented.

4.2 Phase 1 -The Case Study Methodology

Case Studies represent a multi-modal collection of data about a particular participant or social group based around a specific real-life context. Case study research is best suited to situations where the phenomenon’s variables cannot be easily separated from their context (Merriam, 1988). They are considered a valuable form of inquiry in the context of descriptive as well as evaluative and causal studies, particularly when the research context is too complex for survey studies or experimental strategies and when the researcher is interested in the structure, process and outcomes of a single unit (Sarantakos, 1993:260).

There are many variations of case study research adopting various characteristics depending on the philosophical foundations of the study including, illustrative, exploratory, ethnographic and historical. However, no matter what the characteristics, two of the main differences are whether it is used in a positivist or constructivist form. Unlike Positivist case studies that look for a “generalisable truth” and cause-effect relationships, the constructivist perspective emphasises exploration, description and the meaning that the participants attribute to their experiences. For example, a positivist approach to a case study of a learning organisation would be to look at learning from an auditable set of observable criteria through the utilisation of measurable tools where the focus is on outcomes. Some examples of such tools include performance dashboards and the learning curve method, which looks at historical data regarding the cost of production.
Subsequently the costs of production are “plotted against the cumulative output of a particular product” (Easterby-Smith et al., 1999:8). Here, learning is being measured through the processing of information or more precisely, using a technical perspective rather than a social perspective where learning focuses on the way that employees make sense of their experiences at work.

Social constructivism is about knowledge by creation and not knowledge by discovery. Heylighen (1993) explains, “social constructivism sees consensus between different subjects as the ultimate criterion to judge knowledge. Truth or reality will be accorded to only those constructions on which most people of a social group agree” (p.2).

Constructivist case-study research displays criteria based on openness, naturalism and interpretativeness. These criteria allow for studying “…social action in its natural setting as it takes place in interaction or communication and as interpreted by the respondents” (Sarantakos, 1993:261). Such case studies usually apply the principles of qualitative research, which is largely inductive and descriptive. They provide a comprehensive understanding of the phenomenon being researched through a process of thick description as opposed to thin description (Merriam, 1988). With thin description, the researcher is merely reporting the facts of the case study. In contrast, thick description, allows the researcher to delve much deeper into interpreting and analysing the meanings and experiences. Consequently, the adoption of multiple methods and thick description leads to a much richer picture of the case. The case study approach is therefore viewed as an invaluable way of ‘putting flesh on the bones’ as Hall and Hall (1996) like to call it. Unlike quantitative methods that invoke hypothesis testing, the qualitative case study emphasises the characteristics of insight, discovery and interpretation (Merriam, 1988). As advocated by Boud and Griffin (1987) the qualitative approach is best suited “for exploring the kinds of questions of the meaning that [individuals] attribute to their experiences, how [they] perceive themselves and their worlds and how they communicate their understandings to others” (p.9).

The case study consists of three major components. The first component is the data collection through such methods as interviews, historical records, participant observation and physical artefacts (Sarantakos, 1993). The second component involves data analysis and interpretation. Two common methods are prevalent for interpreting data; holistic analysis or composition analysis. With holistic analysis (Flower & Hayes, 1981; Dey, 1999), the researcher makes no attempt to
breakdown the data into categories; rather they draw conclusions based on the data as a whole. Alternatively, composition researchers tend to interpret their data by systematically looking for patterns, themes, or characteristics by which to code their data. Merriam (1988) presents seven analytical frameworks useful in organizing and presenting data, however the one framework that has the most relevance to this research is the *thematical* approach. During data analysis, the thematical approach aids in the identification of patterns that give meaning to the case study. Finally, the third component consists of integrating the case study report into a logical argument using a verbal or written form.

In moving from the descriptive level to the interpretive level, Strauss and Glaser (cited in Hall et al., 1996) articulate that a case study “is based on analytic abstractions and constructions for the purposes of description, or verification and/or generation of theory” (p.197). Sefton et al (1995) used the case study approach for their workplace learning and change project and they alluded to a quote from Boud and Griffin (1987), which also has particular relevance to this project:

> Qualitative research is not easy; it has its own standards of rigour and not everyone is capable of doing it. It requires not only research skills but also personal skills…like any research approach; …the qualitative approach is the one, which we believe is appropriate for an appreciation of learner’s perspectives on the experience of learning (p.9).

Case study research is not without its limitations. Outside the limitations of generalisability the positivist view suggests that case studies are not always representative of the whole and often may only deal with a small part, yet this is not often evident in the case study itself. Case studies can also tend to simplify or over exaggerate a situation, hence once again, allowing the reader to reach an erroneous conclusion about the outcomes (Merriam, 1988). Constructivists reject these positivistic notions of limitation because a case study by its very nature is an examination of a specific phenomenon or more precisely a case can represent a snapshot of reality, a slice of life, or an intense examination of an episode (Lincoln & Guba, 1985).
4.3 Rationale for the use of Case Study

Primarily, the rationale for the use of the case study approach for this research was that it was best suited to accommodate the context of the *real world* as it is lived by real people experiencing the learning organisation and how they understand and interpret it and what it means for their lives. The nature of this research was to probe individuals about their learning experiences, their values and attitudes to workplace learning as opposed to the company’s principles and to examine the sharing and creation of knowledge and the organisational culture.

The methodology used for phase one of the research was social constructivist, case study based and predominantly qualitative in its approach. In keeping with Merriam (1988), the approach was interpretive and evaluative. From the interpretive perspective, it contains thick description and these descriptions were used to develop conceptual categories or themes.

The focus of this study was on exploring the insights of the individual within the particular context of a learning organisation. Because the study was dealing with individual’s own constructions regarding vision, beliefs, values and attitudes about workplace learning and knowledge in a learning organisation and was referencing against their experiences in the workplace, the case study approach offered the best means of data collection, discovery and interpretation about the workplace and the individual workers within it.

The purist approach to research argues for a disassociation between the researcher and the participants. Additionally it suggests the research should remain completely inductive and the researcher should approach the task devoid of any pre-conceived ideas (Glaser & Strauss, 1967). Contrary to this view, Caulley (1994) argues, “Interpretive inquiry represents a monist epistemology in that the inquirer and the inquired are bound together as one” (p.4). It is also suggested that participants studied over prolonged periods are likely to behave more naturally hence, prolonged engagement has the benefit of making the inquiry more rigorous and trustworthy (Caulley, 1994). Subsequently, a constructivist epistemology using an interpretive approach recognising the value of interaction between the researcher and the participants was deemed the most suitable approach. The researcher had considerable experience working as a contractor and consultant and was working at QBE at the time of the case study. It could be argued that the researchers
association with the organisation in the case study would be a disadvantage and would affect the objectivity during the interaction between the researcher and the participants. However, in this study, the experience was seen as a considerable advantage as it allowed the researcher to gain a better understanding and interpretation of the phenomenon being studied. It also gave the participants a level of confidence knowing that the researcher understood their language and concerns.

The research reported for phase one was based on case studies of two organisations, QBE Insurance and Utilux Industries. The choice of epistemology was reflected in the difference between the numbers of volunteers for this study at QBE compared with the number of volunteers at Utilux. This reinforces Caulley’s (1994) remark concerning the value of the interaction. As a contractor working at QBE and a participant observer, I was in the position to observe the organisation and the workers in their natural setting as compared to Utilux where I was an outsider and hence able to interpret the data only.

Aside from my observation, it would also be unrealistic to expect that I would not bring pre-conceived ideas to the research. My industry experience allows me to bring invaluable prior knowledge and insights to the subject matter of this thesis and the ability to analyse the relevant theories. From having previously worked in traditional environments and in a consulting and contracting capacity I have experienced first hand, the problems associated with the lack of knowledge in organisations. Recognising the significance of the move towards the outsourcing model, I understand the practices of industries and labour-hire, in particular the significance of management priorities. I also understand how the interpretation of people’s actions and their meaning is steeped in the cultural practices of organisations. Being in this position allowed me to juxtapose my experiences and observations with the comments reported through the questionnaires and interview responses.

Consequently, it is important to acknowledge that different methods and contrasting approaches applied to the same study rarely provide the same results. Establishing rigour and trustworthiness in interpretive research is realised through the quality of the data and this is achieved through richness or thick description. Thick description represents multiple constructions of reality, which may result in agreement of some constructions, complementary viewpoints on some constructions
and contradictory views on some constructions (Caulley, 1994). Hence, the limitation of rigour and trustworthiness of the data was mitigated by the use of a variety of methods of data collection.

The multiple stakeholders involved in the case studies influenced the choices of methods. Therefore, it is important to acknowledge that the study consisted of several stakeholders including managers who were totally accepting that all those involved in the research might have different views. There has been much debate over whether epistemology should dictate method. For example, the positivist viewpoint suggests that the use of multiple methods should be complimentary, as they cannot be integrated (Roberts, 2002) even where triangulation is applied. The constructivist viewpoint rejects this assertion. Triangulation is one way of accomplishing rigour and trustworthiness of the data. Because the constructivist perspective takes into account the “…role of the participant as active agent in the construction of meaning from any given task” (Leonard, 1995:23), there is an expectation that different techniques utilised across different tasks, will yield disparate responses from the participants. Overlapping results provided by triangulation of methods helps to strengthen the findings and produces higher construct validity (Leonard, 1995; Sarantakos, 1993). In this study, the richness of the data was achieved by using multiple stakeholders and a range of methods rather than a reliance on information from a single source. Consequently, I have worked on the assumption that there is reasonable stability in the meanings while acknowledging at the same time that some meanings may have flexibility and other meanings remain static.

Deriving meaning from the data was a cyclical process. The research design went through a process of iteration by which I gradually refined my understanding of the situation under study. The initial field of learning organisation theory informed the research design and subsequently the phase one questionnaire was designed. As the analytical process progressed, there was opportunity for elements of inductive process and the interview questions emerged from the questionnaire results and the other methods of data collection throughout the research process. The theorising process in phase one set the scene for phase two of the research, which commenced with pre-determined themes yet allowed the data to emerge as the interviews were conducted.
In this thesis, the writing of the report is focused around the themes of the literature reviewed and the key themes and gaps represented in the two dimensional framework, based on a constructivist view of learning. From the constructivist perspective, the writing of the case study report represents a story and provides a comprehensive description of the researcher’s theoretical position, and addresses each step of the process culminating in an attempt by the researcher to make conceptual connections between the data and the conclusions. Moreover, it “helps us attend to the odd intersections or unexpected corridors of meaning and to the unexamined echoes and resonances that lead to sense-making as we write our way through various versions of understanding” (Ely, Vinz, Downing & Anzul, 1997). In the study reported here, phase one presents the findings using a range of methods with emphasis on the narrative for the interviews.

In the context of this study, one of the limitations with case study based research is how to make the results meaningful to organisations other than the organisation within which the research was conducted. For this study, the use of the qualitative approach was more about making conceptual connections rather than aim for statistical generalisations. The intention was to look for interactions between the issues raised and it was expected that the issues would be generalisable across most organisations when confronted with the prospect of transforming to a learning organisation.

This thesis attempts to examine how individuals internalise new knowledge and why individuals may choose to share that knowledge or keep it to themselves. Many other factors that impinge on the learning process also affect the sharing and creation of knowledge. It is hoped that these issues will surface and provide other companies with a valuable insight into realising and acknowledging the issues at the individual level. This will help managers understand the individual perspective and in turn, help them design a change management program that is conducive to understanding the adaptive changes required to become a genuine learning organisation.

4.4 The Organisations

Finding organisations willing to participate in the research was not an easy task. It was necessary for the organisations to have a comprehension of the concept of a learning organisation or to have already adopted some of the principles of the learning organisation. Five organisations were contacted within Sydney. Of the five contacted, two agreed to participate. One organisation was deemed not suitable because they were adding a training program only and not evolving to a
learning organisation. With another organisation, I had undertaken substantial background research, however during the research phase, the organisation experienced a restructure resulting in a change of management, and they decided not to participate. Finally, following an initial meeting with a representative of the third organisation I concluded that the organisation did not reflect the principles of the learning organisation and was not suitable.

Within the first organisation, QBE Insurance, the Learning Centre division had already embraced many of the principles of the learning organisation and the organisation was attempting to transform the remaining business divisions. With the second organisation, the General Manager was in the process of attempting to undergo the transformational efforts to becoming a learning organisation.

QBE was a particularly suitable choice for a case study as the Learning Manager at the time was a strong advocate of the principles of the learning organisation and was instrumental in forming the Learning Centre. The QBE Insurance case study examines the concept of a learning organisation and examines how employees make sense of it. The case study looks at the company’s learning organisation model. In particular, how they have tailored it specifically to meet the companies learning and training needs. The case study aims to determine whether the fundamental requirements of a learning organisation as discussed throughout this review of the literature are embedded in the company’s culture to the point where the employees are empowered learners, the culture is built around trust and collaboration and knowledge is easily created, transferred and shared throughout the organisation.

The second case study involving Utilux examined the company’s attempt to devise a learning organisation model that it could adopt in order to enhance their employee’s skills, help gain employee commitment to the learning cause, and not simply have the employees feel compelled to learn. Utilux have developed an Excellence Model (EM) as the base of their framework for moving towards becoming a learning organisation. The Excellence Model was devised for application at the managerial level and was to provide managers with guidelines for encouraging their employees to excel. Although Utilux have committed to a supportive organisational learning culture of continued learning, employees have demonstrated a lack of enthusiasm when offered new learning opportunities. Every year, Utilux conduct a yearly employee survey and so far, the survey has
failed to identify any of the causes for the apparent lack of enthusiasm. The major aim of this case study was to identify the employees’ concerns or possible reasons for their lack of interest and commitment to learning. This would provide valuable information for the organisation when considering future learning and training initiatives.

4.5 Methods for QBE Case Study

This section explains the methods adopted for the QBE case study. This research project was approached with a number of constraints imposed upon it by QBE management. Originally it was intended for the main focus of the research to be on the impact of changing technology in a learning organisation with the introduction of QBE’s new computerised IS/2 Computer System and their training strategy of using Champions to train the employees. There was however, for political reasons, some reluctance shown by management in this area, so the focus was changed to include all learning strategies employed by QBE. Secondly, it was agreed that the questionnaires would be sent to the branch learning centre co-ordinators for distribution. The Learning Services Manager distributed a memo to the branch learning co-ordinators, informing them that permission had been granted for the research to proceed and that I would contact them by phone with a follow up email explaining what was required (see Appendix D). The intention was to disrupt the routine of the participants as little as possible. For this reason, the interviews were conducted during the normal course of business hours and they met any constraints set down by management. For this reason, the research design was planned but not bound by any definitive schedule. A summary report of the case-study findings was provided to the Learning Services Manager in early April 1999.

The case study used a variety of methods for data collection and each of these methods is presented in the following sections.

- Participant Observation
- Document Collection and Analysis
- Email Survey. An email survey was sent to the Branch Learning Co-ordinators
- Employee Questionnaire
- Interviews with employees and management
4.6 Data Collection Methods

Data gathered using this methodology was documentational and evaluative. Data was gathered by way of the researcher’s observations and experiences as an employee plus public events such as meetings, workshops and training sessions where notes were recorded and diary entries were kept.

During the initial interview with the Learning Centre Manager, I was given access to all documentation pertaining to the OPENUP QBE Manager program. Other primary documents collected at the commencement of the case study included Company Annual Reports, a copy of the company’s online induction-training course, the results of previous Employee Opinion Surveys and the results of previous research undertaken by Darien Rossiter (1998) where the focus was on learning methods used in the organisation. This research formed part of a report that was to be released by the Australian National Training Authority. Throughout the case study, I also had access to all information stored on the company intranet site.

**Participant Observation**

As a contract employer at QBE, (for the first nine months) of this research project, I was in the auspicious position of being able to observe QBE in action as an outsider looking in. Being in this position also helped the researcher to obtain triangulation of data. By attending weekly meetings, recording the minutes and through email communications with champions and learning centre personnel plus observations, I was able to use the data collected and the observations and juxtapose those observations with the comments that were reported through the employee questionnaires and interviews. Having been assigned to Champions training, I also experienced first hand, the Champions grievances and the problems that were encountered during the initial three-day training period for the new computer system. Following the training, many of the Champions were asked to provide feedback on the course. Grievances ranged from poor logical design and structure of the coursework to a lack of business knowledge by the instructors delivering the course.

**Email Survey**

A Branch Learning Service Co-ordinator (BLSC) is employed either full time or part time at each of QBE’s branches. Their role is to coordinate all employee-training requirements and run the learning centres where employees can make bookings to attend the Learning Centre and undertake CD-
ROM training courses. The BLSC’s role is to work in conjunction with the Head Office Learning Centre concerning the development of learning materials and training courses.

The Branch Learning Service Co-ordinators (BLSC’s) were asked via phone, which was followed up by email (refer Appendix D), requesting a brief summary of the culture of their branch, the composition of their personnel and the learning methods used. Once the questionnaires were distributed, the BLSC’s were then asked to provide an email response as to the selection criteria they used to distribute the questionnaires.

The Learning Services Manager is responsible for the day-to-day running of the Head Office Learning Centre, the BLSCs and the company’s overall training requirements and training budget. The Learning Services Manager selected eight branches Australia wide to be involved in the research project. Each branch has a BLSC. It was agreed that a memo of introduction be forwarded to each BLSC, which was signed by the Learning Services Manager. I followed this up with a telephone call to personally introduce myself and explain what I required of them. The requirements were also clarified by forwarding an email. The Branch Learning Service Co-ordinators (BLSCs) from the major branches selected eight participants for the survey questionnaire and the BLSC’s from the country branches selected four participants.

Branch Learning Service Co-ordinators used the following criteria when selecting participants:

- IS/2 Champions - employees trained as IS/2 Champions who were then expected to have the prerequisite knowledge to train all the other branch employees
- Supervisors – employees trained to supervise teams
- Long serving employees (employees that have worked at QBE for more than 10 years)
- Short time serving employees (employees that have worked at QBE for less than two years)

**Employee Questionnaire**

**Participant Selection**

As stated earlier, the questionnaire was distributed to 60 QBE employees within eight of QBE’s branches Australia wide. The response rate was 61% (36 out of 60).
Participant Demographics

The demographics of the employees who participated in this case study indicate a diverse spread in age and qualifications.

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*All (Australian Insurance Institute)

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Employee questionnaires were used to gauge employee's perceptions of how well they thought the company's learning model and learning methods were working for them. The questionnaire was also designed as a measuring tool to determine individual's perceptions of the cultural aspects within the company. One of the aims of the questionnaire was to determine the level of social
capital that employees felt existed in their current work environment. Five of the questions on social capital were adapted from the Social Agency Scale developed by Onyx and Bullen (2000) to measure the Social Fabric/Social capital of the local community. Most importantly, the questions were aimed at determining whether the employees felt that a feeling of trust was embedded in the corporate culture. To support these responses employees were also asked what trust within the organisation meant for them personally. Another tenet examined by the questionnaire was that of the participant’s motivation towards learning: are they intrinsically motivated to achieve in the workplace or do they feel driven through the fear of losing their job if they did not constantly keep their skills up to date? Finally, the questionnaire aimed to elicit the degree to which employees felt that knowledge was created and shared throughout the organisation.

The Questionnaire

The questionnaire was designed with a mixture of qualitative and quantitative questions using likert-scale and ranking questions. The ranking and rating data from the likert-based questions was purely descriptive as the use of scales was intended only as a simple way of obtaining quick responses to basic questions. There was no intention to generalise or to test hypotheses statistically. The questionnaire was divided into three sections providing participants with a clear indication of what was required in each section (refer Appendix E).

Participants were provided with an information pack. The pack provided the rationale for the research and explained how it would be conducted. They were informed that all information was confidential and identities would be protected. They were advised that interviews would be taped and transcribed. Participants volunteered to be interviewed by signing a consent form.

Section 1

Section 1 was designed to have participants tell the researcher in their own words what they felt is the purpose of training.

Section 2

Section 2 was designed to examine the concept of trust within the organisation, not only the organisation as a whole but also trust within teams, between branches and within divisions. The
The aim of the questions was to examine the concepts of trust and knowledge sharing. This section also canvassed QBE’s philosophy of Entrustment (See Appendix I).

Section 3
Part of QBE’s overall learning organisation philosophy is the concept of learning contracts. Section 3 of the questionnaire canvassed for individual’s opinions on whether they felt that the learning contract was achieving the training tasks as set out in the contract and whether it prepared them for advancement within QBE or for external jobs. They were also asked whether they felt that QBE could provide the support for the new skills that they were required to learn.

Employee Interviews
The interviews were used to obtain feedback on the results of the questionnaire, which would assist in its interpretation. The interview questions were designed to gauge the perceptions and attitudes of those interviewed as to whether they were surprised by the results or expected the results. They were also asked whether they had any ideas as to the reasons for the results and what could be done about them.

Participants
Participants for the interviews were selected from those who volunteered by signing a consent form. Four participants were interviewed.

Interview Schedule
Those participants who volunteered to be interviewed signed a consent form (see Appendix E). Participants were contacted and asked if they were still interested in participating in an interview.

Following an analysis of the raw survey data, semi-structured, open-ended interview questions were developed. The interviews concentrated on both the positive and negative sides of any issues that surfaced (refer Appendix F for Interview Framework).

Procedure
Three of the interviews were conducted in the Learning Centres and one interview was conducted in a café. The interviews were taped and the average interview time was one hour.
Method of Analysis

Participants were asked during the interviews if they:

- Expected the results
- Were surprised at the results
- Were not surprised and have had general experiences as such
- Had any ideas as to why I got the results
- Had any ideas as to what QBE can do about them

4.7 Data Analysis

This section of the chapter describes the approach that was used to analyse the data with regards to the research question. The diagram provides the overall approach for phase 1 and phase 2. However, the detail of the data analysis is described under the method section for each phase.

Figure 4-1 - Data Analysis Approach
**Analysis of Quantitative Data**

The ranking and rating data from the likert-based questions was transferred to a spreadsheet and converted to a percentage representation using tables. The analysis was purely descriptive as the use of scales was intended only as a simple way of obtaining quick responses to basic questions.

**Analysis of Qualitative Data**

The analysis for the qualitative data was both theory and data driven. Grounded theory provides a range of approaches that are data driven rather than theory driven, of which thematic analysis was used for this thesis. Although thematic analysis represents a broader more complex level than coding, it still allows the theory to emerge from the data through the researcher’s insight and ability to relay the meaning of the data and make the conceptual connections through the emergent subcategories. Phase one of the analysis used a thematic approach to determine if the themes were consistent with the model. It allowed the participants to determine if the themes were perceived as relevant to them and it allowed for the emergence of new themes.

To complete the thematic analysis, the data from the open-ended questions was transcribed verbatim. The texts were then loaded into the qualitative data analysis package Nudist Six (N6). Nudist Six (N6) is software specifically designed for qualitative research and it aids in the indexing, searching and theorising of data. Another key design feature of the software is that it enables the researcher to separate the rigid divisions that exist between data and interpretation. This helped the researcher in the process of review and reflection by making it easier for the researcher to change data and ideas without having to start the entire process from scratch.

The first level of analysis involved the creation of free nodes to denote key words. In N6, nodes are used to hold material collected during the research and the association of any key thoughts and ideas during the analysis process. Research notes were added to aid the researcher during times of reflection during review of the data and later phases of theorising. Dey (1993) maintains that codes should not only be meaningful from the perspective of the data, they should also be meaningful in relation to other categories. As the nodes developed, it became apparent that there was sub themes related to the key themes therefore the themes were restructured and the text
stored in the free nodes was moved to the tree nodes. The results of this analysis aided in the formulation of key themes that formed the nexus of the interview questions.

**Limitations of the Study**

Although a study of this nature provides a rich qualitative source of information about a workplace that has taken the first step towards embracing the principles of a learning organisation its limitations must be acknowledged.

Overall, the response rate to the questionnaire was average for this type of study. A higher participation rate for the interviewees would have provided for a deeper analysis to the questionnaire findings. It would also have been beneficial to interview employees from each of QBE’s branches however this was not an option due to my work commitments as interstate travel would have been required.

**4.8 Research Ethics**

Formal ethics clearance was sought for the study and was granted. Ethics clearance was granted after scrutiny of the method, the relationships between the organisations involved in the research and the researcher and, the anonymity of the participants. The informants were well advised via an information sheet that all recognisable information would be removed from the transcripts. All participants were required to sign a consent form acknowledging they had read and understood the conditions and that they could withdraw at any time without penalty.

**4.9 Methods for the Utilux Case Study**

This section explains the methods adopted for the Utilux study. A request letter for participation was sent to the General Manager at Utilux. This was followed up by an introductory phone call to determine if the company was prepared to participate in the research. Verbal approval was given and a letter was forwarded to the General Manager thanking him for agreeing to participate in the research (refer Appendix J). The General Manager agreed to a meeting and the meeting was held at the Utilux Kingsgrove office. During the meeting the process and method for the case study was discussed and agreed while the method for distribution of the questionnaires was determined. The General Manager also consented to an interview. The interview was held the following week and was used as a pre-cursor to the development of the questionnaire. The General Manager also requested that he review the questionnaire before it was to be distributed to the employees.
It was agreed that the 100 questionnaires would be handed out to the first 100 employees that visited the pay office on their allocated payday. The Short Term Action Group (STAG) teams provided a briefing to the employees as to the purpose of the research and two days later I visited the factory floor with the Business Development Manager to make myself available for questions that any of the employees may have had. On a disappointing note, I was not approached by any of the employees for questions, nor were any questions channelled via the General Manager.

Once the participants had completed the questionnaire, they were requested to place it in the large envelope provided, seal the envelope, and place it in a security box for pickup by the researcher. Participants that were prepared to be interviewed signed the consent form, placed it in the small envelope provided and placed it in the security box for pickup.

Multiple methods of data collection were used for the case study and included:

- General Manager Interview
- Document Collection and Analysis
- Employee questionnaire
- Participant Interview

4.10 Utilux Profile

Document analysis of Utilux marketing material shows Utilux is an interconnection manufacturing company providing solutions to a wide range of industries. In the telecommunications industry Utilux manufacture the innermost workings of a telephone handset and cable connections. From the transportation perspective, Utilux manufacture parts for the Japanese automotive industry and electric locomotives. In the consumer base, Utilux manufacture parts that span the complete white goods sector. This includes both large appliances, for example, washing machines, dryers, cookers, dishwashers and refrigerators and small appliances such as toasters, kettles and hair dryers. In the power industry, Utilux provide solutions in the generation, transmission and distribution sectors. In the technological arena, Utilux manufacture connectors, customer harnesses, sub-assemblies and docking stations. Utilux specialises in die building and metal stamping with experience dating back to 1917 and provides the highest quality of toolmaking by Utilux trained trades people. Besides providing tooling solutions for more than 10,000 production
components, Utilux also have the expertise to assist customers with component design utilising their 3D Computer Aided Design (CAD) system. Utilux are a quality certified ISO 9001 Company, which is reflected throughout the entire manufacturing process. The employees at Utilux are all highly trained specialists in their field and the company prides itself on its ability to be the most innovative company in their industry where ideas and resources are shared within business units and leveraged across other business units.

Utilux is a global company consisting of eleven Utilux Divisions. The case study for this research involved the Utilux NSW division located at Kingsgrove.

<table>
<thead>
<tr>
<th>Utilux Divisions</th>
<th>Location/ Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPC Electrics</td>
<td>Casual Employee Culture 450-500 people</td>
</tr>
<tr>
<td>Utilux Power</td>
<td>Campbelltown 70 Employees</td>
</tr>
<tr>
<td>Utilux UK</td>
<td>Norfolk 50 Employees</td>
</tr>
<tr>
<td>Utilux Singapore</td>
<td>1 Sales Office</td>
</tr>
<tr>
<td>Utilux Malaysia</td>
<td>3 Sales Office</td>
</tr>
<tr>
<td>Utilux N.Z</td>
<td>Auckland 45 Employees</td>
</tr>
<tr>
<td>Utilux Hong Kong</td>
<td>20 Employees</td>
</tr>
<tr>
<td>Utilux China</td>
<td>ShenZhen 450 Employees</td>
</tr>
<tr>
<td>Utilux China</td>
<td>Tianjin 250 Employees</td>
</tr>
<tr>
<td>Utilux China</td>
<td>Tianjin 60 Employees</td>
</tr>
<tr>
<td>Utilux NSW Australia</td>
<td>Kingsgrove 170 Employees</td>
</tr>
</tbody>
</table>

Table 4-1. The Utilux Divisions

4.11 Characteristics of the Utilux Culture

Organisational Culture

The General Manager explained during the initial interview that the Utilux workforce is an ageing multi-cultural one with many employees simply waiting for redundancy. The workplace consists of predominantly migrant women who speak little English. In the past 20 years, this has made it difficult for Utilux, particularly in the area of training, as they have had to deal with the different cultural aspects associated with a female migrant workplace. Divisions have been encouraged to
operate independently as separate businesses, often competing against one another to win a sales contract. Therefore, gaining commitment or shared mental models across divisions will take some time to realise. Because Utilux is a global company, different cultures are necessary as often each division operates under different modus operandi.

The company is moving towards a smaller workforce and the manufacturing division is not currently replacing employees as others leave. The General Manager explained that from the management perspective the company has sought a much younger management team in an attempt to overcome what he considers has been a very conservative culture over the last 20 years with respect to decision-making. Back in 1996, the responsibility for defining the company culture was under the direction of the Quality Assurance Manager but the General Manager is now setting the direction with feedback from the Task Force and STAG teams. The General Manager is an ardent supporter of the concept of the learning organisation and this is dictated in the overall vision and goals of the company, which were previously too general and too ambiguous and have now been redefined. Utilux is composed of several divisions referred to as business units and these business units are geographically dispersed worldwide.

4.12 Characteristics of the Utilux Workplace Learning Environment

Preferred Learning Methods

A review of the documentation provided by the General Manager showed that the Utilux learning model is based around industry standards for performance management and is incorporated within principle four of the Excellence Model under “People”, although the Excellence Model does not refer to the methods for education and training.

4.13 Employment Opinion Survey Measures

Document Analysis of the results of the previous Employment Opinion Survey (EOS) indicated several areas where the employees felt that the company was not performing well. Because of this, Utilux are currently in the process of implementing measures designed to address the issues identified.

Recruitment Procedures

One of the issues to surface from the Employee Opinion Survey (EOS) was that of the company’s recruitment procedures. There was a perception that the company’s recruitment procedure lacked
fairness, particularly when internal applicants applied for another position within the company. Management undertook a review of the issue, which highlighted the fact that procedures were not always being followed. The situation has been rectified and management have since held communication sessions for staff to explain the selection criteria. In selecting applicants, Utilux explained that they consider attitude, innate ability and whether the person can be trained for ‘whatever’ rather than simply give the job to the person who has been employed at Utilux for the longest time.

**Lack of Clearly Defined Career Paths**

The Employee Opinion Survey (EOS) indicated that the employees felt that there was no clear career path at Utilux. During the interview with the General Manager, he commented, “that in today’s competitive world and the ever-changing face of employment, there is no clear career path”. However, he believed that there is opportunity and flexibility as the company experiences growth by moving into new areas and new fields, hence creating new opportunities. In his view, the people with an innate trait would take advantage of such situations, those who cannot, won’t”.

**4.14 Data Collection**

**General Manager Interview**

Following an introductory meeting, an interview was held with the General Manager. The General Manager provided an overview of the structure of the Utilux group and the company culture. During the interview, the General Manager provided a candid assessment of what he considered were the issues that management needed to address because of the issues raised by the employees during the previous years Employee Opinion Survey. During the interview, he also discussed what he hoped to achieve through the Excellence Model.

**Utilux Vision for Management**

Utilux aims to be the leading market driven international resource for interconnection applications based on a commitment to excellence. In order to achieve this vision, previous management introduced the Excellence Model (EM). The EM co-exists with the Utilux Group Vision, Group Values and Group Outcomes statement (refer to Appendix N - Utilux Excellence Model and Appendix O – Utilux Excellence Model Definition document).
The Excellence Model consists of seven categories:

- Leadership
- Strategy & Planning
- Information & Analysis
- People
- Customer Focus
- Quality of Process, Products & Services
- Organisational Performance

Within each of the categories, managers are encouraged to examine the following Utilux characteristics:

**Approach** – what are they trying to achieve? What strategies and plans do they have to achieve the desired outcome? How proactive, planned systematic and focused on improvement is their approach?

**Deployment** – to what extent are the activities actually being integrated into the day-to-day running of the business.

**Results** – how do they know how well their intentions are being achieved and reported through the use if data and information?

**Improvement** – to what extent is the validity and effectiveness of the Approach and Deployment continuously questioned and reviewed?

Utilux believe they have an obligation to maximise the potential of every individual. The General Manager points out that this belief has nurtured a creative and co-operative culture that sees ideas, learning and resources shared across business units and leveraged across the entire group. The General Manager pointed out that he believes the Excellence Model provides a framework or road map for continual business improvement applicable to a group of companies down to individual sections within a business.

**The Excellence Model**

When first implemented, the Excellence Model did not have the impact on performance that management expected. However, as the General Manager explained during the interview, implementation consisted of it being hung on the wall and a small presentation was made to introduce it. He confirmed that the “goals” statement was too general and too ambiguous and it was difficult for management to determine if they were aligned to any of the goals. In the past 12 months, the Kingsgrove business unit had started to drill down into the details of the Excellence
Model. The managers were required to address the content of the Excellence Model and define what it meant to them as a group. The purpose of this exercise was because the manager's key performance indicators (KPI) are based on the Excellence Model. Problems with the Excellence Model were reflected in all the questionnaire responses and during the interview; the participant perceived that there was a big discrepancy between the company vision and the Excellence Model based on the current structure of the organisation, which results in each business unit competing against each other.

The major aim of the Fortune program (refer to Appendix Q) was to develop and facilitate team learning and team skills in support of best practice, continuous improvement, Total Quality Management, Quality Assurance, benchmarking and Key Performance Indicators. It is hoped that STAG teams will improve the current communication problems between the various levels of management and the factory floor.

**Document Collection and Analysis**

Primary documents collected at the commencement of the case study included marketing brochures, materials on the Excellence Model (see Appendix N) and information pertaining to the Fortune Group's Team Learning workshop (See Appendix Q).

**Employee Questionnaire**

The Utilux questionnaire was redesigned from the questionnaire used in the QBE case study. The reason for the redesign was twofold; the model that Utilux were using was different to the QBE model and the results from the QBE questionnaire indicated that participants were reluctant to respond to certain questions or provided only general information to other questions.

The questionnaire was designed with a mixture of qualitative and quantitative questions using likert-scale and ranking questions. Likert-scale questions were used for responses that required a statistical measure and open-ended questions were adopted where the question required the participants to provide more indepth feeling type responses. Employee questionnaires were used to gauge employee’s perceptions of how well they thought the company’s learning model and learning methods were working for them. The questionnaire was also designed as a measuring tool to determine individual’s perceptions of the cultural aspects within the company. One of the aims of the questionnaire was to determine the level of social capital that employees felt existed in their
current work environment. Most importantly, the aim was to determine whether the employees felt that a feeling of trust was embedded in the corporate culture. To support these responses employees were also asked what trust within the organisation meant for them personally. Another tenet examined by the questionnaire was that of the participant’s motivation towards learning: are they intrinsically motivated to achieve in the workplace or do they feel driven through the fear of losing their job if they did not constantly keep their skills up to date? Finally, the questionnaire aimed to elicit the degree to which employees felt that knowledge was created and shared throughout the organisation.

Section 1
Section 1 was designed to gather participant demographics.

Section 2
Section 2 of the questionnaire differed in the language used between QBE and Utilux regarding question 7. QBE used the essential behaviour of entrustment instead of empowerment so the language was changed to reflect this. Section two was designed to examine the participant’s perception of what learning is all about and how knowledge is transferred. The latter part of section 2 was designed to canvass participant’s feelings about social capital. In particular, whether they considered they had a sense of belonging in the workplace.

Section 3
This section was a new section introduced for the Utilux case study to examine the Excellence Model (EM) and Management’s commitment to the learning process. Part of the Utilux approach towards encompassing the learning organisation philosophy is the concept of their EM. Section three of the questionnaire canvassed for individual’s opinions on whether they felt that EM was achieving management’s commitment to the learning process.

Section 4
The style for this question was changed from a pictorial representation in the QBE study to a likert-based question for the Utilux study. This question did not receive a high response rate in the QBE study as many participants commented that they did not understand what they were supposed to do.
Section 4 examined the concept of trust particularly in how it relates to knowledge sharing at the individual level and across business units. This section was section 3 in the QBE questionnaire.

Section 5
In the QBE questionnaire, this section examined the individual’s perceptions of their learning contracts. For Utilux, this section was designed to canvass ideas on what the participants would change if they were in the position of Chief Executive Officer of the company concerning the organisational structure, culture, mission statement, the overall training philosophy and how they would approach managing change within the organisation.

Participant Selection
The questionnaire was distributed to the first 100 employees at the Kingsgrove division who visited the pay office to collect their pay packet on payday. The response rate was an extremely disappointing 3% (3 out of 100).

Participant Demographics
The gender of the three participants was male. Two were aged in the interval 50-59 and one in the interval 40-49. All were employed on a full time basis. Of the three participants, all had reached an education level of school certificate, one had pursued additional qualifications at TAFE and one had attained a Diploma.

Employee Interviews
The interview was used to obtain feedback on the results of the questionnaire, which would assist in its interpretation. The interview questions were designed to gauge the perception and attitudes of those interviewed as to whether they were surprised by the result or whether they expected the results. They were also asked whether they had any ideas as to the possible reasons for the results and what could be done about them.

Participants
Participants volunteered to be interviewed by signing a consent form. Only one participant agreed to be interviewed.
Interview Schedule

The participant that agreed to be interviewed signed a consent form (see Appendix S). I contacted the participant and asked if they were still interested in participating in the interview. Following an analysis of the raw survey data, semi-structured, open-ended interview questions were designed. The questions concentrated on both the positive and negative aspects of any issues that surfaced in the questionnaire.

Procedure

The interview was conducted at the home of the participant at the participant's request. The interview was taped and the interview took 1½ hours.

Data Analysis

Due to the low number of questionnaire responses, the data could not be analysed. However, the interview with the General Manager and the participant interview were transcribed verbatim and loaded into Nudist (N6) for comparison with the existing themes identified in the QBE case study.

4.15 Critical Reflection of the Utilux Case Study

The aims of the Utilux study were not fulfilled. The failure of the study in only receiving three responses to the questionnaire and one volunteer interviewee meant that the study could not be analysed. The employees at Utilux had been subjected to the Employee Opinion Survey (EOS) only a few weeks before this research project and their discontent at having to participate in another survey so soon after the EOS could be a reflection of the very disappointing participation rate. Another mitigating factor was that previously there has been little attempt to provide the employees with feedback from earlier surveys and many of the employees may have thought that it was simply not worth their while.

The General Manager commented that Utilux believe they have an obligation to maximise the potential of every individual. He pointed out that this belief has nurtured a creative and co-operative culture that sees ideas, learning and resources shared across business units and leveraged across the entire group. However, evidence from this case study suggests that Utilux are not even close to this belief and have a long challenge ahead to change the mindset required for transformation to a learning organisation. The very small number of participants prepared to partake in the research indicates that management had not yet been able to gain commitment from the employees towards
the idea of becoming a learning organisation. If management had been able to get the employees
to commit to the vision, I would have expected a much higher rate of participation.

There is no doubt that the organisational culture at Utilux, consisting of an ageing, multi-cultural,
geographically dispersed workforce was a mitigating factor in the difficulties that the General
Manager was experiencing in his attempts to gain employee commitment to the idea. At the time of
this research, the level of co-operation between divisions was poor and there had been nothing
done previously to change this position. This was reflected across the questionnaire results and
was expanded upon during the interview. The results indicated that management was at least
moving in the right direction by adopting resolutions to the issues of recruitment procedures, the
lack of clearly defined career paths, and the lack of communication both between and within Utilux
divisions, raised during the previous Employment Opinion Survey.

As discussed, the Utilux Excellence Model formed the basis of the company’s overall vision and
learning strategy yet at the time of this study the General Manager had not attempted to achieve
commitment for the model from all the Utilux divisions. It was a strategic step towards providing a
framework for continual improvement although at the time of this research it required further clarity
and meaning as to the definitions of each of the seven categories. A single employee agreed to an
interview and as the comment below indicates, the company still has substantial work ahead to
ensure that both management and the employees gain a thorough understanding of what the
model represents and how it works.

I look at the Excellence Model and I see a bit of paper. I am not trying to get smart; I am being dead
serious. To me an Excellence Model is something that people might hold in their heart and carry with
them wherever they go but it is something that may not necessarily be put into words. The minute you
have to put a mission, vision or an Excellence Model into words I think you’ve lost.

and,

When I look at the companies that have really flown…really done well its because the people in the
organisation are all personally committed to the long term welfare of the organisation therefore they
make judgement decisions based upon what’s right for the organisation and they know that if the
organisation does well they in turn will do well.
It appears that another contributing factor to the employee lack of responsiveness was a lack of trust. To encourage the workers to commit freely to learning rather than merely feeling compelled to learn the workplace culture must include the elements of trust, openness and empowerment.

The characteristics of the learning environment indicated a strong social constructivist approach to learning with learning by others, learning by just doing it and learning via job related projects being the preferred training methodology applied at Utilux. As this research suggests, the concept of training and trust delivered results similar to the findings of Billet’s (1993) study. At Utilux, the three respondents reported a high level of confidence in the people delivering the training if and only if the people conducting the training have the industry experience. The STAG teams have provided the workers with a system of improved communication, which means that the messages delivered from management have more authenticity when delivered via members of the STAG teams than when delivered on the worker’s “home turf”. When questioned at the interview about the success of the Fortune program and the STAG teams the employee reported.

   It is working very well. The only thing that I have against it is that the foundation on which it is based is a bit shonky. I do not very much like the training that came with the Fortune system and I do not think that it does very much towards improving culture around the place. I think all that could have been bypassed, we could have gone straight into the task force and STAG team system and it would have worked just as well. The biggest problem that I have with the Fortune system is that it is American and it’s done in an American atmosphere and it just……….to me it’s not done sincerely.

When asked about the issue of trust during the interview the respondent reported that the organisational culture of mistrust between business units had existed for sometime. Within some business units, there was also a relatively high level of mistrust between the workers and upper management. When asked to explain what was causing this mistrust, the following comment was provided:

   Most of the people are fundamentally good at Utilux and those people want to work for a successful organisation. But if they see conflicting signs and I’ll use this as an example (not referring particularly to Utilux) if they see the message that we are on hard times and we’ve got to pull our belts in and there is no overtime and then suddenly the boss gets a brand new expensive car then they will say why bother. In other words, people look for synergy and consistency of message and if they have to pull their belts in they expect management to pull their belts in as well. If you send the right message down, then you will get the right result coming back.
When asked about the direction that he would like to see the company take the response was:

I would like to see the culture extend to the point where everybody on the shop floor knows everybody who wears a tie by name and trusts them and everybody who wears a tie knows everybody on the shop floor by name and trusts them. Then there is a mutual trust between the boundary of white collar and blue collar.

When asked if this comment meant that the trust element does not currently exist the respondent was adamant:

That’s exactly right. One of the biggest problems we have is that onsite at Kingsgrove we also have the corporate headquarters. And the corporate headquarters people never ever, not one of them except for the managing director ever go anywhere near the shop floor. In fact, I think that if you took any of the people from the top floor and walked them into the factory floor they would get lost and that’s the sort of thing that breeds distrust. …The factory people even feel uncomfortable going into the Audio Visual room because they feel that this is sort of not their territory and they don’t feel comfortable going in there…I personally think that that’s bad.

This comment has serious implications for the company’s transformation to a learning organisation. The flow of knowledge occurs through a collective effort where there is shared vision and shared goals, combined with community spirit and high social capital. This requires established trusting relationships, hence, the *us and them* mindset is contradictory to the learning organisation vision and the culture of distrust will continue to be a problem.

Perhaps the participation rate may have been higher had I been able to walk the factory floor and get to know the workers better, however management were already cognisant of interrupting the workers as they were striving to meet tight deadlines hence, the reason to proceed with the initial questionnaire. Upon reflection, perhaps the results indicate that the idea of the learning organisation was the general manager’s vision only and he was not able to get the entire organisation to share in that vision.
4.16 Phase 2 – Contractor and Consultant Interviews Methodology

The methodology used for this phase of the research was based on the active interview approach conceptualised by Holstein and Gubrium (1995) where the focus is on the process of meaning (1995:9). The purpose of active interviewing is to convey meaning and its construction and it is best suited for instances “when the researcher is interested in subjective interpretations or the process of interpretation more generally, even for ostensibly well-defined information” (p.73). It is therefore particularly suitable for the analytic tradition of social constructionism (p.73) that forms the framework of this thesis.

Pre-determined semi-structured questions and prompts were used as they were seen as an appropriate measure for engaging the respondents and allowing free flowing narrative conversation. As Holstein and Gubrium (1995) remark, “the active interview is a conversation, but not without a guiding purpose or plan” (p.76). Coming from the same background as the interviewees enabled me to use my prior knowledge to better understand and interpret the interviewees’ perspective and move from the abstract to the concrete and ask them relevant questions about their life experiences as a contractor or consultant. Likewise, the same could also be said for the interviewees’ awareness of my background as a contractor. Similarity in backgrounds allows the conversation to flow as both the interviewee and interviewer have an understanding of the vocabulary and interpretive circumstances.

From a traditional or positivist perspective, “the objectivity or truth of interview responses might be assessed in terms of reliability, the extent to which questioning yields the same answers whenever and wherever it is carried out and validity, the extent to which enquiry yields the ‘correct’ answers” (Kirk & Miller, 1986 cited in Holstein & Gubrium, 1995). The active approach does not yield to these criteria and is more about how the interviewer and respondent interact and the conveyance of the “experience under the interpretive circumstances at hand” (p.9). Holstein and Gubrium insist, “one cannot expect answers on one occasion to replicate those on another because they emerge from different circumstances of production” (p.9). Therefore, recognition must be given to the fact that the results of the interviews represent the contractors and consultants’ conversational meaning on the day and are derived from their everyday experiences. It must also be recognised that the
meanings may be more static than the conversational meaning may suggest as the meanings are more likely to be important and central to their identity as contractors and consultants and that is not likely to change dramatically unless something untoward happens in the short term. Therefore, I have worked on the assumption that there is reasonable stability in the meanings while acknowledging at the same time that some meanings may have flexibility and other meanings remain static.

In addition to the active interview methodology, this study also applies the concept of grounded theory. Strauss and Corbin (1998) assert that because “grounded theories… are drawn from data, [they] are likely to offer insight, enhance understanding and provide a meaningful guide to action” (p.12). Key themes were drawn from the literature review and these were used to guide the interview. The aim was to explore the key themes to a deeper level as well as extend the empirical work of the previous researchers discussed in the literature review (Pearce, 1993; Gryst, 1999; Hall, 2000).

Sefton et al. (1995), point out, “Grounded theory is theory that follows from data rather than preceding them...Grounded theory ‘grows’ out of the data, unlike positivist theory which cannot legitimately claim to be based on anything more tangible than the theorist’s imagination (p.32)”. Likewise, Caulley remarks “Grounded theory and emergent design are important to one another. Because grounded theory emerges during the process of the study, the design or plan of the study cannot be pre-planned to advance in any great detail” (1994:11).

Current debates regarding grounded theory suggest there are sharply divergent views of grounded theory and these not only relate to “what the methodology of grounded theory is in principle, but also over how to put it in practice” (Dey, 1999:2). Dey comments that there is even dissention amongst the original authors, regarding grounded theory. The most notable issue is the criticism of how Strauss and Corbin have introduced rigid rules for assessing the value of grounded theory through the process of coding. Dey (1999) discusses criticisms raised by Wilson and Hutchison (1996) regarding grounded theory that have suggested, “…cannons of quantitative, positivist method are being adapted through grounded theory to qualitative methods of analysis” (Dey, 1999:15). Dey (1999) also discusses the issues surrounding categories and verification and the conflicting interpretations presented by Glaser and others. This thesis does not intend to discuss
these issues in any depth except to acknowledge that instead of referring to categories, I have used themes identified through the development of the I/O Orthogonal Model with the expectation that new themes would also emerge from the data. As discussed above, the contention surrounding the issue of verification is governed by the same principle as that applied in active interviewing.

4.17 What is the Difference between the Case Studies and the Interviews?

The case studies were representative of organisations that were attempting to embrace the principles of the learning organisation. Their leadership models and vision statements were loosely modelled around the disciplines of the learning organisation. The case studies examined the company’s organisational model, in particular, what it meant for the employees both personally and from the social context. It looked at whether the fundamental requirements of a learning organisation as discussed throughout the literature review were embedded in the organisations’ culture to the point where knowledge was easily created, transferred and shared throughout the organisation. The perspective was portrayed internally from within the organisation. The interviews are different to the case studies in that they provide a dual perspective, an outsider’s perspective with the contractors looking in and an inside perspective with the contractors looking out. Contractors and consultants know what it is like to go into an organisation and attempt to obtain the knowledge required in order to make something happen. They know the difficulties involved in transferring that knowledge for the benefit of the organisation and they know what happens when the knowledge is not captured and stored for future reference. They know what it is like to enter an organisation in disarray or, as the perceived expert and the difficulties involved in trying to build trusting relationships within a short period of tenure. They are able to provide a perspective that is not achievable within an internal point of view only.

So, what does this mean for learning organisations and their ability to capture the consultant or contractor’s knowledge during the term of their contract? Do contractors readily share their knowledge with others or, for some reason are they reluctant to share their knowledge? Do organisations have the infrastructure and mechanisms in place to capture and manage the knowledge in the first place? Do they make the knowledge readily available to contractors during the term of the contract? Does outsourcing result in the loss of skills, knowledge and experience in
organisations? Moreover, does outsourcing generally lead to a culture of low trust? These questions formed the basis for the interviews.

**The Participants**

The participants included 16 consultants and contractors who have professional qualifications or specialise in a particular field or area of expertise. This is representative of the contracting and consulting industry at the current time, especially in the Information Technology profession.

Research conducted by the Productivity Commission (Waite & Will, 2001:52) found that self-employed contractors relative to employees were more likely to be male, aged more than 45. Characteristic of the population, ten of the independent contractors and consultants interviewed were male with an age greater than 30 and six were female with an age greater than 30. The participants have acted in a consulting and, or, contracting capacity in the fields of Accounting, Information Technology, Business Processes, Project Management, Training, Specialist Nursing and Nursing Supervision.

Pseudonym names were used to protect the identity of the participants and any distinguishable information was removed from the transcriptions.

A recruitment agency initially sent an email to 100 contractors inviting them to participate in the study. Those who agreed to participate contacted me via email or mobile. The contractors were then sent an information pack (refer to Appendix S) explaining the philosophical framework of the thesis, the themes to be explored and what their participation involved. An interview was then arranged at a time and place convenient for the interviewee.

**Participant Observation**

Over the past seven years, I have contracted and consulted for many of Australia’s largest companies across a diverse range of industries. From having previously worked in traditional environments and in a consulting and contracting capacity I have experienced first hand, the problems associated with the lack of knowledge in organisations. Recognising the importance of the move towards the outsourcing model, I understand the practices of industries and labour-hire, in particular the significance of management priorities. I also understand how the interpretation of people’s actions and their meaning is steeped in the cultural practices of organisations. Being in this position allows me to juxtapose my experiences and observations with the comments reported
through the questionnaires and interview responses. The contribution of my industry experience, grasp of theory and the empirical research gives me an understanding of the scope of change in order for organisations to become a genuine learning organisation where the culture is one of openness and where knowledge is easily created and readily shared.

**Procedure**

The philosophical framework for this study is social constructivist and data gathering consisted of two activities. For the written task, the interviewees were provided with a quote from Drucker (1997) and asked to write 20 short statements of “who am I”.

Experts such as contractors and consultants now account for a large percentage of the workforce and, contractors “…carry their knowledge in their heads and therefore can take it with them” (p.24) and “an increasing number of these will identify themselves by their own knowledge rather than by the organisation that pays them” (p.24).

The purpose of this exercise was to determine if, as proposed by Drucker (1997), the contractor’s responses reflected a personal identity and association with their skills or knowledge, or whether their responses reflected a social category, position, or status. One would expect that due to the nature of outsourcing, contractors and consultants would exhibit a higher interindividual dimension rather than a higher intergroup dimension.

The interviewees were asked a series of open-ended semi-structured questions loosely based around the key themes of knowledge, commitment, trust and loyalty and in addition, they were asked about outsourcing concerning innovation and their responses to the written task. Knowledge creation and knowledge sharing has significance for the learning organisation as the five disciplines of the learning organisation are premised on an organisation’s ability to embed the collective knowledge in the corporate memory, transfer the knowledge quickly throughout the organisation and continuously transform itself. Inadequate investment in knowledge is one of the major problems in organisational learning. For that reason, the interviews examined the concept of knowledge, skills and experience from a variety of perspectives. These were:

- General knowledge versus specific knowledge and general skills versus specific skills as a prerequisite for obtaining a contract
- Whether they had a readiness or reluctance to share knowledge
• Whether they felt that there was a difference between knowledge and skills

• Whether they found that organisations have the mechanisms and infrastructure in place to capture the knowledge and make it easily accessible to all in the organisation

• Whether they have had trouble in obtaining the information required to perform their job

The contractors were also asked if, in their opinion, the permanent employees were keen to draw on their knowledge or whether they found that, they tended to view the contractors and consultants with scepticism and bypass them as a knowledge source. The interviews also examined the constructs of commitment, loyalty and trust as these have significance for the learning organisation disciplines of shared vision and shared goals with particular reference to how shared vision and shared goals nurture commitment and cooperation rather than mere compliance. Seeking to clarify this issue further, I explored the question in four parts; 1) Commitment and loyalty to the Host Company; 2) Commitment and loyalty to the labour-hire firm; 3) Loyalty and trust to the managers and finally; 4) Loyalty and trust with other employees.

4.18 Data Analysis

Analysis of Participant Interviews

The second phase of the case studies involved the participant interviews and social identity exercise. The interviews were audio-recorded and fully transcribed verbatim. The transcripts were then imported into the qualitative data analysis package Nudist Six (N6) to aid in indexing, searching and theorising the data. Phase two of the analysis used a thematic approach to determine if the themes were consistent with the model and a grounded approach to identify any new themes to emerge from the data.

The texts were loaded into the qualitative data analysis package Nudist Six (N6). Nudist Six (N6) is software specifically designed for qualitative research and it aids in the indexing, searching and theorising of data. Another key design feature of the software is that it enables the researcher to separate the rigid divisions that exist between data and interpretation. This helped the researcher in the process of review and reflection by making it easier for the researcher to change data and ideas without having to start the entire process from scratch.
The first level of analysis involved the creation of free nodes to denote key words. In N6, nodes are used to hold material collected during the research and the association of any key thoughts and ideas during the analysis process. Research notes were added to aid the researcher during times of reflection during review of the data and later phases of theorising. Dey (1993) maintains that codes should not only be meaningful from the perspective of the data, they should also be meaningful in relation to other categories. As the nodes presented themselves, it became apparent there were sub themes related to the key themes therefore the themes were restructured and the text stored in the free nodes was moved to the tree nodes.

As with the qualitative data in phase 1, the data was analysed for the identification of key themes in relation to the issues and core gaps identified in the literature review and the interview responses. Primarily, the analysis focussed on the “what” and “how” and examined the interrelatedness of the two sources of data. As Holstein and Gubrium (1995) explain, the goal is to show how [the] interview responses are produced in the interaction between the interviewer and the respondent without losing sight of the meanings produced or the circumstances that condition the meaning-making process (p. 79).

As the data evolved, it quickly became obvious which data fell into the core themes already identified during the coding of the open-ended questions and interviews from phase 1 and which data represented new themes. It also became apparent that there were slight differences in some themes between phase 1 of the research and phase 2 but there were also several similarities especially regarding the themes of knowledge and trust. This was expected, as the literature review for phase 2 of the study was based around the five key problems identified in recent studies regarding outsourcing by Pearce (1993), Gryst (1999) and Hall (2000).

The interview transcripts were extensive and N6 made the task of searching, sorting and reporting on the data to a certain extent more efficient than if it had been a manual process. Another key design feature of the software is that it enables the researcher to separate the rigid divisions that exist between data and interpretation. N6 aided the researcher in the process of review and reflection by making it easier for the researcher to change data and ideas without having to start from scratch. Progressively, core themes and sub-themes evolved to the point where the research determined substantive findings to answer the research question.
Analysis of social identity exercise – Participants were asked to complete a social identity exercise and provide the results as input into the interviews.

4.19 Research Ethics

Due to the change in method and procedure, additional formal ethics clearance was sought for the second phase of the study and was granted. Ethics clearance was granted after scrutiny of the method, the anonymity of the participants and the content of the interview questions. The informants were well advised via information sheet that all recognisable information would be removed from the transcripts. All participants were required to sign a consent form acknowledging they had read and understood the conditions and that they could withdraw at any time without penalty.
Chapter 5  QBE Insurance Case Study

5.1  QBE Company Profile

Based on document analysis of the Annual Company Report, QBE Insurance is one of Australia’s largest publicly listed Australian-owned international general insurance and re-insurance groups. QBE underwrite commercial, industrial, household, personal and rural risks in over 20 countries. The company has 2,500 shareholders and employs 2000 staff worldwide. QBE consists of seven function-based divisions and each division consists of several geographically dispersed branches.

The following chart shows the seven QBE divisions.

![QBE Divisions Chart]

Figure 6-5 - QBE Divisions

QBE’s corporate culture emphasises “can do” people, as articulated in their vision statement and organisational goals. They are firm in their commitment to continual learning and their policy is to reward outstanding achievers as they expect their employees to attain a high level of skill and development. The company also has a clear vision of what a learning organisation means for them and this is reflected in their learning principles as stated below.

“Through learning to continually develop our professional competence and improve QBE’s effectiveness”

- All individuals are responsible for their own learning and for contributing to the learning of others
- Learning will be timely, relevant and focused on improving our ability to achieve business outcomes
- Learning and work will be integrated at the individual, team and organisational levels
• Learning activities will be coordinated to promote consistency and correct application

• Every learning activity will be evaluated for its effectiveness.

At QBE, there is a substantial commitment from management towards training and continual learning. As part of that commitment, the company set up the Learning Centre, which consists of a library and personal computers with multi-media capabilities and the provision of several courses. Employees undertake learning contracts as part of their employment and through the Learning Centre they can gain accreditation for any computer based training (CBT) programs that they undertake. Another major QBE learning strategy is the QBE Managers program, which is a one-week residential training program for managers. The essential behaviours of the underlying philosophy for this program are:

- Open Thinking
- Personal Impact
- Entrusting
- Networking
- Utmost Integrity
- Planning Perspective
- Quality Customer Focus
- Business Acumen
- Entrepreneurship

At the time of this research, QBE was about to introduce an entirely new computer system called Insurance System 2nd Generation (IS/2). This system implementation is an enormous assignment. IS/2 has been in development for five years. Western QBE at Parramatta had been used as a test site for the past two years, which resulted in continual improvements being made to the system. The system was due to commence in two other branches in August 1998. Several training and support strategies have been put in place to ensure that when the implementation occurs, employees will have the skills and knowledge necessary to perform their job effectively.

One learning strategy at QBE was to use champions to train employees in the use of IS/2. Champions were selected, or in some cases employees volunteered, from several of the interstate branches. Training was conducted in two large groups of about 20 participants per group. The central idea of the use of champions was that these people were then expected to have the necessary prerequisite knowledge to train other QBE employees at their respective branches.
This idea of peer group or team-based learning is highly valued in the learning organisation literature. However, there are some limitations, for example, knowing whether the knowledge from the training sessions was actually transferred to the champions and whether the champions would then have the skills to pass the correct knowledge in its entirety on to the other employees. The second issue as discussed in the literature review is that it can also simply be viewed as another form of top-down management control.

The QBE Head Office Learning Centre also put together a “10 point plan”. The table below illustrates the entire learning strategy that QBE designed and implemented to help prepare employees for the introduction of the IS/2 system. Corporate Development was responsible for initially training the IS/2 champions. Learning Centre Branch Co-ordinators received the full set of resources and the champions from the respective branches were responsible for training the remaining branch employees using the resources. Corporate Development then undertook a review of each branch by using the employee’s job ability records as competencies and an analysis of existing knowledge as against the knowledge required was then employed to determine how many employees were IS/2 ready. Job Ability records represent a matrix-based template presenting the skills or competencies for which the employees have received accreditation. From their results, they were able to determine the additional training requirements, if any.

**Table 5-1. QBE IS/2 Learning Strategy**

<table>
<thead>
<tr>
<th>WORKPLACE</th>
<th>RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ On the job learning</td>
<td>➢ Overview/Enrolment Pack</td>
</tr>
<tr>
<td>➢ Champions Training</td>
<td>➢ Process Overviews, worked Examples, Exercise and Skills Checks</td>
</tr>
<tr>
<td>➢ Master-Apprentice learning via Champions</td>
<td>➢ Job Aids, Study Guides and Job Ability Records</td>
</tr>
<tr>
<td></td>
<td>➢ Intranet</td>
</tr>
<tr>
<td></td>
<td>➢ CD-ROM for Functions and Products</td>
</tr>
<tr>
<td></td>
<td>➢ Reference Materials</td>
</tr>
<tr>
<td></td>
<td>➢ IS/2 Education Environment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEARNING CENTRE</th>
<th>PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Computer Based Training</td>
<td>➢ Teams</td>
</tr>
<tr>
<td>➢ Champions</td>
<td></td>
</tr>
</tbody>
</table>
5.2 Characteristics of the QBE Culture

Branch Cultures

As stated earlier, an email was sent to each of the Branch Learning Co-ordinators requesting details of their branch culture. Results of the email survey highlighted the geographical diversity of the QBE branches and the cultural differences. For example, the NSW Branch culture is geographically dispersed due to the distances between each of the 17 district offices and many of those offices are two person operations. The NSW Branch Learning Co-ordinator commented however, that when they all get the chance to be together, they are like friends. The Branch Learning Service Co-ordinators from the country branches indicated that distance also makes learning difficult and rather than rely on self-paced learning, the employees prefer to come together and learn together. On the other hand, the Newcastle branch is a broker focused market and consists of a very dedicated team whose niche products consist of the Package and Home insurance products. The Newcastle branch also provides training to the Greater Building Society staff in 50 branches throughout NSW and provides technical support on insurance issues. Newcastle branch also has a Western QBE team of four members that handle the direct lines of business. The Perth branch, like the Newcastle branch, also consists of QBE and Western QBE. WQBE is perceived as a flexible quick acting organisation, though with the movement into other states in the past 12 months, this has slowed somewhat. Newcastle WQBE does a small amount of business in Home and Motor insurance but their major portfolio is Workers’ Compensation. The Perth QBE branch has been undergoing a considerable cultural change and has just recently introduced a management change.

Head Office Branch

The profile for Head Office branch is based on my interpretation as an observer. Head Office consists of the divisions that undertake the financial, investment and re-insurance activities of the company. The insurance industry is reputed to be a conservative culture and the traditional hierarchical structure of the divisions reflected this widely held view. The Business Services division consists of Group Personnel, Group Premises, the Information Systems Group, Corporate Development (responsible for field training) and Learning Services incorporating the Documentation team. The Learning Services group is responsible for designing, developing and delivering learning courses (including multimedia) across the entire organisation.
The Learning Centres

The Learning Centre Manager provided an overview of the Learning Centres during the initial interview. The QBE Head Office Learning Centre is the hub of all QBE’s training and development programs. In addition, each branch has a Learning Centre, which is equipped with multimedia workstations and a variety of other learning tools and training materials. Each Learning Centre is staffed by a learning co-ordinator and their major role is to implement the new training programs that are developed by the Head Office-Learning Centre, plus facilitate and support training for their branch staff. The learning co-ordinators play a proactive role in ensuring that all staff possesses the necessary competencies to perform their tasks efficiently. Communication between management and the learning co-ordinators is paramount to ensuring that a supportive relationship is maintained not only between the co-ordinators and the managers but also with the employees.

The learning environment is predominantly on-line, using self-paced Computer Disk-Read Only Memory (CD-ROM) programs. QBE’s learning philosophy is heavily entrenched in Interactive Multimedia (IMM) technology and QBE management perceive this as an overall effective training resource. A previous survey conducted by the Head Office Learning Centre investigating the effectiveness of the Learning Centres was undertaken at the same time this research project was being conducted. Analysis of the survey findings showed that the main use of the Learning Centres was computer related. The Branch Learning Service Co-ordinators (BLSC’s) were asked to rate the staff’s attitudes to learning in general and the Learning Centres. The survey found that employees’ attitudes were positive towards the Learning Centre (25%) and rated more highly than the learning in general (8%). The BLSC’s were questioned as to whether they thought that the Learning Centres were meeting the company’s business needs. This question returned a poor result with 75% of BLSCs not sure whether the Learning Centre meets the business needs and only 25% of BLSCs indicating that they felt that they do. The BLSC’s were also asked to state their preferred approach to learning as compared with the actual approach to learning. Fifty four percent (54%) of the BLSCs reported that they preferred a group approach to learning whereas they reported that in reality only 35% of the actual learning is group based and the rest is individual based. These results of the Learning Centre Effectiveness Survey are also reflected in several of the responses received by the employees in this research. Even if group based learning was not increased, master apprentice learning or mentoring would be more beneficial than individual learning as a
means of sharing the knowledge. When asked to name the potential blockages they felt exist in their learning centres (75%) of the BLSC’s reported time was the biggest blockage to learning whereas (56%) of management perceived time as a lesser blockage.

The difference in management’s perception from the BLSC’s reality could indicate that management might be out of touch with what is actually happening in the Learning Centres.

5.3 QBE Case Study Findings

Organisational Culture

Recent literature has been critical of the ways in which the structure of organisations needs to change in order to become more flexible, quicker at adapting to change and faster at learning new knowledge. Theorists suggest a flatter structure with more horizontal interactions is preferable to the traditional hierarchy where vertical interactions prevail. QBE’s culture still sits within the traditional mindset. From my own observations, QBE’s culture still consists of the six key traditional cultural behaviours identified by James (1997). Certain departments such as the Head Office Learning Centre are trying to adopt a change in mindset, however this is a difficult task when not all levels of the organisation support it.

Business=Battlefield. My observations at QBE led me to the conclusion that QBE is an organisation where conflicts exist between branches, between departments and between teams within the organisation. (Refer to Appendix B for examples of comparisons between the Battlefields versus Ecosystem mindsets).

Corporate=Machine. This is one area where QBE are working hard and are moving away from the Corporate=Machine mindset by introducing the Nine Essential Behaviours program. The aim is to encourage managers to provide a supportive and trusting environment where individuals feel empowered to be innovative and take responsibility for their job.

Management=Control. This mindset is still quite prevalent in QBE. Even with the nine essential behaviours program, there is still evidence of political power struggles within the organisation where management want to control rather than lead the employees. Champions training was an example of both the Business=Battlefield mentality and the Management=Control mentality where
there was political bickering over who had ownership of the training process. There was considerable criticism of various people and groups involved in the entire IS/2 training process and overall this study was directly affected by this disparagement and management did not permit me to base my research project around the concept of IS/2 training and the use of Champions.

**Employee=Child.** QBE have moved beyond this mindset thanks to the Nine Essential Behaviours program. The comments from some of the participants indicated there were still a couple of managers that adopted this mindset. However, during the timeframe that this research was conducted, the company was in the process of changing or had changed those branch managers and this was reflected in the interviews.

**Motivation=Fear.** This mindset was not obvious at QBE. During my time at QBE I observed several occasions where employees were reluctant to speak out for fear of retribution, particularly where IS/2 training was involved, however they tended to be isolated incidents. Participant responses on the questions regarding trust particularly trust between themselves and their manager(s) could be interpreted as some employees being motivated by the fear of being ridiculed if they were to speak out. These however seem to be the exception rather than the rule. QBE is attempting to break down the conservative approach to management and create an environment based on integrity.

5.4 Characteristics of the Workplace Learning Environment

**The Learning Environment**

QBE’s learning process model (see Appendix G) identifies a variety of learning situations supporting the overall learning philosophy. The learning process model consists of external courses, learning techniques, learning resources and learning opportunities that help build employee competencies.

Characteristics of the workplace learning environment were examined concerning knowledge acquisition, knowledge sharing and knowledge transfer. Responses were diverse. There was concern articulated by many of the participants that there is a distinct lack of knowledge sharing within the organisation. Some participants felt that their division/team readily shares information internally but externally they felt that knowledge sharing is non-existent. This is a concern as
knowledge acquisition and knowledge sharing is one of the major contributions to the continued success of a learning organisation. The questionnaire responses identified the following major blocks to the sharing of information within the organisation between divisions, sections, teams, or branches.

**Question:** Do you feel that your division readily shares information with other divisions, sections, teams, or branches in QBE and vice-versa? If so, why, if not, why not.

The culture of the workplace has substantial impacts upon knowledge creation and sharing.

Participants identified the following factors as affecting the transfer of knowledge. The responses below have been grouped for clarity.

### Table 5-2. Summary Table of Factors Affecting the Transfer of Knowledge

#### Competition between teams

- I do not believe they do. It seems each team is competing against each other. It is very difficult to get help and assistance from other sections. Its funny how even different “floors” can make a difference.

- It appears to me that the further away from your own team, the less likely information will be shared. E.g. Within the division I work with, we readily share information. Other divisions in our branch do share information but are less likely to. Other branches in QBE would be even less likely to if at all and so on. Competition would have a lot to do with this.

- No. Because our division is run like a company within itself. We are competing with the other divisions to be the best. Information is probably shared more at the management level between divisions during their regular meetings.

#### Employees using knowledge as power

- Not a great deal. I do not think people consciously hold tightly on to information. I do not think people have the mindset for readily sharing information. They use the info that they have to perform the job and do not think that others may benefit from their knowledge or info; so do not therefore think to pass it on. I believe QBE fails as a learning organisation in this respect. Too many separate empires and walls that need to be broken down.

- To a degree, information is shared readily when it suits the people with the knowledge. It is an easily identifiable tool - hold back on information that solves problems, provides a clearer picture of the organisation, keeps the “outsider” out of the loop by withholding information, colouring information with one’s perspective etc.

#### Lack of communication

- No, mainly just to a lack of communication. I seem to find out most information by word of mouth from individuals in other divisions.

- Some of our branches are good at networking, others not so. Around the country, many good ideas are born and implemented but never see the light of day in other areas.

- No, each division is quite isolated and very rarely communicates with each other.

- No, each branch has their own ways of doing things. Lack of communication is a continuing problem, particularly between managers and staff.

- I don’t. Communication has always been an off and on prospect. Speaking to other sections, they feel the same. It is actually a bit of a joke to the extent of information we do not get, meaning day-to-day problems.
**Fragmented business structure**

- In some cases, information is readily shared, at other times, information is withheld by team leaders and others, as they do not realise the importance to you. There is no co-ordination of information as the team structure has fragmented the business.
- The way the branch is structured, information is shared within the branch itself. However, QBE as an organisation still has a long way to go in sharing information.
- We are encouraged to “share” our working knowledge of our [area] with other branches and do forward material to those we believe would be interested. However, we get nothing in return, not even feedback on what was sent over and certainly little flows our way from other branches/AO. Within our own branch, info is happily shared between divisions and sections.
- Within the advent of the current branch structure in our network, individual sharing of knowledge is restricted heavily. Branch managers and to a slightly lesser extent, Branch Management Teams interact with each other, but contact below that is isolated and heavily reliant upon the individual going out of their way to network. Unfortunately, this same level of employee is far more “tied” to their workstation and does not enjoy the freedom to easily liaise across branches.

**Feeling of Insularity**

- Not at all. We are very insular. This attitude also flows from the other departments as well. We are not encouraged to liaise and sometimes feel uncomfortable when required to do so.

**Lack of Trust**

- Throughout our branch outside of our immediate team there exists virtually no trust whatsoever with all other divisions. It is not encouraged by management and too many egos get in the way of open communication.

**Individual Learning or Organisational Learning?**

Watkins’ and Marsick’s (1992) viewpoint that organisations learn through individuals, but only when that learning is socially constructed, shared and used to make a difference in larger social units, sub-divisions or the entire organisation, has particular relevance to the lack of knowledge sharing exhibited by QBE, particularly at the team level. The importance of a supportive environment in fostering organisational learning seems to be paramount in the knowledge equation. Sefton et al’s, (1995) argument that learning can be accomplished in micro ways as individuals are helped in the pursuit of their natural curiosity through supportive structures that permit learning and encouraging relationships that foster learning is the same argument used by Browne when he introduced BP’s virtual knowledge network. The conditions stated in the literature as necessary for organisational learning were mixed. Some of the conditions were totally aligned with the learning organisations principles while others were contradictory. If one was to apply the four aspects of learning espoused by Ortenblad (2004) a high number of participants indicated that they learn-on-the-job, nonetheless many felt that it was very insular and only happened within teams and division and not across the entire enterprise. QBE also provided the necessary climate to facilitate learning by...
individuals by providing the Learning Centre as a learning space. However, at the organisational level the problem at QBE appeared to be with the learning structure. Even though they were attempting transformation to a learning organisation culture, the company still used the more traditional controlled approach to learning and training rather than adopting a flexible approach that allowed employees to learn from the environment. At the team level, the problems became greater to the point where the competition between teams acted as a barrier to the transfer of knowledge. All this combined meant that much of the learning was happening at the individual level. QBE had some infrastructure and the processes in place to collect and store what the employees learnt during their interactions with others, however it was not sufficient to ensure continual learning loops. QBE need more than the intranet as a means of socialising the knowledge. The Intranet is a valuable mechanism for knowledge sharing, however it still has the capacity to be individualistic and self-directed, and the socialisation of knowledge requires a networking process where learningful dialogue can occur and the knowledge can be internalised. The Learning Centre acts as a learning space but once again it was individualised being predominantly based around computer-based training and was not conducive to the concept of community and interconnectedness suggested by proponents of the benefits of community in the workplace (Shaffer & Anundsen, 1993; Wenger & Snyder, 2000; Cohen & Prusak, 2001) that group networking brings to a learning situation.

Community Building - The Team-based Approach to Work

According to the collective approach to learning, interconnectedness between communities and the disciplines of shared vision and team learning (Senge, 1990) are necessary conditions for the learning organisation. During the interview, the Learning Centre Manager explained that the concept of teams is a relatively new one at QBE and the teams that have been formed in some QBE branches have not been established for very long. The Head Office Learning Centre was making a serious attempt at team building during this research. Nevertheless, due to the geographic location of the various employees this was proving to be a difficult task. As discussed earlier, the collaborative approach to learning using collective dialogue is viewed as a powerful mechanism for knowledge creation and knowledge sharing by many organisational learning theorists (Senge, 1990; Kim, 1993; Fear, 1997) and others. QBE’s learning philosophy is based more around a self-directed approach to learning. A mechanism that supports more group based learning in an attempt to build the disciplines of shared vision and team learning to ensure that the
transfer of learning occurs through the exchange of both individual and shared mental models is needed to distribute the information. The result of this research once again though, indicates that there were disparities from branch to branch.

**Employee Learning Contracts**

At the time of this research, QBE was in the process of specifying learning contracts for all employees. The idea of learning contracts is to provide employees with clear learning objectives based around the competencies required to perform their job and describes the action plan for achieving those objectives. Job descriptions are also used as an aid to aligning employee's learning activities to their learning contract. The learning contract is central to the notion of Entrustment. This tenet is similar to empowerment and it addresses how proactive managers are in encouraging employees to be creative, innovative and assume responsibility and be proactive in learning and solving their own problems. Entrustment is one of the nine essential management behaviours and is viewed as a way that managers can provide employees with a clear understanding of the appropriate learning activities they require to perform their job. By introducing learning contracts, QBE aim to keep the learning activities within the context of the job and avoid any unnecessary training. The job ability record is one of the core tools managers’ apply to measure performance. It helps managers determine who requires training and the type of training required. The job ability record aids in the planning and scheduling of training activities and helps monitor training progress. Learning contracts are an integral element in the QBE learning organisational model. Many participants felt however that the learning contract is not contributing to their overall personal development or enhancing the skills required for advancement in their job.

<table>
<thead>
<tr>
<th>Determinant</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants that didn’t have a learning contract at the time this research was being conducted</td>
<td>22%</td>
</tr>
<tr>
<td>Participants that were not familiar with their learning contract</td>
<td>5%</td>
</tr>
<tr>
<td>Participants that were only slightly familiar with their learning contract</td>
<td>43%</td>
</tr>
<tr>
<td>Participants that were very familiar with their learning contract</td>
<td>30%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Determinant</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants stated that they did not have a job description</td>
<td>14%</td>
</tr>
<tr>
<td>Participants that were not familiar at all with their job description</td>
<td>5%</td>
</tr>
<tr>
<td>Participants that were only slightly familiar with their job description</td>
<td>22%</td>
</tr>
<tr>
<td>Participants that were very familiar with their job description</td>
<td>59%</td>
</tr>
</tbody>
</table>

Table 5-3. Summary of Learning Contract Questionnaire Results

Table 5-4. Summary of Job Description Results
A substantial number of participants stated that they have not addressed any of the learning tasks set out in their learning contract. There was a strong response to the lack of follow up on employees' learning contracts. Many participants expressed concern and felt that a learning contract was a complete waste of time as there is no review process and the learning contract is not built into the annual appraisal process. Suggestions were put forward by a small number of participants that the company should set aside a fixed learning time say once a month, whereby they could take time out to attend learning tasks because of the time constraints imposed by their normal work commitments.

Purpose of the Learning Contract

A significant number of respondents shared a similar view as to the purpose of the learning contract but not all considered that they were succeeding in acquiring the results set out in their learning contract. One employee felt that the purpose of their learning contract was to “enable them to perform their current job more effectively and establish the skills necessary for advancement”. However, they also took the stance that currently at QBE there is no career path so achieving this can be a somewhat hit and miss affair. Another employee reported that “Yes [they were] in a learning role presently, and the variety of required learning and quantity is far too significant as to be encompassed in a single year’s obligations”.

On a more positive note, another employee felt that “the learning contract ensures you learn skills you do not have to do your job and gives you the opportunity to learn other skills you may need in the future”.

Problems in acquiring the results set out in the Learning Contract

Participants reported time constraints as the single most inhibiting factor in trying to achieve the learning tasks specified in the learning contracts. As one respondent expressed, “Time constraints hamper the results. However it will come eventually, if not a long time after” and “networking is lacking, as commitment to routine obligations of work have overtaken focus on this element. Changing demands and roles also contribute to a need to revisit the agreement to restructure it. This review seldom actually happens mid-year”. Another respondent replied, “no because job responsibilities have increased such that things like learning contracts have been relegated to second or lower place”.

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Most respondents reported that their everyday tasks consume too much of their time and they simply do not get the time to do additional things such as undertake self-directed learning. One participant reported that they do a substantial amount of their learning at home and the fact that it impinges on their own personal time is a concern. The participant did point out however, that their own personal development is important, therefore, it was a sacrifice they were prepared to make. Some reported they were overwhelmed by the enormity of everything. One wrote, “I mean I have got so many things on that ideally I would like to follow my learning contract up and pursue it but there is always something else that takes priority. Really, it’s not worth the paper it’s written on basically”. This was not a view shared by all participants.

An even more pressing factor is that many employees are also playing the role of Champions and are responsible for training others. As one respondent commented, “with the implementation of IS/2, many additional tasks have been allocated to me as an IS/2 Champion and that will prevent me from completing my learning contract” and another commented, “not at the moment. It does not seem a priority as I have been taken away from my own job to deliver training to other staff, while also expected to keep my own job up to date”.

Learning Contracts and Advancement in QBE

Over half of the respondents felt that they were not achieving the results as set out in their learning contracts and they felt that their learning contracts did not prepare them for advancement in QBE or other jobs. The comments in the following table expressed the participants' concerns.

<table>
<thead>
<tr>
<th>No.</th>
<th>Unfortunately, in this branch and the department I am in, advancement will not happen.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To some degree, but there does not seem to be a lot of co-ordination for learning skills. Things seem to become ad-hoc. I don’t think QBE has a clear understanding in this respect although a lot of money, time and effort has been expended, we seem to have lost our way.</td>
</tr>
<tr>
<td></td>
<td>Overall, no, because in practice the company recruits external people who are so called experts.</td>
</tr>
<tr>
<td></td>
<td>A lack of time makes it difficult to get the essentials done let alone any extra learning. It is hard to know what direction to take in branch offices, there are not many openings.</td>
</tr>
<tr>
<td></td>
<td>With teams, there is no progression from underwriting or claims officer to anything apart from that position. All team leaders are imported from interstate or outside QBE from an underwriting background.</td>
</tr>
</tbody>
</table>

Table 5-5. Participant Concerns about Learning Contracts and Advancement
Whilst there were many negative comments, a few respondents reported in a positive way with such comments as below:

<table>
<thead>
<tr>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do not think the learning contract itself will prepare me for advancement. It would definitely form part of the advancement but I feel other aspects of work would also contribute.</td>
</tr>
<tr>
<td>It depends on what skills you chose to learn. It is important to match skills with your career.</td>
</tr>
<tr>
<td>It could be better utilised for this but is not to its full potential.</td>
</tr>
<tr>
<td>Yes. Any further skills learned will enhance future prospects regardless of what they are.</td>
</tr>
</tbody>
</table>

Table 5-6. Positive Comments about Learning Contracts and Advancement.

**Learning Contracts versus Job Tasks**

There was overwhelming consensus in both the questionnaire and the interviews that more often than not the employee’s job role changes but their learning contract is then not reviewed in order to bring it into line with their new role. This appears to contradict one of QBE’s learning principles, namely that learning will be timely, relevant and focused on improving their business outcomes. These results are disappointing considering that learning contracts form an integral aspect of QBE’s overall learning philosophy.

**5.5 Preferred Learning Methods**

An earlier study conducted by Rossiter (1998) was held before this survey. Rossiter’s study examined QBE’s use of interactive multi media as an effective training medium, in particular, how the method conforms to the concept of the learning organisation. Due to Rossiter’s earlier study, the question on preferred learning methods was not intended to compare one against the other. The intention was to determine employees’ feelings as to what they perceived were effective methods for them to learn new skills. Because there is a strong tendency for learning organisations to commit to learning and training methods based more on a social constructivist approach e.g. peer group (Master Apprentice Learning) and on the job learning, the questionnaire also examined which learning methods the employees had experienced the most.
Participants were asked to identify what they considered were the most effective method(s) for learning new skills.

<table>
<thead>
<tr>
<th>Effective Methods for Learning New Skills</th>
<th>Non-effective Methods for Learning New Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Match the learning to the job description.</td>
<td>• Books and Seminars.</td>
</tr>
<tr>
<td>• Hands on experiential learning.</td>
<td>• Rote Learning.</td>
</tr>
<tr>
<td>• Prefer to be shown by another person who is patient and confident in their training approach.</td>
<td>• Workbooks.</td>
</tr>
<tr>
<td>• Computer Based Training for Code of Practice, Group Seminars for detailed training and Interactive CD-ROM.</td>
<td>• Trial and error and manual only</td>
</tr>
<tr>
<td>• Perform the task yourself, know the boundaries and discover how the relationship works, setting regular, achievable goals.</td>
<td>• Videos, CD-ROMS as they can sometimes become tedious and boring and being left to teach yourself from a manual.</td>
</tr>
<tr>
<td>• CD-Rom or exercises in a manual and hands on experience.</td>
<td>• Explanation without demonstration or practice.</td>
</tr>
<tr>
<td>• Focussed audience, small group with common interests, workshops and hands on. Practice and trial and error, if mistakes are not important.</td>
<td>• The “Shotgun approach” and numerous unfocussed learning activities.</td>
</tr>
<tr>
<td>• Hands on learning, group learning and trial and error.</td>
<td>• Lectures - face to face.</td>
</tr>
<tr>
<td>• Own pace and re-do any areas.</td>
<td>• Lecturing and anything without interaction lasting longer than 40 mins. Practice and trial and error of mistakes are important.</td>
</tr>
<tr>
<td>• Training co-ordinator who spends time showing each employee.</td>
<td>• A class situation only with no manuals etc.</td>
</tr>
<tr>
<td>• Manuals, video, or computer based programs for assessment of newly learnt skills.</td>
<td>• Self-paced training.</td>
</tr>
<tr>
<td>• Interaction, physical demonstration, hands-on experience.</td>
<td>• Manuals can be very confusing.</td>
</tr>
<tr>
<td>• Repetition to begin, then understanding the ‘WHY’ of what is being done</td>
<td>• Verbal or written explanation with no practical experience.</td>
</tr>
<tr>
<td>• On the job training, combined with manuals.</td>
<td>• Methods that do not give an understanding of why it is being done</td>
</tr>
<tr>
<td>• Depends on the skill. If a simple process or concept, I am happy with a knowledgeable peer. If a wide range of skills and a number of new concepts, I learn well in an organised well-prepared workshop.</td>
<td>• Reading from manuals.</td>
</tr>
<tr>
<td>• Explanation by facilitator, demo by facilitator with me following along, practice the skills with support from facilitator, followed by practice with marginal support when required.</td>
<td>• Paper based, self-learning method and computer based training.</td>
</tr>
<tr>
<td>• Training should contain three steps: Demonstrate the steps or process; perform steps in a slow and systematic way; repeat steps on your own</td>
<td>• Audio methods and old style lecture system i.e. a person standing in front of you and talking for an hour with no interaction.</td>
</tr>
<tr>
<td>• Hands on coaching (individual or group).</td>
<td>• Having them lecture to you. Being told how but not being allowed to practice or follow along with facilitator. Basically, any method that does not seek to involve me.</td>
</tr>
<tr>
<td>• By practicing them - not just being shown or told.</td>
<td>• Where you are shown once and then asked to do it.</td>
</tr>
<tr>
<td>• Demonstrate (by skilled person), hands on trial, skill assistance emphasising technique, and hands on practice, project and post course support relationship, plus trial and</td>
<td>• Having a person who is not a good trainer teaching people new skills.</td>
</tr>
<tr>
<td>• Having them lecture to you. Being told how but not being allowed to practice or follow along with facilitator.</td>
<td>• Self-learning modules.</td>
</tr>
<tr>
<td>• There is something only once then given no backup training.</td>
<td>• Being shown something only once.</td>
</tr>
<tr>
<td>• Someone just telling you or giving you an instruction manual to read.</td>
<td>• Learning by trial and error.</td>
</tr>
<tr>
<td>• Learning by trial and error.</td>
<td>• Sole textbook or sole presentation or sole video.</td>
</tr>
<tr>
<td>• Lectures - people get bored and lose concentration.</td>
<td>• Lectures - people get bored and lose concentration.</td>
</tr>
<tr>
<td>• Method of noisiness, interruptions, phone calls and distractions.</td>
<td>• Method of noisiness, interruptions, phone calls and distractions.</td>
</tr>
<tr>
<td>Effective Methods for Learning New Skills</td>
<td>Non-effective Methods for Learning New Skills</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>error. Learning from bottom up, not just learning how to do it but why helps a lot more.</td>
<td>• Thrown in the deep end without any explanation of how things should be done. Having many alternate ways, confusing and inconsistent.</td>
</tr>
<tr>
<td>• Theory application of theory under instruction and repetition with minimal supervision.</td>
<td>• Large groups and trying to self-teach with inadequate material.</td>
</tr>
<tr>
<td>• Facilitated sessions with small groups, say up to six people.</td>
<td>• CD-Rom.</td>
</tr>
<tr>
<td>• On the job learning, attending lectures</td>
<td>• Written instructions when hands on experience is not given.</td>
</tr>
<tr>
<td>• I believe you can best train someone by having the person actually doing the job, with someone at first instructing step by step, until familiar.</td>
<td>• Being shown something “Quickly” and then being left alone to re-create.</td>
</tr>
<tr>
<td></td>
<td>• Long boring videos. A lot of reading material with no practice sessions.</td>
</tr>
<tr>
<td></td>
<td>• Verbal transfer of instructions with no attempt to test your comprehension of knowledge.</td>
</tr>
</tbody>
</table>

Table 5-7. Preferred Learning Methods

As the responses indicate, the preferred learning methods varied from individual to individual and this is not surprising since there has been much written on adult learning as to the different ways in which people prefer to learn. An interesting point to note though is that although the preference of method varied, the results clearly show that the respondents indicated a preference for master apprentice, peer tutoring, and perceived these methods as the most effective.

Participants were also asked to list the ways in which people have tried to teach them new skills at QBE. The results indicate most of the learning that occurs at QBE is based upon the master apprentice method (14%) followed by learning by “just doing it” (13%). The company’s preferred method of learning Interactive Multimedia (IMM) technology was the next most popular method of learning used at QBE. These findings show that even though management prefer IMM as the learning method, the master apprentice approach and learning by “just doing it” will always be practiced within an organisation as this informal method of learning occurs naturally in the workplace. This is consistent with Billet’s (1993) findings regarding situated learning in the workplace.

Master Apprentice Learning

QBE adopted the use of Champions as a master apprentice approach to training QBE employees in the use of the new IS/2 computer system. The use of Champions represents an entire change in mindset as a training approach. By using Champions to train the other employees, QBE could be
considered to be engaging in the notion of reciprocal teaching by providing the new learners with the opportunity of learning from peers that are more expert. The use of Champions was not without its problems.

The questionnaire responses were varied, indicating that there was a group of participants who were satisfied with this method of training and a group who were clearly not. Some of the participants took on the role of “Champion” and as such were responsible for training their peers. Several of the Champions stated that they felt the pressure of having to wear “two hats”, that of trainer and the other of having to do their everyday job. They felt that they did not receive sufficient support from management in alleviating their workload while engaged in training their peers. One of the branches helped alleviate the champion’s pressure by bringing in temporary staff to do the data entry work but many of the Champions in the other branches were left to their own devices.

IS/2 training involves the application of many of the learning strategies addressed in the QBE Learning Process Model. New learners have the opportunity of viewing the information on CD-ROM and video and then practicing the concepts learnt by using the IS/2 training system. The Champions apply the role of conversation as an instructional strategy. Although IMM is the preferred learning method used by QBE, analysis of the results and the ways in which people have learned new skills in the QBE workplace shows that most people have been learning by way of the master/apprentice model, which is learning from others. The method of learning by “just doing it” supports the findings of Billet’s research whereby the participants indicated this was their preferred way to learn. The third highest method of learning applied by QBE was IMM. The only method of learning where QBE can be sure there is at least a transfer of knowledge is the Master/apprentice Method as the other two methods are self-directed and sharing the knowledge is left to the devices of the individual. Another factor that impinges on the relationship between the master and the peer is the perceived trust by the learner that the trainer is an expert. As the questionnaire responses indicated, many employees reported that even though those delivering the training had the necessary knowledge they did not always appear to have the necessary skills to be able to assume the role of the so-called expert. As Billet’s (1993) study illustrated, workers held skilled people in higher esteem rather than those who were technically competent. Additionally, the workers reported that they would also need to perceive the skilled worker as an expert. The findings of this research are consistent with the findings of Billet’s research.
**Transformational, Double Loop and Experiential Learning**

As discussed in the literature review, transformational learning occurs when learners are able to critically focus on their own beliefs and values and compare them to new understandings when new practices create a completely new set of cultural assumptions (King, 1996; Blackman & Henderson, 2005). Working with fellow workers in the reciprocal approach used by Brown and Palincsar (1989) and Brown (1994) can speed up the transformational process, as it shows the learners any new practices that have been created by the new cultural assumptions. Argyris and Schon’s (1978) definition of double loop learning is similar in concept to transformational learning but also extends to the learner’s ability to be critically reflective and search for basic understandings and assumptions to overcome the learning block. Like transformational and double loop learning, experiential learning also emphasises the need for critical thinking and talking but acknowledges that attitudes and feelings play a major role in the learning process, especially with the introduction of change. The initial Champions approach adopted by QBE as a training method could have been an excellent approach had it been implemented around a dialogic genre. Initial Champions training was instructor-led with very little opportunity for constructive discussion. Several of the Champions who participated in this research indicated they were conducting their training using a group context approach, which provided learners with some of the advantages of the reciprocal nature of the learning process. The IS/2 system meant that employees had to learn a new way of processing business. There was substantial conjecture circulating the QBE network about the new system’s weaknesses in comparison to the existing system and the problems that the programmers were experiencing in making IS/2 process the work correctly. This conjecture left many of the employees hesitant about learning the new system and the initial Champions training did nothing to help alleviate the fears of those employee’s who held a cynical attitude towards the system. There was also contention that the type of training that was given to the Champions was not sufficient in resource material for the Champions to train other personnel.

### 5.6 Knowledge Management - Acquisition of Knowledge and Knowledge Sharing

As discussed in the literature review, several authors (Brown, 1994; Nonaka, 1991; Sefton et al., 1995; Senge, 1990) stress the importance of a company’s ability to be able to take tacit Knowledge and make it explicit knowledge, thus ensuring that the knowledge becomes embedded in the organisation’s learning memory. Participants were openly critical of the lack of knowledge sharing.
One participant reported, “there is no co-ordination of information as the team structure has fragmented the business…and there is no common approach or control”. Even though most participants felt there is a lack of knowledge sharing and creation, the questionnaire responses indicate that this problem varies from branch to branch, team to team and division to division. As one participant pointed out, their division does not readily share information with other divisions/teams/sections because they are very insular. This attitude flows from the other departments as well. “We are not encouraged to liaise and sometimes feel uncomfortable when required to do so”. In contrast, another participant articulated that “some of our branches are good at networking, others not so. Around the country, many good ideas are born and implemented but never see the light of day in other areas”. An in-depth examination of this issue revealed that there are some major infrastructure problems in QBE’s ability to create and share knowledge. Namely, the insularity of the branches, the team based structure and the lack of process for ensuring that the knowledge employees obtain during their self-directed learning efforts transfers itself to other employees. In my view, the team-based structure is an infrastructure problem. The team approach is creating a competitive environment that is building a decisive barrier between other departments, teams and branches. This is generating silos when it comes to information generation and sharing. This confirms Fear’s (1997) criticism of the team based approach where the endorsement of teamwork and team behaviour without a corresponding emphasis on how each team member contributes uniquely and significantly to team performance can lead to dysfunctional consequences. Even though QBE do not appear to be overusing the team-based approach, the use of teams could be applied to ensure a more effective collaborative result. The ideal scenario for a team-based approach is to use self-directed work teams where the members have complimentary skills rather than a team based approach where all team members have the same skills and each team is pitted against the other with the idea that competition is good and leads to higher productivity. Initially, perhaps productivity does increase but at what cost? As the results of this survey suggest, the cost of the team-based approach, in this case, is the company’s inability to take individuals’ tacit Knowledge and make it available throughout the whole organisation.

During the interviews, participants were asked whether they were surprised by the results of the questionnaire indicating perceived infrastructure problems leading to a lack of knowledge distribution and creation. None of those interviewed were surprised by the results and most actually replied that they expected such results. On the issue of sharing knowledge, one reply suggested
that knowledge sharing from “colleague to colleague was fine, but a step up from there, say from
colleague to team or team to department, no I don’t think there are the mechanisms in place. You
really have to search for them”.

Kim’s (1993) criticism of the inability of most organisational learning models to address the two
elements of capturing the learning of individual members and the social contribution to the learning
process is reflected in QBE’s overall learning model, as there is no explicit transfer processes to
ensure that individual learning is retained by the organisation.

**The Intranet**

QBE is about to embark on the electronic age of information management by way of an Intranet.
Participants were asked whether they felt that using the Intranet was an effective means of
distributing and sharing knowledge throughout the organisation and, furthermore, did they think it
would achieve that aim. Most were supportive of the idea working in the long term but expressed
concerns raising several issues that would need to be addressed by QBE.

**Quality of the Information**

Quality of the information available on the Intranet is an important factor if the Intranet’s focus is to
be a vehicle for information sharing. Electronic information needs to be designed differently for the
reader and concern was expressed that in some cases documentation might be placed online
without any forethought as to the reader’s needs. Three of those interviewed stated that they do not
prefer to read information online as they find it difficult to follow and absorb and would therefore be
inclined to print a hard copy version anyway:

I’d rather get it from somebody straight away. You can ask questions whereas if you are reading
something you might not be able to understand it and you might not be able to get into it any further.

Another participant articulated:

…a lot of the time I find that when you read up something on Notes, you really do not understand it. But,
if you are in a meeting and you ask a question about it or there’s other people there to ask, you tend to
understand it better.
Several participants agreed that the Intranet could be a suitable means of distributing knowledge in the long term if the company developed a suitable training program aimed at teaching employees about how to use the Intranet to search for information effectively.

Locating the Information

Many of the participants explained that they were not familiar users of computer technology and relayed concerns that they may experience difficulty navigating their way around the screens and would most likely give up before locating the information they required or, become hesitant in using the Intranet in the first place. Experienced electronic medium users will more than likely locate what they need and then simply go about their everyday tasks. There will need to be additional mechanisms in place to ensure that the information accessed on the Intranet finds its way into the daily work practices of all employees.

As discussed earlier in the literature review, several authors viewed conversation and collaboration as the ideal medium for the exchange of knowledge and ideas as it allows participants to freely explore complex issues from many points of view. The Intranet on its own will not achieve such an outcome. Rossiter’s (1998) study reported that management view the Intranet as a mechanism for providing considerable “…opportunities to not only improve communication, but through groupware applications such as Lotus Notes, [also provide] a discussion tool for learners at a distance [with] increased access to information through databases” (p.4). I do not entirely agree with management’s assumption. The Intranet supports individualistic learning, as the more experienced computer users are hesitant to wait for those less experienced users. I also fail to see how Lotus Notes for example, will act as a discussion tool. Certainly, during my time at QBE I observed no evidence of how this would be applied.

Accuracy of the Information

For information to serve its purpose of re-use, it must be up to date and accurate (Dixon, 1994). One participant expressed concern that much of the information that may find its way onto the Intranet may not be updated regularly to reflect the current work practices, especially if it was going to be used as a vehicle for sharing knowledge. The QBE Learning Centre consisted of the Document Management team and they were responsible for keeping procedural documentation up to date. Nonetheless, other types of information were readily uploaded to the Intranet by other
divisions. During employment at QBE when documentation gathering was required, I often discovered that many of the documents were out of date and no longer an accurate reference.

5.7 Workplace Culture, Organisational Change and Trust

The concepts of social capital, a supportive environment and empowerment are all interrelated with the concept of a workplace based on a culture of trust. As stated above, the current workplace climate at QBE is still very hierarchical in nature. Based on the results of this research, lateral trust (between peers and equals) was quite high. Overall, vertical trust (between a supervisor and subordinate) was not as high as it could be but it does tend to vary from branch to branch. External trust, the trust between branches and teams as identified earlier is virtually non-existent and there needs to be some form of networking to improve this situation. Generally, though, the participants reported that in their opinion, the QBE culture was based upon one of trust rather than distrust. A substantial number of participants stated that they feel empowered in their job. In this case, management needs to encourage all employees to direct that empowerment towards the accomplishment of QBE’s goals and objectives. In order to do this the employees need to learn more ways to use their existing skill sets rather than learning new skills.

Organisational Values versus Individual Values

The alignment of QBE’s values with the individuals’ values is one area that QBE needs to examine. Their Nine Essential Behaviours program states the values that the company envisages at the managerial level. However, these values then need to be affiliated with the values of individual employees. QBE management certainly does not assist in acknowledging that the worker’s own values may take priority over those of the organisation. This is most likely a reflection of the fact that the widely held view is one that the insurance industry culture has always been conservative in nature with a traditional company mindset. One of the problems with QBE’s vision is that it places an overt tone over both the mission statement and the organisation’s goals that a stronger return to the shareholder is of a high priority. This could be sending the wrong message to the employees. Many employees could interpret this to mean that the company places a higher value on its shareholders than its employees. Although statement of this fact is an open and honest goal, it does nothing to enhance shared organisational vision and it does nothing to encourage employees to commit personally to the company’s vision.
**Measure of Social Capital and Trust**

The aim of the questions on social capital was to determine just how closely employees perceived they felt they were part of the workplace as a community. Participants were asked a series of rating questions on the issue of social capital.

**Table 5-8. Summary of Results on Social Capital**

<table>
<thead>
<tr>
<th>Questions on Social Capital</th>
<th>Combined Ranking 1, 2 (Not at all)</th>
<th>Combined ranking 3, 4 (Yes Definitely)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you feel part of the geographic community where you work?</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Are your workmates also your friends?</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Do you feel part of a team at work?</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>In the past six months, have you ever publicly disagreed with the views of your supervisor at work?</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>At work, do you take the initiative to do what needs to be done even if no one asks you?</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>(all replied 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you go to work just for the income?</td>
<td>69%</td>
<td>31%</td>
</tr>
<tr>
<td>In the past week at work, have you helped a workmate even though it was not in your job description?</td>
<td>3% reported that in the past week they had not helped a workmate.</td>
<td>51% reported that they had helped a workmate more than once.</td>
</tr>
<tr>
<td></td>
<td>8% reported that they had helped a workmate at least once.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>38% reported that they had helped a workmate at least 5 times in the past week.</td>
<td></td>
</tr>
<tr>
<td>Do you identify more with your work community than with the local community where you live? (i.e. with the people you work rather than the people where you live).</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

These findings support the notion of the importance of a supportive environment in the learning organisation, as advocated by Senge (1990), McCombs (1991), Sefton et al. (1995) and others. The results suggest that most employees felt comfortable with their surroundings and the people that they work with. This is reflected in the results, which show that many of their peers are also their friends and the fact that that they are prepared to help a workmate even though it is not in their job description. All participants felt that they take the initiative, which reflects a strong internal commitment to empowerment, which is a focal principle of the discipline of a learning organisation.
The findings on the question of the lack of disagreement with their supervisor could be interpreted as a lack of dialogue between the worker and the supervisor. The supervisor could be a dictatorial leader and dissension is not permitted, or it could be that there are absolutely no problems, which is not reflected in the overall findings with both the questionnaires and the interviews. What was a little surprising was that 60% of employees felt that they identify more with the people that they work with rather than the people where they live. This result is not surprising given the current work environment considering people are spending longer hours at work and fewer hours in the general community where they live. Strangely enough, even though the work culture environment signifies a supportive social setting, this relationship has not transferred to the sharing of knowledge as advocated by Brown of BP during his interview with Prokesch (1997) regarding BP’s introduction of the virtual team network. Achieving a concept such as the idea of a virtual team network at QBE would be difficult under the current structure given the fact that there is a marked difference between the level of trust between one’s own workgroup and other groups.

So, what exactly does trust mean? One participant suggested that trust can take many forms and can mean different things to different people.

You can walk into an organisation and you feel confident that everybody in there has acknowledgement that trust is part of the corporate culture.

Overall, there were marked differences in how individuals perceive trust. In some instances, employees perceived low levels of trust between themselves and other individuals but still perceived that there was a reasonable level of trust throughout the organisation. A number of employees felt that they had a more trusting relationship between themselves and their peers than they had with their manager. Overall, though there was an overwhelming consensus by all participants as to the factors that they felt duly influences trust in organisations. These included:

- Being able to depend on your peers
- The exchange of ideas and knowledge
- Cooperation and working as a team
- Being open, honest and helpful
- Responsibility and recognition
- Mutual respect
- Good communication
**Trust between Employees and Managers and Peers**

Participants were asked to identify some of the determinants of the level of trust when working with friends and acquaintances.

Table 5-9. Determinants of the Level of Trust

<table>
<thead>
<tr>
<th>Determinants of the level of trust</th>
<th>Combined ranking 1,2,3 Important</th>
<th>Combined ranking 4,5,6 Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>People do what they say they will do</td>
<td>85%</td>
<td>15%</td>
</tr>
<tr>
<td>Mutual friends and acquaintances back them up when times get tough</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>Show support for them and their interests</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Working on joint projects</td>
<td>48%</td>
<td>51%</td>
</tr>
<tr>
<td>People have a similar background</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Length of time that you have know them</td>
<td>28%</td>
<td>72%</td>
</tr>
</tbody>
</table>

The questionnaire findings provided several key words that individuals felt influenced their perception of trust in an organisation across the three levels of peers, managers and trainers.

- Knowing that you can depend on them
- Exchange of ideas and knowledge
- Co-operation and working as a team
- Being open, honest and helpful
- Truthfulness
- Responsibility and recognition
- Mutual respect
- Good communication, open thinking

These results concur with the model of trust advocated by Reece (1999), particularly those of thoughtful trust, reliable trust and sensitive trust. The results also concur with the findings of et al’s (2006) study regarding trust at the team level. However in addition to the questionnaire responses, several of the interview responses indicated mixed feelings on the issue of whether they felt QBE’s culture was one of trust or distrust. The champions that were interviewed felt there was a lack of trust shown by other divisions of the organisation, for example, several IS/2 suggestions were not acknowledged and often not implemented and not all champions felt that they had the support of their managers.
The findings across questions (7.8-7.13) has implications for the operationalisation of social capital as it demands at least trust, shared norms and a strong emphasis on the role of social networking. The results show that at the organisational level the degree of trust was not particularly high. At the individual level and internal team level the degree of trust was higher, however the degree of trust across team and divisions was low and as established in Chapter 2, this acts as a barrier to knowledge sharing and transfer. The level of knowledge sharing within divisions was stronger but not across divisions, adding support for Bakker et al’s, study that found trust should not be considered as social capital at least for knowledge sharing.

**Employee Empowerment or Power?**

The literature relating to workplace culture and trust suggests that effective workplace learning environments are those where individuals have a trusting relationship between themselves and their peers and between themselves and their managers. As stated earlier, Entrustment (see appendix I) is an integral tenet in QBE’s Nine Essential Behaviours for managers. This tenet addresses how proactive managers are in encouraging employees to be creative, innovative, assume responsibility and be pro-active in solving their own problems and work co-operatively with other divisions, departments or branches. QBE’s adaptation of Entrustment reflects similar connotations to the notion of empowerment. Earlier versions of the company’s vision and mission statement actually referred to Entrustment as empowerment.

Table 8 illustrates there was a perception amongst several of the participants that the essential behaviour of Entrustment is being realised within the organisation although in some areas it was marginal. Two areas that require improvement are the fostering of collaboration and communication to work co-operatively both between and across all divisions and branches.

Participants were asked a series of questions relating to QBE’s notion of Entrustment with specific relevance to how they perceived management allows them a certain degree of empowerment in their job. Questions were ranked using a likert-scale of (1) No Not at all to (4) Yes Definitely.
Table 5-10. Results of Entrustment and Empowerment

<table>
<thead>
<tr>
<th>Determinants of Entrustment and Empowerment</th>
<th>Combined Ranking 1, 2 (Not at all)</th>
<th>Combined ranking 3, 4 (Yes Definitely)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage employees to be creative</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Encourage employees to recommend new ideas or approaches to doing things</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>Encourage employees to be an active participant in solving problems related to their work.</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>Encourage employees to work co-operatively with other divisions, departments or branches</td>
<td>42%</td>
<td>55%</td>
</tr>
<tr>
<td>Encourage employees to reflect on previous learning experiences and learn from them</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>Do you consider that you have a certain amount of control over and responsibility for your job?</td>
<td>14%</td>
<td>86%</td>
</tr>
</tbody>
</table>

The results of the question on Entrustment indicate that the managers encourage the employees to be creative and innovative and the employees feel confident enough to put forward new ideas. The results clearly show that the majority of the employees felt that they have a strong degree of control and responsibility for their jobs. However, the results also illustrate that management have not yet fully understood the repercussions of the lack of communication and collaboration between other divisions, departments or branches and this is integral to the notion of the learning organisation.

The concept of Entrustment was explored further during the interviews and it was clear that Entrustment varied on a branch–by-branch basis. One participant explained:

I feel that we are being taken more notice of now than we were before and that’s due to the new manager and maybe the role we’ve got with IS/2 because their lack of knowledge in certain areas and now they sort of depend on us before they really didn’t know anything about you except that you work here.

In addition, another responded by stating:

The only comment I could make is that with IS/2, if things were wrong or whatever and we would try and get them fixed, it’s like hitting your head on a brick wall. So, you feel then that when you make suggestions nobody is listening. They make decisions at Head Office and do not tell us and then we go in and we find there is something different, a problem or whatever, so there is no communication.
As noted earlier, Navran (1996a, b, c, d) believes that an individual’s access to information and their ability to impart that knowledge to others is one of the most notable sources of accrued power. As determined by the results of this survey, a number of participants felt that some of the employees block the access to knowledge or simply do not impart the knowledge they have because they perceive “knowledge as power”. The employees were asked whether they have confidence in the people delivering the training and whether they felt that the trainers have the necessary skills and knowledge. The purpose of this question was to determine employees’ perceptions of whether they feel confident when attending any type of training at QBE that the people delivering the training have the necessary knowledge.

Over half of the participants responded positively that they were confident that the people delivering the training have the necessary knowledge; however of those that did answer positively there were several additional comments articulated. One such comment raises concern about the ability of those with the necessary knowledge to impart that knowledge to others in a training session. Another comment expressed concern that QBE’s fiscal restraint with a preference to lowering expenses and acquisition costs often intervenes to reduce some aspect of training disadvantaging employees from making the “quantum leap” in learning.

Further, the participants were asked whether they then felt that those people delivering the training had adequate skills in training. The consensus amongst participants was that even though the people delivering the training have the necessary knowledge, many did not have adequate training skills to transfer the knowledge. One participant reported that the “facilitator skills seem to me missing most of the time with a lack of understanding about different learning methods and the way people learn”. Other reasons reported included “Not all people have the skills to train or the personality” or “Usually they don’t know how to help people learn” or “Having the knowledge does not mean that you can impart that knowledge to others”. Another participant expressed the view that even when they know the expert has the knowledge they will not go to that person because they are not confident that the person has the ability to impart the knowledge. For example:

[Where I work], there is certain people you should go to for a particular enquiry, but you will not go to them because you know that it will not be explained to you. You just know that you will come away even more confused, so you would go to someone that wasn’t as experienced in that subject matter but
you know that the person’s more understanding and explains things better so you prefer to put in the extra half hour.

5.8 Individual Agency

Individual agency was examined from the perspective of the learning organisation concept of ‘shared vision’. Trying to determine what people want out of a job provides an insight into why they are there in the first place. It also provides a mechanism for analysing individual’s goals and attitudes and shows the broad variation in what different individuals perceive is important for them.

Table 5-11. Ideas about What Makes a Stimulating Job

<table>
<thead>
<tr>
<th>People have different ideas about what makes a stimulating job</th>
<th>1 (Most Important)</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6 (Least Important)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety</td>
<td>31%</td>
<td>25%</td>
<td>19%</td>
<td>14%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>New Challenges</td>
<td>36%</td>
<td>22%</td>
<td>25%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Learning New Skills</td>
<td>33%</td>
<td>25%</td>
<td>25%</td>
<td>14%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Travel</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
<td>11%</td>
<td>33%</td>
<td>53%</td>
</tr>
<tr>
<td>Career Prospects</td>
<td>11%</td>
<td>6%</td>
<td>19%</td>
<td>19%</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>Culture of the organisation (i.e. Does it fit your values and goals)</td>
<td>22%</td>
<td>14%</td>
<td>6%</td>
<td>11%</td>
<td>14%</td>
<td>33%</td>
</tr>
</tbody>
</table>

It is clear from the research that a substantial number of participants indicated that the tenets of variety, new challenges and learning new skills were more important than the tenets of travel, career prospects and whether the culture aligns with their own values and goals. It is important to note that there is some sign of consensus with variety, new challenges and the learning of new skills all receiving a high ranking. The results provide an indication of just how difficult it is for management to create shared vision within an organisation and affiliate individual’s values with the organisation’s values when the 33% deem culture as the least important and 22% deem it as the most important. Lagan’s (1998) idea that management acknowledge to the workers that their own values take priority over those of the organisation is not an idea articulated by QBE management. As the results suggest, individuals have quite different views as to the importance of visions and values and the only way QBE can align these with the organisation’s visions and values is through a collaborative process which allows employees to achieve shared meaning.

5.9 Self-Efficacy, Self-directedness, Interest and Motivation

It is difficult to discuss self-efficacy without talking into account interest and motivation, as from the social aspect they all interrelate with each other. Bandura (1995) states that self-efficacy within the
exercise of human agency “refers to beliefs in one’s capabilities to organize and execute the courses of action required to manage prospective situations” (p.2). If individuals are confident in their own beliefs, it will motivate them and hold their interest when dealing with new and challenging tasks. It is clear from the results of the questionnaire that the majority of the employees relish the challenges put before them. Most felt that they take the initiative to get things done, they assume a certain amount of control and responsibility over their job, and the majority indicated that they are highly motivated.

QBE’s learning philosophy is geared towards self-directed learning with the company’s commitment towards technology and interactive multimedia as the main form of training media. Many of the employees take a self-directed approach to learning, however the majority of employees learn on the job. As the results of the survey show, time is an issue with a majority of the employees stating that they are too busy performing their everyday job to find the time for training. This has implications for the learning organisation. Learning is seen as occurring in a social community of networking and interconnectedness. A learning culture built predominantly around self-directedness is going to challenge the principles of knowledge generation, acquisition and transfer.

McCombs’ (1991) concept of lifelong learning is supported by the results of the survey which address the tenets of the “will and skill” to learn. Most participants expressed the desire and motivation to constantly update their skills in line with the competencies required for performing their job to the highest expectation. Only a handful however was motivated to learn skills outside of their current job if those skills could not be applied within the context of their job. As discussed in previous chapters, McCombs supports the idea that as human beings we are motivated and possess an intrinsic desire for positive self-development and self-determination, a concept that is evident by the results.

Most reported a positive attitude to learning new skills that would help them advance within QBE or help them obtain a more challenging position within another organisation. The comments suggest that the motivation exists only if they can see some form of benefit to their job or provide them with the opportunity to seek another job elsewhere.
Participant 1:

I have a great deal of intrinsic motivation and drive. I look for opportunities to broaden my knowledge and experience. I get very frustrated when others are content to sit and do nothing, or show little motivation for anything. I like to take responsibility for myself, my life choices and my happiness.

Participant 2:

Yes most definitely. We must all continue to grow to ensure that we maximise the opportunities that are presented to us. Not only in the work environment, but externally as well.

Participant 3:

I believe that to do a job without challenging its boundaries and the reasons behind the processes is to fail to achieve. Even if productivity is good or higher, I would (longer term) rather work with thinking people who are occasionally slower to complete a task because they looked at a different angle. To do a job and not improve it, not develop it, not introduce new methods and try new technology is to go backwards at the expense of short-term goals. Thus, development if this philosophy relies on using experiences gained elsewhere, new knowledge, new technology and support of time to develop the processes”.

Participant 4:

Yes, but in all aspects of life. I have always been an avid reader and have a wide range of interests. I believe I have a well-rounded view of life in general and can actively participate in discussions on most subjects.

5.10 Conclusion of QBE Case Study Results

There is no doubt that certain divisions of QBE have embraced the principles of the learning organisation, particularly the Learning Centres. There is however, a clear pattern to suggest that the initiative does not have commitment on a company wide basis. It is argue that for a successful transformation to a learning organisation, it requires complete commitment from all levels of the organisation. Where QBE’s learning process model utilises a variety of learning methodologies the majority of the respondents reported that there is a distinct lack of knowledge sharing within the organisation. Even though some participants felt that their divisions readily shared knowledge on an internal basis within their divisions, they felt that knowledge sharing between divisions was virtually non-existent.

Team Learning

The concept of teams was a new addition to QBE and at the time of this research, most of the teams had only been established for a short period. Even though team learning is a major discipline of a learning organisation, the majority of participants reported that they felt each team
was competing against each other, not only between divisions but also between floors. This contradicts the purpose of teams and team learning. The discipline of team learning is embodied in the notion of dialogue yet the questionnaire and interview responses plus my own observations highlighted a clear lack of communication existed at the time of this research both horizontally and vertically. The responses indicated that some of the branches were good at networking but overall the degree of communication within business divisions and across business divisions just did not exist and some even reported a feeling of insularity.

**The Learning Contracts**

Another initiative that had been implemented at the time of this research was employee-learning contracts. The purpose of the learning contracts was to allow management to plan and focus on the training requirements across the company with the intention of providing employees with clear learning objectives based around the competencies required to perform their job. The results indicate that QBE still has a significant way to go with this concept. With 22% of the participants indicating that they did not have a learning contract, 5% indicating a lack of familiarity with their learning contract and 43% only slightly familiar with their learning contracts, QBE have a lot of work to do if they want to include learning contracts in their overall learning philosophy. Added to that, many participants reported problems in acquiring the results set out in their learning contracts.

**The Learning Environment**

A majority of the employees expressed concerns over the self-directed nature of the learning environment and the fact that many of them could only fulfil those learning requirements outside their normal working hours. Most reported that they were just too busy trying to perform their everyday jobs and simply did not get time to do extra curricular activities. More importantly, several employees were critical of the learning contracts as QBE has no clear career paths and the learning contracts did not prepare them for advancement within QBE or for other jobs external to QBE. There was a considerable difference of opinion regarding the Learning Environment. QBE support the principle that individuals are responsible for their own learning. While that is true to a degree, the principles of the learning organisation also advocate the notion of a supportive environment. By placing the onus for learning on the individual at the self-directed level and not at a collective level it would be fair to say that the learning stays at the individual level and is not shared with others, which is clearly reflected in the results. Interactive Multimedia (IMM) and other technologies have formed a major component of the QBE learning strategy. While technology is
seen to make an important contribution to the learning process, it will only be of benefit if it is used to advance the acquisition of new knowledge and ensuring that the knowledge is shared and distributed throughout the entire organisation and not simply “some teams” or “some divisions” as has been the case. Foremost, while interactive multimedia has been improved to the degree that interactivity is now built into the programs allowing the learner a certain amount of feedback, there is no ability to ascertain that the learner maintains the knowledge and then interacts with others to ensure that the knowledge is shared. Although QBE have done well by providing the Learning Centre, they need to take it to the next level, that level being the collective or community level.

A major part of the learning process model is the continuous review of employees’ learning contracts. The results show that there was an overwhelming consensus that management and supervisors do not follow up on the employees learning contracts to determine whether they are progressing towards achieving the tasks as set out. Additionally, the results show that when an employee’s job role changes their learning contract is not reviewed in order to bring it into line with their new role. The strategic importance of learning contracts in QBE’s learning philosophy requires considerable re-evaluation. The learning contracts should be built into the employees’ annual appraisal if training is to be meaningful in the work context.

**Workplace Environment and Performance**

Characteristics of the workplace learning environment were examined concerning knowledge acquisition, knowledge sharing and knowledge accessibility. There is clear evidence that the culture hinders the acquisition of knowledge and knowledge sharing within the organisation. Although QBE was in the process of implementing an Intranet site at the time of this research, the respondents raised concerns about the quality and accuracy of the information. This was further complicated by the fact that several of the employees indicated that they are not that computer literate and did not feel comfortable using the Intranet to locate the information required. If QBE are intent on using the Intranet as a knowledge management tool it will require time, money and dedicated resources such as a knowledge management team with the sole purpose of ensuring that the information is captured, maintained, easy to locate and accessible by everybody.
**Culture and Social Capital**

A workplace culture of high social capital, a supportive environment and employee empowerment is highly regarded in a learning organisation. The results of this research indicate that the overall culture at QBE is one of trust rather than one of distrust although it did seem to vary across branches. Lateral trust was quite high (between peers and equals) whereas vertical trust (between supervisor and subordinate) overall was not as high as it could have been but it did vary from branch to branch. However, the results also found that external trust (between branches and teams) was virtually non-existent. Once QBE is able to resolve the current problems surrounding the team concept this may improve, however some form of networking will need to be implemented to move beyond the “us and them” mentality. The discipline of shared values was also an area that needs improvement. QBE’s Nine Essential Behaviours are aimed purely at the managerial level and to ensure commitment by the employees they need to be affiliated with the values of the individual employees. I maintain that QBE’s vision and values statements have conflicting goals. I contend that it is not acceptable within the principles of the learning organisation for QBE to include in their vision and values statement the vision of a builder of shareholder’s wealth and a developer of can do people and then have the company’s value of increasing the long-term wealth of the shareholders a measure of the value of employee satisfaction. While it is at least an honest communication, it sends the wrong message to the employees and does nothing to encourage the employees to commit to a shared vision or shared organisational goals. The only exception could be if some of the employee’s were shareholders in the company. For privacy reasons, I chose not to pursue this question during the interview.

**Post Case Study Note**

Since this case study was conducted, QBE General Insurance has acquisitioned Mercantile General Insurance and the company is now known as QBE Mercantile General Insurance. Since the merger, a decision was made not to implement the IS/2 computer system.
Phase 2

Chapter 6  Labour without Obligation

6.1 Introduction

Chapter 1 discussed the search for a new paradigm in workplace learning during the late 1980’s and early 1990’s and the concept of the learning organisation was born. Chapter 1 also discussed the principles of the learning organisation and what this means for workplace learning. However, the nature of the workforce is changing as rapidly as the knowledge needs of organisations. Employees are facing an uncertain future as companies continue to downsize in attempts to improve profitability. This has lead to cuts in investment and training. Many companies are enduring high levels of management turnover and contracting out and outsourcing is often preferred to permanent staffing in attempts to increase labour flexibility and reduce overall labour costs. The nature of outsourcing and labour hire is challenging traditional organisational structures and potentially challenges the principles of the learning organisation.

This thesis does not intend to analyse the theories and models relating to the industrial relations system regarding the employment relationship as this would constitute a study in its own right, nor does it intend to address the argument as to whether outsourcing is good or bad. The intention in this thesis is to address the five themes identified by authors Gryst, (1999) and Hall (2000) as the implications that outsourcing, contracting-out and labour hire has for the workplace with respect to matching, mismatching or somehow connecting with the principles of the learning organisation. The five themes include the loss of skills and experience in the organisation, loss of innovation, inadequate equipment tools and training, the lack of commitment, loyalty and trust and, divided supervision and loyalty.

In recent years, organisations have experienced increased economic pressures as has been highlighted by the failure of large corporations such as OneTel and HIH in Australia and Enron in the USA. More recently, magazines and newspapers have attempted to popularise the research surrounding these issues in an attempt to bring them into the mainstream. An article by Heather Jacobs published in the Sydney Morning Herald (November 9-10, 2002) reports that public companies are feeling the pressures of the institutional investors who want quarterly performance
increases and higher share prices. In turn, Jacobs argues that it is having an adverse effect in the workforce, which is affecting long-term management decisions. Besides the strain of ensuring a return to the investors, companies are also facing many external pressures because of September 11 and other world events, which in turn are leading companies to become more cautious. Nick Dickinson, the principal consultant for the human resources function of executive recruitment company Hamilton James & Bruce believes that “the short-term view starts with the boards: the average tenure of Chief Executive Officers (CEOs) has been reduced over the past decade from between seven to nine years to three to five years” (Jacobs, 2002:1). While this is not new, Dickinson stresses the point that “CEOs are now guided by the fact that they receive a great degree of financial benefit for turning the share price around as soon as possible” (Jacobs, 2002:1). The flow on from engaging management on short term tenure around performance-based contracts has had an immense impact on the entire nature of employment right down to the shop floor with the result that experts such as contractors and consultants now account for a large percentage of the workforce. The move towards outsourcing has traditionally been viewed as simply a cost cutting exercise that delivers short-term benefits but in the longer term, the disadvantages of outsourcing can actually increase costs. Apart from the suggested benefit of cost savings, other suggested benefits from outsourcing are the ability to tap into specialisation (i.e. world’s best practice), flexibility and increased market discipline. Conversely, many authors disregard the disadvantages of outsourcing as if they have little significance. Disadvantages include tangible factors such as the costs involved with monitoring the contractors and intangible factors such as the difficulties involved in achieving the contractors’ co-operation and trust. Jacobs reports that the trend towards short-term contracts and temporary staff is creating a climate of fear. Suchy (director of DuoPlus), a company that specialises in change management contends this type of work environment “…can provide cost savings and flexibility for businesses undergoing radical change such as mergers or downsizing [but in her opinion]...it is watering down corporate culture, resulting in a lack of commitment and loyalty” (Jacobs, 2002:1).

Domberger on the other hand acknowledges that these disadvantages exist but demonstrates scant regard for the critics who raise their concerns:

Many commentators are wary of contracting because they believe that besides costs, market mediation creates perverse incentives, increases rivalry and destroys the trust relationships that are characteristic of
integrated production processes. Much of this simply reflects the concerns of those who distrust the functioning of markets (1998:51)

Domberger suggests that the outsourcing of goods and services is not new and has been around for some time, especially in the United Kingdom. Moreover in recent years, he contends that “the growth of contracting has lead to the popularisation of the concept of ‘core activity’ [and that] conventional wisdom state that core activities stay in-house; non-core activities can be contracted out” (1998:35). Core Competency is a term conceptualised by Hamel and Prahalad (1994). As discussed by Quinn (1999), Hamel and Prahalad define core competence as a collective bundle of skills and technology and they provide examples of companies that have developed core competencies such as Motorola and their fast cycle-time production for order fulfilment and Sony’s commitment to pocketability and miniaturization (1994:201). Even though Hamel and Prahalad (1994) espouse the notion of core competencies they point out that the outsourcing of core competencies in the short term may provide a shorter time to market with a more competitive product but in the longer-term, it can be counter productive because the organisation may inadvertently relinquish valuable people and skills. This in turn leads to a hollowing out in the organization (1994:219). Even more importantly, core competencies may change over time and become simply a capability so organisations are faced with the decision whether to outsource or not. Although Quinn supports the notion of core competencies and developing best-in-world capabilities, he contends, “once a company develops true best-in-world core competency, it never outsources it and may even build defensive rings of essential competencies that customers insist it have or that protects its core” (1999:12).

In recent years, outsourcing has moved beyond IT applications, technology and company services such as payroll. Companies are now outsourcing specialty functions such as Human Resources and Business Process Outsourcing (BPO) has become the latest fashion. Price Waterhouse Coopers now handles major private sector HR outsourcing deals in the United States and Europe. In Australia, the increase in outsourcing is being realised predominantly in the public sector, particularly by the Federal Government. Gryst’s (1999) research examined the changing nature of the work environment in the South Australian Power Industry as it moved from a government agency to a corporative entity. Her study focused on the labour sourced through the employment agencies with particular reference to the labour hire working directly with the Electricity Trust of
South Australia (ETSA) permanent employees. Gryst’s study examined culture, training and skills levels, commitment, loyalty, the financial and social disadvantages of the contracting employees and the employee-employer relationship. Richard Hall (2000) undertook a substantial research project that looked at the implications for Human Resource Development in Australia. Like Gryst, Hall’s article discusses both the benefits and costs associated with outsourcing and his article identifies five key themes, which in his opinion represent potential problems using this type of labour model.

6.2 Definition of Outsourcing

The definition of outsourcing is wide-ranging and it seems that the definition can take on a different meaning depending on whether one is talking about the public sector or the private sector. Hall defines outsourcing as consisting of outsourcing, contracting-out and labour hire (2000:23). Gryst’s (1999) definition of the contract worker encompasses self-employed contractors, employees working for sub-contractors and agency workers (p.8). Zappala defines outsourcing “as the situation where an external vendor provides on a recurring basis, a service that would normally be performed within the organisation (Harkins, Brown & Sullivan, 1995:75-70; cited in Zappala, 2000:3). Waite and Will’s (2001) research, divided contractors into two groups, individual units of labour (workers) and those who own or control capital (employers). Effectively this translates into dependant contractors and independent contractors; however, the distinction between the two is not always easy to determine (p.2). The definition adopted by this thesis borrows all the terms used by the above authors but for completeness and clarity incorporates consultancy arrangements under independent contractors. Consultancy arrangements in this context can be either self-employed consultants as defined by Gryst or self-employed consultants working for another consultant in a contractual arrangement. For the purposes of this thesis, the terms outsourcing, contracting and labour-hire will be used interchangeably, bearing in mind that during the interviews the contractors and consultants will be asked whether they perceive there is a difference and if so, what do they perceive that difference is?

6.3 Why are Consultants and Contractors Interesting?

One of the reasons consultants and contractors have become an interesting topic is due to the extent of the increase in companies that are outsourcing. While there is no definitive data available of outsourcing activity in Australia, statistical information on the number of self-employed contract workers and the available reports on the number of outsourcing agreements in place, indicates that
contractors and consultants now account for a large proportion of the workforce given the move towards outsourcing and short-term contracts. The Australian Workplace Industrial Relations Survey (AWIRS) (Morehead, Steele, Alexander, Stephen & Duffin, 1997) data indicates the outsourcing industry in Australia has been growing rapidly since the early 1990s. The data illustrates that small companies (20 or more workers) showed a 35% increase from 1990 to 1995 in outsourcing at least one function and with large companies (greater than 200 employees), 51 percent had outsourced at least one function across the same period. The Productivity Commission of Australia released a paper in September 2001 examining self-employed contractors in Australia. The paper reported that the number of self-employed contractors in total employment grew by at least 15 per cent over the two decades to 1998. By August 1998 10.1 per cent of total employment in Australia or 844,000 persons, worked as self-employed contractors and of those, 844,000 persons, 215,000 persons or 2.6 percent were dependant contractors that is, persons employed on contract but effectively the work arrangement is consistent with that of being an employee, (Waite & Will, 2001).

The large increase in the number of employment agencies is also testament to the increased number of new flexible work arrangements (Gryst, 1999). Additionally, Gryst insists:

Much of this phenomenon appears to fall outside of the mainstream industrial relations framework, with the new labour arrangements based on commercial contracts external to the traditional employer-employee relationship and the inherent obligations embodied in that relationship. These arrangements are creating a culture of insecurity in the workplace that appears to be becoming an accepted part of the new industrial landscape (p.5).

According to Drucker, contractors “…carry their knowledge in their heads and therefore can take it with them” (p.24) and “…an increasing number of these will identify themselves by their own knowledge rather than by the organisation that pays them” (1997:24). Many consultants and contractors are considered specialists in their field and this is reflected in their remuneration. Drucker contends that these knowledge workers are critical to the developed countries workforce but more importantly; they are also the people who cannot be “…managed in the traditional sense of the word” (1997:24). This has grave implications for the principles of the learning organisation. It is widely acknowledged that Senge’s (1990) vision is clearly leadership driven. However, one would expect that contractors and consultants share a different social identity to the permanent
employees and by the very nature of consultancy and contracting being a different type of social membership based on a contractual arrangement and that of the expert, the traditional sense of management in this situation does not apply. It is interesting to reflect on Drucker’s observation through the perspective of Social Identity Theory (SIT). Social Identity Theory is conceptualised on the idea that people gain their identity through the social groups to which they belong. Essentially, people’s behaviour would be governed by their group memberships and not reflect any individual qualities. From a social identity perspective, Augoustinos and Walker (1995) state that “individuals interacting with one another solely on the basis of their respective qualities as individuals” (p.100) are more aligned with the interindividual dimension of SIT rather than the intergroup dimension. In particular:

Intergroup behaviour is exemplified by interactions among people, which are governed solely by their respective group memberships and not at all by any individual qualities they may display. All behaviour is seen as falling somewhere on a continuum from inter-individual to intergroup (p.100).

What Drucker is saying is consistent with social identity theory when deciding if the contractors and consultants are interacting as individuals or groups. Therefore, looking at identity is useful in exploring the role of contractors and consultants as it implies a group identity. Senge’s (1990) model of the learning organisation implies social identity whereas Drucker’s (1997) statement challenges the notion and implies that contractors and consultants do not fit Senge’s model.

By reflecting on Drucker’s (1997) second statement, it is conceivable that consultants and contractors would be more likely to display individual qualities based on their “expertise” or knowledge rather than identify with group memberships as a “contractor” or “consultant” or by the company that pays them. This would likely see them feature high on the interindividual dimension and low on the intergroup dimension. However, it is also conceivable that they would move up and down the continuum, that is, between interindividual and intergroup behaviour and interactions as required.

As discussed in Chapter 1, the notion of the learning organisation is based on the principles of personal mastery, mental models, shared vision and team learning. In an outsourced environment where the consultants or contractors are not really managed in the true sense of the word by the managers of the host company, there is no way of ensuring that consultants, contractors, or
outsourcers share the same vision and mental models as the host company. Indeed, they are considered specialists or experts in their field so they would be expected to have personal mastery. However, it is also very difficult to ensure that they impart their knowledge to the other members of the team. If for example, the employees feel threatened in any way, even by the fact that the organisation engages consultants or contractors, barriers may go up and an air of distrust may prevail. This has the propensity to stifle any notion of team learning, trust, or communities of practice.

6.4 Loss of Knowledge, Skills and Experience in the Organisation.

Loss of skills and experience in the organisation can be one of the major problems for organisations that outsource (Domberger, 1998, Gryst, 1999, Hall, 2000). In particular, the loss of skills has the propensity to affect the organisation’s ability to develop new core competencies and may even compromise the organisation’s current and future performance. For completeness, I have included the loss of knowledge under this issue. The creation and sharing of knowledge is a fundamental principle of the learning organisation. As mentioned earlier in this chapter, Senge differentiates between knowledge and information. It is a concern that the authors write about the three constructs of skills, knowledge and experience as if they are the same. This thesis takes the position that skills, knowledge and experience are not the same and therefore should not be used interchangeably as if they were the same. In the context of this thesis, loss of knowledge results when organisations do not have the mechanisms in place to capture and store knowledge that consultants or contractors bring to the job or, learn while performing the job. Loss of skills results when individuals are not provided the opportunity to learn new skills to allow them to keep up with new developments and changes in technology. This includes both the personal development perspective and skills specifically required in performing a task. Loss of experience results when the knowledgeable people that posses the skills leave the organisation and their knowledge and skill has not been transferred to others.

Because experts such as contractors and consultants now account for a large percentage of the workforce the knowledge is stored in the heads of those individuals and once the contract has finished these individuals tend to take the knowledge with them with the result that the knowledge never makes it into the corporate memory. This is a view also shared by authors such as Watkins and Marsick (1993), Drucker (1997), Handy (1997) and many other writers of organisational
learning theory. For example, Watkins and Marsick (1993) suggest that with the trend towards temporary workers, the level of commitment does not exist between the worker and the company, there is no loyalty either way, and the investments in learning are rare because companies are reluctant to train workers when they are short-term only. When workers do learn, organisations have difficulty in embedding the new knowledge in the organisation because the people who created the knowledge in the first place have moved on to other organisations and have taken that knowledge with them (p.251). However, the loss of knowledge is not the only implication because of the contracting model, the propensity for organisations to create new knowledge on an ongoing basis also poses a risk. John Kao (1998) discusses his concept of knowledge and creative arbitrage. He believes that:

> It takes creativity at every stage to make the discontinuous leap from one level of knowledge to the next. These discontinuous leaps of understanding lead to insights that, in turn, lead to value creation” (p.60). They must aim for the leaps, which means that companies have to do more than simply manage their knowledge, which is composed of the insights and understandings they already know. They also have to manage the knowledge-generation process (p.60).

The role of how external consultants contribute to organisational learning was addressed by Cullen (1999). Here the role of the consultant was viewed as consisting of two key criteria based on the concept of a community of learners, namely the “consultant as educator, and client as good student” (p. 49) however; Cullen suggests that the social dimension is not adequately covered in an external context. This falls into the categories discussed in Chapter 2 of guided participation and cognitive apprenticeship. The question arises as to whether knowledge and creative arbitrage occurs when consultancy and labour-hire arrangements are in place. McKenzie (2002) suggests that consultants are prime candidates for the interpersonal exchange knowledge process and he contends that it allows them to validate that their knowledge is current and relevant to the task. However, it appears the majority of consultants in his study, agreed that they keep the information in their heads thence outside of the interpersonal exchange process, the majority of consultants did not have a tendency to access the explicit knowledge that was already stored in company databases as they were dubious about the quality and reliability of the data. This has implications for the knowledge management debate.
In September 2000, the Australian National Audit Office (ANAO) released a damning report on the Federal Government’s outsourcing initiative. The ANAO was critical of the flawed financial evaluation methodology, which has seen the cost savings eliminated. The ANAO was also critical of the efficiency and effectiveness of key areas of IT outsourcing arrangements in addressing the “identification and management of ‘whole-of-contract’ issues, including retention of corporate knowledge, succession planning and industrial relations and legal issues” (p.15). Australian Information Week Magazine carried a story covering the report just after it was released in September 2000 (Woodhead, 2000). Woodhead spoke to representatives of the CSIRO who were to have had an IT outsourcing arrangement already in place, however it had not eventuated at the time the report was released. Pauline Gallagher, assistant secretary at CPSU spoke about the content of the report in that she believes it reflects many of their concerns. The first concern related to “the capacity of the IT industry to deliver what the CSIRO needs for innovation. Gallagher remarked, “the report reflected the fact that the outsourcers have failed to meet even the basic requirements” (p.25) Secondly, she believes that IT outsourcing failed to adequately protect their intellectual property. Her final concern was that outsourcing “does not take into account the value of [their] people to the innovation process” (p.25). In summing up the reasons for the abysmal findings of the ANAO report, an article in the same magazine, suggested that one of the major reasons for the initiative failing is the fact that governments are not able to act as private organisations can. They are bureaucratic in nature and as such “don’t fit the mainstream business model or business mentality” (Langby interview, in Murray, 2000:28)

Contrary to the issues and concerns raised by Hall (2000) and Gryst (1999) regarding the loss of skills and experience, Domberger (1998) suggests that even though organizations lose the skills, those skills remain in the marketplace. He believes the “…real issue is whether the organization loses the capability of being a smart purchaser” (p.70). I believe the issue goes much deeper than that suggested by Domberger. Core competencies (skills) provide organisations with the competitive edge over their rivals. If those skills remain in the marketplace as Domberger suggests and other companies utilises those employee skills and experience, the original organisation quickly loses that competitive edge because other organisations have caught up. Of course, that is the nature of competition but I would argue that the problem with using this approach is that it contradicts the business ethos because the ethos is about competitive advantage. On the issue of the loss of collective knowledge or corporate memory, Domberger does agree that there is the
propensity that organisations may lose their ability to create collective knowledge because the capacity for relationship building is diminished as key personnel move about on a more frequent basis. On the other hand, Quinn (1999) believes that outsourcing leads to greater knowledge depth if companies implement a strategic focus on their knowledge strategy whereby they “…develop a small number of intellectually based knowledge activities – important to customers – to best-in-world levels. To support a successful knowledge strategy, Quinn also proposes that there must be sufficient investment in human resources in order to create new knowledge depth and in the support systems needed to harness the overall strategy.

This begs the following questions:

1. Is there a difference between knowledge, skills and experience and if so what is that difference?

2. Do consultants and contractors readily share their knowledge with others during the terms of their contract or if they are reluctant to share their knowledge, why?

3. Have contractors and consultants found that organisations have the infrastructure, mechanisms and processes in place to create new knowledge, store the collective knowledge and make it accessible to all throughout the organisation? If organisations do not have the mechanisms and infrastructure, how do they gather the information required to perform the job?

**Loss of Innovation**

With the move towards outsourcing, it has been suggested that outsourcing contributes to a loss of innovation. Proponents of outsourcing (Domberger 1998, Quinn, 1999) do not support this view. In fact, they contend that more often than not outsourcing increases innovation. For example, Quinn (1999) reports that “many companies now outsource largely to tap into the much richer innovation skills that outside suppliers can offer” (p.16) and he discusses Dell Computer as an example of how outsourcing can provide the competitive edge by concentrating on core-competencies. Dell’s competitive edge is embedded in their knowledge management. For example, all Dell’s resources are supported by a customer knowledge and support system, which, is considered the best and outside suppliers provide all Dell’s componentry design and innovation (p.10). Other companies that have benefited from having a strategic knowledge strategy in place include such companies as British Petroleum, DuPont and Nike. According to Quinn, these companies “understand that outsourcing for short-term cost-cutting does not yield nearly as much as outsourcing for longer term
knowledge-based system or strategic benefits - like greater intellectual depth and access, opportunity scanning, [and] innovation...” (1999:10).

**Inadequate equipment, tools and training**

Outsourcing and labour-hire workers are expected to come to the job with the necessary skills and experience to perform the role. Labour Hire firms rarely provide training for the contractors and in some cases, the host company may provide training but it is the exception rather than the rule. Where labour hire firms do provide training for contractors, they charge the course at a premium price. This means that the contractor is required to pay for the course and at the same time, they are not paid while attending the course. Organisations hiring contractors and consultants are reluctant to spend time and money training workers that they know are only with the organisation for a very short time. Organisations that choose to outsource a function rely on the outsourcer to have the requisite knowledge so this makes it very difficult for organisations in such a position to embed this knowledge in its corporate memory. This issue has two sides though because it also makes it very difficult for contractors to keep their own skills and knowledge up to date. The findings of Gryst’s (1999) research indicated that in the ETSA study the issue of training differed between two groups; white-collar workers and blue-collar workers, and the training could be divided into two categories; personal skills development and OH&S training. Due to the nature of the electricity industry, OH&S was extremely important particularly to the blue-collar workers because of the types of jobs performed. Even though white-collar workers received sporadic training on OH&S, they received no specific skills development training. Blue-collar agency workers were expected to come to the job with existing knowledge of the relevant OH&S procedures. In fact, many of the supervisors and workers thought the use of agency workers compromise OH&S in the workplace. Blue-collar agency workers like their white-collar counterparts also received no skills development training either on the job or through external programs (1999:48). According to Gryst, the lack of skills development provides the workers with no opportunities to enhance their skills and gain any form of accreditation thus affecting their opportunities of securing future work.

**6.5 Commitment, Loyalty and Trust**

The principles of commitment, loyalty and trust are incorporated throughout all five of the learning organisation principles. This stands to reason considering that Senge (1990) contends that three of the disciplines are personal disciplines and commitment, loyalty and trust come from within the individual. Lahiry (1994) writes that a general definition of organisational commitment is that it is
based on “the psychological strength of an individual’s attachment to the organization” (p.50), although she goes on to acknowledge that ‘attachment’ has different meaning for different researchers. Lahiry’s study examined the interrelationship between organizational culture and employee commitment. Lahiry suggests, “the relative strength of a culture is an indicator of how widely people share the organizational values and beliefs – whatever the values and beliefs may be and how intensely people tell about them”. The study aimed at developing an organizational-culture profile that consisted of three main culture patterns.

**Constructive cultures** – style is characterized by achievement, self-actualizing, encouraging and affiliative.

**Passive/defensive cultures** – the dominant style is one of approval, conventional, dependent and avoidance.

**Aggressive/defensive cultures** – style is one of oppositional, power, competitive and perfectionist.

*Adapted from Sugato Lahiry (1994:51).*

The study found that affective employee commitment is more likely to prevail in a constructive culture as this type of culture provides the kind of experiences that “fulfil employees’ high-order satisfaction needs, [and] they are less likely to conflict with the value systems of most people” (p.51). Continuance commitment is more likely in defensive cultures where people’s main concern is protecting their status and security (p.52) and the findings indicated a high correlation between aggressive/defensive cultures and continuance commitment. Finally, there was no significant relationship between the three culture patterns and normative commitment (an employee’s feeling of obligation to stay with the organisation).

In a recent survey of Australian Business Executives, Sarros, Gray and Densten (2002) looked at job outcomes in the following context:

A job outcome is the emotion experienced by an individual in response to the work they do and the environment in which they work (p.7).

As part of job outcomes, they looked at commitment, loyalty and trust and also, satisfaction, stress and respect from the Australian executives’ perspective. The findings indicated that “Australian Executives are moderately to considerably satisfied with their jobs and perceive that their
leadership is accorded considerable respect by others in the company and that their efforts have succeeded in securing ‘mindshare’, commitment by staff to the company and the objectives and values it represents” (p.12). This conflicts with the findings of Hall (2000) and Gryst’s (1999) research discussed earlier and one must wonder whether the findings would be similar if some of these questions were put to both permanent and contract workers working side-by-side. Context is important when discussing the concepts of commitment, loyalty and trust and it must be acknowledged that the concepts take on a different meaning in the context of the traditional employer-employee model from that of the outsourcing consultant-contractor model.

Trust was previously examined in some detail in Chapter 2. The diverse definitions included those that fall into the categories of the span of trust and structural trust. With the emergence of contracting out and globalisation, a small group of researchers are attempting to unpack this concept and new constructs are emerging. Concepts like fast trust (Blomqvist, 2003) and swift trust (Meyerson, Weick & Kramer, 1996) are finding their way into the organisational literature. A recent study by Blomqvist (2003) examined the relationship between trust and contracting in the ICT Sector in the context of asymmetrical technology partnership formation, involving Born Global (BG) companies “which by definition compete on knowledge, use external resources and internationalise rapidly” (p.1). According to Blomqvist, BGs are typical of organisations that need to be able to create fast trust. Within the context of her study, she defines fast trust as:

Trust that is created in the very first meetings between potential partners. This fast, yet weak trust is created between key individuals. Fast trust enables the early investments in potential partnership yet the more incremental and traditional organizational trust is needed for partnership evolution (2002:187).

This definition emphasises Baird and St-Amand (1995) (see Chapter 3) earlier contention that the concept of trust is fast becoming business context specific. Fast trust in the context of Blomqvist’s (2003) study is different in context to the type of trust explored in the contracting research reviewed for this chapter (Pearce 1993; Gryst, 1999; Hall, 2000). Trust in the context of Blomqvist’s study relates to two organisations with a need to collaborate for the process of internalisation. The idea of trust in this type of relationship is individual-based where affection and personalised interaction have an important part. Shared vision is also critical for trust to evolve in partner relationships built on fast trust. In contrast, the context of the type of trust in previous studies examined here and pertaining to this study in particular, examines trust from the inter-personal relationship perspective.
between contractor and the permanent-employee and the contractor and the host company. In the context of this study, the type of trust is not necessarily personalised or values based and shared vision is not a key characteristic. While the definition may be similar, the context and the characteristics are substantially different.

Take the following scenario as an example. In the traditional employer-employee model, the new young enthusiastic Angela starts her first job. She believes that if she performs her role well she may even be rewarded. Given this scenario, she is trusting towards the organisation that they will reward her for a job well done and she exhibits commitment and loyalty to her job and the company. However, suddenly another employee that she knows is not performing his job well is promoted. Angela is not pleased that the other employee received the recognition when she knows that his performance has been poor. Given this type of scenario Angela’s commitment, loyal and trust toward the company is eroded in an instant. In an outsourcing model, when the contractor or consultant commences a contract, the company culture may already be one of distrust merely by the fact that the Manager has sent the employees a negative message by bringing in outsiders to perform the task. Consultants and contractors may be committed and loyal to their profession and their reputation but not necessarily to the host company at the start of the contract. When they commence a contract, they are virtually starting at an entry level of zero trust or even possibly negative trust if the existing company culture is already one of distrust. At commencement of the contract, the extent of the trust towards the host company is bound by the contract and the degree of trust may vary as the contract progresses. If the consultant or contractor performs his or her contractual requirement well, the company may offer them another contract in the future and a degree of loyalty develops between the contractor and the host company. Under the traditional employment model, commitment, trust and loyalty happen at the start but they can be eroded in an instant through a breach of trust. In an outsourced employment model commitment is initially bound by the contract, trust may or may not develop over the term of the contract and loyalty generally may only result if the consultant or contractor is engaged for return work.

As mentioned earlier, Suchy (Jacobs, 2002) also contends that the shift towards a short-term contractual environment is leading to reduced commitment and loyalty in the workplace. This has important consequences for the learning organisation as Senge’s (1990) model places the emphasis on “employee commitment” and not merely ‘compliance’. Senge’s (1999) definition of
commitment and loyalty is narrowly construed where the definition refers to the likelihood of shared vision focusing on mutual purpose (p.32). Sarros, Gray and Densten's (2002) definition of commitment and loyalty is also narrowly construed as they write, “attitudes of commitment and loyalty are more the result of the individual’s response to the organisation as a whole” (p.7). These definitions are simply not applicable when talking about consultants and contractors employed on short-term contracts. It is very difficult to attain the same level of commitment in an outsourced team based environment because different people bring different values to the organisation. They are not generally there for the sole purpose of the organisation. Nor are they there to share the employees' vision. More often than not, they are there for their own motivations. Both Senge (1990) and Sarros et al’s (2002) definitions are leader driven and as discussed in Chapter 3, Handy (1997) asserts that with contractors and consultants managers are faced with the dilemma that they are now required to manage people that they no longer have control over (p.184). If outsourcing employees exhibit dual forms of commitment and have no loyalty to the host organisation or labour hire firm, what are the implications for Senge’s principles of shared vision, shared values and employee commitment under the outsourcing model?

6.6 Divided Supervision and Divided Loyalties

Divided supervision and divided loyalty is another problem faced by the contractor or consultant when working in a labour-hire or outsourcing arrangement. Benson’s (1998), study reported evidence of the labour hire workers exhibiting a form of dual commitment. Although, his study found the labour-hire worker’s commitment tended to be noticeably higher to the host managers than to their labour-hire workers. Zappala (2000) also chose to discuss this issue referring to a study by Harrison and Kelley at Skilled Engineering, which found a high level of dual commitment amongst a majority of the respondents. As Zappala points out though, it is difficult to generalise across studies because often the nature of the contract employment is different, i.e. all blue-collar workers, or a cross of blue-collar and white-collar as was the case in Gryst’s (1999) study or, all contract employees from the one firm as was the case in Harrison and Kelley’s study. Hall (2000) also makes the comment that there is the possibility that the contractor may be subject to inconsistent direction from their ‘employer’ and the host company. It is probable that the issue of divided commitment or loyalty does exist but there is the possibility that it could be aligned more with industries that rely on tradespeople or blue-collar workers in unionised environments rather than specialist areas. In professional industries like Information Technology for example, the
contractor is expected to work autonomously and has little or no contact with the labour-hire firm until it is time to seek the next contract.

**Role Ambiguity**

Role ambiguity closely aligns with the issue of divided supervision and divided loyalties. Hall points out that “Client organisations and labour hire firms may have different understandings of the role to be performed by the worker” (p.31). Hall’s (2000) case studies revealed that labour-hire firms frequently sent workers to an organisation where the workers did not have the skills or experience required to perform the job. Hall (2000) remarks, a common saying within the labour hire industry is, ‘When in doubt, send anyone out’ (p.31). A recent IT Recruitment Survey conducted by Resource Exchange (2002), (a marketplace for companies to source IT professionals directly) involving 600 IT professionals found that only 9% thought that recruitment agencies were good at providing accurate roles descriptions, only 4% clearly understood their needs and a mere 6% thought recruitment agencies were prompt at responding to their enquiries.

### 6.7 Generation of Low Trust Environment

Recent research undertaken by Gryst (1999) and Hall (2000) highlighted the impact that outsourcing can have on employee morale and trust. An article in HR Weekly written by James Hirsch concurs with this view:

> The drive for efficiency (through downsizing) and flexibility (through contracting out) has resulted in many staff feeling devalued, uncertain and neglected. Management has been squeezed and overloaded. Leadership has focused at the top of the organisation with the hope that the vision and mission will provide the inspiration and motivation through the organisation. Generally this has not happened (2000:49).

The issue of distrust has recently found its way into the public domain via an article in *The Sydney Morning Herald* (Matthews, March 15-16, 2003) discussing the effect that downsizing is having on employee trust. The article, discussed how “fear and loathing in the workplace has triggered a wave of bitching and in-fighting” and that bitching, backstabbing and bullying are reaching epidemic proportions at work as anxious, overworked staff begin to fear even more for their jobs” (p1). Matthews writes, “Although many companies talk about the importance of their teams, what they actually reward is individualistic and ruthless behaviour that puts one person’s career needs above the welfare of the team as a whole”. Clarke, a director of business psychology consultancy
Nicholson McBride, believes that “while some companies are beginning to address the problem of excessive conflict in the workplace, very few firms have made the link between the changing values of individuals and the changes now reshaping the values of some of the world’s largest corporations” (p.1).

Organisational downsizing or the hollowing out effect may also lead to the employees reluctance to commit or recommend basic changes or suggest the move to outsourcing. As Quinn (1999) asserts, employees may not commit to “…well intentioned empowerment or re-engineered programs …fearing they may lose their jobs, be outsourced themselves, or lose power or compensation if components of their units are shrunk or outsourced” (p.15).

One of Hall’s (2000) case studies involving a Hospital and its Outsourced Services Provider found a definite positive correlation between outsourcing causing conflictual and antagonistic work relations. However, both of these findings conflict with a study undertaken by Pearce (1993) of US Aerospace engineers and technicians, which found no variation in the level of commitment between labour-hire contractors and employees. Pearce also reported evidence suggesting the contractors’ self-reports indicated a tendency to engage in more extra role behaviours (assisting co-workers when not actually required to do so) and this could be due in part to the contractors wanting to avoid being ostracised and seen by the employees as a team player (1993:1094). Additionally, Pearce also reported that employees working alongside contract labour hire were inclined to possess less trust in the organisation compared to employees who worked only with other employees (1993:1093). Like Pearce’s study, Gryst’s (1999) study also found evidence that the supplementary use of labour hire in place of permanent employees had a significant effect on employee loyalty, commitment and trust. The level of commitment shown by the labour hire workers to ETSA was negligible. As one labour hire contractor interviewed by Gryst explained, he had “...the same level of commitment and loyalty as they [ETSA] [had] for me – which is not much” (quote in Gryst 1999:53). Gryst’s (1999) research also uncovered a feeling of resentment between the permanent workers and the agency workers with the result that there was no shared vision underpinned by shared values at the team level. There was a lack of team spirit and virtually no teamwork. Gryst reports that “there is also a marked segregation in the workforce between the two groups, which creates tension and is forming two classes of workers – the permanent privileged
and the ‘connies’ who are viewed with suspicion and in some instances resentment by the permanent employees” (p.50).

When Domberger (1998) refers to trust, he is alluding to cooperation. He considers that trust is borne out of “the ability to make creditable commitments to cooperative modes of behaviour. We are willing to do business with those whom we trust because of a perception that they will not take the self-interested strategy when we least expect it” (p.58).

This begs the question, is this low level of trust, loyalty and commitment in any way dictated by the occupational nature of the work or the professional status of the contractors? Gryst (1999) advocated that it is a distinct possibility and she referred to the nature of the IT professional. However, she refers to a study undertaken by the multinational IT outsourcing Giant Getronics which showed that even though the survey result indicated there was no tension between themselves and the contractors in the organization, other issues were raised such as the lack of training and the feeling of the contractors feeling unappreciated.

The following table adapted from Domberger (1998) summarises several of the issues examined above. His summary also includes transition costs and hollowing out which have not been individually identified in this thesis. However, these two issues have cross relevance for all of the issues related to the cultural aspects of organisations and the issue of social capital. Domberger also discusses the costs of monitoring the contractors and the issue of control. Domberger’s concern about control is similar to Handy’s (1997) contention that in a contracting situation, managers are faced with managing workers that they have little control or no over. Domberger does however, break the issue of control into two dimensions and he asserts, “control of employment is not synonymous with control of outcomes, or control of assets” (1999:68). Additionally, the question of whether contractors require monitoring relates to the issue of trust. According to Domberger (1999), contractors are only in outsourcing for the profit, which is known by the organisations. In effect, this creates distrust as the client wants best value for money and the outsourcer may be tempted to cut corners by reducing resources and effort to increase profit (p.63). Proponents of outsourcing will argue that this problem can be overcome by having agreed service levels in place with incentive and penalty clauses written into contracts. However, if the
outsourcing company is constantly penalised for failing to meet service levels, trust is quickly eroded and the relationship may deteriorate.

Although comprehensive on some issues in particular the costs and benefits associated with outsourcing, Domberger’s summary does not canvas in detail several of the issues identified by Hall (2000) and Gryst (1999), for example the problems with role ambiguity, lack of training or the issue of contract commitment and loyalty. I find Domberger’s assessment of the issues an overtly positive perspective and at times, very narrowly construed. He acknowledges the issues addressed by the critics but then brushes them aside as if they have no significance and I would beg to differ. To that point, I have added my analysis of his assessment.

<table>
<thead>
<tr>
<th>Title</th>
<th>Definition</th>
<th>Assessment</th>
<th>Authors</th>
<th>Researcher Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hollowing Out</td>
<td>Reducing the client organization to a fraction of its former self with the bulk of its production activities contracted out.</td>
<td>Exaggerated concern over hollowing out. Many highly successful organizations are very hollow, including Virgin Benetton, M&amp;S. The same is true of public sector agencies who become contract organizations.</td>
<td>Quinn (1999)</td>
<td>Narrow view. May be beneficial if a start up company but transformation from a more tradition structure to this type of structure has huge impacts for an organization.</td>
</tr>
<tr>
<td>Loss of Skills</td>
<td>By contracting for services traditionally produced in-house, the organization loses the skills as both a producer and client of those services.</td>
<td>Skills are lost to the organizations but are retained in the marketplace. The real issue is whether the organization loses the capability of being a smart purchaser.</td>
<td>Gryst (1999) Hall (2000)</td>
<td>Skills may remain in the marketplace but the movement of these skills may result in the previous company losing their competitive advantage as contractors take their skills to the next role. The implications are more far reaching than acknowledged by Domberger.</td>
</tr>
<tr>
<td>Loss of corporate memory</td>
<td>Related to the loss of skills, corporate memory refers to the collective knowledge within the organization which may be diluted as a result of fragmentation</td>
<td>Critics suggest that organizations may lose their capacity to build strong relationships as key personnel move around and out to the contractor.</td>
<td>Drucker (1997) Handy (1997) Watkins and Marsick (1993) Kao (1998)</td>
<td>Agree. Similar to argument above.</td>
</tr>
</tbody>
</table>
Weakened innovative capacity

| Contracting reduces incentives to and capabilities of innovation. Technical progress compromised in the long run. | Contracts based on lowest winning bid are claimed to stifle incentives to innovate because rewards for innovation cannot be captured by the contractor. Market appears to adjust to lack of incentives. Plenty of innovations in contractual solutions. | Kao (1998) Quinn (1999) | Highly dependant on the nature of the product or service being outsourced. May be there are plenty of innovations in contractual solutions but there are just as many contractual arrangements where innovation is stifled due to the costs involved. Most low price bids do not incorporate innovation and if this is a requirement for the seller then they usually end up paying a premium. |

Transition (switching) costs

| Contracting requires organizational restructuring causing dislocation and social costs particularly when associated with loss of employment. | All forms of structural change involving human resources involve costs, financial as well as social. These costs can be mitigated by facilitating adjustments through re-employment, retraining and redundancy payouts. These costs are transitory. | Domberger (1998) | Narrow view. Given the state of today’s job market and especially in the IT space, which is the predominant area for outsourcing, there are fewer jobs so re-employment and retraining are not the answer. In the end, the issue becomes a social cost. Also has a social capital implication for organisational culture. |

Table 6-1. Assessment of Outsourcing Issues. Adapted from Domberger (1998:70)

The aim of this phase of the research was to extend the empirical work of the previous research examined in this chapter, by interviewing contractors and consultants in the ‘professional world’ to identify if the key issues, match, mismatch or somehow connect with the principles of the learning organisation. Answers to these questions will serve to provide a valuable insight into what the contractors and consultants perceive are the issues and to help organisations understand the significance of these issues concerning knowledge creation, knowledge sharing, knowledge management, commitment, loyalty and trust.

The next chapter provides the findings of the interviews conducted with the consultants and contractors. As discussed in Chapter 4, the consultants and contractors are able to provide a dual perspective to the many issues examined in this chapter. They have experienced first hand the difficulties involved in obtaining access to the knowledge required to perform the job. They provide their opinions on commitment, trust and loyalty to the host organisations and to the hire firms and most importantly, the findings of the interviews provide insights into how these issues are impacting the principles of the learning organisation.
Chapter 7 Consultant and Contractor Interview Findings

7.1 Introduction

This chapter provides the insights of the consultants and contractors’ interviews. It highlights the findings in terms of the key themes examined in the previous chapter. As discussed in Chapter 9, previous studies on the implications of outsourcing (Pearce, 1993, Gryst, 1999, Hall, 2000) identified five key problems; loss of skills and experience in the organisation; inadequate equipment; tools and training; divided supervision and divided loyalty; role ambiguity and a low generation of trust. Analysis of the findings is discussed from the perspective of how each matches, mismatches or somehow connects with the principles of the learning organisation. The chapter also imparts the results of the written task, which was aimed at the issue of social identity. In particular, the aim was to determine if consultants and contractors identified themselves more with their knowledge and skills rather than with the organisation that pays them.

7.2 Outsourcing, Contracting Out and Labour Hire

The definition of outsourcing for the purposes of this thesis encompassed all types of consultancy and contracting either direct or via a labour hire firm or via outsourcing arrangements. The purpose of the question on the difference between outsourcing, contracting out and labour hire was to determine whether the contractors themselves perceived that there was a difference between outsourcing and labour hire and whether they felt that the two were the same. The question produced a variation in perception. The majority felt that the two had subtle differences but that one was a subset of the other. Mike went even further and defined labour hire as a remedy for a shortage of bodies in the workplace and outsourcing where there was a shortage of knowledge or skills. In his view:

Labour-hire is where you have a specific job to be done, it usually has a start date and end date and is usually because you have not got enough staff, it is a temporary workload problem. Outsourcing, is when you take a business function or business process and you take it out of the company and get another company to do it for you. Usually, it may be a contract or it may be for many years, three years, or five years. An example is IT function or perhaps warehousing or distribution. The whole logic of that is, if you are a manufacturing company, what you are good at is manufacturing, you may not be good at accounting or delivering the stuff. Therefore, if you are running a computer system you get someone else to do it and you do what you do well. I would almost split it up into two. If you have a shortage of
bodies, you are most likely to call in a contractor to knock off the workload. But if you have a shortage of knowledge and you need to do some training, you need to call in what I call a consultant rather than a contractor. I tend to differentiate between the two. I think a consultant is more likely to come in, spend some time and then say this is what you have to do now you guys go and do it; I am going to go away. Whereas a contractor will come in and you say, ‘you do it and he does the work. Consultants will tend to earn more, just give advice and then go to another client and give advice, because they are more of an expert in their field, where a contractor is more of a doer.

The researcher does not entirely agree with the above comment. The position taken throughout this thesis deems that most contractors today are considered specialists or experts in their field. Even in an outsourcing arrangement, the outsourcer tends to hire contractors according to the changing market and economic conditions. Besides permanent employees, outsourcers also employ contractors on a needs basis and release them when their services are no longer required.

Sam related the nature of the difference between contracting and outsourcing to the definition of a high level of trust versus a workable level of trust:

Yeah, well that goes back to what you said before about workable trust and high-level trust. The high-level labour thing would be related to the workable trust and the outsourcing would be related to the high-level trust. With the outsourcing relationship the client gives you accountability and responsibility for a piece of work, or a process or the operational side of their business. There is an implicit lack of control over the contractor on a project so the client still manages that project and uses a resource for whatever it is. That is my understanding of it.

Rex perceived that there really is no difference because it is purely as an accounting exercise:

It is probably the modern term for labour hire really. It is a bit like [the Utilities sector]. [Some Utility companies] flicked everybody that used to work for them in the field so they have all gone and set themselves up as independents but you've still got to pay [their] fee and you've got to pay them a fee right. So, it now costs you double to what it used to cost you. But really, they have outsourced it. There is no difference except that they are not working for a...they are working independently. Labour hire and outsourcing are not that different. All you are doing is eliminating your payroll tax, group tax, your superannuation liabilities and converting it to a fee, that is all you are doing. You are not really doing anything else. In fact, you are probably paying more. So that is about the only difference I see. Except
that you do not have that structure. You do not have holiday pay and all that sort of stuff. And I do not really think it works.

Rod perceived that the two are essentially the same:

Potentially, one is part of the other. In my opinion, there is about three or four major outsourcing companies, EDS, IBM GSA etc with their various relationships. Projects in their entirety or parts thereof may be outsourced and as part of the provision of the project or program of works i.e. projects that are part of the outsourcing agreement is labour-hire. The labour-hire is the people coming in to do the tasks, the roles within an overall outsourcing scenario. That is the way I divide it up.

The findings suggest most participants thought there were subtle differences between outsourcing contracting-out and labour hire. However, there was agreement that contracting-out and labour-hire was a subset of outsourcing. Although Waite and Will (2001) clearly distinguish between dependent and independent contractors, the distinction is made merely concerning the tax considerations rather than from any conceptual difference. Hall (2000) acknowledges the difficulty in separating the two. Both Hall (2000) and Waite and Will (2001) juxtapose the meaning and significance against other forms of employment. Watson, cited in Hall (2000) contends that the time dimension is no longer relevant and it is more about the relationship between the employer and the host company and the company who pays them. This definition also sits comfortably with Drucker’s (1997) definition of today’s workforce. The body of evidence indicates that outsourcing, contracting out and labour-hire are perceived as the same although it is beneficial to continue to distinguish between the actual characteristics of the employment type, that is, dependent versus independent versus outsourced supplier.

### 7.3 Knowledge in the Workplace

Chapter 2 examined the importance of knowledge in the workplace from the perspective of an organisation’s ability to continually innovate, create new knowledge, capture the knowledge and share the knowledge throughout the organisation. As discussed previously, the nature of the workplace is constantly changing. We are now faced with another new employment model, outsourcing or labour without obligation as it is commonly referred. This outsourcing contracting out model is threatening the very asset that organisations of the fifth paradigm advocate that organisations must value the most and that is knowledge. This next section presents the life experiences of the contractors and consultants regarding knowledge in the workplace.
One of the major criticisms of the outsourcing contracting out model addressed by Gryst (1999), Hall (2000) and Zappala (2000) is that it leads to a loss of skills and experience in the organisation and has the propensity to affect a company's capacity to develop new core competencies. As discussed previously in Chapter 2, many of the authors differentiate between knowledge and information, which provides a certain level of clarity when talking about one or the other. This highlighted two points for discussion. Firstly, is there a clear distinction between skills and experience? Secondly, can skills and experience co-exist without knowledge? The contractors were asked whether they perceived that there is a difference between knowledge and skills and whether they felt they had been employed for contract positions based on their knowledge or their skills, or both.

The majority of those interviewed indicated that they felt there was a subtle difference between knowledge and skills but consider the two as complimentary. During discussion, Mike explained that in his opinion, information is just various facts and you can go to the library and retrieve information if you want it but knowledge is different because knowledge is something that you already know. Scott on the other hand felt that knowledge is more on a continuum whereas the skill is applied on a needs basis. Taking the discussion one-step further, the interviewees were asked if they perceived that there is a difference between skills, knowledge and experience. All the contractors felt that experience spans both skills and knowledge. According to Scott:

Experience in terms of the knowledge generally gives you a gut feel on events of what should occur.

Experience most probably in terms of the prime skills is more that you can start to map out what is going to happen.

These perceptions imply that skills, knowledge and experience go hand in hand. In determining whether the contractors were employed for their general knowledge or specific knowledge or, general skills as opposed to specific skills, the responses suggest that those interviewed were employed for their general knowledge either in the business or systems application sense and for their specialist skills in a particular business area, application, trade, or profession. For example, in the nursing profession Roberta replied that “agency nursing calls for the use of a registered nurse and sometimes they ask for specific qualities, other times they are just filling a position so you just have to be generalist nurse”.

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Previous research (Pearce, 1993; Gryst, 1999; Hall 2000) addressed the issue of the loss of skills and experience in the organisation but failed to examine in any detail the issue of lost knowledge. Although Hall (2000) acknowledges how the loss of corporate memory might compromise performance, his research does not examine the issue of the loss of knowledge by itself. The results of this question propose that the difference between knowledge, skills and experience is distinguishable. However, the consensus was that experience spans both skills and knowledge. This perception implies that any discussion around the loss of skills and experience should also address the loss of knowledge as the loss of all three aspects has major implications for an organisation’s ability to continuously learn and build new core competencies. The incorporation of these three constructs has implications because in essence it represents a mismatch with the principles of the learning organisation, in particular the interrelatedness of how organisations create, or as the case may be, loose their collective knowledge.

The question concerning general skills versus specific skills and general knowledge versus specific knowledge was intended to canvas the idea of whether contractors and consultants fit the characteristic of the specialist or expert as Drucker (1997) prefers to call them. Overall, the results confirmed that the contractors and consultants were employed for their general business knowledge and for their specialist skills in a particular business area, application, trade, or profession. This result confirms the argument proposed by proponents of outsourcing that the skills remain in the workplace but it also confirms my assessment that the personnel movement in the marketplace cancels out any notion of competitive advantage because the contractors and consultants impart these specialist skills each time they change contracts. This finding suggests that organisations keen to maintain their competitive advantage and maintain their collective knowledge would be wise to retain the specialisation in-house and not outsource.

**Keeping Knowledge and Skills Up to Date**

Organisations engaging labour hire expect contractors to bring the prerequisite knowledge and skills as well as the necessary tools and equipment to the job. In a contracting environment, it is very difficult to keep one’s skills up to date and this presents the contractor with a constant challenge. Training courses are rarely provided in-house for contractors as they are for permanent employees and if contractors are required to partake in external training, the course fees are often prohibitively high. Contractors and consultants loose out both ways. If they undertake training, they
are required to pay for the course out of their own pocket and while attending training; their earning capacity is often diminished for the duration.

During the interviews, the participants were asked how they keep their own knowledge and skills up to date. Their responses reveal that on-the-job learning and the reading of financial newspapers, magazines and their memberships of various associations are the most popular methods used to keep their own knowledge and skills up to date. Some reported that they simply do not have time for skills development outside of work hours due to family or other commitments. As Pete explained:

I am terrible. I do not. I do not do any personal training or personal development outside work. I learn on the job and my skills are probably more on the personal side, relationship building that I get every day not technical. I may flick on the Internet every now and then during the work hours but after hours I do very little.

Further discussion revealed that he simply does not have the time or the inclination because his first priority is his family. As he explained:

I need the time for my kids, they are my priority. I do a days work in a day.

When asked what he would do if a new opportunity came along that required a new skill he commented:

I would have to take time out and would make a very conscious sacrifice and obviously put in the time after hours to do that but only as a reaction to an opportunity. I am not openly ambitious at the moment, staying with a particular area. But if I see an area, escaping the obvious, I need to get into I will make conscious plans to get into that area and equip myself with the skills to get the job.

Others reported difficulty in updating their knowledge and skills because the host-companies are unwilling to pay for training, even when it is required because of the company introducing new systems or software applications. Leonie explained that only recently she had cause to extend her knowledge on another area of software development:

I have recently been on a training course. They were unwilling to pay. They wanted me to do it, said it would be very beneficial if I did it. They did not pay for the course neither did they pay for my time to
attend the course. So, I was keen to do the course but because I was paying for it and would not be earning any money, I did the two-day course and the four-day course.

**Relationship Building as a Means of Keeping Skills and Knowledge Up to Date**

Sam keeps his own knowledge and skills up to date by building relationships during previous contracts. Although others have criticised his approach to business Sam disagrees:

The thing is, the organisation will be exposed to all sorts of technologies all the time right and they may have the requirement one day about a particular technology (say) using Mobile phones to place an order over the internet. So, remember that organisation thinks about me as a person, which can probably add value at that level. So the organisation calls me and says, “Can you do that mobile phone thing”, and that exposes me to that particular technology. If they approach me and I do not know anything about it, I will investigate. And that is basically intrinsic trust. I investigate now on a personal level about that technology, I get back to the client and I say, “Yes this technology may be of use to you and I can have a go at developing something for you.

**Having a Variety of Clients across Different Industries**

Having a variety of clients across a diverse range of industries is another way of ensuring that you keep ahead of the game according to Rex:

Number one is having a variety of clients in other words not in the one industry and not all necessarily doing the same thing and working with different products. You have to turn them over, not only for their own good but for your own good because they need to get a different view.

The findings in this study align in part with McKenzie’s (2002) findings about how consultants use interpersonal exchanges to keep their knowledge up to date. The major point of difference being that the interpersonal exchange does not necessarily take place within the organisation at the time but with other contractors and consultants that they have networked with on previous occasions.

**Do Labour Hire Firms or Host Companies Provide Contractors with Training?**

In canvassing the issue of inadequate training, the contractors were asked if any of the labour hire firms or host companies had previously provided them with any training. Most of the comments were negative. Four of the contractors reported receiving training from the host company under exceptional circumstances. Examples of this are a new system’s implementation or the result of
legislative changes. However, it appears it is the exception rather than rule. Those fortunate enough to have been provided with training by the host company explained that it seemed to vary based on the budgetary constraints at the time. Some of the major recruitment companies run indepth-training courses but once again, the contractors expressed concerns about the cost and the time away from the job.

Garry was particularly critical of the fact that labour hire firms or host companies provide little in the way of training and they have an expectation that the contractors will simply pay for their own training. He explained that even when the Goods and Services Tax (GST) was being phased in the company he was consulting to as a system’s consultant still expected him to pay for all his own courses and seminars.

Other than having access to the in-house experts in the company, they certainly did not send me to all the training courses at their cost. I had to do that. The other people, the in-house staff all went to the courses that they could get payment for. So, it is just something that you have to do. The problem with people that are on long term hire, when effectively you are replacing an employee, is that the hourly rate they pay doesn't allow them to incur those sort of costs and in that case the hiring company, not the labour-hire firm. They do not get enough margin, but certainly, the hiring company should be paying for that stuff because if necessary you are replacing an employee.

These findings substantiate the findings of previous research indicating that the problem associated with inadequate training continues to be an issue for outsourced workers. The ability to keep one’s own skills and knowledge up to date is also related to the issue of loss of knowledge, skills and experience not only for the organisation but also for the individual. The results suggest that organisations do not recognise the strategic importance of maintaining skills, experience and knowledge within their own organisations. It appears that the mindset is to simply bring the people in as needed and let them go when they are no longer required. The fundamental point to note is that organisations expect the contractors to be equipped with the necessary skills to perform the job and yet they are not prepared to pay outsourced workers a premium to compensate them for the fact that they generally have to pay for their own training. The issue mismatches the principles of the learning organisation and has far reaching consequences for the entire notion of knowledge communities and knowledge workers in the future and for the role of workplace training given that most of the learning amongst contractors and consultants occurs informally and on-the-job.
7.4 Knowledge Sharing

Do Contractors and Consultant Readily Share Knowledge with Others?

The sharing of knowledge is a fundamental principle of the learning organisation. Chapter 2 discussed the difficulties organisations face in capturing and codifying tacit knowledge. The interviewees were asked if they readily share their knowledge with others. The key purpose of this question was to determine if contractors in general readily share their knowledge with others during the term of a contract or, whether for various reasons, they have been or are reluctant to share their knowledge and if so why. Thirteen participants stated they have absolutely no hesitation in readily sharing their knowledge with others during the term of a contract. In fact, Pete felt that it was the ideal way to confirm whether his own thinking was right or wrong:

I am not of the thinking that my knowledge is always correct so if I share that I can be challenged. So, I feel that by sharing it is all going to be for the good of the project and myself because I am not always right and by sharing I can validate whether or not my knowledge is actually right.

Sam runs his own consultancy company and employs several contractors besides contracting himself out. He felt that by readily sharing the knowledge and empowering his employees, the employees would be happier and be more productive:

I suppose I tend to keep employees for a long time. I do believe that is the way you add value to them. You can have two approaches. You can say, oh I had better keep them in the dark so I can keep control of what is going on, that is one approach. Or, you can say, I will build that person as hard as I can so they are motivated and happy over time so they will produce more for me. So, they feel empowered. So, what is the problem there? Yes, over time, they will go and you loose that person that you have built over time. And yes, you have invested money and time in that person, but that is part of the process. But over that time that you actually share knowledge with that person, that person adds value to your organisation right. But, there is a way of handling the thing that if they go. If you manage to share the knowledge with all the people in your own organisation, at least that knowledge will continue to be around.

Cherie acknowledged that her attempts to share knowledge are not a conscious decision:

I do but not consciously as in, I do not set out specifically to share my knowledge with anyone…. I have known contractors who have brought a lot of knowledge and information that they have gathered previously in other jobs and you know for example, presented papers and so on and I must say, I'm a bit
guilty of not having done that. Therefore, I am personally, probably not the strongest in that. I have observed it in other contractors.

Jerry relies on a master-apprentice approach as a means of communicating his knowledge to others. By adopting this method, he gains additional knowledge in the process. By turning himself into the apprentice instead of the master, the others provide him with the information that he is seeking through an exchange of ideas and dialogue.

Reasons given for not sharing knowledge included political, budgetary reasons or the cultural climate of the organisation. Cherie stated that she was restricted by the organisation’s political climate whereas Barry felt that in his situation, often the knowledge was too confidential to share. Confidentiality agreements can hinder the sharing of information between business units and that has been the experience of several of the contractors. Confidentiality agreements serve a purpose where consideration of the privacy of individuals is at stake. However, when the team members of a business unit are all required to sign a confidentiality agreement which states that they cannot talk about the project to any other members of the organisation outside the team it can be demoralising and counter-productive. Often organisations impose such conditions through concern about competitors gaining access to the information. Nonetheless, it affects the organisation’s knowledge sharing culture. I would also argue that it reflects a culture of low trust. For example, Natasha has been required to sign confidentiality agreements across several projects in the past only to find that other business units were working on similar projects where the requirements were the same, simply because nobody was allowed to talk about what they were doing. This created friction across business divisions and affected team morale as often the team felt that there was no real purpose to the work they were doing and it was simply perfunctory.

When Cherie transferred to another business unit, she found that unlike the previous business unit, the culture did not support the transfer of knowledge:

I have been in situations where I would like to share the knowledge in some ways but it just does not seem appropriate or the climate is not right. For example, when we were in the system’s training group we had some very exciting principles for usability and screen design and approaches to how to do system’s development. But, when I came into Information Technology (IT), there was not the sort of environment to...they were not interested...you know it just wasn’t appropriate to bring that stuff in.
Are Permanent Employees Keen to Tap into the Knowledge and Skills of the Contractors?

Depending on the industry or profession, contractors are often employed because they are considered specialists or experts in their field. With Gryst’s (1999) study of the South Australian Electricity Commission, many of the contractors were predominantly from the blue-collar field and were brought in to carry out the mundane tasks that the permanents did not want to do. In the professional field such as IT, Nursing and Accountancy, the contractors are more likely to be specialists in a niche field or specialist area. When specialist contractors are hired for a particular project, the permanent employees may feel alienated and blockages may result in a lack of communication and knowledge sharing. Botkin’s concept of knowledge communities is based around openness, but for openness to occur the culture must be based around trustworthiness, confidence in the person’s ability and their individual worth (1999:114). In an outsourced environment, it is paramount that the exchange of knowledge be bilateral and that both parties be prepared to tap into the knowledge and skills of each other. The contractors were asked if in their opinion, the permanent employees were keen to tap into their knowledge or whether the permanent employees tended to view them with scepticism and bypass them as a knowledge source. The responses were diverse.

Pete reported positive and negative experiences:

I have had a combination of both to be honest with you. But, the majority of times they expect a lot from the contractors and they will reap benefits from the contractors but not necessarily give the contractors any credit for it. We are there as a resource and were there to be paid for a particular job. They did value my knowledge and pick my knowledge, that is the reason I was hired but at the same time they would also hinder my progress because they wanted something to prove from a personal standpoint that the permanents were actually quite good value and the contractors were not. It varied from project to project.

When asked to elaborate on what he meant by hinder his progress, he added:

Well basically, they devalued the contractors work by not giving, pretty much the opposite, by not asking for help and doing their own thing when they know very well we were hired to do that particular task because we have expertise in it. So yes, bypassing the contractors and really making work for themselves when the contractors could have done it quite easily. I think that might be a personal thing. I think it was with mainly permanents but you get that occasionally with contractors who are up for renewal but really with permanent staff, they just did not have that, they had a different mindset totally.
An interesting point to emerge during this interview was the notion of redundant employees. In Pete’s situation, many of the permanent employees were assigned to projects as a fill in until another major project came along because generally, it was too difficult to terminate their employment or the organisation was not prepared to make their role redundant. This reasoning underlies many organisations’ decision to move to the outsourced model. It represents “just in time” employment and they only need to bring the specialised people in-house as required and when the job is complete they can simply let them go. In fact, Mike even went so far as to dispute Drucker’s quote regarding the notion of an “expert”. He argued:

The actual quote itself implies that we are experts. Well, I disagree with the word expert. I’m an expert in a few matters but I’m not an expert in general”. It is just that quote. It actually said “Experts such as consultants” but that assumes that all contractors and consultants are experts and a lot of them are not.

Working as an agency nurse does not often present the opportunity for the sharing of knowledge. Often an agency nurse works in many hospitals and it is not always easy to build a rapport with others, as Roberta explained:

Because in agency you do not know what you are going to get, so you get the easiest patients, normally get the heaviest but not people requiring many skills, knowledge or skills and they would mostly bypass you because you are an unknown. Therefore, you are kind of deemed as knowing little unless you prove yourself. If you go back to the same hospital or go back to the same ward, then people get to know you and obviously they get to work with you and then they know your skills and they will ask you ...but it takes time to build a rapport and for people to get to know you’re knowledgebase.

Paul commented that he is often used as a sounding board because he felt his comments carry more weight simply because he is not an employee:

With one particular company where the business is [Franchising], it’s more of a...we get a lot of flack from the company, they get a lot of flack from the Franchisees, so they see me as a non-threatening but knowledgeable part of the business to stick ideas around. So I will discuss things with them such as whether they should buy another store or not, whether the systems they should use in the business activities they should get involved with, should they actually concentrate heavily. The company had an outbound process that they were pushing which is the second time around for that. My comments to most of my franchisees were not to get involved. Not waste their time do it in a minimalist way, simply
because it doesn't work and it's just really somebody ticking a box, some sort of KPI for their own personal aggrandisement than actual real business growth opportunity.

Contractors and consultants employed in the same company for a long period explained that they were treated as permanent employees and they felt that other workers had no hesitation in tapping into their knowledge and valued their expertise as illustrated by Cherie's comment:

I would say in general, my experience has been that they are interested in tapping into any knowledge I bring. I have contracted a few times in [this company]. For example, I have contracted for years so in a sense it is not ... I was not moving around very quickly. However, in general my experience was that I actually was treated in that sense, quite like an employee.

In addition, there were some circumstances where the other workers perceived the consultants as experts and were keen to not only tap into the consultant's knowledge but share their own knowledge with the consultants as well. Paul remarked:

They were quite happy to share ideas and it was just like I was one of the team. Maybe that is unique I do not know. The group I worked with were just interested in doing a specific job and doing it really well and there were legal reasons why they had to do a good job because if things backfired it would come back on to them, especially in that area. So there was a necessity to share information, to work together and everyone checked each other's work to ensure that it looked all right and sounded right and there was a process followed as per Government regulations. So, it was all pretty tight and I was quite surprised how well it worked.

In another situation, Paul was not considered the expert but found the experience no different than if he were in that position:

When I was working for another Government agency, they knew I was not an expert. They knew I had other perspectives that I could bring in so that was why we could change some of the tenders and produce new ideas and new concepts and new ways of scoring tenders and whatever. So, that was accepted as just an exchange of ideas. I learnt from them and they learnt from me. So they knew that I was not the expert in what they were doing...they were the experts. I was simply there to assist them.
Reluctance to Share Knowledge with Others

Those who acknowledged a reluctance to share their knowledge with others stated they arrived at this position because of regretful experiences. Sam, who is usually enthusiastic about sharing his knowledge with others, is now far more careful after having had his ideas copied by a competitor:

We have a couple of products that we have developed over the years and this one product in the recruitment space has a couple of features that are quite unique. They are unique now but they will not be unique in a few months time. My approach has been to show those features to as many people as I can because I want to sell my product right…Then I found out over time that [this company] copied the tool right and they implemented it in their development house, they got somebody else to do it. And they said to me, “listen we’ve selected some other person”, and I said, “that’s fine” and then I found out what they had done. I felt really bad about it. This is not ethical and I thought about taking them to court and a few other things right. That was a really bad experience about me sharing my knowledge with a potential client. That was not a client it was a potential client. So then, the next time, because of that bad experience, I was asked to get access to the tool and I felt reticent about it. I am not sure if I want to do this because I do not want to go through the same experience I went through before. However, at the end of the day, I had to just forget about that bad experience, try to protect yourself as best you can. However, there is no way you can keep that knowledge otherwise there is no way you can show people your work. It works that way. You have to be open about it. Again, there is not much you can do about it. You can have a non-disclosure agreement, confidentiality agreements and all these things but at the end of the day, if they want to rip you off they do it right.

Garry explained his reluctance to share his knowledge was because the client was not up front in their reasons for hiring him in the first place:

If I've got a client who is pretty much heavily cost conscious and they are trying to weasel ideas out of me so they don't have to use me anymore...those types of people, I'm not that keen on. However, if it is all up front you know...we want you to teach us to do this so we do not have to hire you anymore then fine and we would do the job properly. However, this client is trying to do it in a backhanded sort of way and I'm not...and the thing is he does not have the skills anyway.

Often consultants provide their own intellectual property during a contract role and this has implications especially if there are other contractors and consultants working on the project. This scenario has lead to Scott's reluctance to share knowledge in certain situations:
When I have been in direct competition with a consultant and supposed consultants, where I tend to think they are just contractors and they are just using my intellectual property that I have developed over the years to then take it to their next client who is potentially my next client.

Leonie’s reason for her reluctance to share her knowledge on occasions also stemmed from a previous negative experience with a permanent employee:

I am reluctant to share my knowledge with a full time employee because it got to the point where if I told her anymore I would basically have done the project myself and I did not have the time. It was not my job to do and it would have delayed me in meeting the targets and deadlines I had on my own work.

**Difficulties in Obtaining the Information Required to Do the Job**

The literature review highlighted the importance of knowledge management and its role in the learning organisation. The findings reported in this study substantiate the recent findings in Gorelick and Tantawy-Monsou’s (2005) study that organisations have still not fully comprehended the importance of knowledge management. Full time employees usually attend orientation days when starting with a new organisation, whereas contractors and consultants are not often afforded this luxury. This means that upon commencement of a contract they often come into the company without any knowledge of the organisational structure or the reporting lines and who or where to go to obtain the necessary information required for the role. This issue does not stand in isolation but is related to the issue of organisations that lack the mechanisms and infrastructure to capture, store and manage the information in the first place. The majority of those interviewed reported receiving no orientation upon commencing new contracts. Most explained that they provide their own orientation by researching, initiating introductions, and questioning anybody available. It might be expected that many of the larger organisations would be proficient in ensuring that when contractors commence their assignments, all the prerequisite requirements would be in place but the consensus was that this is often not the case. According to Steven:

You have all sorts of problems where you cannot get ID passes readily, you cannot get access to the computer systems readily because they will not give you a log in, so effectively for the first two days they are paying you to sit around and argue with the IT staff, which seems to be a bit stupid and pointless. Not to mention expensive.

Many of the contractors and consultants have worked in both the Private and Public sector. It appears that the Public Sector is better at providing some form of orientation than the Private
sector. In addition, the Public sector often has various mechanisms and infrastructure in place to capture and share knowledge, although on the negative side it seems that the problems associated with access to the repositories is a standard problem across both sectors. Paul explained that in the Public Service the bureaucracy involved in gaining access to the information repositories was a genuine problem:

Because you needed certain information to do the job, you had to ask where that information was held. For instance, authority levels to actually get access to directories in a networking context, who had the authority to sign it off, what paperwork, all that, you found that out as it happened. Nobody told you there was a process anywhere behind that to get that done. You also had to determine what the contractual arrangements were with repairs for vendors and vendor arrangements…. Repositories of information were quite difficult to work with because both the organisations I worked with from a networking point of view were large and Public Service oriented. Where I was doing contracting before programming they were relatively small. Therefore, in that case, where to find things and that sort of stuff was pretty easy to work out in a small organisation.

Understandably, any new role requires a period of relationship building and once those relationships are established it should be easier to obtain the information from the relevant sources. Mike concurred with this view:

Yes, I have experienced a little bit of that but typically, that fades away as soon as you start building a relationship. At the beginning of any new relationship it is difficult measuring what people are about and I suppose as soon as you start working together people start making a bit more sense out of a relationship and then they release the knowledge that you need.

One of the factors that lead to Pete’s difficulties in obtaining information was the long period of time that the permanent employees or contractors had been with the organisation. Pete stated that he had trouble in obtaining the information from the “incumbent staff and this included permanent staff, senior permanent staff and other contractors who had been there for a long time”. When questioned about why he thought he had experienced this he replied:

I think it was a combination of perhaps an individual’s insecurity that they have been there so long and I felt that perhaps they were being threatened by new blood in the organisation. There was infrastructure in place. It just was not used.
What makes Pete’s situation interesting was he was fortunate to have undergone a full orientation with the company and was treated almost like a permanent employee when he first started. Taking this issue further, I asked Pete whether he thought it was purely because he was a contractor. He replied:

Yes. That is a problem but it is more a situation of you did not know what you did not know. If somebody said to you please do such and such, you did not know whether you could or could not, according to the policies and procedures internally. So, you had to have somebody to go to, to answer that question. And quite often the person you were put in touch with when you arrived was either gone and that’s why you were there and they hadn’t introduced you to anybody else so you had to sort of work your way around the process and that took a bit of time.

This appears to be a common occurrence amongst the contractors with Cherie commenting:

Well, it can be difficult...there are areas of knowledge that are not well documented for sure and it is difficult to source some of that knowledge, especially for example in IT systems. For example, some of the main systems in this company are not well documented. So trying to find someone who actually knows how they are working, very specific ones, is very difficult.

Other factors contributing to the difficulties in obtaining information included organisational politics or the fact that the people simply did not have the knowledge as indicated in the following response:

Oh, yes, there is always some problem somewhere. Some are major some are minor. When I do work for one company in particular, I invariably am caught up in the scenario where people will not give me information because I am not an employee. Or, they require me to sign large amounts of copious confidentiality agreements and even then, they will go silent on providing me the information I need to complete the task.

Paul expressed similar experiences stating:

Information was quite difficult because of politics or people just simply didn’t know or were ill-equipped to give you the information you wanted or it was there but only certain people knew certain bits, not the full story so it was like a jigsaw puzzle.
Scott reported that during his many years of consulting, the permanent employees have constantly seen him as a threat and he had experienced great difficulty in getting access to the knowledge:

Generally, in organisations we have been in we have been seen as a threat in that we are trying to take their jobs. So, knowledge is power, therefore, they withhold information. The only way to get around it is to literally quote the contract and say, “I am here for this purpose for this timeframe. What I need is your current information and your current knowledge so that I can understand what is wrong”. That is most probably 75% of the cases where knowledge is power. The other is where the organisation is so disorganised, they have no idea who actually does what, who is responsible for it and who owns it and we have seen that in several organisations.

Contractors and consultants are expected to come to the job with the pre-requisite knowledge and skills. However, every organisation will always have a unique business competency and often contractors can find themselves out of their depth as indicated by one of Bruce's experiences:

One project sort of was not running very well and I was chucked into the project towards the end of the, or, coming towards the end of the project or coming towards what should have been the end of the project. I had prior knowledge of the application, I was told there was no budget for training, had to get the job done and basically had to go and just find the information myself and harass people, chase people up and get contacts inside the project basically to a) come up to speed and b) to do the job.

He elaborated further:

The information was on various servers and in various books and things, lying around here there and everywhere but there was no basic common documentation where this stuff was, or how to find it was just, some of it was in people's heads, most of it was documentation, it was a matter of locating it.

Finally, Sam's comment below provides a solid example of how knowledge can be power and what many contractors experience in their attempts to find the information required for performing their job.

Depending on the organisation, typically, there is a stakeholder that will keep that knowledge and it is a matter of managing the political side and the way the organisation works to get to the right people and get the knowledge out of them. Sometimes the stakeholders keep the people that preserve the knowledge and that makes it really hard because you have to go through that person that does not have the knowledge and ends up filtering the knowledge back and forth and it takes a lot of time. That typically happens in large organisations. But again, that is part of the skill that you build over time where you try
to make sure that that person does not feel threatened about you getting to the right person to get that knowledge. Sometimes that is harder and sometimes that is easier depending on who the stakeholder is and the personalities and so forth. So typically, it is a personal thing in an organisation. The particular stakeholder will have the knowledge or will have the people under them who have the core knowledge and it is part of your particular challenge in that particular project to get to the right person.

**Do Organisations have the Infrastructure and Mechanisms in Place to Capture Knowledge?**

Much of the literature on knowledge management acknowledges the problem of how many organisations are struggling to implement the infrastructure and mechanisms to capture, store and share the collective knowledge. Not only is it costly to implement knowledge management systems but also the ongoing cost of maintaining the knowledge once it is captured is often too prohibitive for most companies and that is where most organisations fail (Pasternack & Viscio, 1998; Evans, 2000). As indicated in the case study findings, failure to keep the knowledge up to date often results in considerable rework once it has been established that the information was not correct in the first place. Implementation is not isolated to systems alone. It incorporates people, processes and systems. The lack of infrastructure and mechanisms has ramifications for contractors, as it not only impedes their ability to obtain the information required to perform the job; it can also be a costly and time-consuming exercise. Pasternack and Viscio (1998) assert that every company creates and uses knowledge but few companies are effective at learning, improving and using knowledge to gain the competitive edge. Some companies are just not prepared for the huge costs of maintaining the infrastructure and the effort involved in preserving the knowledge. Conversely, some organisations have the information repositories in place but do not have the ability to extract the information. According to Mike:

> You know they have it but they cannot take it to the next step, that is their problem.

The participants were asked if they felt that the companies they had worked for do enough to communicate the strategic importance of the role that knowledge plays in their overall culture. The responses were varied. Pete reported:

> I think they provide the infrastructure to do it but they do not empower and they do not really reinforce that concept of knowledge sharing. It seems to be my experience it is the thing to do for a couple of months to say, “hey well have a discussion database, we will have this, we will have that,” but really the pace of things in our industry now it is not really happening. The stuff is out of date so quickly and people think on their feet.
This contrasts with Mike’s positive experiences:

Usually it's just the people. If somebody wants me to do something and I need information to do it, they have been quite willing to pass it on. A lot of it has been very confidential, they are still happy to pass it on because they are very forward people and they trust me.

Some companies have already realised the costs and disadvantages of outsourcing where knowledge management is concerned, particularly in the Information Technology (IT) sector as explained by Cherie:

I must say [this company] is actually making some quite radical changes at the moment. The changes being made in IT are to do with bringing the intellectual property in-house but previously up to this point they were not in-house so you definitely rely on the vendor keeping their documentation up to date and it was also quite costly to get them to provide knowledge.

**New Construct - Contextual versus Business Information**

An interesting new construct to emerge from the interviews was the distinction between the storage of application, systems, or process knowledge versus contextual knowledge. Contextual knowledge for the purpose of this discussion is defined as information regarding why a particular methodology or framework was used to solve the business problem at hand including any issues and problems faced during the project, any changes to the scope of the project and any cross-system impacts. During the discussion on an organisation’s ability to capture the knowledge, the majority of those interviewed felt that some organisations are proficient at documenting the business requirements and business processes for a project but lack proficiency in capturing the contextual information. One of the problems that this author perceives in the lack of capturing the contextual information is that it ends up in the heads of individuals and once those individuals leave the organisation, they take the contextual knowledge with them and many contractors have experienced this phenomenon. As Paul explained:

...Like in the last job, for example, we tried to store information in knowledge systems and knowledge bases and get groups to work in a knowledge sharing fashion but it was extremely difficult. Information was stored but the contextual information was not stored with it.
Indepth discussion of this issue with Paul confirmed the view of the researcher that the knowledge ends up in the heads of individuals and when they leave, they take their knowledge with them:

Yes, that is right, as it usually is. So then, it does not become knowledge it just becomes information.

Pete commented that even though he had been contracting for a short period of time (18 months) he had not seen any contextual information only business specifications and Mike stated that on most occasions he has had to develop the systems to obtain the information required:

I think my contracting is so structured. I roll into a place and they expect me to know what to do, they don't say, “here is a plan, you'll have to develop a format and design the system”, they just expect me to hit the ground running and get up from day one. There are times though when I actually have to develop systems to produce the information I want because it is just not available. It's more of a case of leave it to me to do it.

Finally, Rod summed up his latest experience:

You put a project together; there may be a number of projects that are operating in a similar space. The project runs through its phases, the team disbands and you may be...some members may be shifted to parallel projects, some may not and they go elsewhere and that contextual knowledge about the platform, about the business and about the requirements that you are attempting to address is lost. You then need to build up the knowledge in the next set of team members so that you have the same understanding. I've just come from a meeting with a new business development manager who has an application but knows none of the background, none of the reasons why they want to change it, doesn't know what products are provided, doesn't know what market segments are provided on it... All that is the contextual knowledge around the application.

Knowledge sharing canvasses a wide range of issues, from the contractor and consultant's preparedness to share knowledge, the permanent employees’ preparedness to tap into the contractor and consultant’s knowledge and the availability of existing knowledge so that contractors and consultants can perform their job.

There is a substantial body of evidence in the results to both support and dismiss the view that contracting-out mismatches the principles of the learning organisations with respect to knowledge.
creation and knowledge sharing. I will start by discussing the results that connect with the principles of the learning organisation.

Overall, the majority of contractors and consultants indicated they readily share their knowledge with other workers during the term of a contract although there was considerable variation as to the extent of the sharing. A high number of participants also indicated permanent employees were willing to extract any valuable existing knowledge that they possessed, once again with considerable variation to the extent. The culture of the workplace plays a fundamental part in the willingness or the reluctance of the exchange of knowledge. Some stated that sharing their knowledge provided them with feedback to validate whether they were right or wrong. This concurs with the notion of generative learning (Senge, 1990) or double loop learning (Argyris & Schon, 1978), which is premised on the idea of feedback, reflection and correction. Reasons given by those indicating reluctance to share their knowledge were also linked to the cultural aspects of the organisation where some of the participants felt that the climate politically or culturally did not support it. The findings also confirmed confidentiality agreements as a mitigating factor contributing to the lack of knowledge sharing in some organisations.

Moving to the results that mismatch with the principles of the learning organisation perhaps the most significant body of evidence giving credence to the viewpoint that outsourcing mismatches the principles of the learning organisation is the overwhelming responses stating that organisations do not have the infrastructure, mechanisms and processes in place to initially capture and store the knowledge. This was further substantiated by the result that often the contractors had trouble in obtaining the information required to perform their job. This problem was compounded by the fact that contractors and consultants are not afforded orientation upon commencement of a contract. None of which augurs well for many organisations as they move into the knowledge management paradigm.

Companies that do not have the infrastructure in place can overcome this limitation. Firstly, they need to ensure that their business processes are current. Procedures must exist for providing the necessary contact information and the key personnel responsible for managing the knowledge and systems pertinent to their area. This includes procedures on how to access data repositories and general company knowledge. Secondly, simple as it may seem but something that is handled
inadequately within most companies is to ensure that contractors and consultants are set up with password access and instructions on how to navigate, compile and print the required information within at least one day of commencement of the contract. Many contractors remarked that they often sit around waiting for access to systems, therefore they are non-productive, and this costs organisation’s money.

The emergence of the point of difference between contextual information versus business information confirms that these types of problems are the real issues confronting contractors and consultants. Contextual information has particular relevance to contractual arrangements because contractors or consultants are often brought in to remedy a problem or develop a new core competency because the organisation does not have the necessary skills in-house. People that initially worked on the project may have left the organisation and taken the knowledge with them or alternatively, they may have moved on to other projects in other business units within the organisation. Given these circumstances, the contractors and consultants are faced with re-inventing the wheel to establish and then understand previous frameworks, methodologies and so forth and this is both costly and time consuming especially at a time when many organisations are attempting to reduce their operating costs in the first place.

7.5 Commitment, Trust and Loyalty

Commitment, trust and loyalty are seen as necessary conditions for social capital and community building in the learning organisation. All of those interviewed felt that it takes time to build a relationship based on trust and loyalty. In today’s uncertain climate, many of the contracts are short-term and this is not conducive to enabling trust and loyalty to be developed. All the contractors were adamant that their reputation is what drives their commitment. If they have no reputation, they have no work.

New Construct – Workable Level of Trust

While most organisational learning researchers have approached the issue of trust from the traditional perspective of high versus low levels of trust or fast and swift trust, one of the contractors stated that he felt there was not a high level of trust or a low level trust rather, it was a workable level of trust. When asked to define what they consider is a workable level of trust, the contractors naturally provided different answers but there were a few perceptions that stood out from the rest.
Pete explained:

Just to be able to depend on the work individual to deliver what he/she committed to deliver in a work environment. For example, in a workshop, you have action items, you have a certain amount of support, I expect everybody to pull their weight and that is what I define as workable trust.

Rod remarked,

A workable level of trust within a certain scope, there is trust to a certain level. I have not encountered situations where you know there has been the need to review the trust in a specific instance. We have had leaks within the organisation, I have been sitting next to a GM, and he has asked me whether I have signed confidentiality and I have said yes. I have not thought any more of it. I guess there are certain rules you try to live by and you hope that others live by the same rules and I have tried not to compromise those rules.

Julie commented:

Trust is a very personal thing I think. As you would have to believe that they were giving you all the information you needed in order to do the job properly because in some cases, I've heard of...and it hasn't happened to me. In some cases I have heard of, there has only been enough information given to try and do a portion of the work and that person has been used as a scapegoat when things have gone wrong. So as long as you feel you are getting full information and as long as you can protect yourself by saying the information I have been given is the best I can do then that would be workable trust.

Another interesting aspect regarding the construct of a workable level of trust was proposed by Scott and it relates to the collective, community or team level perspective. He believes there is a workable level of trust. It is then up to the contractor to develop relationships with individuals and it is only then that there is the possibility of taking that relationship towards a higher level of trust. Julie concurred with this viewpoint:

As a team, you are here to do a task, you might have to work with several members and that is a workable level of trust. But, if you have one priority task perhaps and you actually work more closely with one person then that trust would build up and that is probably what's happened here at this contract as well. I have a group of people I am working with because I am working on a variety of things. But, there is one person in particular that I have had to do in-depth work with and the more we have worked the more I saw his work ethic...maybe is a good way to put it. And, you know now, I would trust him more so than others probably because I have actually had more time with him to actually build up that
level. No to say that with the rest of them I would not develop that same level either if I worked more closely with them. But because of the time spent and the work done, it has built up faster.

7.6 Commitment and Loyalty to the Host Company

Both direct contractors and contractors engaged via labour hire expressed a high degree of personal commitment and loyalty towards the host organisation. Those that were contracting direct to the organisation and not via labour hire firms felt that it was a prerequisite. The most likely reason for this result is the fact that the direct contractors rely on return work and their reputation is more at stake than those employed via labour hire firms. Contractors employed via labour hire firms reported that the host companies only show them loyalty as long as they are making money for the organisations. Garry believes that:

There is loyalty there as long as you are producing them an income, which is pretty much the same for a job whether you are an employee, or not. If you are not producing and income for an employer eventually they get to the point, where they will terminate your role anyway.

Other comments indicated a high level of commitment based on individual satisfaction. For example, Scott considers that his commitment is his reputation:

If I stuff up, I do not work. So therefore, I am committed to making sure what I have said I am going to deliver to the client I deliver. If it is not possible to deliver, I also tell the client it is not possible to deliver and I tell them why it is not possible.

Job satisfaction is what drives Paul:

If I am working on a particular project or whatever it might be, I will aim to do the job well because it is my own job satisfaction. I mean, usually you are employed do the job and do it well. Therefore, I always aim to do that. I do not do jobs half-hearted. So yes, there is pride in my work.

Pete states that his commitment is driven by his accountability:

As a contractor, I feel fully accountable for my deliverables, that really motivates me and that gives me that commitment. It is a lucrative business when you can get the work and I do not take it for granted.

As for commitment or loyalty to the host company, he replied:

Absolutely. They are feeding my family, that is how I look at it and they do not have to. They have a choice. They always have a choice and they chose me. I give it 100%.
On the contrary, Steven has a completely different point of view:

The only commitment you have is to the milestones to deliver, that is my own personal commitment and agreed milestones and delivery timetables and that is the only one you have got. You have got no loyalty to the company per se. You have no loyalty to their vision. You have no loyalty to the information that you have that you have gained there. If you are a contractor, you cannot afford to be loyal to the company because they are not loyal to you. Even though you have non-disclosure agreements and all that kind of thing, they are non-enforceable as soon as you walk out the door. As long as you do not use his or her name, how you got the information nobody ever knows. In addition, it is impossible because there is no way you can segment your own mind. And whatever you have learnt in one place you will automatically apply whether you use the name of one person you got it from or not. You automatically apply that process. So there is no way of segmenting it. So you end up... there is... You have to expect that as soon as they have a clamp down of any kind contractors will go out the door. You have to expect that whatever change of mind they will have will not impact their decision as to what you like or do not like. That will all just be done around you. So, you do not get any loyalty from them so your only loyalty that you provide is to yourself, your own ethics and moral standards and to the money coming through the front door. As soon as the money stops, you stop. It is a business and you are your only asset.

A couple of the contractors raised the issue of expendability, not necessarily damaging the degree of commitment or loyalty but certainly making them more aware of just how volatile the environment can be when companies decide to restructure. More often than not, contractors are the first to go when companies decide to downsize. Cherie is one who has felt the pressure of the downsizing phenomenon.

For me personally. I mean there has been times when I have felt more protected, sheltered and have felt more commitment from my management than I do now. I do not have a view that they will shaft me for the sake of it or anything like that but I think I am expendable, you know, in the current climate.

The ability to maintain contacts is an important aspect in the contracting world and showing a high degree of commitment and loyalty is paramount as indicated by Bruce’s comment,

Well you're getting paid well, so being paid well you've got to show you're keen to do the job because you're an expense and well being a professional, get work done and maintain good contacts with a lot of people. In contracting, you have to have contacts. The only way that you have that is to be committed to the job you do.
Paul challenged the notion of loyalty to the host company. He felt that in an outsourcing situation where the contractor is actually a contractor for the outsource company that is contracting to the host company, loyalty to the host company is lower:

From the employees perspective he is contracting to that agency or to that organisation but he is providing a service on behalf of whoever or [the Host company] or somebody like that. He has no loyalty to the host company. He does not actually work for them he just happens to be providing a service for them. I mean even while working for company ABC he could change the next day and be working for another company but still working for Company ABC. He just changes the desk okay, so why any loyalty to that organisation?

Sam expressed a divergent perspective. In his view, it is all about relationship building with the individuals not the company per se and trust and loyalty does not happen overnight, but rather takes time. The majority of the contractors felt that due to the nature of contractual work it is very difficult to build relationships during short-term contracts. Sam clarified his view:

I do not consciously try to build a relationship with the company itself. I do consciously try to build relationships with the people that are working with me and I do not believe that they are thinking at a conscious level at the company I work for. They are thinking of me as a contractor. There are a couple of exceptions. Now, if things go wrong, then they are sort of giving the responsibility of what is going on to the company instead of me as a contractor, in the first instance, unless I have been hired as a contractor on a personal level. However, typically, that relationship is still at a personal level and the loyalties have been built at that level as well. So, what happens...when you have the staff you want them to disassociate you from the relationship and build it with the company itself and that is quite hard, because they have the relationship that was built in the past? And, it is in my own interest to build the loyalty up. I think that in order to get any loyalty in your company, if there is not a lot of relationships built with me, you need to invest money and invest time in building that brand right. So that is an exercise sometimes that is not easy to afford so your only choice if you like is to build a personal relationship to maintain that relationship over time”.

Probing deeper into this question, I asked the contractors whether they felt any tension about wanting to be business like and yet only giving the host agency what they are paying for. Nearly all the responses indicated that the contractors have a high commitment to being business like but the results varied around the issue of only giving the host agency what they are paying for. Responses
varied from Rod acknowledging that he had a tendency to over deliver to others stating that they do what they consider is a good days work. For the most part, many expressed the view that they were business like and delivered what was expected of them. For example, Pete remarked,

Absolutely. I want to excel. I have my own personal career aspirations and that always comes through, that is just the way I am. But I am aware of the scope of my chance and the expectations but within the limit”.

Paul commented:

When I am working on a particular project or whatever it might be, I will aim to do the job well because it is my own job satisfaction. I mean usually you are employed to try and do the job and do it well. Therefore, I always aim to do that. I do not do jobs half-hearted. So yes, there is pride in my work.

Commitment and Loyalty to the Labour Hire Firm

All the contractors that have been engaged through labour-hire firms stated that they feel little or no commitment or loyalty to the labour hire firms. The majority of those interviewed stated that in their view, the labour hire firms show them no commitment or loyalty. Additionally, many believed that labour hire firms add no real value to the process and are only in it to make fast money at the contractors’ expense. Pete remarked:

I do not have...my personal experience is that there is not a lot of commitment to the agencies at all. In my experience, I mean I think they were making abnormal profits and I was working 1 day out of my week for them and for my family. I think...I am all for people making money and that but I have not even met my agent and yeah I did not think they added that much value to be honest with you. There are agents that do but I have not come across them. ‘There is no value. I do not see the value that they are adding in my view.

A similar viewpoint was expressed by Rex:

Yes, I have. But again dare I say they use you like a piece of meat on the end of a string.

Two contractors were more adamant regarding their lack of loyalty towards labour hire firms. Rex stated:

None whatsoever. I see them just as people in the middle doing nothing; they just do not benefit anybody I do not see. They are just taking a cut for doing nothing. They might get you the interview up front but
you have to get the job anyway. Then beyond that, the ones I have worked for you do not hear from them.

Rod replied with a comparable answer.

Honestly, no. Because I sat on the contract for 18 months. I estimated that they made 30% on the top of what they were paying me. My only contact with that labour hire company was when the contract was coming up and that was maybe about three times and it was a different person on the last two times and I had no communication apart from those phone calls and signing the document. I think I might have had one invite to a Christmas dinner. I did not feel part of anything.

Speaking from personal experience this seems to be the standard approach from labour hire firms given the current climate of the job market. Many labour-hire firms are not interested in maintaining a long-term relationship with their contractors even if those contractors have performed well for them previously. This also makes it difficult for contractors to maintain good relationships with existing firms and it results in the contractors having to move between agencies more often, in order to obtain work.

Not all the contractors have had negative experiences with labour-hire firms. Garry expressed the view that in his early days of using labour hire firms he found them quite useful in maintaining the continuous flow of work. By gaining a good reputation from the feedback on previous contracts, he found that the labour hire firms would actively seek him out for their next contract role. In stark contrast to the negative view on labour hire firms, Roberta felt that in the nursing profession commitment and loyalty was more towards the labour hire agency rather than the host hospital. When asked why, she explained:

Well because with nursing contracting you normally only go there for one or two shifts unless you do go back quite a lot so you have loyalty to notify the agency if you can't attend or if you are going to be late or if you are unwell or if you require any further education, things like that.

However, probing further as to whether she felt that they showed her a certain amount of loyalty she was not as obliging.

To a degree. Again, they are filling a quota most of the time, so you are there. But again, they help you when they can.
Loyalty and Trust to the Managers

The importance of trust in the workplace and the move towards collaborative relationships was discussed in Chapter 2. To this point, the interviews have highlighted that a majority of contractors have personally expressed negligible regard for the existence of trust between themselves and the labour hire firms but most have expressed a workable level of trust for the host companies. In an attempt to deconstruct further, the concept of trust, the question was taken one-step further and the contractors were asked to describe the level of trust that they personally felt existed between themselves and other employees and between themselves and their managers. Many felt that this was covered by the question regarding trust between them and the host company, however, Pete provided the additional statement:

Again, it comes down to personality. They hired me not because they were my friend; they knew they had a job to do. And I know from my past experiences, I've had very cunning managers with different agendas, so it comes down to personality, management style and personal trust. I do trust them initially but action speaks louder than words and you know, I do that with all individuals.

Loyalty and Trust with Other Employees

As well as loyalty and trust between themselves and their managers, the contractors were asked to define the level of trust between themselves and the other employees concerning whether they felt it was a high level of trust or a workable level of trust. Responses indicate that while most felt the level of trust represented a workable level of trust rather than a high level of trust, they also felt trust itself is an individual thing as expressed in the following remark:

I would say it was a workable level of trust. I mean I form personal relationships as well with my work colleagues on a case-by-case basis really. I mean I trust everybody until they prove me wrong, that is how I work.

Mike proved to be the exception. In his situation, he felt that it was a high level of trust rather than merely a workable level of trust:

Yes, definitely. Like in the company...one of the companies I am working in now and before and everything is totally confidential and locked up and everything. I am a contractor and they’ve got one document that’s so personal, so confidential, they don’t even want it in the building and I've had it at home for a year because they asked me to take it home and look after it and I'm just a contractor.
When asked if that high level of trust was completely across the board between himself, his managers and his peers, he was adamant:

Yes. However, I think that is my nature. You know if you read a resume about me, whoever has written it the word integrity will always be in there.

Divided Supervision and Divided Loyalty

The data did not substantiate the problem of divided supervision and divided loyalty as identified in Benson’s (1998) study. As established earlier, the contractors and consultants reported a very low level of commitment towards the labour hire firms. In most instances, the contractors reported no contact with the labour-hire firms until their contracts were due for renewal. This tends to negate the issue of dual-commitment and inconsistent direction discussed by previous researchers and is possibly a reflection of the nature of contracting in the professional field. Predominantly, the nature of the contract with the contractors and consultants in this study confirmed they take their direction from the host company and the labour-hire firm has little input.

The principles of commitment, loyalty and trust permeate throughout all five of the learning organisation principles. The study delivered diverse results regarding the issues of commitment, trust and loyalty. The finding connects with the principles of the learning organisation regarding trust, although the concept of ‘workable trust’ defined by the contractors and consultants in this research is represented in a different context to the type of trust espoused by Senge (1990) and others. I contend that at the team or community level, business context specific trust is above low trust but not at the same level as high trust. Trust is earned over a period of time and the fact that often the contractors and consultants are often only employed on short-tenure means that the high level of trust espoused by the authors that support high trust at the community or team level is virtually unachievable in an outsourced environment. A workable level of trust, although conceptually similar to that of fast trust, differs in the characteristics outlined by Blomqvist (2003) concerning the criticality of shared vision and the individual based affection and personalised interactions required for initiating the relationship. Comparisons are evident in the characteristics of swift trust compared to a workable level of trust. Nonetheless, when those comparisons are considered in context and application, it is not the same as the context concerns groups or teams and contractors can work solo or in groups and many of the characteristics of swift trust are not necessarily applicable in a contract, consultancy, or outsourcing arrangement. This has implications for the learning organisation because learning organisational authors suggest building
trust requires an organisation’s culture to be based on shared values and shared vision. Yet the responses by the contractors and consultants imply they do not commit to the organisation’s values or vision. They are committed to their own values and goals. This also has implications for the concept of community because it is difficult to build and maintain a community spirit when consultants and contractors are committed for different reasons.

Another finding regarding the aspect of trust concurs with previous research findings by Gryst (1999) and Hall (2000) concerning the issue of the generation of a low trust environment. However, the difference is most notable from the perspective of context. The findings suggest that the generation of a low level of trust is not necessarily attributable to the hiring of outsourced labour as some of the contractors and consultants reported commencing a contract where the overall culture of the organisation already exhibited a level of distrust. This implies that in some organisations the level of trust may already be firmly established, whether the level is high or low, when contractors or consultants commence a contract, therefore diffusing some of the contention that contracting-out creates a low generation of trust as the culture is already entrenched. The issue of trust is enveloped in complexity and cannot simply be explained in abstract terms because it is always bound by the social context. For example, outside of the business specific context the contractors and consultants indicated a tendency to trust others until they are proven wrong. Nonetheless, all acknowledged the difficulties associated with building trusting relationships within a business specific context especially when employed on short-tenure.

Consultants and contractors are committed and loyal to their profession and their reputation, not necessarily to the host company at the start of the contract. When they commence a contract, they are virtually starting from a business specific context at an entry level of zero trust or even negative trust if the existing company culture is already one of distrust. At commencement of the contract, the extent of the trust towards the host company is bound by the contract and the degree of trust may vary as the contract progresses. If the consultant or contractor performs his or her contractual requirement well, the company may offer them another contract in the future and a degree of loyalty develops between the contractor and the host company. In summary, permanent employees tend to place commitment, trust and loyalty first and these are easily eroded by a breach of trust. In an outsourced arrangement commitment is initially bound by the contract, a higher level of trust
may or may not develop over the term of the contract and loyalty generally only results if the consultant or contractor is engaged for return work.

The majority of direct contractors and contractors engaged via labour hire expressed a high degree of personal commitment and loyalty towards the host organisation but it was driven by concern for their reputation. Those that were contracting direct and not via labour hire firms felt that it was a prerequisite. All the contractors and consultants were adamant that their reputation is what drives their commitment. If they have no reputation, they have no work. The results of this study did return a compelling argument that supports the previous research findings of Gryst (1999) and Hall (2000) where the contractors reported feeling a low level of commitment was shown towards them from the host company. This has significance regarding Senge’s (1990) disciplines of shared vision and shared goals as the contractors and consultants are not committed to the organisation’s shared vision and shared goals; they are more likely to be driven by their own values and goals as reflected in the following comment by one of the contractors.

The only commitment you have is to the milestones to deliver and that is my own personal commitment and agreed milestones and delivery timetables and that is the only one you have. You have no loyalty to the company per se. You have no loyalty to their vision.

All the contractors engaged through labour-hire firms reported feeling little or no commitment or loyalty to the labour-hire firms suggesting labour-hire firms show them no loyalty, add no real value and are only in it for the money. The sample size of this study is too small to generalise, but these results do correspond with the results of the IT Recruitment survey undertaken by Resource Exchange in 2002, where the respondents conceded a lack of respect for the services recruitment companies provided.

Many of the interviewees expressed difficulty distinguishing any differences relating to trust between themselves and the host company as against trust between themselves and the managers of the host companies. The consistent message to emerge from this discussion was the contractors and consultants felt it comes down to personality, management style and personal trust and the view that action speaks louder than words.
7.7 Role Ambiguity

As discussed previously, Gryst (1999) identified that client organisations and labour hire firms may have different understandings of the role to be performed by the contractor. Gryst's (1999) research revealed that in many instances labour hire companies have sent contractors to a job where the contractor does not have the necessary skills or experience to perform the role. The contractors were asked if they had ever been sent to a job without having the prerequisite skills, knowledge, or experience or; had ever been required to work with other contractors who did not have the skills or experience for the job or; finally, whether they had ever overstated their own skills in order to procure a contract. The consensus was that quite often the labour hire firms advertise the role stating the skills and experience required yet when granted an interview with the host company the role is different to that advertised by the labour hire firm. Pete provided details of his latest experience:

About six weeks ago, I arrived in the UK for a job as a Business Systems Analyst. The interview went well and this was via an agency. The interview with the client went exceptionally well, I answered all the questions in fact I probably exceed the requirements. I did not get the job because they wanted a CPA qualified business analyst and accountant and there was no indication of that at the interview. The feedback that I got back from the agent was that they wanted a qualified accountant and I am not a qualified accountant.

I asked him why he felt this had happened:

I think it was the agency. The agency did not listen to their client and the client to be honest with you did not indicate that they wanted an accountant at the interview because I answered all their questions, financial type of questions as a systems business analyst, so something happened that I am not happy about. There was a break in the communication somehow escaping the obvious requirement. There was nothing in their written specification to indicate that.

Scott was decisive and direct in his response concerning this issue.

One, labour firms do not understand the differences so they cannot suggest to their client that you actually need two people for the role or 1 1/2 or 1 1/4 or whatever it is. The client sees it as a cost not a benefit and therefore if the person who is doing the labour hire or seeking the contract does not understand the difference they cannot demonstrate that to the client.
Natasha remarked that she has had several instances where the advertised role did not match the job description provided at the interview. On one occasion, the one role was a total mismatch.

I recently went for a job interview where the role was advertised as a business analyst role with a job description to match and as the interview progressed, it became apparent that they were after somebody of a technical nature who could also write code in a specialist area.

Some of those interviewed relayed their experiences of where the labour hire firm and the hiring company had hopelessly misunderstood each other. Rod reported:

I have sent [my cv] in to the placement agency, the placement agency has sent it to the organisation hiring and they have set up the interview. I have been briefed by the placement person. I have gone to the interview and found that I am answering questions that are not in relation to the role that has been presented to me.

Sam stated that he has had both negative and positive experiences:

Yes, I have been in that situation in a negative sense and a positive sense too. In a negative sense, at the very beginning of my contracting life. It is a matter of managing the expectations of the client, I believe. Say, I have been in the situation where I do not have high percentage of the skills I needed for the job and I knew that upfront. And, I really wanted the job and I decided to give it a go. I remember one particular experience that was really negative for me. I went in, I had a look at the project, I had I suppose 80% of the skills I needed and I think well I have enough time over the three months period of the contract to build up that 20% I need to deliver the job. Then I am in the situation where one day before I have to deliver the thing and I am only half way there. That created a huge risk for the client and a humongous risk for me as a contractor. At that particular stage, it went really, really bad. Now in that particular instance, I leave it late but when I got it correct, I approached the client and said, I cannot deliver this thing right. There is a particular piece of knowledge I just do not have the time to get it by the time you need this project delivered. I have found somebody else for you, I am very sorry, I thought I could but I could not. I have been stretching on this and it is really, really bad. In another situation, I bought in another person and they finished the job. Thankfully, it was not a huge impact for the client.

Clearly, role ambiguity is not a common occurrence for the participants in this study, although some reported having had such an experience. The results tend to support Gryst (1999) and Hall’s (2000) view that often the client organisations and the labour-hire firms definitely have different understandings of the role to be performed by the contractor. The responses suggest that in most
cases, the contractors and consultants feel the labour-hire firms do not understand the client’s requirements. This concurs with the findings of the Resource Exchange survey, which found a high number of responses rated labour-hire firms rather low on the accuracy of role descriptions. In a volatile marketplace where there are few jobs and many applicants, it seems the contractors and consultants have themselves overstated their skills and abilities to get a contract and have worked alongside other contractors and consultants who have done the same. The results indicate that in most instances, managers are slow to realise that the contractor lacks the skills and subsequently many contractors and consultants in this situation learn informally on the job. It appears that outside of the interview process the contractors and consultants have very few avenues for clarifying problems with role ambiguity. Those that have been placed in this situation have virtually taken it upon themselves to initiate meetings with the relevant people to discuss the problem and it seems that unless they do something drastically wrong, their contract is not usually terminated. One possible reason for this could be the cost involved in cancelling a contract and the cost overheads of finding a replacement. One situation where role ambiguity can occur is when a role changes over time, especially with a long-term contract. Often the contractor or consultant finds they no longer meet the skill requirements for the role and require training. As discussed earlier, this has implications for workplace training regarding training commitment and perhaps requires further consideration when organisations are setting their strategic direction and are considering the use of contract labour.

**Avenues for Clarifying the Skills Required.**

Labour hire firms are not exclusively responsible for role ambiguity as there is a certain amount of onus on the contractor to attempt to clarify the skills and knowledge requirements of the job and determine whether they meet them. This of course does not always happen, especially when the availability of contractors is greater than the job demand. I asked the contractors what avenues they take to clarify the skills required before they commence a contract. The majority confirmed that usually the job specification states the requirements and as long as they meet those then they are often granted an interview. This provides them with the opportunity to confirm the requirements with the person conducting the interview. As was established earlier, this is not always a perfect guarantee. Exploring this point further, the contractors were asked if they had debriefing opportunities to discuss any of their concerns with fellow workers or managers once they had discovered that the role was different to what they expected. The responses indicated an
overwhelming lack of debriefing opportunities unless the contractors themselves initiated it. Pete provided the following comment:

I initiate those myself probably more than anything else. There is no sort of methodical systematic de-briefing for information and issues. It is something that I think the contractors just basically take leadership on because they have experience in running projects. Usually the whole purpose that the contractor is there is because there's a lack of that communication and that progress so it's up to the contractor to initiate that and I've done that and that's happened.

It would appear that there are no formal avenues for clarifying the role beyond questioning the labour-hire firm at the time of consultation or the host company at the time of the interview. The consensus seems that once on the job the contractors or consultants would have to do something with far-reaching consequences to have their contract cancelled. Therefore, on the job informal learning is often what allows them to come up to an acceptable skill level in order to get the job done.

**Working with Other Contractors Who Do Not Have the Skills or Experience**

Two of those interviewed reflected on previous experiences where they have had to work with other contractors who did not have the skills or experience but it was not a regular occurrence. As Pete stated,

Very rarely, very rarely. In general contractors are smart they know that if you place them into the wrong role it's not going to last and I think most of the contractors I know want longevity in their contracts and it's stating the obvious that they've got the wrong requirements and they're in the wrong job, therefore the job is not going to last.

Nonetheless, Pete did remark that he has certainly had experiences where he has had to work alongside contractors who had overstated their abilities:

It takes an astute manager to pick that up very quickly. However, there are very few astute managers and it can take up to six months to find out that a contractor is useless. Especially in an organisation for example like this company where you can get...well there used to be but there is not may contractors left there now...you could hide in those core teams and stuff and not be discovered, but now things are a bit leaner.
During Cheri’s contract as a team leader, she experienced people arriving where it was apparent that they did not have the necessary skills, knowledge, or experience. I asked her if she felt that it was due to a misunderstanding on the part of the labour hire firm or, whether she felt it due to a misunderstanding on the part of organisation’s human resources department in not comprehending the requirements:

It could be a bit of both. There’s a particular type of...in the sense that were involved in business analysis that type of job is open to lots of interpretation so lots of different people have different views as to what a business analyst is so...but I'm just trying to think of specific examples. So in terms of contractors in my team and that sort of thing it’s generally because they say they are what they are but they don’t do the job very well rather than being...so they’re just not particularly confident as opposed to being unskilled.

In other areas, I have to say, a lot of contractors are highly skilled.

Tasks and roles can invariably change over time and when this happens, contractors and consultants can often find themselves out of their comfort zone. Garry often finds himself in this position:

I have encountered issues where you have been hired for a particular task and it changes over time. That certainly happens to me.

Given these situations, I asked him if he always found that he had the skills to perform the changed role. He replied:

Yes but sort of then you’re having to do this job they, develop a liking for what you do and you continue on and do another job. It just grows from there. Invariably that is why I am doing what I do or keep getting the work that I get. Because they cannot actually put me into a pigeonhole, they just know that I am a useful sort of guy.

It is also apparent that the mismatch of skills may also be entirely related to supply and demand. Bruce explained that when Y2K was an issue for many organisations there was ample work available and not enough people to fulfil the roles. He experienced working alongside people that supposedly had all these skills but in a few weeks of them commencing work he realised they possessed none of the skills they supposedly had. When prompted to elaborate on whether he felt it was the fault of the labour hire company not understanding the role to be performed or whether
he felt it was more a case of the host company not understanding what the requirements were he
felt that it was probably the labour-hire companies that were at fault:

I think it was more a case of just many people coming through so probably the best of a bad bunch
really, something along those lines. Again, though that is the agencies. Like I said, they would give
anybody a job; they are just looking after their own interest to get a cut. So they will just put a resume
forward and hope that the other end might say yes send this person in.

One line of work where a mismatch of skills can often occur is in the area of agency nursing.
Roberta acknowledged:

Again, probably a long time ago before I did my postgraduate and things like that I was probably put
into positions where I was not adequately skilled in the specialty area. So they sent me to say neurology
or high dependency or something like that and I do not have those skills, but my general nursing pulled
me through and the fact that I am quite adaptable got me through with asking one of the other staff
members, but that puts a lot of pressure on them.

After delving deeper into the possible reasons for this mismatch in skills, she confirmed:

I think it is the agency and the hospitals. They again wanted to fill a quota. They had this many staff and
they know that sometimes you get the feeling that a person is a person, it does not matter what their
skills are.

After expressing my disbelief that agencies were prepared to do that she remarked:

Yes and it does not look real good for them if they say, “No sorry, I’ve got no one to go there.

Taking this matter further, I then asked her if apart from the fact that she had been placed in a role
where she did not have the prerequisite skills had she ever been placed in the situation where as a
contract nurse she had to work with other contract nurses that did not have the required skills. She
replied:

I have worked when I am permanent staff and have worked with people where yes totally inappropriate
to the area that they have sent.
Reflecting further, she explained:

It is extreme stress on the permanent staff and you just have to do the best you can in a bad situation. So you give them the lightest patients or the least sick people and if worse comes to worse and they are totally inappropriate then you just have to ring the nursing administration and say I am sorry, this person is inappropriate and they have to see if they can send you someone else.

Not all those interviewed felt that role ambiguity is the fault of the hiring company. Steven took the opposite view. He believes it is often the fault of the Host Company or outsourcer:

The hiring organisation, the actual hirer, call it the end user, haven't really got a good idea of what their requirements are except for in a very general context. Even if you are lucky enough that the role you are going into has a Position Description, it is quite often out of date and it quite often only tells half the story. So it is...the role descriptions to my mind are not generally the fault of the contractor or the outsourcing organisation, they are more the fault of the organisation not defining what their requirement are. They just did not understand what the person was doing or they do not understand what is going to be necessary out of the project and they do not really understand what skills they need. Sometimes they over ask for skills that they do not really need, quite often in the current climate they are asking for skills in generalist areas such as Project Management and it does not matter a damn. You know, if they have got to run a project, which is sending a space shuttle up, whether they know anything about space shuttles within broad parameters doesn't matter or not from a project management point. You are not the expert.

Canvassing this issue further, Steven admitted that he has been in the situation where he has managed to gain employment with a host company by overselling his capabilities:

I've gone into an organisation and this happens quite often with contractors, depending on what they're trying to do where you've oversold your capabilities in a particular area and you've learnt on the job or fudged it much as I hate to say it but that has happened. And, I am sure I have had experiences where people have come in and they have learnt on the job. So, that is all right, so long as you understand that and you are working within those parameters then that is fine. The next situation is that you've been into the role or you get into the role and then suddenly you find that either there has been a change in the organisation since you've joined via a restructuring or a change in the requirements of what is going to be the end result of the deliverable. You find that in some cases, you are not the person they really need but they are not prepared to go and get another one. Because speaking from a management point of view getting people is one of the hardest things in the world, because the process of selection is like a gamble,
regardless of how many questions you ask, how many interviews you have, you are taking a gamble on the person because the person has generally presented himself or herself for the interview. You can go and get as many references as you like but it is still a gamble. And, some I have gotten right and some I have gotten miserably wrong. And some I've tried to be politically correct and put away all my own biases to particular issues and it's only come back to reinforce my bias. That's been very sad...and so...you'll often find that you go in there, the role was “x” it's changed to “y” and you're not the right person. Nevertheless, they are prepared to live with you and to some extent educate you in the job as you go through as long as they are the same broad roles. Like if you come in to do a programming role and it's on HP or Compaq, you will find that you can't do that role so therefore you have to go. But generally, you grow into the role if it changes and they are happier to have you there because they already know if you are good, bad or indifferent and so they will let you grow into it.

7.8 The Effects of Outsourcing on the Innovation Process

As reported by Baird and St-Amand (1995), low levels of trust lead to low employee morale, low innovation and a non-acceptance of change whereas high levels of trust result in high employee morale, high innovation and therefore workplace change is accepted more readily. As discussed in the literature review regarding Labour without Obligation, the Australian National Audit Office produced an unflattering report on the Federal Government’s IT Outsourcing initiative, which was critical in terms of the capacity of the IT industry to deliver what the CSIRO needed for innovation. Critics of outsourcing are adamant that outsourcing contracts driven by budgetary constraints stifle innovation. In Hall's (2000) case study involving the hospital and its outsourced service provider, the hospital raised concerns over the quality of the performance, the overall cost-effectiveness and the commitment to training. Proponents of outsourcing, such as Domberger (1998) and Quinn (1999) do not share this view and suggest that outsourcing can lead to increased innovation. These findings encouraged me to ascertain if this was a view shared by the consultants and contractors as many of them have worked for the big five outsourcing organisations. The results clearly indicated that the contractors and consultants felt that outsourcing stifles the innovation process. One of the major reasons given was that it creates a big brother bureaucracy driven purely by dollars and red tape as reflected in Cherie's comment:

Yes. I mean there is definitely an element of that because often when you outsource you set up a bureaucracy to manage the whole outsourcing thing, which just makes innovation a lot harder.
Both Natasha and Rex suggested that not only does it stifle innovation but it stifles competition also. According to Rex:

It does because you suddenly get...it has probably a bit like the big brother complex. You get a very stringent, these are the rules, it fits this box, tick this box, you’ve only got two and a half minutes to talk to somebody on the phone, if you go any longer you loose a penalty point on your bonus system and all that sort of thing. So yes, I think it stifles innovation. I also think, it stifles competition because they are all virtually run by the same company. Somebody writes a manual, then the consultant goes to another place and all he does is write the same manual and change the name. Rather than someone independently coming out with something and saying well maybe that but why do we do this? And I think that is part of the problem.

Paul believes it is environment dependant.

Yeah, from what I have seen it would depend on the environment, you are in and the industry you are in. I think that quite often in so much as you’re expected to provide innovation so certain consultants are brought in because they have...are relative to think outside the organisation. But then the other often quoted thing comes back in where they say consultants only tell you what you already know or don’t want to see and that is often the case. I think in the science area you have to bring in innovation otherwise you just do not progress. However, in other areas you do not. You simply bring in standard operational type tactics and that is what is expected. You are just there to provide a standardized type service. So, a help desk area they are pretty much of a muchness unless you decide to do something a little bit different and that is very hard to do.

Similar viewpoints were echoed by many of the contractors with Rod stating:

Outsourcing is the sausage machine. It is the factory mentality. You have a role, these are your responsibilities and this is how we will measure you. Therefore, we will measure you against a particular role. You are part of the model T ford, the chain. There is no encouragement or incentive to over deliver because that benefit is...probably nobody is going to recognise it but if there is benefit, the individual is not going to see it, maybe the team leader may see it or higher up the line they may see.

Outsourcing has become global and with this, geographical dispersion has resulted in a lack of communication according to Mike:

Let’s just take Information Technology (IT) for a moment because usually that is the thing outsourced. IT is a tool to grow your business in some way or another, to run your business. If you have a problem,
you can solve it with IT. Once you work out what the problem is, you can then put across to the IT department who will document and write the procedures for the way to do it. And there will be a lot of interaction between managers. One said, “What I am trying to do is get my stock delivered within one day, rather than three weeks” you fix it. And, the guy will say hang on, ‘I have a better idea, what if we...the warehouse cannot because the picking slip will not print before you know whatever’...and they just sort it out. However, I do not drive the innovation process. If you then outsource it, this is the plan. The outsourcer is not going to do any work until it is completely scoped, because they do not want cost over runs. So it is totally scoped and you give it to an outsourcing company, which lets, say, is in India for geographical distance. They will do precisely what they have been asked to do and there is absolutely no interaction. By the time they get it back and they work out that that was a good idea but we didn't...what we should have done was...then you don't really know, when you're not a programmer...you'd know, it's only when you've finished it you realise what you could have done if you knew what it could do when you see what's delivered. You say, “Oh can it do this” and they say, “Yes”. However, they never asked for it in the first place. They probably wouldn't have even known it until they saw the results and saw this can do this so can you put another column in there and the answer is yes. But nobody ever would have thought of it and would not have even realised it could be done. If you have this job done outside, outsourced, come back in, you get it. There's no interaction along the way, at the end you'll say, oh lets have it do this and you'll say go write another contract and give it back to them and you might get it back x thousands of dollars later and another three months later. Whereas, if it's done in-house there's more likely to be feedback all the time and the IT department is not too worried about cost over runs because you can just talk to management and say look we need to do this do you want to fund it and yeah great idea. Whereas, outsourcing will, they are not going to come up with ideas; they will just do it the cheapest way possible. You can get it done in India, it is really cheap but they are not going to come up with innovation.

Pete and Bridget initially rejected the notion that contracting stifles the innovation process. However, as the conversation progressed, Pete quickly rethought his initial comment and although not retracting his initial statement agreed that, it all comes down to the costs:

I think it comes down to negotiation. Innovation can also lead to many costs. Projects going out...you get into this spiral of costs and then the client feels that he cannot get rid of that outsourcer because of the strangling on costs and with innovation comes greed and unnecessary costs for the client. I think there is scope to be innovative within budgets but innovation should not be the cause of budgets being blown which is the case I have seen so yes we would all like innovative people but somebody has to
pay for it and the outsourcers themselves have to pay their resources and it has to come from somewhere. In addition, the client themselves will expect innovation but will not want to pay for it and that is what I have seen on a previous project I worked for. [The organisation] wanted everything for nothing and [the outsourcer] really was screwed. That is an example because somebody has to pay for that innovation. It comes down to project management, budgeting etc.

Bridget was adamant that outsourcing does not stifle the innovation process because she feels that as a specialist provider it is expected that they would bring innovation to the table:

You know I do not buy that. Because if you have outsourced something to a specialist provider, that is their core business, it is their whole reason for being. You would expect that they would invest substantially more in research and investment effort in thought of leadership and all the rest. So relatively speaking I would say that you are more likely to get innovation into a process or service or something by outsourcing it than if you continued to do it in-house where it is a non-core function. If it were a non-core function, you would have to expect the outsourcer to bring a lot more to the table than you could ever do yourself. And if it were core, I would be questioning why you are outsourcing it anyway.

From the cost perspective, Garry also felt that it depends on the level of outsourcing and the content of the contract. For example:

If you're outsourcing a whole department functionality and you have a detailed contract on how it's going to be done, if that contract doesn't allow for them to change the way they go about doing things then that organisation that's doing the outsource process may not be innovative. If the contract allows them...because it is just based on outputs or results then that organisation may be innovative over time as it works to enhance the profitability. The innovation could be directed more at reducing the costs of providing the service so they keep more of it as profits or enhancing the quality of the service, they are providing because they perceive that as a good way of retaining the ongoing business from the outsourcing contract.

In Garry's opinion, the project he was working on required innovation and he felt that they delivered it:

Well, in terms of the major program that we are currently doing at [the company], we are being innovative in certain areas but I was part of the team and the software that we purchased was selected by another team. Our role is to actually implement it. Were innovative in certain areas which we put on
it and I think those innovations are quite good within the business that we are working within but they are designed to solve a specific problem. [So one module in particular] is a beautiful piece of work. We specified it, the outsource company provided it, they did a very good job and now it is in a position where it is a far better way of approaching those particular type of transactions than we previously had. But having said that there are some improvements that I can already see that will have to be made to it.

Given this scenario, the contractor and his project team took the innovation to the outsourcer rather than the innovation coming from the outsourcer alone. Garry agreed with this analysis but added:

My innovation or the way I specified it, was rooted in the knowledge that I gained while working in [the company] over the last 5 years. To a certain extent, you could not have brought in an outside contractor to do that role because they would have failed. They would have got the basics but they would have failed with the detail. The other areas that I have involved in my contracts are basically involved in reporting. When I started this, it was basically a bookkeeping role, produce a Profit and Loss Statement and balance sheet of the accounts using the accounting package and then see you later. Now for most of our clients we are producing a written report on what has happened, how the business is going and comparing it to a budget and we build in, add in a spreadsheet for management of the commissions and develop the commissions. So those activities are innovated but they were designed to enhance the service provided to the customer. Also, it made good sense to do and oddly enough to increase revenue.

Who am I to say it was a bad thing to do. But, they had to pay for it and they were happy to pay for it because they could see the value in it.

**What is Good Outsourcing from an Organisation’s Perspective?**

There has been considerable debate about the benefits and costs associated with outsourcing so I decided to examine, from the contractors and consultants’ perspective, what they conceived to be good quality outsourcing from an organisation’s perspective. All agreed that if organisations provided a thorough Requirements Definition Document then there is the likelihood of a positive outsourcing experience rather than a negative one. This observation is reflected in Pete’s comment:

You have to know what you want. You have to be able to define exactly what you want and the boundaries and have that nuted down. If it is too loose a requirement then your project will fail. Let them know exactly what you want and be guided and take guidance from the outsourcer as well as to what they can deliver and will deliver before you even engage.
If for example the organisation understands their requirements before they go to contract, it only makes sense that they will get a much better outsourcing agreement than if the requirements were ambiguous and not clearly understood by the outsourcer. Clearly stated requirements that are understood means the chances of staying within budget are also more realistic.

Rex perceived that short-term outsourcing contracts are a good way of bringing innovation back:

Short-term outsourcing, with having a senior person monitoring what the outsourcing does. By short term I mean, it is renewable but it is virtually project based rather than service based. I think that is a much better way to do it. That will bring the innovation back. Project based rather than service based because predominantly outsourcing is mainly service based anyway.

Scott related good outsourcing from a company’s perspective to ensuring that service levels are agreed to and dependencies across the organisation are understood:

Good service levels but first understand what you are outsourcing. Understand the dependencies in the organisation of that particular unit that you are going to outsource. Work it through as if the outsourcer is still part of your business. And what people do is if you look at a business process and outsource it, you all of a sudden see a black hole. What they should do is leave the process there and know that somebody else is performing it at a guaranteed cost and service level.

Apart from concurring with Scott on this point, Bridget felt access to the right people was an important contributor to ensuring a good outsourcing relationship:

Access to the right sort of people in order to deliver the service. How they are going to manage the rundown of your own business? How they are going to keep you abreast of your changing needs and your customer’s changing requirements?

A good outsourcing relationship based on the sharing of knowledge was suggested by Sam as another view of good outsourcing from the company’s perspective:

I do believe it is possible to achieve an outsourcing relationship without losing the opportunity to share knowledge. So, I do believe that a healthy outsourcing relationship occurs or takes place when there is a sharing of knowledge in that relationship. If that can be achieved, that is a healthy relationship.
The participant's responses reflected the problems that they have encountered in previous experiences working in an outsourcing environment. The dominant response centred upon the issue of the requirements' definition and the sharing and availability of knowledge. For example, Julie's view is that organisations do not do enough to capture knowledge, hence when working as a contractor for an outsourcer; she has often found that knowledge of the processes is not always readily available:

   I would add a couple extra such as documenting current knowledge within the company. Things that everybody knows how to do but if you get somebody new come in would have no idea of how to do it. Or, just documented current processes so that if worse comes to worse and someone could follow the process and continue on the business.

The majority felt that an organisation that has a thorough understanding of what their requirements and dependencies are throughout the organisation would enjoy a positive outsourcing experience compared to an organisation that goes into an outsourcing arrangement with a limited understanding of what their requirements are and what they expect the outsourced service provider to deliver. Foremost around the problems of service delivery was the issue of service levels. This result is not surprising considering the amount of unfavourable press the Government's outsourcing initiative has been receiving in recent months concerning the failure of the outsourcers to meet service levels.

**Good Outsourcing from the Contractors' and Consultants' Perspective**

This question delivered a diverse range of responses but several themes were identifiable across the board. Relationship building featured heavily in the responses on what constitutes good outsourcing from the contractors and consultants' perspective. The ability to move past the “us and them” mindset was stated as an important factor. Sam’s comment reflected the same viewpoint as that which constitutes good outsourcing from the organisation’s perspective:

   It is exactly the same, because we are both working from the same side of the fence. I have to see the relationship the same way as the other party sees it. I gain knowledge, I gain experience, I gain a lot of benefit out of that relationship and that is exactly the way it has to be. It is a win, win situation and if I see it is different then there is something wrong in that relationship.
Relationships can be difficult to maintain in an outsourcing environment because people tend to come and go on a regular basis. That is why Scott asserts that the development of business processes is a crucial factor in any organisation:

…In three years the people who sold you that deal and originally set it up to work are not there anymore. So your personal relationships have gone. That is why, when you outsource, you have to keep them close to you. People come in and out of the organisation but the processes do not. When you have a change of people you have to make sure that the new people take on the process, not try to change the process.

Having a clear role definition or task definition is something that Julie advocates is good outsourcing from her perspective whereas Bridget provided the following factors:

A client that a) recognises that you’ve got something to offer and that you have value that can be delivered, b) a client that is articulate and understands exactly the service they are trying to outsource and can articulate their needs and requirements and c) a client that is prepared to pay for what they get. I mean the concept that outsourcing reduces costs is a furphy, it depends on the circumstances.

Most of the participant’s key themes featured across both questions; therefore, it would be reasonable to suggest that the factors important to good outsourcing from the company’s perspective as viewed by the consultants and contractors cross over to what constitutes good outsourcing from their individual perspectives as contractors and consultants.

7.9 A Question of Individual or Social Identity

As highlighted throughout the literature there is much contention over who learns. It has been argued that when individuals leave the organisation they take their knowledge with them (Drucker, 1997). Others disagree and contend that the knowledge remains in the organisation (Balasubramanian, 1999; Ortenblad, 2005) when individuals leave. In the social context, the literature suggests that individuals align themselves with the organisation through social capital. When social capital is high, it connects people through shared understandings based on trusting relationships enabling community building (Putnam, 2000; Cohen & Prusak, 2001; Leonard & Onyx, 2004). The aim of this exercise was twofold. Firstly, it was aimed at determining whether their statements reflected the first part of the quote that contractors “…carry their knowledge in their heads and therefore can take it with them”. Secondly, it was aimed at determining whether the contractors and consultants identified themselves more by their personal identity, that is by their
own knowledge or expertise, or, more by their social identity, that being, as a consultant, contractor or by the organisation that pays them.

The contractors were provided with the following quote by Drucker and asked to provide 20 statements identifying whom they are:

According to Drucker, contractors “…carry their knowledge in their heads and therefore can take it with them” (p.24) and “…an increasing number of these will identify themselves by their own knowledge rather than by the organisation that pays them” (1997:24).

This exercise proved quite challenging for most of the participants. Thirteen of the 16 participants provided electronic copy of their responses. The three that did not provide electronic copy provided verbal responses during the interview. Five participants provided 20 statements, two provided 18 statements, one provided 17 statements, two provided 15 statements, one provided 12 statements, one provided 10 statements and one provided eight statements.

Most of those interviewed agreed that they definitely take their knowledge with them because ultimately, the knowledge represents their experience and it becomes their selling point for the next contract. Three of the interviewees cited extenuating circumstances where they felt that they do take the knowledge with them but the knowledge also remains with the organisation. Steven for example, felt that it is contract dependant:

It depends on what sort of contracting your doing. If you take the network administration role, then the organisation does not learn. It sits down, it's selected technology, it's selected processes, it's decided that it needs somebody, you're just there to fulfil a role, which they feel is necessary. You do not add anything to their knowledge base for that type of contract, which is basically just a cog in the wheel. The other style of contract where you are developing something or you're an integral part of some kind of new product development, marketing or any one of those other styles of contract then there is the opportunity for the organisation to learn but a lot of the reasons why they have contractors in is because they haven't got the skills. If they haven't got the skills then everybody else is busy head down, bum up doing their thing, you're in there to do a particular thing and they leave it to you. Now they may get some peripheral knowledge out of that. But quite often I have been in the situation where a contractor or a contracting firm has left where they leave documents behind but I know that I have not understood where they are coming from or why. And when I was with one company, I was immediately responsible before and after and I know there was no relationship or you know there is the written work and the
context of the written word was lost. All that was there was the words and it meant nothing. And, therefore, the organisation had not learnt because during the term of the contract everybody was busy doing their own thing.

For Scott personally, it is more about the learning experience:

The knowledge that you take is the learning experience. How much of it you retain is beyond a two or six-month period depending on what assignments you are working with.

Conversely, from the perspective of organisations he feels that where most organisations fail in retaining the knowledge, is that they often fail to collect the framework:

What they fail to collect is the framework of where [you] are coming from. It’s like, here’s what you got us in to do, here’s what we found and here’s how you’ve got to look at the organisation and how to set it up. It is like, here is the recipe for your organisation, and now you have got to decide what ingredients you want in the recipe.

Julie was one who did not entirely agree with the comment although this is more likely to be a reflection of her role as a Project Officer:

Yes and no. Yes it is, you manage knowledge along the way and yes, they do take it with them but much of what you do as a consultant or a contractor is making sure that information is left behind as well. So, you do reports, make documents, help them out with processes and create project templates or whatever it is so you do take some knowledge with you. But the knowledge you take is less than what you leave because what you're doing as a contractor, they get you in to do a task so you have to make sure you do the task and it's left behind for them to do. So, you put your expertise into it to make sure you leave that information behind. And, any knowledge that you gain along the way yes of course you take it with you because it is what you have learnt.

In her role of Project Officer Julie acts as an accumulator and gatekeeper of all the knowledge captured during a project. She feels that she probably leaves more knowledge behind than she takes with her.

Natasha explained that on many of the projects she has worked on she has not had the liberty of a Program Officer so it would appear that this is more of an exception than the rule. Overall, though,
the findings imply that the issue of whether contractors take their knowledge with them when they
leave is dependant on the nature of the contract and the role type. Moreover, the knowledge may
remain within the organisation but what the organisation does with the knowledge after the
contractor leaves remains to be seen. Recall that earlier many of the contractors commented that
when they go into organisations at the commencement of a contract they have found that most
organisations do not have the infrastructure or mechanisms in place to capture the knowledge and
distribute the knowledge across the organisation so that point alone tends to substantiate Drucker’s
statement. However, it must be remembered that with an outsourcing contract where a process,
application or service has been contracted out to an outsourcing company, this may not always be
the case. These types of companies pride themselves on their ability to implement best practice
across a wide knowledge base however; the findings do not entirely support this practice. At the
same time, the contractors acknowledged that they take the information with them and they build
on that knowledge across contracts as that knowledge base equates to their experience and their
expertise and it makes them a valuable proposition for the next contract.

The second part of the statement looked at whether the contractors and consultants identified
themselves more by their own knowledge rather than by the organisation that pays them. The
second part of the statement had two objectives. The first was to determine whether the
contractors and consultants agreed with the statement and whether it was reflected in their written
statements. The second objective was to determine whether their 20 statements were consistent or
inconsistent with Senge’s vision that for a learning organisation to succeed there must be shared
values and shared vision. If the contractors and consultants’ results were more aligned with the
individual’s self-concept then their comments would be more at the interindividual level and not at
the intergroup level, as they would interact with one another solely based on their knowledge and
skills as consultants and contractors. This would contradict Senge’s vision, which is premised more
at the intergroup level and therefore is a threat to these two principles of the learning organisation.
Thirteen participants responded with statements categorically placing them high on the
interindividual dimension and low on the intergroup dimension. Other statements reflected a total
group dimension while others moved up and down the continuum from the interindividual to the
intergroup as required. For example, one could say that Roberta has two group identities, that of an
agency nurse and the other as a registered nurse. Her statements are also descriptive of these two
groups. In contrast to Roberta, Paul and Rod’s statements were totally in keeping with the
individual dimension. Bridget’s statements reflect a high group membership in that she sees herself more as an extension of the organisation that she represents, that organisation being her own consulting company. Three of the interviewees had representations of interpersonal skills scattered throughout their statements and these participants reported a high interindivudual identity.

An emerging perception from the statements was the fact that the consultants did not consider themselves in the same vein as contractors. Scott explained,

A contractor would be more socially integrated into the organisation to the point where you don’t know they are a contractor”. Consultants whilst they blend practically so that something can happen do tend to go more on their ability and make sure they are seen. Why? Because that is the promotion of how we do ongoing business development. We try to differentiate ourselves through our knowledge because that is the only thing we have to sell. So if you are not bringing anything new or of any value to the organisation what are you selling apart from a bum on a chair?

Bridget also felt that contractors differed to consultants but for a different reason. In her opinion, contractors are just there to do a job and do as they are told whereas she sees that an important part of consulting is teaming. When Bridget refers to teaming, she is talking about the interactions with like-minded people. She offered this comment:

It is so much easier to come up with better solutions when you share ideas and when talk about things with your colleagues. And you could do that with any group of people but the difference with a group of consultants is that they are like-minded and they usually have strong ideas and opinions, usually lots of experiences and they like to do things differently, they like to challenge, they like to see if they can find another way of doing something. Whereas a contractor, I see as working on their own or as an extended resource.

Overall, Bridget’s perception regarding the difference between a contractor and a consultant appears similar to Scott’s concerning the knowledge aspect, however her view of the role of the contractor differs to Scott’s view. Nevertheless, the contractor’s responses did not entirely reflect the above perceptions. For example, Peter felt that he could relate to both the individual and the social identity depending on the specific situation:

I would say that I could assimilate to a corporate culture, any corporate culture because that is what I am doing now. But, there is a corporate culture and your individual style and I identify myself with my
individual style but that can be applied to different corporate cultures. So my style is not shaped by corporate culture, it is me. It is my style and how I work.

Short-term contracting lends itself to the individual dimension as opposed to the social dimension according to Julie. During the interview, she explained that it is difficult to develop deep friendships and social contacts, even knowledge exchange when you are contracting. On that basis, she remarked:

I suppose from that respect you do see yourself based on the knowledge you take as opposed to whom you are working for because who you are working for is only temporary.

One would expect to find that those contractors or consultants on long-term contracts in a single organisation to be more aligned with a social or group membership. Interestingly enough both Cherie and Leonie have been contracting for respective companies for around 10 years. Given this scenario, one would expect it to give credence to Scott’s comment that contractors are more likely to be socially integrated into the organisation. The results however are contradictory. Cherie’s statements demonstrated a high interindividual dimension and a low intergroup membership whereas; Leonie’s statements demonstrated a high intergroup membership and a low interindividual dimension. The disparate difference in this situation could be contributable to the fact that Leonie initially worked as a permanent employee and moved to a contracting role when the company was subject to a take over whereas Cherie has been employed in both permanent employment and contracting roles across a multitude of companies.

The findings demonstrate that Drucker’s (1997) comment has strong validity with the majority of the consultants and contractors agreeing that they definitely take their knowledge with them at the end of each contract. In essence, their knowledge or expertise equates to their competitive advantage and represents their marketability. This finding mismatches with the principles of the learning organisation where the sharing of knowledge through teaming and dialogue is a fundamental part of generative learning. With the consultants and contractors taking their tacit knowledge with them, organisations miss embedding that knowledge in the corporate memory. The findings also reflect that the contractors and consultants identify more at the personal dimension, that is, by their knowledge or expertise, rather than with a social position, social status or group membership based on the nature of their role. However, in contrast to this, the findings also suggest that interpersonal and intergroup behaviour are not diametrically opposed to one another as the
contractors and consultants move up and down the continuum, as the role requires. The impact of this on the learning organisation is not clear. A high personal dimension has impacts for achieving community in the learning organisation. Although “consultancy” fits the definition of Boland and Tenkasi’s (1995) communities of knowing, by taking their skills and knowledge to the next contract, the skills and knowledge are lost to the organisation. Even though the skills and knowledge are retained in the marketplace as argued by Domberger (1999), the impact on the learning organisation is immense as they lose their competitive advantage.
Chapter 8 Conclusions from the Research

“The learning organisation is far more suited for the long march than for a big leap”
Floris Maljers (1996)

As the above quote suggests, transforming to a learning organisation is not something that occurs quickly. It takes commitment from all levels of the organisation; it requires time, dedication, money and resources. As Maljers states, the vision is not suited for the big leap. The changes required for becoming a learning organisation, particularly cultural change, are enormous. Some organisations are not able to make the change while others experience resistance from some part of the organisation and therefore make a half-hearted attempt.

The combination of the literature review and the post-review Individual/ Organisational Orthogonal Model proved a valuable tool for new insights into the challenges and the scope of the change that is necessary for an organisation to become a learning organisation. By separating the individual from the organisational dimensions, the model was able to highlight a number of key factors for each dimension but most importantly investigate the gap between the two dimensions and problems with bridging it. Senge’s (1990) five principle framework was a welcome attempt at the exploration of a two dimensional archetype, however it only accounts for the individual elements at the leadership level. At the grassroots level, he falls short on addressing the types of issues that arise from individuals having their own unique identity and therefore will not always commit to the organisations visions and goals.

The individual dimension identified two shortcomings in the learning organisation theory. First, by arguing a position of monoculture through shared vision and shared values, the literature fails to recognise adequately, personal autonomy of the workers own values and visions. The case study results on social capital, empowerment and individual agency were diverse and highlighted the difficulties involved in achieving shared vision and shared values in the workplace. Second, the learning organisation literature does not adequately recognise the intentional and emotional aspects of learning and change. Personal agency must be engaged when any type of transformational change is required. The results of this research also showed the importance of
addressing the individual’s emotional and motivational characteristics that drive individual learning and their preparedness to share knowledge. In particular, the results confirmed that the issue of employees using knowledge as a source of power was detrimental to the sharing of knowledge across teams and external to teams. The results also indicate that individuals would not simply fall into line with the organisations’ preferences.

The organisational dimension identified the importance for the need to bridge the organisational and individual dimensions in both theory and practice. The learning organisation literature and Senge’s (1990) vision in particular assumes that collective learning will simply occur because everybody shares the organisations’ visions and goals. The results of this research highlighted three major areas of concern regarding the learning organisation in theory and practice. First, the literature advocates teaming and dialogue as the mechanisms for integrating individual tacit learning in the social context. The findings around individuals’ willingness to share knowledge support the findings in similar studies conducted by Lucas and Ogilvie (2006), which highlighted the importance of culture and reputation. In this study, the results of the QBE case study show that teaming can create competition and this is encouraged in many organisations to the detriment of knowledge sharing. Second, there is the limitation of many organisations capability to integrate collective learning into the organisational infrastructure. The literature assumes that organisations have the necessary infrastructure and processes in place to capture and store knowledge, and make it accessible throughout the entire organisation, whereas the results show that this remains a major hurdle for organisations. Third, the literature argues that the vision of the learning organisation is dependant on community, shared goals, high trust and high social capital; however, the results showed the difficulties involved and the organisation studied had not been able to make the leap.

One of the problems apparent in the literature reviewed is the abundance of theorising with a lack of sufficient empirical evidence to support it. Another limitation is that the writings are often prescriptive, not descriptive and that is where this research is valuable. This research has taken a different approach than the majority of studies on the learning organisation. A large percentage of previous studies have aimed at the leadership level and less at the “coalface”. This study was conducted at the coalface. It canvassed the difficult issues of how individuals’ make sense of such concepts as trust, knowledge and commitment by probing individuals about their learning
experiences, their values and attitudes to workplace learning, as opposed to probing these constructs at the leadership level.

The limitation of many of the popular learning organisational models is their assumption of a unitary and static state. That is, the organisation is either in one state of learning or another. The framework used for this thesis depicts a more pragmatic model, which argues that the organisation and/or different divisions and groups in the organisation and/or the individual are more than likely to move between states subject to various economic or organisational factors either outside or within their control. These findings support the argument presented by Morgan and Hampson (1998) that organisations are not a uniform culture and therefore require different types of management based on the various complex cultures that exist within the organisation at any given time. This has implications for the argument supporting collective learning at all levels of the organisation. If different management types are implemented throughout the organisation, ensuring that the structural capabilities and the processes in place becomes even more important.

The results demonstrate that organisations that continue to adopt a more traditional culture that values individual learning and hierarchical interactions even though the principles of empowerment and input from culture have been implemented, will find the transition to a learning organisation difficult to achieve. In such a scenario, knowledge is not shared horizontally or sometimes even vertically, low social capital tends to prevail and joint project or teamwork suffers to the detriment of competition between teams, hence blocking the creation and transfer of knowledge. Conversely, the results reveal that individuals learn through interactions with their environment where input from culture is recognised, the environment is supportive, trusting and a higher degree of social capital prevails. An important point to note is that the case studies demonstrated that the principles of the learning organisation could be applied at a business unit level. Thus, the business unit can be positive on the continuum across both dimensions of the I/O Orthogonal model. On the other hand, such success at the business unit level does not necessarily translate into overall effectiveness of the learning organisation at the organisational level.

The interview study revealed that all the constructs on the individual dimension of the I/O Orthogonal model were relevant. Contractors and consultants displayed a high level of self-efficacy. They were motivated, self-directed and empowered through the nature of their role.
Nevertheless, at the organisational level, many of the constructs, although relevant for the organisation, did not have a high relevance for the individual. As the results demonstrated, contractors and consultants work within the culture they are confronted with at the time whether it was a traditional organisation or a learning organisation and they adapt accordingly by moving up and down the continuum. That is, they may choose to pass their knowledge on to those in the host organisation or they may choose not to share their knowledge and take it with them when they move on to the next contract.

8.1 Connecting the Organisational and Individual Dimensions

An important conclusion from the literature review was that there are numerous authors writing about the learning organisation at different levels. With the learning organisation, theorists discuss the organisation as a collective entity however; when referring to specifics such as measuring learning, they are approaching it from the individual dimension. The problem with the concept of the learning organisation is the theorists have not been able to adequately make the connection between the individual and the organisational dimensions.

If the learning organisation is to succeed, both dimensions need to be operating simultaneously. This is where educational theory has a lot to offer workplace learning. For example, educational theory has bridged the gap between cognitive constructivism and social constructivism by acknowledging the changes that are required to integrate social constructivist principles into the educational setting through such ideas as Communities of Learning (Brown & Palincsar, 1989) and reciprocal teaching (Brown, 1987). However, organisations are not schools. Whereas learning in the educational context is institutionalised, learning in the workplace is often incidental and informal and organisations are failing to recognise the importance of the structural differences. Critics suggest that for learning to be more effective in the workplace, formal structures are required whereby the individual and collective learning is built into the overall job role. However, as explained in Chapter 2, Rogoff and Gauvain, (1984) reported that formal settings do not necessarily lead to knowledge that is more robust.

The challenge for organisations is committing to a culture and providing the infrastructure that allows individual learning to become collective learning. As concluded in Chapter 2, one possibility is to integrate the incidental learning practices into job descriptions and everyday work processes.
at the individual, group and system level so that employees are motivated and interested in sharing their knowledge with others. The results demonstrated that at QBE in particular, many of the participants had concerns about the self-directed nature of the learning environment. While QBE provided the equipment and the opportunities to learn, they were not supportive in providing the time for the employees to undertake new learning. Most were too busy just trying to perform their everyday jobs. This observation is substantiated by Senge’s (1996) research in the “Dance of Change”, which involved projects using the concept of learning laboratories. Over half the projects were stopped within two to three months simply because the people involved did not have the time, the patience, or the required commitment from line management. These problems are likely to be exacerbated, as work intensification becomes an increasingly common experience. A further problem for QBE due to the self-directed nature of the learning is how to capture that learning from the individual and embed it into the corporate memory.

8.2 Input from Culture and a Supportive Environment

Educational researchers have also identified the need for a supportive environment. McCombs and Marzano’s (1990) suggestion that a supportive environment providing socio-emotional support fosters the learning process and that social support motivates learners to the point where they inherit empowerment of the will and development of the skill, has considerable relevance for the learning organisation. QBE demonstrated a positive approach to providing a supportive learning culture by introducing the Learning Centres. The company was also at the positive end of the continuum as the organisation actively encourages the employees to seek empowerment. However, the findings show that at the same time, the culture was highly negative when it came to horizontal interactions, master apprentice learning or mentoring. For example, QBE’s self-directed approach to learning rather than a collective approach to learning was mismatched with the collective principles of the learning organisation. The results indicated that the knowledge remained at the individual level rather than distributed throughout the organisation.

The learning contracts were a positive attempt to providing the type of supportive learning environment needed for ensuring continuous learning. Nevertheless, for any benefits to be realised, the learning contracts must be followed through. Many of the managers failed to do this rendering the learning contracts ineffective as the employees reported that they felt they were simply a waste of time and many did not complete the tasks.
**Self-Directed Learning**

QBE’s preferred method of self-directed learning using computer-based learning aligns more with the individualistic dimension of learning examined in the literature reviewed rather than the collective approach. This is clearly articulated in their learning principle that states, “Every individual is responsible for their own learning and for contributing to the learning of others”. Although QBE expected every individual to contribute to the learning of others, they did not provide the necessary structures and processes to facilitate this course of action.

While QBE provides the necessary infrastructure for the learners such as the learning space, the computers and the software, the majority of the employees were interested in the learning packages on offer and were motivated towards learning. Nevertheless, the initiative proved insufficient in that the employees were required to fulfil most of the self-directed learning activities outside of their normal working hours with the result that many did not fulfil their learning contracts.

**Teamwork**

Teamwork was another area where QBE had trouble. Although team learning is a central discipline of the learning organisation, the team concept at QBE created distrust through a culture of competition, which led to a breakdown in communication and knowledge sharing not only between divisions but also between floors. One of the reasons why the team concept failed was the way they were structured. The team structure consisted of several teams with the same skills competing against each other, with increased productivity as the dominant focus. This type of structure naturally leads to competition and as demonstrated in this case study proved counter productive to organisational learning, the sharing of knowledge and trust.

**8.3 Differences in the Findings between the Case Study and the Interview Study**

The prominent difference between the findings of the case study and those of the interview study relates to the issues of commitment, loyalty and trust. As discussed in the chapter on Labour without Obligation, the type of commitment, loyalty and trust from the outsourced personnel differs from that of an employee. There were also differences in empowerment, knowledge sharing and the storage of knowledge.
Commitment, Loyalty and Trust

As established in the literature, trust is a driving force in individuals’ willingness to share knowledge. However, as highlighted in a recent study trust alone is not a sufficient determinant and other factors such as team membership (Bakker et. al., 2006) and reputation (Lucas & Ogilvie, 2006) is important in determining the degree of knowledge transfer. QBE’s employees exhibited a relatively high level of lateral trust (between peers and equals) but lower levels of vertical trust (between supervisors and subordinates). The levels of trust varied from branch to branch, most likely because of differences in managerial style. One interpretation of this variation is that the message from the managerial program at QBE was not adequately understood at the managerial level. Nor did QBE have commitment to the organisation’s values and goals across QBE’s many branches.

As discussed in Chapter 6, the Labour without Obligation employment model is threatening the vision of the learning organisation. The learning organisation stresses the importance of having a specific cultural structure around it for trust to exist, whereas in fact, organisations are employing people that do not meet those conditions because they have a different type of commitment, loyalty and trust and it does not fit the context of the vision that the learning organisation is designed around. Although the type of commitment demonstrated by the contractors and consultants compared with that of the permanent employees was different, it still placed them at the high end of the continuum. Commitment driven by the need to uphold one’s reputation is just as strong as commitment driven by an employee’s drive to climb the corporate ladder.

Employee Empowerment

The findings at QBE revealed that the employees were positive about empowerment. The participants actively sought empowerment and stated that management is proactive in encouraging them towards seeking empowerment. Similarly, the contractors and consultants’ interview findings demonstrated that at the individual level, the contractors and consultants were also at the positive end of the continuum regarding the issue of empowerment. This result was expected given the nature of contract work in the professional arena. Contract workers are expected to have the prerequisite skills and the ability to work autonomously to the point where empowerment is expected.
8.4 Similarities in the Findings between the Case Study and the Interview Study

Several common key themes presented throughout the case studies and the interview study. The most notable of the themes related to knowledge sharing and management. The case studies provided some revealing insights into how organisations are struggling to come to terms with the transformation and change of mindset required to become a learning organisation. The organisational structures of both companies were traditionally hierarchical and conservative. Consequently, any transformation was likely to experience resistance in some form either at the managerial level or from the shop floor. QBE had progressed well through the implementation of the Learning Centre as a driver for cultural change. Unfortunately, the Learning Centre was the hub of the initiative and that is where the initiative remained. QBE designed the managerial programs with the learning organisation principles in mind and the managers were well versed in the Essential OPENUP QBE program spending considerable time learning the principles during managerial workshops. However, learning the principles and putting the principles into practice are two different issues and the findings clearly demonstrated that the organisation still had a considerable way to go to convert the principles into practice. The concept of the Learning Centre was a positive measure. Nevertheless, at the time of this research, the Learning Centre was well advanced in adopting the learning organisation principles compared with other QBE business divisions. This was in part, because the manager of the Learning Centre was well versed in the concepts of the learning organisation and was the champion of the initiative. The findings also demonstrated that knowledge creation; knowledge acquisition and knowledge sharing were a major issue that QBE must address if they wish to continue down the transformational path.

Although the issue regarding knowledge was reflected across both the case studies and the interviews, the actual context differed. The case studies established that knowledge sharing presented as a problem both horizontally, within teams and across business divisions and, vertically from the managerial level down. For the contractors and consultants the problem related more from the difficulties they experienced in gaining access to the knowledge required for performing their jobs.

The results from the interview study illustrate how the labour without obligation employment model does not match the principles of the learning organisation, particularly the principles of shared vision and shared values. As the literature review demonstrated, these two tenets interact with a
host of concepts which when bound together form the overall vision of the learning organisation. The interviews established that many of the problems faced by the contractors and consultants relate to knowledge. In particular, the lack of infrastructure, mechanisms and processes in many of the organisations they have worked in have been either non-existent, poorly implemented, or inadequately maintained. As discussed in the literature review, knowledge is a core-competency and is the key to an organisation’s competitive advantage. The interview results clearly show that the contractors and consultants felt that many of the organisations have not grasped the strategic importance of knowledge management as a core-competency and in fact have organisational values that do not strategically embrace a knowledge management culture. Many of the contractors and consultants have worked in organisations where it is common for key-competencies to be outsourced. This contributed to the problems they faced when trying to locate contextual and business information. The implications for this in the workplace are that the integrated models of Kim’s (1993) Observe Assess Design Implement Learning Model, Ortenblad’s (2004) integrated model and Sun & Scott’s (2003) model discussed in the literature review have little relevance in an outsourced or contracting model because most of the individual learning sits outside the organisation.

The findings from both the case study and the contractor and consultant interviews revealed that many organisations often do not have the infrastructure, processes and mechanisms in place to capture, store and distribute knowledge. Often the lack of processes is a result of the fact that many organisations have not worked out how to integrate learning with the other activities of the organisation. They have not developed the structural arrangements and capabilities to ensure that the knowledge is captured and shared and they simply assume that it is going to happen.

8.5 New Construct – A Workable Level of Trust

Issues such as openness, trust and reciprocity feature strongly in a collaborative culture concerning the concept of community; however, in this study the results demonstrate that the labour without obligation model is not conducive to this type of culture. In particular, there were diverse approaches to the issue of trust. Most organisational learning researchers have approached the issue of trust from the perspective of high versus low levels of trust or thin and thick trust within organisations. With the emergence of new types of business arrangements such as partnerships, alliances and temporary workgroups a number of theorists have attempted to unpack the construct
of trust by conceptualising new types of trust, for example, *swift trust* and *fast trust* (Meyerson et al., 1996; Blomqvist, 2003).

In keeping with the principles of the learning organisation, the current research established that trust was central. However, the concept of *workable trust* defined by the contractors and consultants in this research is different from the type of trust espoused by others (Senge, 1990; 1999; Meyerson et al., 1996; Cohen & Prusak, 2001). As discussed in Chapter 6, although similar in characteristics to fast trust and swift trust a workable level of trust differs considerably regarding context and relevance. Trust is earned over a period of time and the fact that often the contractors and consultants are only employed on short-tenure means that the high level of trust espoused by the authors that support high trust at the community or team level is virtually unachievable in an outsourcing relationship. Therefore, the consultants and contractors believe that when they commence a contract the trust is a workable level of trust. It is then up to the contractor or consultant to develop relationships with individuals and it is only then that the possibility exists for taking the relationship towards a higher level of trust.

Overall, this has implications for the learning organisation as learning organisational authors suggest that to build trust an organisation’s culture must be based on shared values and shared vision to ensure commitment builds participation and action in learning. However, the contractors and consultants’ responses implied that they do not commit to the organisation’s values or vision. They are committed to their own values and goals. This also has implications for the concept of community because it is difficult to build and maintain a community spirit when consultants and contractors are committed for external reasons.

It would be possible to consider outsourcing as a community of practice if all the conditions of Quinn’s (1999) strategic focus on knowledge strategies in the outsourcing model were met. Recall, Quinn suggested that, to create new knowledge depth, companies harness a small number of intellectually based knowledge activities primed on best practice incorporated with the necessary support systems. Without those conditions, a community of practice seems unlikely. The consultant’s responses suggested that small consultancy teams often form their own community for the duration of a project. Nevertheless, the community often remains within that small group rather
than spanning the entire organisation, thus acting as a barrier to effective knowledge sharing even though the consultants believe that their role is primarily to share their knowledge.

8.6 Shared Values

Community building in the workplace emphasises the hiring of people who fit the culture and share the organisation’s core values. The example of United Parcel Service (UPS) typifies such a workplace (Cohen & Prusak, 2001). Such examples are not easily found these days. UPS is fortunate that many of the workers have been with the company for over twenty years. This makes it easier for the company to maintain the values and behaviours on which the company was originally founded.

The drawback of shared values is that they may be seen as a manifestation of monoculture and organisations may deliberately or inadvertently use this in a discriminatory way assuming that people from different racial or cultural backgrounds could not share their workplace values. Investment in social capital by employing people who have an affinity with the organisation’s values has some validity as long as those values relate solely to the job. Organisations hiring on shared values would need to articulate clearly their nature and meaning and an applicant would need to be evaluated only on explicit criteria.

As discussed in the literature review, organisations are subject to frequent change. With the short-term view endemic in business, many organisations change their executive board every few years. This means that an organisation’s values can change to adapt to new leaders or new market conditions. This has implications for both individuals and the organisation. Individuals who were originally hired when the organisation’s values were similar to their own may not agree with the direction of the new values and a conflict may arise. Therefore, the monoculture implied by the learning organisation literature appears to be highly problematic. It may not be possible or even desirable.

8.7 Community and Social Capital

Already, the organisational learning literature has experienced a shift in language. Team learning and team building are being replaced by the concepts of community building and social capital. One of the major problems with community building in the workplace is that it is premised on a culture of high social capital. Currently many organisations are experiencing excessive conflict in
the workplace due to downsizing, outsourcing, contract workers and other factors such as short-
term tenure by management. Employees are constantly faced with organisational restructuring and 
experiencing change for no legitimate reason every time an organisation hires a new Chief 
Executive Officer. Unfortunately, this has become part of the mantra of short-term thinking. 
Management theory embraced the concept of the learning organisation with passion and 
enthusiasm however, somewhere along the way globalisation and the concept of the learning 
organisation has become incompatible. Some organisations could be criticised for promoting 
double standards. While their vision and mission statements articulate employee values based 
upon organisational commitment they are in fact often guilty of avoiding their social responsibility 
and instead are driven by the pressure of delivering larger returns to the shareholder in the short-
term. This leads to the question of whether short-term focus will create long-term problems.

The construct of high social capital reflected a culture at QBE that varied between business units. 
For example, the Head Office Learning Centre exhibited moderately high social capital whereas 
some branches exhibited low levels of social capital. These findings also substantiate the 
contractors and consultants’ comments that often when they commence a contract they have 
entered an environment where an air of distrust already exists.

The community approach sounds reasonable and as noted previously is not a new idea. However, 
what has happened is that while organisations have been busy coming to terms with the learning 
organisation another paradigm shift has occurred in the workplace and organisations have 
effectively moved into a new employment model, labour without obligation. As the findings of the 
interview study revealed, the emergence of outsourcing and labour hire or labour without obligation 
as it is commonly referred, is challenging the organisational structure and the underlying principles 
of the learning organisation. Learning organisational theorists contend that the capabilities of 
shared commitment and high levels of trust are prerequisites for generative learning and the 
generation and sharing of knowledge through the combination of shared vision and shared goals 
through the process of dialogue. As this research demonstrates, contractors and consultants have 
their own values and goals and more often than not, they are not the same or are actually 
incompatible with those of the organisation to which they are contracted.
8.8 Intention and Emotion

Learning is not wholly restricted to the cognitive level but occurs at the emotional and spiritual levels also. Therefore, management cannot afford to ignore the importance of the emotional aspect and the intent that the learner brings to a situation during the transformational process. Long and Newton's (1997) contention that the most effective culture for individuals to learn from their experiences involves individual self-management, empowerment and accountability adds weight to Boud and Walker’s (1991) suggestion that a learner’s intent is often tied into their core values and ideals because intent entails a specific degree of consciousness.

Interest is increasing in the organisational arena regarding the concept of Emotional Intelligence (Goleman, 1995). Many of the conceptualisations deal with adaptive change and the ways in which individuals need to change their behaviours. Once again, the central focus is on how change starts with the individual. The theory assumes that once the individual changes the entire culture of the organisation changes. With emotional intelligence being based on a behaviourist paradigm and ignoring the most important side of emotion, which is feelings-related, it is doubtful that it will result in the cultural transformation that organisations are seeking. Individual transformation occurs through the process of reflection on our behaviours and feelings and it is a long-term self-regulated activity. Having also completed two emotional intelligence workshops, I find the theory once again deals with the individual dimension but because if does not deal with the feeling related emotions of individuals it fails to make the connection between the individual and the organisation.

Featuring strongly in the discussions relating to Emotional Intelligence are the concepts of empathy, self-regulation and motivation with the major foundation being the concept of trust. One possibility for bringing the emotional aspect to the forefront of learning is the idea of narratives as espoused by Boland and Tenkasi (1995) and Stewart (2001). Narratives offer valuable insights into how individuals make meaning of their experiences. They allow for a deeper understanding spanning the rational, irrational and emotional characteristics of individuals. Stewart suggests that employees’ memories consist of narratives and this continues to be an area that has been relatively unexplored by researchers as a source of knowledge.

Senge (1990) contends that all the five disciplines deal with how we think and how we interact. Although his vision deals with values, it does not adequately address motivation, emotion and
intent in the individual dimension. These three factors involve personal agency and represent factors that management cannot easily control. The implication of emotion and intent for the purposes of sustaining an ongoing learning process are two areas where management will continue to struggle unless they are more prepared to relinquish control and allow employees to be empowered learners through self-management and greater accountability for decision-making.

8.9 The Role of Knowledge Management

The literature on knowledge management suggests knowledge management is the new paradigm shift to follow on from the concept of the learning organisation. Evans (2000) advocates knowledge management as the new paradigm and suggests that it supersedes the learning organisation. Logically, knowledge and learning are complimentary and cannot exist in isolation. If organisations are not able to succeed in their quest to become a learning organisation, it is unlikely they would succeed in their quest to become a knowledge management organisation. As pointed out in Chapter 2, knowledge management is analogous to how knowledge is collected in organisations and represents the practical side of the learning organisation. However, the difference between becoming a learning organisation and implementing knowledge management is that the cultural change required for becoming a learning organisation is that much harder than the cultural change required for managing knowledge. Knowledge management is based on organisations having the infrastructure and processes in place to capture, store, distribute and maintain knowledge. The learning organisation addresses the cultural and structural changes required to ensure connection and integration of the individual learning in a social context to achieve shared meaning.

The findings in the research illustrated that for the employees, access to knowledge remained one of their major concerns. As the case study results showed, often competition amongst teams was responsible for the lack of knowledge sharing. This finding was also supported by the contractors and consultants as they felt the majority of organisations did not have the infrastructure in place to capture and distribute knowledge. Knowledge management is also more than simply capturing and storing the knowledge. Once stored it needs to be maintained on a regular basis and this requires a huge commitment on the part of the organisation.

Like the concept of the learning organisation, transformation to a knowledge management organisation also involves a change of mindset at all levels of the organisation and dedication by
management to committing resources and money. As Evans (2000) suggests for many organisations the concept of knowledge management is in its infancy. However, if organisations aspire to succeed they must realise the strategic importance of what knowledge really means for their business. Herein lies the difficulty. As discussed in Chapter 2, Handy (1996) acknowledges the difficulties that organisations are experiencing in placing a value on an intangible asset like knowledge. Most organisations simply are not able to place a value on knowledge and incorporate knowledge management into their strategic business plan.

Realistically in the long-term, it may be more profitable for organisations to become learning organisations than choose to continue under the traditional organisational structure. However, with the current trend towards short-term thinking, organisations are only interested in short-term profits and they do not consider long-term benefits. Organisations do not account for the loss of knowledge in the organisations ‘real’ profitability, yet, the cost of re-learning at the higher skilled level is greater and this is rarely taken into consideration.

Advancement through becoming a learning organisation and advancement through becoming leaner and meaner by way of downsizing appear to be incompatible. More importantly, what the thesis highlights is that organisations must realise they need to make choices. They can continue to downsize and risk the employees’ trust and commitment, which builds barriers to knowledge transfer or they can choose to become a learning organisation. During two of my recent contracting assignments, I have witnessed recognition and concerns from two very large organisations that they have lost their intellectual property (IP) through downsizing and outsourcing. One of the companies has taken steps to remediate this problem and has consciously made the choice to bring the intellectual property back in-house attempting to retain the knowledge. Perhaps we are about to witness another cycle. There is no doubt that outsourcing will remain a strategic business function, however the nature of the outsourcing may change to incorporate non-core competencies only as businesses recognise the need to regain their intellectual property.

In summary, the practical implication of this research suggests that many organisations have not made the connection between the learning organisation and the role of knowledge management. The findings suggest that many organisations think that if they change the culture at the macro level, employees will fall into line and the knowledge capture will simply happen somehow. As the
results of this study show, contractors and consultants utilise the value of interpersonal exchanges as a means of knowledge exchange. This introduces additional challenges for organisations as much of the knowledge is located external to the organisation and it makes it difficult for organisations to capture and store the knowledge. This applies not only as a whole but also to individual core competencies across the entire organisation. The downstream impacts of this are that it affects the performance of teams and individuals because they cannot gain access to the knowledge that was acquired through previous organisational members learning experiences. On a positive note, the ideas of the learning organisation and knowledge management may actually form part of the push against the tide of short-term thinking. Organisations are facing tangible and intangible losses. They are losing the trust of their employees, they are losing the commitment of their employees, they are losing knowledge and these are all costly in the long-term. Gradually, as organisations truly realise what they are losing the case for a return to long-term thinking strengthens and we may witness a sea change within management practice.

8.10 Critical Evaluation

The social constructivist approach was better than the positivist approach as it was fruitful in obtaining the participants perceptions of the challenges they were experiencing during the transformation process. Where the positivists tend to prefer surveys and field and laboratory experiments to seek large amounts of empirical data this research was not looking for a generalisable truth and cause-effect relationships. The methods chosen, case study and active interviewing, allowed for a more in-depth analysis of the issues than the more frequent method of surveying across a range of organisations. The methods chosen allowed the participants to provide insightful stories and it allowed for a deeper exploration of the issues and challenges. The research was aimed at obtaining the employee’s perceptions, visions, values and attitudes to workplace learning, knowledge sharing and how they made sense of the learning organisation, which would have, not have been achieved using a survey.

Being an employee in the organisation at the time of the QBE case study raises questions about the researcher’s objectivity during the interactions with the participants and the bias and validity of the study. However, these are only issues in positivist research. From the constructivist viewpoint, it is unrealistic to expect that the researcher would not bring existing ideas and experiences into the study and insider status offers a rare opportunity to ask questions that an outsider would not think
to ask. Due to the constraints placed on the timing and location of the case study interviews, it was not easy to maintain the consistency in the interaction with all the respondents. At times, some appeared edgy and this could have been attributable to the fact that at the request of management, the interviews were conducted in the branch offices.

In the study of contractors, I also had insider status having been a contractor for over 12 years. My view of the world had already been firmly entrenched with the idea that learning and knowledge is socially constructed and situated in social practice. In this research investigation, my background proved to be clearly an advantage rather than a disadvantage. The participants viewed me as *one of them*. I was in a position to understand the language they used and I had an affinity with their frustrations, challenges and the issues they raised. Rather than hold the participants back, my background actually encouraged them to be open and honest, hence the reason for the lengthy duration of some of the interviews. Consequently, the rigour and interpretation of data was ensured using multiple methods of data sources and familiarity with the concepts, language, and the overall context. However, there were no constraints placed on the contractor and consultant interviews and these were conducted in an informal atmosphere over coffee.

The juxtaposing of participants from both inside and outside the organisation and the use of multiple data methods allowed for a range of insights to emerge and for the identification of conceptual connections of the challenges and issues across both groups. Organisational case study research, however, requires companies willing to cooperate. Searching for companies who were willing to participate in this research project was a difficult and frustrating task. Unlike American companies who seem to have little hesitation in participating in research, it was difficult to get agreement from Australian companies. This became even more problematic once the companies familiarised themselves with the context of the research, realising that the study involved participation at both the employee level and managerial level and was not aimed solely at the leadership level. Such reluctance can only impede future research.

When I decided to pursue this research, the concept of the learning organisation was in its infancy in Australia. This greatly restricted the number of organisations that I could approach as it meant that they had to be in the process of transforming to a learning organisation or already considered they were one. This meant the employees had to be familiar with the ideas of the learning
organisation. What became apparent during the research was that the idea of the learning organisation was still firmly entrenched in the minds of the leaders and had not been articulated in any detail down to the employee level. This was clearly reflected in the Utilux case study. To study a learning organisation, the organisation needs to be a learning organisation. The failure of this study reinforces the above criticism and even more importantly, it raises questions about the conditions that are necessary for transformation to a learning organisation.

This research provided empirical research into a topic where there has been a huge emphasis on theory and prescription. Two key aspects to emerge from the study confirm that many organisations have not fully grasped the concepts of the learning organisation or the importance of knowledge management. Firstly, the study showed that most organisations still do not understand or comprehend the value of knowledge and what it means for their organisation’s competitive advantage. As Australian organisations continue down the path of outsourcing their core competencies, they continue to lose two of their most valuable assets – skills and knowledge. Secondly, the issue of trust both horizontally and vertically is still a major issue for employees. Organisations continue to set vision statements based upon the concepts of shared values and trust on the one hand and then continue with the slash and burn approach to downsizing in order to cut costs and return greater investments to the shareholders on the other.

Certainly, additional empirical data would have been even more useful through further case studies and more interviews with contractors. The lack of interest shown by the contractors and consultants who received email rather than telephone requests to participate was surprising. Upon reflection, and having been a contractor myself, their time is precious and many work long hours. They had to give up their time to participate outside of work hours as many did and I guess this was too great a sacrifice for some to consider. However, on the positive side the contractors and consultants that did volunteer their time provided rich and interesting narratives about their experiences and the challenges they face everyday. If time had permitted, I would have liked the opportunity to extend the study to include more contractors and consultant interviews and conducted case studies on organisations that have developed and implemented a knowledge management framework.

As I reflect on this thesis from when I started to now, I believe that many organisations still have a lot to learn. My thoughts take me back to a book I read recently - The Divine Right of Capital by
Marjorie Kelly (2003) which addresses the issue of corporate social responsibility. In her book, she challenges the conventional wisdom that corporations exist for the sole purpose of maximizing shareholder wealth and she has reconstructed a social vision that rewards all those that contribute to the profits, in particular the employees. Who knows, maybe this will be the next paradigm shift. I leave you with this quote from her book based upon the principle of enlightenment.

Because all people, are created equal, the economic rights of employees and the community are equal to those of capital owners.

8.11 Future Research

Overall, the research provided valuable new insights. Generally, the sample sizes were small and the use of the qualitative approach was about making conceptual connections rather than aiming for statistical generalisations. Although the insights are conceptually interesting, it would be beneficial to examine these in more detail, across a larger data set, across a more diverse range of industries to determine if the problem is entrenched in Australian companies utilising the labour without obligation employment model. It must be acknowledged that many of the large consulting firms have their own strategies for knowledge management but that was not the experience of the consultants in this research. This research paves the way for further exploration of knowledge management companies to determine if they have in fact developed a knowledge creating culture and it is making a difference at the individual level, or whether they have taken the simplistic position of assuming that knowledge management is only about implementing systems for capturing current explicit knowledge. An additional contribution to future research about learning and knowledge transfer would be a much larger study incorporating the emotional and motivational aspects and the affects these have on learning and knowledge transfer. This domain still requires insightful research to be conducted in organisations.

With the trend to outsourcing expected to continue for some time, there is the avenue for further exploration of the changing role and boundaries of organisations and the implications this has for organisational learning and knowledge management into the future. As highlighted in the literature some authors have examined the role of knowledge sharing across strategic alliances (Ghosh, 2004) and the role of consultants (Cullen, 1999; McKenzie, 2002). Cullen’s view that consultants act as the educator and the client acts as the student is reflected in the contractor’s results presented in this study. However, more research is required to explain how organisations manage
the knowledge when much of it is created outside of the organisation. No matter how the role of
knowledge sharing is viewed, knowledge sharing relies on trust. In a contracting environment,
where cultures of competition have become the norm and the type of trust is considered a workable
level of trust, there is merit in further research to explore this employee relationship in greater depth
on a larger scale.

To say the findings of this study are relevant to all organisations would be indefensible. However,
the case study and the interviews canvassed a diverse range of industries including insurance,
manufacturing, accountancy, telecommunications and consultancy and software development. The
findings suggest that the problems associated with organisational learning processes and
knowledge management in a learning organisation and traditional organisations remains the same.
From what can be gleaned from the literature, there has been a heavy focus on research in the
utilities, manufacturing and higher education sectors. To enable generalisations as to whether the
issues are relevant to all organisations or only particular types of organisations would take
considerable research across a large number of sectors.

Most importantly, this research gives credence to the importance of context. Any research needs to
give credence to the context of the industry in which it is being conducted. Any research exploring
knowledge management must consider the meaning of the information at the various levels and
differing contexts of the organisation, for example, team level, business unit level and
organisational level. Indeed an improvement in the I/O Orthogonal model would be to include more
dimensions to represent the various levels and divisions within an organisation. The results
substantiate Gerber et al’s (1994) contention that context must also be considered together with
the motivations of the authors. It was not sufficient to explain the constructs examined in this
research in abstract terms, suggesting that the literature on the learning organisation would benefit
from more research that is empirical. The broad visions and concepts in much of the literature may
be useful for rhetorical purposes but more precision is needed for research.
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Appendices

Appendix A – Learning Organisation and Organisational Learning Definitions

Definitions of the Learning Organisation

Learning organizations [are] organizations where people continually expand their capacity to create the results they truly desire… future… “adaptive learning” must be joined by “Generative Learning”, learning that enhances our capacity to create [Senge (1990:3)].

Management teams change their shared mental models of their company, their markets, and their competitors [De Guess (1988)].

Where members of the organisation act as learning agents for the organisation, responding to changes in the internal and external environments of the organisation by detecting and correcting errors in organisational theories-in-use and embedding the results of their inquiry in private images and shared maps of organisation [Argyris & Schon (1978)].

One that has embedded a continuous learning process into and has an enhanced capacity to change or transform. This means that learning is a continuous, strategically-used process – integrated with, and running parallel to, work – that yields changes in perceptions, thinking, behaviours, attitudes, values, beliefs, mental models, systems, strategies, policies and procedures [Watkins & Marsick (1992)].

True learning organisations are moving beyond the idea of competitive advantage toward collaborative advantage. You learn whenever, wherever and from whomever [Flood (1993)].

An organisation which is skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights [Garvin (1994)].

The learning organisation is the “product” of the acknowledgement of people and their capabilities as organisational competence [Ayas, Foppen & Maljers (1996:50)].

A learning organisation is as a culture inherent in supporting on-the job learning that promotes individuals towards Empowerment. [Field (1998)].

Definitions of Organisational Learning

Organizational learning is the intentional use of learning processes at the individual, group and system level to continuously transform the organization in a direction that is increasingly satisfying to it’s stakeholders [Dixon, 1994].

Organizational learning means the process of improving actions through better knowledge and understanding. [Fiol, C.M and Lyles, M.A. 1985, cited in Dixon, 1994]

Organizational learning is a process in which members of an organization detect error or anomaly and correct it by restructuring organizational theory of action, embedding the results of their inquiry in organizational maps and images. [Argyris, C. and Schon, D. (1978). Organizational learning: A theory of action perspective. Reading M.A Addison Wesley.]
### Appendix B - Comparisons of Battlefield and Ecosystem Mindsets

Table 8-1. Comparison of Battlefield and Ecosystem Mindsets. Adapted from Giant Killers Geoffrey James (1997:32).

<table>
<thead>
<tr>
<th>Business=Battlefield</th>
<th>Business=Ecosystem</th>
</tr>
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<tbody>
<tr>
<td><strong>Uniformity.</strong> A strong organisation is one where everyone dresses the same, shares the same background, and follows corporate standards.</td>
<td><strong>Diversity.</strong> A strong organisation is diverse, containing a wide variety of opinions, ideas, products, and sales channels.</td>
</tr>
<tr>
<td><strong>Cash Cows.</strong> The primary goal of every organisation is to defensively protect profitable revenue streams, even if it means forgoing new opportunities</td>
<td><strong>Generations.</strong> The goal of every organisation is to create new products, which make obsolete the currently profitable products that the organisation is already selling.</td>
</tr>
<tr>
<td><strong>Conflict.</strong> Business is essentially a win-lose proposition. It is a zero-sum game where competitors, and even customers, are enemies.</td>
<td><strong>Symbiosis.</strong> Business is a set of win-win relationships, not only between customers, vendors and suppliers, but also even among ‘competitors.’</td>
</tr>
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Appendix C – QBE Request for Participation Letter

11th May, 1998

Steve McGuigan
The Learning Services Manager
QBE Insurance Ltd
82 Pitt Street
Sydney NSW 2000

Dear Steve,

Following our discussions earlier last week, I am currently undertaking postgraduate studies at the University of Western Sydney - Nepean and are looking for learning organisations interested in participating in my project. This letter provides a synopsis of my research topic and what will be required of any QBE employees who choose to participate in the project. As I understand it, this request will be discussed at the next Group Services Manager’s meeting and if approved you will notify me via email towards the end of the month.

SYNOPSIS

As more and more organisations feel the pressure to perform in the competitive economic climate so too are the employees who are constantly required to reskill and acquire new knowledge. This is particularly relevant to organisations that computerise for the first time or update their computerised software in an attempt to keep abreast of the changing technological pace. The introduction of new computerised technology is something that almost all of us have to face sometime in our lives.

Added to that burden, organisations are constantly faced with the decision of how to train employees in the most cost-effective way in order to acquire the knowledge to perform their tasks.

Research indicates that much of the training undertaken by organisations is largely ineffective therefore costing the company valuable dollars. Why? Because the training methods used are largely based around the traditional methods of instruction-led training where the teacher stands in front of the trainees and proceeds to teach them the knowledge required for the job.

The face of training is rapidly changing. Trainees now face self-directed methods such as multi media computer based learning. Concepts such as Just in Time (JIT) Learning, Generative Learning and learning organisations are being promoted as the new paradigms for the new millennium.

Training is no longer a matter of simply training employees in the competencies of the skills required to perform the task. A more holistic approach is being advocated whereby the cultural aspects of the organisation and the person, such as language, values, goals, beliefs and attitudes play an important part in the learning and training process. Learning and knowledge are now seen as the integral element in a company’s ability to adapt to a rapidly changing environment.

Much of the research regarding the concept of the learning organisational has been centred at either the individual or the organisational level only whereas, I am interested in learning from a social constructivist perspective, which encompasses learning and training from the organisational perspective and the people in it.
The focus for my thesis is the concept of the learning organisation, which, briefly defined, means an organisation that provides a supportive and caring learning culture at the individual level. Proponents of the learning organisation concept believe that organisations learn through individuals when the learning is done collectively and the knowledge is shared and used to make a difference to larger sub units of the organisation or, the organisation as a whole. The ability to acquire, transfer and modify knowledge through continuous learning and collaboration is always an important aspect of the learning process, but it is even more important in times of change. As QBE is about to embark on a new journey so to speak by introducing a new computer system that involves all of the above concepts, it is therefore of particular interest to me as it is relates to my area of research.

Because QBE consider themselves to be a “Learning Organisation”, I am interested in finding out what others think about QBE’s learning vision. I want participants to tell me what they think the learning vision means for them. I am interested in how the participants perceive the new computerised system will impact upon their job and what sort of training they have had to prepare themselves for using the new system and, how they found it. I am also interested in finding out their overall perception of what training is all about and what they think about the other learning opportunities (including the Learning Centre) offered by QBE. I also want to talk to selected managers and find out what they think about the QBE learning vision (i.e. the managers program, champions training, the learning contracts etc).

Incorporated with the above points, I am also interested in the following issues, which will be addressed during the research.

- Learning at the individual level versus the organisational level (i.e. does the knowledge reside in the head of the individual or the organisation as a whole.
- An individual’s interest and motivation for learning
- Self directed learning
- Empowerment, trust and the re-distribution of knowledge in times of change
- Critical Reflection
- Generative and complex learning environments
- Cultural issues (i.e. Global Learning)

Confidentiality will be respected at all times, any statements the participants may make will remain anonymous, and any distinguishable information will be removed. Access to the questionnaire and interview material will be limited to my supervisor and me. The information used in this thesis may be used in articles such as reports or journal articles that may arise as a result of this research.

What is involved for this Project?

Participants will be required to:

- Complete a questionnaire covering such topics as learning in the workplace, learning contracts, training and trust.

Participants may volunteer to:

- Participate in an interview, which will include discussion on topics such as computers, training attitudes, goals, organisational learning, trust, and the redistribution of knowledge in times of change and empowerment.
- Participate in a follow up interview at a later stage where the discussion will follow on from the answers provided in the questionnaire and first interview.

Yours Sincerely

Nola Young
Ext 4937
Memo

To: 
From: Steve McGuigan
CC: Nola Young
Date: 10/06/68
Re: Nola Young

The purpose of this memo is to advise you that Nola Young will be contacting each of you individually over the next couple of days. Nola is currently working for QBE as a contractor for the USM Documentation team. She is studying for her PhD at the University of Western Sydney. The focus of her thesis is the 'learning organisation', particularly in the area of the individual and workplace learning, examining the concepts of trust, empowerment and the distribution/redistribution of knowledge in times of change. Nola has been granted permission to use QBE as the focal point for her case study research. Her research can act as a useful feedback mechanism for analysing the reliability and effectiveness of all learning strategies implemented by QBE, so I encourage you to assist her wherever possible.

Regards
Steve McGuigan
Appendix E – QBE Information Sheet and Questionnaire Pack

The Learning Organisation: A study of knowledge and the individual in the organisation

Information Sheet

Introduction to the study.

Welcome to my thesis project. I am currently undertaking postgraduate study at the University of Western Sydney - Nepean and this project is fulfilment of that study. This introduction provides a brief overview of what the project is all about and what your participation requires.

I have been authorised by the Learning Services Manager to study the learning strategies adopted by QBE. This includes Champions Training, the learning contracts that employees have with their managers and any other learning strategies employed by QBE. I am currently employed as a contractor by QBE in the User Support Materials team where my role involves writing the documentation that forms part of the overall learning strategy which is being developed to support the introduction of IS/2 (Insurance System 2nd generation).

The focus for my thesis is the concept of the Learning Organisation. A Learning Organisation provides a supportive and caring learning culture at the individual and organisational level that encourages the sharing of knowledge. Proponents of the Learning Organisation concept believe that organisations learn through individuals when the learning is done collectively and the knowledge is shared and used to make a difference to larger sub-units of the organisation or, the organisation as a whole. The ability to acquire, transfer and modify knowledge through continuous learning and collaboration is always an important aspect of the learning process, but it is even more important in times of change. As QBE is about to embark on a new journey so to speak by introducing a new computer system, a collaborative effort and the sharing of knowledge and information will be of the utmost importance to QBE now and in the future.

I am interested in your perception and ideas of what learning means for you. I want you to tell me what sort of training you have had at QBE and how you found it. I am interested in finding out about your learning contract, whether you feel that you are a part of the workplace (culture) and what you think about the learning opportunities (including the Learning Centre) offered by QBE.

Confidentiality will be respected at all times. Any statements you may make will remain anonymous; any distinguishable information will be removed from the tapes and transcriptions. Should you change your mind and wish to withdraw from the project, you may do so at any time.

Note: This study has been approved by the University of Western Sydney Nepean’s Human Ethics Review Committee. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Human Ethics Officer (tel: 047 360 169). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.

Included in this package are:

- What this project involves
- A consent form
- A questionnaire
What’s Involved for this Project?

To take part in this research project you:

- will need to complete a questionnaire covering such topics as learning in the workplace, learning contracts, training and trust.

**Note:** If you are prepared to be interviewed, please sign the consent form and return it separately in one of the return addressed envelopes. Do **not** include the signed consent form with the questionnaire.

- may be asked to participate in an interview, which will include discussion on topics such as computers, training attitudes, goals, organisational learning, trust, and the redistribution of knowledge in times of change and empowerment.

- may be asked to participate in a follow up interview at a later stage where the discussion will follow on from the answers provided in the questionnaire and first interview.

If you have any questions about participating in the project please do not hesitate to call me.

For further information about this project, please contact

Nola Young  
Bus hrs: 9375 4937  
or  
e-mail n8816080@scholar.nepean.uws.edu.au
Appendix F – QBE Questionnaire

Questionnaire for the Project
The Learning Organisation: A study of knowledge and the individual in the organisation

Section 1

People have different perceptions of what learning is about and how the knowledge that we do learn is transferred. The purpose of this section of the questionnaire is to examine your perception of what learning is all about. Questions 1 and 2 relate solely to learning in general and questions 3 and 4 relate to learning in your job be it formal or informal. Please write brief written answers to the following questions.

Question 1

I want you to think both outside the workplace (eg. school leisure etc) and inside the workplace when answering question 1 and question 2.

Remember an occasion when you did enjoy learning something new.

a) Explain what it was.

b) Why it was enjoyable

c) How did you learn it (eg. trial and error, somebody showed you, using a manual etc)?

Question 2

Still thinking about learning situations both inside and outside the workplace, remember an occasion when you did not enjoy learning something new.

a) Explain what it was.

b) Why you didn’t enjoy it.

c) How did you learn it (eg. trial and error, somebody showed you, using a manual etc)?

Question 3

The focus for question 3 is solely on the workplace.

The question contains three sections.

a) Identify what you consider is an effective method(s) for learning new skills.
b) Identify what you consider is **not** an effective method(s) for learning new skills.

c) In what ways have people tried to teach you new skills in the QBE workplace. (Please tick **all** relevant boxes).

- [ ] Face to face formal classroom training - off-site
- [ ] Face to face formal classroom training on-site
- [ ] Computer based learning (eg. Multimedia)
- [ ] Learning from other workers
- [ ] Learning by just doing it
- [ ] Documentation (eg, reference manuals, user manuals, procedures etc)
- [ ] Self-paced workbooks
- [ ] Distance Education
- [ ] Lecture
- [ ] Job related projects
- [ ] Small group work
- [ ] Discussion/study group

**Question 4**

Questions 4 and 5 are about what people look for in a job. Below is a list of some of the things that people say are important to them.

People want different things out of a job. Rank the list below in the order that reflects what is important to you (eg. place 1 beside what is most important to you down to a 9 beside that which is least important to you).

- [ ] Surrounding and general nature of work (i.e. not too noisy or dirty)
- [ ] Stimulating (eg. learning new skills and new challenges)
- [ ] Fringe Benefits (i.e. Superannuation, Profit sharing etc)
- [ ] Location
- [ ] Opportunity for advancement
- [ ] Suitable working hours
- [ ] Worthwhile work (eg. You feel that you are making a contribution)
- [ ] Social climate (i.e. Friendships)
- [ ] Salary
**Question 5**
People have different ideas about what makes a stimulating job. Rank the list below in the order that reflects what is important to you (e.g. place 1 beside what is most important to you down to a 6 beside that which is least important to you).

- [ ] variety
- [ ] new challenges
- [ ] learning new skills
- [ ] travel
- [ ] career prospects
- [ ] culture of the organisation (i.e. Does it fit your values and goals)

**Question 6**
The purpose of the following question is to gauge the extent to which you feel you are part of the workplace. Please place a circle around the appropriate number.

a) Do you feel part of the local geographic community where you work?

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

b) Are your workmates also your friends?

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

c) Do you feel part of a team at work?

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

d) In the past 6 months, have you ever publicly disagreed with the views of your supervisor at work?

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
<th>Yes, several times (at least 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

e) At work, do you take the initiative to do what needs to be done even if no one asks you to?

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
<th>Yes frequently</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

f) Do you go to work just for the income?

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

g) In the past week at work, have you helped a workmate even though it was not in your job description?
h) Do you identify more with your work community than with the local community where you live? (ie. With the people at work rather than the people where you live).

<table>
<thead>
<tr>
<th>No Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Question 7**

One of QBE’s essential behaviours is the concept of Entrusting where the aim is to improve employee’s skills, capabilities and communication at all levels. In your job, do you feel that management actively encourages you:

a) To be creative?

<table>
<thead>
<tr>
<th>No Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

b) To recommend new ideas or approaches to doing things?

<table>
<thead>
<tr>
<th>No Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

c) Be an active participant in solving problems related to your work?

<table>
<thead>
<tr>
<th>No Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

d) Work co-operatively with other divisions, departments or branches?

<table>
<thead>
<tr>
<th>No Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

e) Reflect on previous learning experiences and learn from them?

<table>
<thead>
<tr>
<th>No Not at all</th>
<th>Yes definitely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
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</tbody>
</table>

**Question 8**

Many people argue that motivation or interest is a driving factor behind a person wanting to learn new skills or knowledge. Do you look forward to the opportunity of learning new skills and knowledge? If yes, please explain your answer or, if no, please explain your answer.

**Section 2**

The questions in this section examine the concept of trust. It has been suggested that the importance of the word trust may well become one of the most significant terms in the business vocabulary. I realise that any questions regarding “trust” may make some of you feel a little hesitant. However, I would like to reinforce the point that confidentiality will be respected at all times regarding all information given.
**Question 9**

Imagine you are going to be doing any type of training in QBE.

Do you feel confident that the people delivering the training have:

a) The necessary knowledge. (Please explain your answer)

b) Adequate skills in training (Please explain your answer).

c) A readiness to pass on everything you need to know (Please explain your answer).

**Question 10**

Imagine yourself in the workplace, whether in an ordinary working situation or attending training. What are the main factors that you feel influences the development of TRUST between:

a) your peers and you.

b) your manager and you.

c) the trainer and you?

**Question 11**

a) Branches and offices are organised in different ways. Within your branch or office notate on the following diagram the trust that you perceive exists between the various teams, divisions, sections, in your office/organisation. For example areas that you perceive are low trust would be the most distance from you and those you perceive are high trust are closest to you.

YOU

b) Do you feel that your division readily shares information with other divisions, sections, teams, or branches in QBE and vice-versa. If so why, if not why not.

**Question 12**

Learning in the workplace involves trust between yourself, your fellow workers and those at the managerial level.
Describe examples of when:

a) You felt trusted in the workplace.

b) You trusted others in the workplace.

c) Do you consider that you have a certain amount of control over and responsibility for your job?. Please circle the number that you feel best fits your situation.

<table>
<thead>
<tr>
<th>No</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
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<tr>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Question 13**

Listed below are some of the things people have identified as affecting the levels of trust when working with mutual friends and acquaintances. Rank the list below in the order that reflects the things that you feel most affect the level of trust (eg. place 1 beside what is most important to you down to a 6 beside that which is least important to you.

- People have a similar background.
- Length of time you’ve known them.
- Working together on joint projects.
- People do what they say they will do.
- They show support for you and your interests.
- They back you up when times get tough.

**Section 3**

Learning contracts are an essential part of the Learning Organisation. This section of the questionnaire aims to gather information regarding your learning contract.

**Question 14** (Please place a circle around the appropriate number).

a) How familiar are you with your job description?

<table>
<thead>
<tr>
<th>Don’t have one</th>
<th>Not familiar at all</th>
<th>Slightly familiar</th>
<th>Very familiar</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

b) How familiar are you with your learning contract?

<table>
<thead>
<tr>
<th>Don’t have one</th>
<th>Not familiar at all</th>
<th>Slightly familiar</th>
<th>Very familiar</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

c) Does your job description require skills that you don’t have which are not in your learning contract?

If yes please explain. If no, please explain.
**Question 15**

Only answer this question if you have a learning contract.

What do you believe is the purpose of your learning contract?

**Question 16**

Do you believe that you are succeeding in acquiring the results set out in your learning contract?

a) If yes Why?

b) If not why not?

**Question 17**

Does your learning contract prepare you for advancement in QBE or for other jobs? If yes, why if no, why not?

**Question 18**

Do you believe QBE can provide the support for you to learn the new skills you need? If yes explain why, if no explain why.

**Demographic Information**

The following demographical information is to help ensure that I get a cross section of people working in QBE for the purposes of this research and is strictly confidential.

**Please tick the appropriate box**

Gender: Female  Male  

Employment  Part time  Full Time  Casual  Contractor  

**Please write your answers in the appropriate boxes.**

Education Level achieved:  

Age  
Appendix G – QBE Interview Framework

The purpose of this interview is about getting some feedback and general reaction to the questionnaire findings. I am interested in you telling me whether you:

1. 
   a) expected the results
   b) were surprised at the results
   c) were not surprised and have had general experiences as such

2. have any ideas as to why I got the results

3) have any ideas as to what QBE can do about them.

The issues (findings) are described below. I want you to think about them in relation to the 3 points listed above. This will give you the opportunity to absorb the issues and when I phone you we will both be familiar with what is to be discussed.

Issues

1. A majority of the participants felt that QBE have no mechanisms in place to support the sharing of knowledge.

2. Staying on the issue of knowledge sharing, many participants felt that working in teams is a factor that hinders the sharing of knowledge.

3. Many participants were confident that the people doing the training at QBE have the required knowledge but many believed that they lack in the necessary skills to transfer knowledge and do not have a readiness to pass everything on.

4. Many participants said that they have had the opportunity to make useful suggestions for changes etc. Has this been your experience and if so can you tell me about it.

5. With the current focus for change within QBE centred upon the new IS/2 computer system, many participants felt that their usual workload was suffering with IS/2 taking precedence? Has it impacted you in your job and how?

6 One of QBE’s learning principles is that all individuals are responsible for their own learning (self-directed) and contributing to the learning of others. Many participants were concerned that most learning tasks have to be done in their own time.

7. Many participants reported towards the middle or lower end of the scale when it came to managers encouraging them to recommend new ideas, be innovative, be reflective on previous learning experiences and learn from them, and work cooperatively with other divisions, departments or branches. Conversely, many reported on the middle to high end of the scale for being an active participant in solving problems related to their work.

8. QBE has adopted the use of Champions as a change mechanism for the training of IS/2. Can you tell me if you feel:

   a) more pressured by this
   b) more powerful by this
   c) more committed because of this
   d) more resentful because of this.
9. The following were some of the factors that participants felt influenced trust in an organisation:

- Being able to depend on your peers
- Exchangement of ideas and knowledge
- Co-operation and working as a team
- Being open, honest and helpful
- Truthfulness.
- Responsibility and recognition
- Mutual respect
- Good communication, open thinking and respect

10. Are these your experiences or have you experienced something quite different. Do you feel overall that trust is embedded in the corporate culture?

11. Responses have been almost unanimous that there is a distinct lack of collaboration and co-operation when it comes to sharing knowledge between divisions, branches etc. Can you comment on how this affects you personally in your job? Can you give me some examples of when you personally have been hindered by a lack of information?

12. Do you feel that management acknowledges that you are an individual and that you have your own needs, values and goals or do you feel that they put everybody on the same pedestal
Appendix H – QBE Learning Process

The Learning Process

LEARNING CONTRACTS
"Focus learning on the business results"

1. PLAN (focus)
   - QBE Manager Program Learning Contracts
   - General Learning Contracts

LEARNING ENVIRONMENT
"Different learning methods help build competence"

2. LEARN (competence)
   - Learning Techniques
     - Facilitated Groups
     - Self Study
     - User/Focus Groups
     - Role Plays
     - Distance Learning
   - Learning Opportunities
     - Presentations
     - Projects
     - Experiential Learning
     - Mentoring
   - External Contacts
     - QBE Education
     - Policy
     - Industry Study
     - Insurance Institute

WORKPLACE PERFORMANCE
"Enables confidence and transfers skills to the workplace"

3. PERFORM (confidence)
   - Opportunity to Perform
   - On-going Learning
   - Share Learning with Others
   - Review Learning Contracts
### Appendix I – QBE The Essential Behaviours

<table>
<thead>
<tr>
<th>Open Thinking</th>
<th>“Open to considering a wide range of ideas and alternatives and is prepared to make changes in order to achieve superior results”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Impact</td>
<td>“The ability to influence the actions and attitudes of others through personal example and insight in order to motivate individuals to learn”</td>
</tr>
<tr>
<td>Entrusting</td>
<td>“The ability to develop direction, self measurement tools and supportive and trusting environment through mentoring, delegation. And teamwork which will enable employees to act and apply skills”</td>
</tr>
<tr>
<td>Networking</td>
<td>“The ability and willingness to communicate outside and across the organisation and share information as a positive aid to achieve best practice and objectives”</td>
</tr>
<tr>
<td>Ultimate Integrity</td>
<td>“Open and honest dealings with our employees, customers, shareholders, legislative bodies and the community at large”</td>
</tr>
<tr>
<td>Planning Perspective</td>
<td>“The ability to understand and communicate the QBE Group Vision, Values and Mission convert these into realistic goals”</td>
</tr>
<tr>
<td>Quality Customer Focus</td>
<td>“A pro-active commitment to customer retention and attracting of quality customers”</td>
</tr>
<tr>
<td>Business Acumen</td>
<td>“The commercial ability to understand and direct the key QBE profit drivers to achieve the plans to maximise long term wealth for our shareholders”</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>“The ability to identify, develop and convert opportunities and ideas into positive results”</td>
</tr>
</tbody>
</table>
Appendix J - Utilux Request Letter for Participation

27th October 1999

Robert Sharp
General Manager
Industrial and Electronics Division
Kingsgrove NSW 2208

Dear Manager,

As we discussed I am currently undertaking postgraduate studies at the University of Western Sydney - Nepean under the Supervision of Dr Rosemary Leonard in the School of Social, Community and Organisational Studies and am seeking organisations to participate in my research. I would like to extend my appreciation to Utilux for agreeing to allow Utilux to participate in that research. This letter is a formal request inviting Utilux employees to volunteer to participate in my research project.

What is it all about?

The focus for my thesis is the concept of the Learning Organisation, which, briefly defined, means an organisation that provides a supportive and caring learning culture at the individual level. Proponents of the Learning Organisation concept believe that organisations learn through individuals when the learning is done collectively and the knowledge is shared and used to make a difference to larger sub units of the organisation or, the organisation as a whole. The ability to acquire, transfer and modify knowledge through continuous learning and collaboration is always an important aspect of the learning process, but it is even more important in times of change. Other aspects to be covered by my research includes:

- Learning at the individual level versus the organisational level (i.e. does the knowledge reside in the head of the individual or the organisation as a whole.
- An individual's interest and motivation for learning
- Self directed learning
- Empowerment, trust and the re-distribution of knowledge in times of change
- Critical Reflection
- Generative and complex learning environments
- Cultural issues (i.e. Global Learning, Supportive environment, training etc.)

Participant confidentiality will be respected at all times, any statements the participants may make will remain anonymous, and any distinguishable information will be removed. Access to the questionnaire and interview material will be limited to my supervisor and me. The information used in this thesis may be used in articles such as reports or journal articles that may arise as a result of this research. Participants can withdraw at any stage of the research should they wish to do so.

What does voluntary participation involve?

Participants will be required to:

- Complete a questionnaire covering such topics as learning in the workplace, knowledge sharing, organisational culture (i.e. social trust, sense of belonging, supportive culture etc), Empowerment and the 'Excellence Model'.

Participants who volunteer to be interviewed may be asked to:

- Participate in an interview, which will include discussion on topics such as attitudes, goals, organisational learning, trust, and the redistribution of knowledge in times of change and empowerment.

Should you require any additional information, I can be contacted on 9395 3854 or you may contact my supervisor on 9678 7322.

Yours Sincerely

Nola Young
Appendix K – Utilux Questionnaire

This survey forms the research basis for my PhD Thesis at the University of Western Sydney and is in no commissioned by Utilux.

The survey looks at the extent of knowledge and learning in Utilux. By completing this survey you will be providing important information from which other companies can benchmark against.

Your participation in this survey is voluntary. You are free to withdraw your participation at any time without prejudice.

This survey is confidential and your anonymity is guaranteed. Data provided to Utilux will be in general terms only and will not enable any employee to be identified.

Please seal your completed survey form in the envelope provided and return it to:
Nola Young
C/- Telstra
1/157 Walker Street
Nth Sydney.

Should you have any queries regarding this survey please contact Nola Young on 02 9903 3946 or Nola.Young@corpmail.telstra.com.au

Thank you for your assistance

Section 1

Demographics

Gender: (Please tick the relevant box)

Male

Female

Employment: (Please tick the relevant box)

| Part Time | Full Time | Casual | Contractor |

Education Level Achieved: (Please tick the relevant box or write your response in the “Other” box)

| University | TAFE | School Cert | Diploma | HSC | Other |

Age
Section 2

People have different perceptions of what learning is about and how the knowledge that we do learn is transferred. The purpose of this section of the questionnaire is to examine your perception of what learning is all about. Questions 1 and 2 relate solely to learning in general and questions 3 and 4 relate to learning in your job be it formal or informal. Please write brief written answers to the following questions.

Question 1

I want you to think both outside the workplace (eg. school leisure etc) and inside the workplace when answering question 1 and question 2.

Remember an occasion when you did enjoy learning something new.

a) Explain what it was.
b) Why it was enjoyable
c) How did you learn it (eg. trial and error, somebody showed you, using a manual etc).

Question 2

Still thinking about learning situations both inside and outside the workplace, remember an occasion when you did not enjoy learning something new.

a) Explain what it was.
b) Why you didn’t enjoy it.
c) How did you learn it (eg. trial and error, somebody showed you, using a manual etc).

Question 3

The focus for question 3 is solely on the workplace.

The question contains three sections.
a) Identify what you consider is an effective method(s) for learning new skills.
b) Identify what you consider is not an effective method(s) for learning new skills.

Question 3(c)

In what ways have people tried to teach you new skills in the Utilux workplace (Please tick all relevant boxes).

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Face to Face (formal classroom training off-site)</td>
</tr>
<tr>
<td></td>
<td>Face to Face (formal classroom training on-site)</td>
</tr>
<tr>
<td></td>
<td>CBL (Computer-based Multimedia learning)</td>
</tr>
<tr>
<td></td>
<td>Learning from others</td>
</tr>
</tbody>
</table>
Question 4

People want different things out of a job. Rank this list below in the order that reflects what is important to you (e.g. place a 1 beside what you consider is the most important to you down to a 9 beside that you consider is the least important to you).

<table>
<thead>
<tr>
<th>Surrounding and general nature of work</th>
<th>Job is stimulating</th>
<th>Fringe Benefits</th>
<th>Location</th>
<th>Opportunity for advancement</th>
<th>Suitable working hours</th>
<th>Worthwhile work</th>
<th>Social Climate</th>
<th>Salary</th>
</tr>
</thead>
</table>

Question 5

People have different ideas about what makes a stimulating job. Rank the list below in the order that reflects what is important to you (e.g. place a 1 beside what you consider is the most important to you down to a 7 beside that which you consider is the least important to you).

<table>
<thead>
<tr>
<th>Variety</th>
<th>New Challenges</th>
<th>Learning new Skills</th>
<th>Travel</th>
<th>Career Prospects</th>
<th>Culture of the Organisation</th>
<th>Responsibility</th>
</tr>
</thead>
</table>

Question 6

The purpose of the following questions is to gauge the extent to which you feel you are part of the workplace. Please place a circle around the appropriate number.

a) Do you feel part of the geographic community where you work?
b) Are your workmates also your friends?

<table>
<thead>
<tr>
<th>No not at all</th>
<th>1</th>
<th>2</th>
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<tr>
<td>Yes definitely</td>
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c) Do you feel part of a team at work?

<table>
<thead>
<tr>
<th>No not at all</th>
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<tbody>
<tr>
<td>Yes definitely</td>
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d) In the past 6 months, have you ever publicly disagreed with the views of your supervisor at work?

<table>
<thead>
<tr>
<th>No not at all</th>
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<tbody>
<tr>
<td>Yes definitely (at least 3)</td>
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e) At work, do you take the initiative to do what needs to be done even if no one asks you to?

<table>
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<th>No not at all</th>
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<tr>
<td>Yes frequently</td>
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f) Do you go to work just for the income?

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<th>No not at all</th>
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<tbody>
<tr>
<td>Yes definitely</td>
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g) In the past week at work, have you helped a workmate even though it was not in your job description?

<table>
<thead>
<tr>
<th>No not at all</th>
<th>Less than 3</th>
<th>Less than 5</th>
<th>Yes definitely (at least 5)</th>
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h) Do you identify more with your work community than with the local community where you live (i.e. with the people at work more than the people where you live)?

<table>
<thead>
<tr>
<th>No not at all</th>
<th>1</th>
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<th>3</th>
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<tbody>
<tr>
<td>Yes definitely</td>
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**Question 7**

The concept of an empowered workplace aims to promote a workforce that is able to commit to qualitative learning and performance. In your job do you feel that management actively encourages you:
a) To be creative?

| No not at all | 1 | 2 | 3 | Yes definitely | 4 |

b) Recommend new ideas or approaches to doing things?

| No not at all | 1 | 2 | 3 | Yes definitely | 4 |

c) Be an active participant in solving problems related to your work?

| No not at all | 1 | 2 | 3 | Yes definitely | 4 |

d) Work co-operatively with other divisions or business units?

| No not at all | 1 | 2 | 3 | Yes definitely | 4 |

e) Reflect on previous learning experiences and learn from them?

| No not at all | 1 | 2 | 3 | Yes definitely | 4 |

Question 8.

Many people argue that motivation or interest is a driving factor behind a person wanting to learn new skills or knowledge. Do you look forward to the opportunity of learning new skills and knowledge?
If yes, or no, please explain your answer.

Section 3

This section examines the Excellence Model and Management’s commitment to the learning process.

Question 9

a) How familiar are you with the Utilux Excellence Model?

<table>
<thead>
<tr>
<th>Not familiar</th>
<th>A little bit familiar</th>
<th>Fairly Familiar</th>
<th>Very Familiar</th>
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<tbody>
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b) In your opinion, does the Utilux Excellence Model align itself with your own values and goals?

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<thead>
<tr>
<th>No not at all</th>
<th>A little bit</th>
<th>To a large degree</th>
<th>Yes definitely</th>
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<tbody>
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</table>
c) In your opinion, does the Utilux Excellence Model support and recognise the importance of learning?

<table>
<thead>
<tr>
<th>No not at all</th>
<th>A little bit</th>
<th>To a large degree</th>
<th>Yes definitely</th>
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d) In your opinion does Utilux have the systems and structures in place to ensure that important knowledge is captured, stored and made available to those who need it (i.e. shared with others).

<table>
<thead>
<tr>
<th>No not at all</th>
<th>A little bit</th>
<th>To a large degree</th>
<th>Yes definitely</th>
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e) In your opinion, do you believe that managers take a proactive role as a mentor or coach in facilitating learning or by providing a mentor or coach in facilitating learning?

<table>
<thead>
<tr>
<th>No not at all</th>
<th>A little bit</th>
<th>To a large degree</th>
<th>Yes definitely</th>
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Section 4

Question 10

The questions in this section examine the concept of trust. It has been suggested that the importance of the word trust may well become one of the most significant terms in the business vocabulary. I realise that any questions regarding “trust” may make some of you feel a little hesitant. However, I would like to reinforce the point that confidentiality will be respected at all times regarding all information given.

Imagine you are going to be doing any type of training in Utilux.

Do you feel confident that the people delivering the training have:

a) The necessary knowledge? (Please explain your answer)

b) Adequate skills in training? (Please explain your answer).

Question 11

Imagine yourself in the workplace, whether in an ordinary working situation or attending training. What are the main factors that you feel influences the development of TRUST between:

a) your peers and you.

b) your manager and you.

c) the trainer and you?

Question 12

Branches, Business Units and offices are organised in different ways.
a) Within your unit, would you say that trust between peers is high or low? Please circle the relevant number i.e. 1 = low trust and 5=high trust.

<table>
<thead>
<tr>
<th>No trust</th>
<th>Low trust</th>
<th>Average trust</th>
<th>Higher than Avg.</th>
<th>High trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>5</td>
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</table>

b) Within your unit, what would you say is the perceived level of trust between your unit and other Utilux units?

<table>
<thead>
<tr>
<th>No trust</th>
<th>Low trust</th>
<th>Average Trust</th>
<th>Higher than Avg.</th>
<th>High trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</tbody>
</table>

c) What would you say is the perceived level of trust between yourself and your supervisors/managers?

<table>
<thead>
<tr>
<th>No trust</th>
<th>Low Trust</th>
<th>Average Trust</th>
<th>Higher than Avg.</th>
<th>High trust</th>
</tr>
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<tbody>
<tr>
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<td>5</td>
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</table>

d) Do you feel that your division readily shares information with other divisions, sections, teams, or branches in QBE and vice-versa? If so why, if not why not?

e) Do you consider that you have a certain amount of control over and responsibility for your job?. Please circle the number that you feel best fits your situation.

<table>
<thead>
<tr>
<th>No not at all</th>
<th>A little bit</th>
<th>To a large degree</th>
<th>Yes definitely</th>
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**Question 13**

Learning in the workplace involves trust between yourself, your fellow workers and those at the managerial level.

Describe examples of when:

a) You felt trusted in the workplace.

b) You trusted others in the workplace.

**Question 14**

Listed below are some of the things people have identified as affecting the levels of trust when working with mutual friends and acquaintances.

**Rank** the list below in the order that reflects the things that you feel most affect the level of trust (eg, place 1 beside what is most important to you down to a 6 beside that which is least important to you.
People have a similar background.
Length of time you have known them.
Working together on joint projects.
People do what they say they will do.
They show support for you and your interests.
They back you up when times get tough

Section 5

Question 15

Your comments will be retyped (to ensure confidentiality) and communicated to management in general terms only.

Imagine you are the company CEO. In your own words, what would you change about the following and why?

a) The company structure? (i.e. business units, geographic locations etc)

b) The company culture? (i.e. practice, trust, empowerment, ethics, co-operation, encouragement to be innovative etc).

c) The company’s mission statement and goals? (i.e. values, vision,).

d) The company’s training philosophy? (relevance to the job, timeliness, effectiveness, methods used).

e) The company’s approaches to managing change? (Communication, implementation, planning etc).
Appendix L – Utilux Interview Questions

1. Business Units

There is a recurring pattern throughout the questionnaire responses that Business Units are too insulated and do not work together in a common goal. Has this been your experience and if so why, if not why not?

2. Company Culture

There were some comments made that indicate a discontent with the direction that the company culture is being taken.

What is your understanding of the current culture and the direction that it is taking?

Who do you think should be responsible for setting that direction?

What direction would you like to see the company culture taking?

3. Company Mission Statement

The questionnaire responses indicate that some people feel the company’s values and goals are not aligned to those held personally by the employees.

What does the mission statement mean for you personally?

Were the employees consulted and asked for their feedback in the generation of the Excellence Model.

Has the Excellence Model been explained to the employees in a way that the employees understand it? What is your understanding of what it means?

4. Training

Some of the responses indicated that the training provided by Utilux is not tailored to the context of the work to be undertaken. Has this been you experience, if so could you explain why or why not?

5. Knowledge Sharing

There were mixed responses as to whether Utilux have created a culture where knowledge is easily created or shared.

What has been your experience in being able to gather or find information when needed?

In your opinion, does the company have the infrastructure set up to easily manage and share knowledge and if so why, if not why not?
Appendix M - Utilux Goals Statement

The Utilux Group aims to be an innovative world class resource for electrical and electronic interconnection solutions and assemblies.

**Solutions**
We will deliver superior solutions to our customers by working as a global team.

**Innovation**
We will create an environment where innovation becomes a way of life.

**Marketing**
We will be a marketing driven company.

**People**
We will recognise people as the critical resource and will empower them to reach their full potential.

**Learning**
We will equip people by encouraging learning.

**Excellence**
We will relentlessly strive for excellence in everything we do.

- 95% on time delivery
- 30% sales from products introduced in the last three years
- 15% sales growth
- 20% ROFE (Return On Funds Employed)

We believe working for Utilux is S.I.M.P.L.E.

What is our Group direction?

Group Vision

Group Values

Group Outcomes
Appendix N - Utilux Excellence Model
EXCELLENCE MODEL

The Excellence Model is a framework or road map for business improvement applicable to all organisations and can be applied to a group of companies down to individual sections within a business.

For each category of activity listed below we are encouraged to examine:

Our Approach:- what are we trying to achieve, what strategies and plans do we have to achieve the desired outcomes? How proactive, planned, systematic and focused on improvement is our Approach?

Deployment:- to what extent are these activities actually being integrated into the day to day running of the business?

Results:- how do we know how well our intentions are being achieved and reported through the use of data and information?

Improvement:- to what extent is the validity and effectiveness of the Approach and Deployment continuously questioned and reviewed.

LEADERSHIP

Create an environment that will make it possible to achieve the mission, goals and objectives for the business/section.

Leaders who can offer their people a valid, meaningful success proposition and help them understand its value for them and the contribution they can make to it, have the best chance of mobilising the energies of their team and channeling their commitment towards worthwhile goals.

Central to effective leadership is the establishment of a clear vision and mission that drives the organisation forward. What is the organisation, section, or department doing to create the environment that will make it possible to achieve the mission and vision?

Identify what you are doing and what you should be doing in relation to:

- the degree of collaborative involvement by all stakeholders in the development of policies, mission statements and guidelines
- how the organisation’s acceptance of and commitment to values is evaluated (employee surveys with appropriate questions, during employee appraisals, can you identify specific instances where values have influenced important decisions etc.)
- resource utilisation- quantity, emphasis
- preparation of innovation- encouraging staff to look beyond the obvious, being positive about failure, providing appropriate structures & processes
- planning for improvement, monitoring progress of plans & logging achievements. includes plans for a suitable culture that embraces continuous improvement
- encouraging teamwork
- providing & participating education & training
- recognising employee contributions

STRATEGY & PLANNING

Create the framework and focus for realising the business unit/section’s overall mission and objectives by developing, improving, implementing and measuring the success of high quality strategies, plans and goals that are consistent with the business unit/section’s mission, values and guidelines and have the “buy-in” of all stakeholders.

- Does the organisation have shared values and if so have these been developed with input at all levels. Are they incorporated in policies, mission statements, guidelines. How are they communicated, adopted, reinforced and how is the acceptance of and commitment to these values evaluated?
- How does the planning process work? Is it clearly defined, cover all principal functions, co-ordinated, documented, tie into business unit or company wide processes? Is there good understanding of the key outputs required, is it complete, timely, effective, how do you know? Are personnel at all levels planning?
- How are goals and priorities set? Are they consistent with and stem from mission and vision? How are customer requirements, supplier capabilities and community responsibilities used in developing plans? How is competitive data and benchmark data taken into account?
- How are plans implemented, how is progress communicated to those who need to know or should know? How is the effectiveness of the planning process measured?
INFOHATION & ANALYSIS

Scientifically collect and analyse the data and information required to have our decisions seconded by the necessary facts.

What gets measured, gets done.
What you can not measure, you can not control.
Knowledge is power.

- Are we collecting the right data (is the data going to help me understand, control and improve this process), is it accurate and meaningful?
- Do we understand the underlying variability of the data?
- What is the criteria used for selecting data? How is the effectiveness of data collection determined, how is reliability and effectiveness of data collection improved?
- How quickly is data disseminated?
- How widely used and understood (including the degree of inherent variation) is data? What statistical methods are used?

Do you rely heavily on people scanning lists of figures to pick out non-conformances, use management by exception, seek out underlying trends, make effective use of graphs and statistical tools?

Has everyone in the organisation learnt to use a scientific approach to solving problems and making improvements?

PEOPLE

Recruit and develop staff of dedicated and professional employees, who's potential is fully realised and utilised by the business, that consistently meet or exceed industry standards of performance in all aspects of their jobs.

The only lasting competitive advantage is the people in the business and how they combine as an intelligent, flexible and effective team.

Organisations are effective and productive when they keep site of the larger purpose, when they take a scientific approach to solving problems and making improvements; when they break down barriers, rivalry and distrust; when they foster teamwork and partnerships; when they foster a common struggle for customers and quality.

- To what extent are people involved? Do we have strategies & goals for employee involvement, how are we measuring our results?
- Does the environment enable the full potential of people to be realised?
- How alignment of people objective and company objectives is achieved?
- How are human resource plans developed and integrated with mission, values and overall planning processes etc.? How are they implemented, measured and continuously improved?
- What goals and objectives exist for people processes?
- What strategies have been developed to increase employee effectiveness, productivity & satisfaction?
- How do people know what their role is, or what other people role is?
- Do we recognise that a team of people drawn from different areas united by a common interest is most often the best way of improving a process? Is our teamwork structured or simply ad hoc?
- Like all important activities effectively drawing out suggestion from employees requires a process that exhibits the characteristics of a good data collection system. Do you provide timely feedback to the originator? Does the collection system work against teamwork (if rewards are not structured correctly)?
- Are employees empowered to respond to customers legitimate needs without having to seek sanction from superior?
- How do we manage and evaluate the contribution of people, both day to day activities and performance improvement? Is the balance between individual & group performance appropriate.
  - are all employees appraised
  - does the process rely heavily on the opinion of the supervisor and if so is the supervisor's capabilities taken into account?
  - is training linked to business imperatives that is linked to changed behaviors on the job or training for training's sake? How are training needs identified, through appraisals, as part of business or resource planning, as part of a proposal for a new product/service/process?
  - How is training carried out? How is it's effectiveness evaluated? How is the effectiveness of the processes for identifying training needs determined?
  - Sustained good morale does not happen by chance it must be planned. How is employee well being and morale measured and improved?
  - How is communication organized?
    - What processes are used passing information from management to individual employees, employees to management (formal and informal) and laterally (with other departments etc.)?
    - What type of information is provided, is it appropriate?
    - How frequently is information provided?
    - Are staff communications skills being improved?
    - Are initiatives being taken to simplify internal communications (process or technological improvement)?

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361
• How is the effectiveness of communication evaluated?

Evolve the role of supervisor from director to coach
Ensure 100% of employees have a job goals review at least annually.
Recognizing that required personnel may not be available in the open market and that we probably need to develop staff to meet our requirements.
Development of team ethos through participation through participation in social, sporting and other activities. Friday "talks" on various subjects on a loosely rotating basis.
Proper induction programs, availability of self assessment tools, personal effectiveness plans, accessibility of technical/professional literature and books on personal leadership and improvement,
I care attitude!

Partnerships not confrontation, people as assets not commodities, lifelong learning.

CUSTOMER FOCUS

Clearly understand who your customers are and what they want. Continually strengthen customer loyalty and increase sales revenue by providing high quality customer service, as judged by your customers, and by developing creative solutions for their needs.

If you are not servicing the customer, you had better be servicing someone who is.

Pertains to direct relations with external customers and internal customer relationships which contribute to satisfying the needs of the external customers.

• Where are we positioned in the customers value chain?
• How and to what extent are customers current and future requirements determined? What methods are used to collect this information, how frequently is it done, how long does it take? Is the data objective/reliable?
• How is information on customer requirements disseminated, understood and used throughout the organisation/department? How is the effectiveness of this determined and improved?
• How are market segments and customer groupings identified and their relative importance established?
• How is information management conducted?
  • Does a particular relationship involve the supply of a product (or are they a specifier, internal customer receiving your service)?
  • Do you supply the total service (one stop shop for the customer with all internal relationships seamless to the external customer), or, do other sections complement your service (e.g. sales and accounts receivable)?
• To what extent are employees with contact with customers empowered to resolve problems?
  • Do they have a good understanding of underlying processes?
  • Can they empathise with customers (through having first-hand experience of using the product or service)?
  • Are agreed limits of authority established?
  • Supportive management approach (e.g. if employees are measured only by the number of calls handled they will not take the time to properly resolve problems).
• How are customer complaints, expressions of dissatisfaction handled, are steps taken to encourage customers to provide such feedback? Is this information systematically analysed and used to improve products and service?
• How are measures of customer satisfaction developed and used? What is the rationale for the measures, have customers been involved in developing the measures? Are trends in this data and comparisons with competitors monitored, analysed and used to improve processes? How is competitive comparison information derived? A list of factors considered by customers in their buying decisions and sample service measures is attached.
• What is the approach taken to incorporate the needs of customers into the design/re-design of products (do not forget internal customers e.g. manufacturability)? What methods are used for evaluating the effectiveness of designs and design processes?

QUALITY OF PROCESS, PRODUCTS & SERVICES

Create products and services of the quality intended and expected by your customers by defining, following and continuously improving business processes and procedures.

Quality can not be inspected in- it must be built in.

• How do you work with your suppliers to ensure quality inputs to your processes? Are they being encouraged to pursue a quality framework to ensure continuous improvement of their products and services? How are our needs being communicated to them? How is their performance measured? How are they given feedback on their performance? How are they involved in our product & service processes?
• How are processes designed and controlled?
  • Is there a consistent approach, are they documented and easily understood?
  • Are check points (measurements) built to indicate whether the process is in control?
  • Is the capability of the process to deliver the required result well understood?

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• Are improvement cycles built into the process?
• Has benchmarking been used?
• Process evaluation needs to consider, among other things, whether the process is consistently supplying what is needed, relies heavily on particular individuals or scarce people resources, is drawing disproportionately on capital resources, has the optimum lead times, cycle times and inventory requirements, generates suitable yields/waste levels.
• Is the degree, rate or level of process improvement measured?
• How is product/service quality as delivered to the customer measured, monitored and used to improve quality?

Only 15% of problems are due to a particular person, machine, or local situation. 85% of problems are due to the system (common causes).

**ORGANISATIONAL PERFORMANCE**

Identify, measure, monitor and benchmark a set of KPIs that relate to mission and vision and provide a macro summary of the health of the section/business/organisation for the consumption of stakeholders.

Identify, measure, monitor, benchmark a set of KPIs that relate to mission, vision and tie together the performance and major objectives in the other Excellence Model categories. These are a macro summary of the health of the section/business/organisation for the consumption of stakeholders. They could include:
• Operational indicators covering sales, output, quality or administration
• Financial indicators such as profit, return on assets etc.
• Customer satisfaction indicators
• Employer satisfaction indicators
• Indicators that impact on other major stakeholders such as the community at large (environmental matters), suppliers etc.

How are KPIs monitored, integrated into the management of the section, compared with competitors?
Appendix P - Kingsgrove Business Division Interpretation of Values and Goals Statement

WHAT ARE VALUES

Values are the organisation’s essential and enduring tenets – a small set of general guiding principles; not to be confused with specific cultural or operating practices; not to be compromised for financial gain or short-term expediency.

In a visionary company, the core values need no rational or external justification. Nor do they sway with the trends or fads of the day. Nor even do they shift in response to changing market conditions.

Research indicates that the authenticity of ideology and the extent to which a company attains consistent alignment with the ideology counts more than the content of the ideology.

(Built to Last – Successful Habits of Visionary Companies. J C Collins & J I Porras)

I&E INTERPRETATION OF UTILUX VALUES

Solutions

People do not want products, they want solutions to their needs. This involves understanding in detail what our customers needs are, and often their customers needs. It means providing them with the pre-sales and after sales service to create a complete solution.

It entails being proactive, assuming that a thing can be done and that the only issue is identifying how or how best to do it. “We will either find a way or make one” – Hannibal

Innovation

“Wealth in the new regime flows directly from innovation, not optimisation; that is wealth is not gained by perfecting the know, but by imperfectly seizing the unknown” – Kevin Kelly “New Rules for the Economy”

The only sustainable competitive advantage comes from out-innovating the competition.

“You miss 100 percent of the shots you don’t take” – Wayne Gretzky hockey great.

We have to forget failure! Forget consensus! Challenge, challenge, challenge the way things are done! Learn from every outcome.

Innovation is an ability to try the untried. See the usual in unusual ways and relate the normally unrelated.

Marketing

Being marketing driven means we are focused on, ‘in love with’, our customers, not our product service or business.

People

The results achieved by the business is the sum total of the results achieved by the people that make up the business. To achieve the best possible results for the business we need to have each individual reaching their peak performance.
This requires involving people in setting goals and monitoring performance, empowerment, 
presenting people with challenges, coaching and encouraging learning.

To get the outcomes we require we need to hire (internally and externally) for attitude, talent, 
and diversity and train for whatever.

**Learning**

We will facilitate learning by identifying and developing plans to build character traits, 
knowledge attitudes and skills that are needed to realize our desired business goals and 
outcomes.

**Excellence**

We give up competitiveness to the extent that any service or task is not equal to world best 
practice standard.

We need to benchmark ourselves against best practice for each process we undertake and 
passionately strive to meet or exceed beset practice.
Appendix Q – Fortune Group Team Skills

Team Skills

Facilitating Team Learning
In support of Best Practice, Continuous Improvement, TQM, QA, Benchmarking, KPI's, et al

Team Skills

is a collaborative workplace process to equip Team Leaders and 'Peer to Peer' Facilitators with the capabilities of managing change, growth and continuous improvement through their teams.

The practical skills and tools acquired through the Team Skills process are readily applied across the workplace to create and sustain customer focused growth and best practice.

Participants develop:
- Hands-on skills to support workplace improvement programmes.
- The ability to be more self directing and accountable for performance.
- Skills to identify and resolve critical team and workplace issues.
- Increased confidence working with team members in the achievement of goals and objectives.
- Specific techniques and resources to support productive team interaction, ownership and problem solving.
- The ability to harness and align the energy and ideas of all team members, and do more with less.

Through a dynamic workshop, Team Skills challenges participants to implement continuous workplace improvement, and grow individual and team productivity to achieve best practice.

Issues

Revitalising Workplace Performance
Framework for Growth & Best Practice
Critical Business Issues
Team Learning Process

Focused Outputs

Managing Change Through the Team
Implementing Team Skills as a Process
Practical Application of Team Skills
Team Action Priorities and Tools
Sustaining The Process On-the-Job

Fragmented Inputs
Appendix R – Contractor Interview Framework

Question 1
Can you tell as you understand it, why the company wanted you for this position? By that, I mean do you think that they employed you for your knowledge or for your skills?

Prompts:
If they employed you for your knowledge was it the knowledge general knowledge or specific knowledge and can you give some examples?
If they employed you for your skills was if for general skills or specific skills and can you give some examples?

Question 2
Have you had any problems getting the information required to do your job?

Prompts:
Infrastructure and mechanisms in place
Contextual knowledge – what is it and how is it important

Prompts:
A good organisation would provide them you with a good orientation. Have you ever experienced any of this?

Question 3
In your experience,

a. have you found permanent employees keen to tap into your knowledge and skills or have you found that they tend to view you with scepticism and bypass you as a knowledge source altogether.

b. In your opinion, have you found that the permanent employees accept you as an expert and value your knowledge? Can you give me some of examples of when this has happened or when it has not happened?

Question 4
Do you share your knowledge with other employees during the term of your contract and if so how?

Prompt:
If you are reticent to share your knowledge can you give your reasons why?

Question 5
Are you willing to answer questions once you have finished a contract?
If you are can you tell me why and if you are not, can you tell me why?
Question 6

Experts such as contractors and consultants now account for a large percentage of the workforce. According to Drucker, contractors “…carry their knowledge in their heads and therefore can take it with them” (p.24) and “an increasing number of these will identify themselves by their own knowledge rather than by the organisation.

Would you say that the above quote sounds like yourself? Can you please explain?

Question 7

Can you tell me something about your commitment and loyalty to your work?

Question 8

While working as a contractor what has been your experiences regarding:

- Trust and loyalty to other workers i.e. managers, peers –permanent and other contractors
- What do they define as .
- Do you ever feel tension about wanting to be business like but only giving the host agency what they are paying for? Why?

Question 9

How do you keep your own knowledge and skills up to date?

Question 10

Have any of the labour hire company’s provided you with any training

Question 11

Current research has indicated that client organizations and labour hire firms may have different understandings of the role to be performed by the contractor. Previous research has revealed in a number of case studies that in many instances labour hire companies have sent contractors to a job where the contractor does not have the necessary skills. Has this been your experience and if so can you provide some examples of when you have encounter this role ambiguity.

Prompts:
Mismatch of skills:
- Contractors overstatement of ability and skills
- Disregard of requirements by the labour hire firms
- What avenue do the contractors clarify the skills required before they start a contract and what about once they have started the contract
- Master-apprentice learning
- De-briefing opportunities – to talk things through with fellow workers examples of when you have and when you have not.

Question 12

Can you tell me in your own words what you perceive is the difference between outsourcing and labour hire?

Prompt: Outsourcing stifles the innovation process.

Question 13

What would say is good outsourcing from the: And why?

a. Company’s perspective
b. The contractors perspective
Appendix S – Information Sheet and Consent Form.

UNIVERSITY OF WESTERN SYDNEY
College of Social and Health Sciences
School of Applied Social and Human Sciences

The Learning Organisation: A study of knowledge and the individual in the organisation
Information Sheet

Introduction to the study.

Welcome to my thesis project. I am currently undertaking postgraduate study at the University of Western Sydney - Nepean and this project is fulfilment of that study. This introduction provides a brief overview of what the project is all about and what your participation requires.

The focus for my thesis is the concept of the Learning Organisation. A Learning Organisation provides a supportive and caring learning culture at the individual and organisational level that encourages the sharing of knowledge. Proponents of the Learning Organisation concept believe that organisations learn through individuals when the learning is done collectively and the knowledge is shared and used to make a difference to larger sub-units of the organisation or, the organisation as a whole. The ability to acquire, transfer and modify knowledge through continuous learning and collaboration is always an important aspect of the learning process, but it is even more important in times of change.

With the trend towards outsourcing and contract labour, such arrangements are set to challenge the very principles that the Learning Organisation is based on especially with regards to knowledge creation, knowledge sharing, trust, loyalty and identity. There has been relatively little research conducted in Australia addressing the implications that outsourcing, contracting- out and labour hire has for knowledge creation, knowledge sharing, and trust and loyalty from the experiences of contract labour per se. The aim of the research is to gain an understanding of these issues from the perspective of your contracting experiences. I am interested in your perceptions about the change that is occurring in the outsourcing/contractor sense regarding the creation of knowledge, knowledge sharing, access to existing knowledge in the corporate memory, loyalty and trust, based on your experiences of as a contractor. The project stands to provide valuable data for both contractors and organisations by providing an understanding of the labour market and what it means for the knowledge economy. The decision making process for outsourcing and contract labour hire is driven by short-term economic monetary gain. In the era of the knowledge economy, this study will provide organisations with a longer and wider picture of what employment is about especially from the contractor’s point of view.

Confidentiality will be respected at all times. You are welcome not to identify any of the organisations that you have worked for.

Please do not breach any confidentiality agreement that you have signed with regards to any current or previous employer.

Any statements you may make will remain anonymous; any distinguishable information will be removed from the tapes and transcriptions. Should you change your mind and wish to withdraw from the project, you may do so at any time.

NOTE: This study has been approved by the University of Western Sydney Human Research Ethics Committee. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Research Ethics Officers (tel: 02 4570 1136). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
What is Involved for this Project?

To take part in this research project you will be required to:


Experts such as contractors and consultants now account for a large percentage of the workforce. Contractors “...carry their knowledge in their heads and therefore can take it with them” and “…an increasing number of these will identify themselves by their own knowledge rather than by the organisation that pays them (p.24).

Please note: Sending the answers to question one is an indicator of your consent to participate.

1. Regarding the above quote, I want you to write down 20 statements in order of preference about ‘who you are’ and email them to my email address listed below. These statements will be discussed in depth at the interview.

2. Consent to an interview regarding topics such as knowledge creation, knowledge sharing, trust, loyalty and identity regarding your experiences as a contractor.

Note: Once you have agreed to participate in this study a consent form will be emailed to you together with the information statement. I will collect the signed consent form at the time that the interview is to take place.

If you have any questions about participating in the project please do not hesitate to contact me either on my mobile or via my email address.

Nola Young
Bus hrs: 0421 087 170 or
e-mail: subuarugt@bigpond.com
Appendix T – Utilux Consent Form

UNIVERSITY OF WESTERN SYDNEY
College of Social and Health Sciences
School of Applied Social and Human Sciences

Consent Form

I agree to participate in the project “The Learning Organisation: A study of knowledge and the individual in the organisation” by being interviewed. I consent to the information I give being used in any reports or articles that may arise as a result of this research.

I agree not to breach any confidentiality agreement that I have signed with regards to any current or previous employer and I understand that I am welcome not to identify any of the organisations that I have worked for.

I have read and understood the information supplied on the information sheet and know who I should contact if I require further information.

I understand that at all times, confidentiality will be respected. Any statements I may make will remain anonymous; any distinguishable information will be removed from the tapes and transcriptions. I also understand that at any time I can change my mind and withdraw from the project if I wish to do so.

The information on this form will be kept separate from the interview material and will be kept solely for this project and will not be made available to any person other than my supervisor and myself.

SIGNED: ______________________________

NAME: ______________________________

Contact Phone No: ____________________

Email address: ________________________

<table>
<thead>
<tr>
<th>Question</th>
<th>Score 1</th>
<th>Score 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you feel part of the geographic community where you work?</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Are your workmates also your friends?</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Do you feel part of a team at work?</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>At work, do you take the initiative to do what needs to be done even if no one asks you?</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>In the past week, have you helped a workmate even though it was not in your job description?</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Do you identify more with your work community than with the local community where you live (i.e. with the people at work, more than the people where you live)?</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Do you go to work just for the income?</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>In the past 6 months, have you ever publicly disagreed with the views of your boss?</td>
<td>2</td>
<td>1</td>
</tr>
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