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Learning and psychological contracting within in the small, but growing business:

An investigation into the changing individual-organisation learning relationship.

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for the degree of Doctor of Philosophy

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ABSTRACT

In recent times the learning organisation concept has become a popular topic of research interest. A review of the literature revealed three areas of research concern. First that theory concerning the learning organisation, and organisational learning, is over-reliant on the “positivist” standpoint and methodologies, and that resulting descriptions and models of the learning organisation are mostly idealised rather than ‘real’ representations of the proposed phenomena. Secondly, that theory and models of the learning organisation are relatively uninformative when it comes to explaining the proposed relationship between individual and collective learning, and how one translates into the other. Thirdly, that issues to do with organisational learning in the small firm remain under-investigated, and that the literature offers little explanation concerning the subject of small firm learning, and the growth process.

Responding to calls for research into these areas of research concern, this thesis contains an account of a case study investigation into aspects of small firm learning. The aim of the investigation was to stimulate new research by generating grounded research themes, ideas, questions, and hypotheses concerning aspects of learning organisation theory.

Working within a consultancy context, and adopting a case study approach, qualitative data was obtained during interviews with people in three small, but growing businesses. Grounded theory methods were then used to conduct a thematic analysis of the data.

Outcome of the investigation are as follows. There is grounded thematic support for the assertion that people in small firms have a need, and are able to engage in transformational learning. In particular, the findings support the making of a two-part proposition concerning small firm learning and the changing individual-organisation relationship. First, that the small firm can be usefully construed as a network of informal communities, wherein people interact to meet their own, sometimes competing needs, and to learn how to do what needs to be done. Secondly, that the way people negotiate and agree to form and engage in these informal communities of practice can be usefully explained in terms of an ongoing process of psychological contracting.

Another outcome of the investigation is that it was possible to explore the value of using grounded theory methodology during a dual research and consultancy role. This part of the investigation is also described and discussed.

Finally, the case for wider investigations to test the emergent two-part proposition concerning small firm learning, and the changing individual-organisation relationship, is argued.

Firstly, I wish to thank my supervisors, Dr Nicky Hayes and Professor Brian Kenny, for their guidance and advice throughout this investigation and when preparing this thesis.

Throughout, Nicky has been the source of much enlightenment and encouragement. She ensured I remained on track when it was necessary to do so. Also, she proved to be very adept at recognising when I might usefully draw on theory, and in suggesting avenues to pursue. I am particularly grateful for her generosity in allowing me to tap into her own extensive library of books, academic journals, and papers.

Brian Kenny has similarly been unstinting in offering his guidance and support, and in helping me identify, and gain access to, opportunities to gather research data during this investigation. Throughout, he has been a constant source of encouragement.

It is only proper that I should also refer to countless clients and professional colleagues. Over the years, conversations with clients and professional colleagues provided the stimulus for this investigation.

Finally, I need to thank my wife and daughter, for their forbearance when reading through this thesis to check for mistakes.

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CHAPTER 1

THE LEARNING ORGANISATION

CHAPTER OVERVIEW

In this chapter the literature concerning the learning organisation and organisational learning is reviewed. Section one is concerned with the modern day usage of the learning organisation concept, and its earlier roots in the organisational development movement. Section two is concerned with the way the learning organisation is modelled and described within much of the literature, and related theoretical issues. The issue of the changing individual-organisation learning relationship is the focus of attention in section three. Section four is concerned with the learning organisation in practice, particularly practice within small firms. In the final section, three under-investigated areas of concern are highlighted, and reasons why it was considered appropriate to undertake this investigation into aspects of the changing individual-organisation learning relationship within the small firm are explained.

THE LEARNING ORGANISATION CONCEPT

According to Matlay (2000), the roots of the learning organisation concept can be traced back to the “organisational development” movement of the late 1960s, and early 1970s, when organisational development was often compared with managed incremental change. In the 1960s and early 1970s, the pace of change was considered to be less frenetic than today, and there was a widespread belief that change could be planned and managed incrementally.

Looking back to those times, Pedler (1994) records how academics and practitioners confidently expected to be able to investigate and implement learning-based human resource and knowledge management strategies, and, as a consequence,

enable firms to respond to the challenges posed by technological advances, and changes in economic circumstances.

In the late 1960s and early 1970s, few predicted the rapid emergence of a global and highly competitive economic environment, or the speed with which new technologies would be introduced and subsequently replaced from the late 1970s onwards. Economic uncertainty and rapid technologically driven change are now described as unavoidable everyday features of organisational life (Stata, 1996; Dodgson, 1993; Senge, 1990; de Geus, 1988). Accounts of modern day organisations often describe how people are having to operate at the outer limits of their and other peoples experience, and how they are having to make decisions based on insufficient information (Stata, 1996; Dale, 1994). For example, Kanter (1996) asserts that every element of organisational activity is subject to frequent change, and decisions taken in response to one set of needs often result in undesired and unhelpful consequences in other areas within the organisation.

Nowadays, organisational development and organisational learning are defined as different things within the literature (Starkey, 1996 and Dale, 1994). Whereas the term organisational development is often used when referring to planned and incrementally managed change, since the 1980s, the term learning organisation has been widely used as a metaphor to convey a vision of a self-transforming organisation, wherein people are continuously learning how to respond to, and manage, rapid and continuous change (Starkey, 1996; Dale, 1994; Pedler et al, 1988). In particular, organisational learning is promoted as an essential precondition for sustainable business competitiveness within the global economy (Moingeon and

Edmondson, 1996; Stata, 1996; Hamel and Prahalad, 1994; Barnes, 1991; Grant, 1991). Developing this theme, Senge (1990) asserts that the organisation's future is dependent on the willingness, and ability, of leaders to nurture, build on, and tap into people's commitment and capacity to learn.

As portrayed in the literature, this vision of a self-transforming organisation is, however, not just about people being encouraged to engage in regular training and development activity. It is about the continual search for, and implementation of, strategies that encourage individual self-development, and personal and collective thought and action within a continuously self-transforming organisation. (Stewart, 2001; Starkey, 1996; Stata, 1996; Pedler, 1994).

THE LEARNING ORGANISATION: MODELS AND DESCRIPTIONS

Despite the widespread interest in the concept, there are few reported examples of the learning organisation (Easterby-Smith, 1997; Campbell and Cairns 1994). Consequently, much of the literature is characterised by examples of hypothesised descriptions and models of the learning organisation, and organisational learning environments. More often than not, these descriptions and models are rooted in the researcher's earlier investigation of organisational practices of learning, and are intended to serve two purposes. Firstly, they are offered as a hypothetical basis for subsequent theory testing during case study research (e.g. Nonaka, 1996; Sutton, 1994). Secondly, they are presented as tools for practitioners to draw on when seeking to build a learning company (e.g. King, 2001; Galbraith, 1996; Senge et al, 1994).

Learning organisations and organisational learning

Within the literature, the terms learning organisation and organisational learning are often used inter-changeably. This is because the learning organisation is frequently defined, and therefore described, in terms of the learning processes and practices which are said to characterise such organisations (Tushman and Nadler (1996; Hawkins, 1994).

The learning organisation is usually classified and described according to a list of 'pre-requisites' and 'characteristics' that are said to be the hallmark of such a company. According to Pedler, *et al* (1991) organisational learning occurs when there is an overall company process to ensure the balanced alignment of four key learning activities: individual thought and action, collective operations and individual action, policy making and operations, and individual thinking and collective planning. The researchers define these four key learning activities in terms of eleven organisational characteristics, which, they suggest, characterise the learning company (Table 1).

Table 1.1 Characteristics of the learning organisation

-
1. Collective strategic learning.
 2. Participative policy making.
 3. The use of information technology for information and knowledge management, and to inform decision makers.
 4. Formative accounting and control processes feeding into learning, and decision-making processes.
 5. Internal 'customer/client' reflective practice.
 6. Reward flexibility to encourage learning and reflective practice.
 7. Structures which enable learning and reflective practice.
 8. Front-line workers scanning the environment for opportunities for continuous improvement.
 9. Inter-company learning.
 10. A learning culture.
 11. Mechanisms which encourage, and support, self-development for all.
-

Source: Pedler et al (1991)

Similarly, Senge (1990, 1996) sets out to identify and describe the characteristics of the learning organisation. Drawing on his consultancy experience, and referring to case study examples, the researcher refers to five “disciplines” which, he suggests, characterise learning organisations. The five disciplines are: personal mastery, mental models, shared vision, team learning and systems thinking.

Senge uses the term personal mastery when referring to personal growth and learning. Personal mastery is defined as the individual’s continuing commitment to develop their ability to achieve their personal and shared visions in life. Presented as a series of principles and practices, personal mastery requires the individual to develop and focus on their vision of how they would like life to be, and to creatively overcome current personal and organisational realities in order to achieve that vision.

Focussing on the origin of shared visions, Senge (1996) maintains that they emerge from personal visions, and the leader’s ‘new’ role is to encourage and work with team members to develop personal and shared visions. Visioning, in Senge’s opinion, is an on-going process in the learning organisation.

However, people’s visions for themselves, and their organisation, are not always put into practice. Speculating on the reasons for this, Senge (1990 and 1996) suggests people are often constrained by their mental models, i.e. their previously learned ways of thinking about and understandings of the way things are, and how things work in the world. The solution, according to Senge, is for people to develop learning practices which enable them to recognise and challenge their mental models, and to identify creative ways of achieving their personal and collective visions.

Of the five disciplines, “systems thinking” is portrayed as the key discipline (Senge, 1990, 1996). Systems thinking is described as the willingness, and ability, of organisational members to think and act systemically, e.g. being able to recognise that actions taken in response to events in one part of an organisation will most likely result in a ‘knock-on’ effect in other parts of the organisation, and to respond appropriately.

Personal and collective learning

Within the literature researchers frequently differentiate between personal and collective learning (Romme and Dillen, 1997; Huber, 1996), and organisational learning is usually portrayed as the sum of individuals’ learning (Hyland and Matlay, 1997; Starkey, 1996). For example, Dixon (1994) asserts that organisational learning can only take place through intentional learning processes at individual, group, and systems level.

Commenting on the systemic nature of organisational learning, several researchers have focussed on the relationship between how people learn, levels, or hierarchies of learning, and policy development and implementation within organisations (Hawkins, 1994; Garratt, 1987; Kolb, 1984; Argyris and Schon, 1974). Learning is said to occur at different levels (Bateson, 1973), and is described as a constant process of moving around cycles of thinking, planning, action and reflection (Revens, 1982; and Kolb, 1984).

Combining this notion of levels with the principle of learning being cyclical, Argyris and Schon (1974) proposed the theory of single-loop and double-loop learning. Referring to this theory, Senge (1990) asserts that single loop learning is

primarily about people learning how to use their existing capabilities in order to manage new situations by making improvements and amendments, whereas double loop learning is about people developing new perspectives, options, possibilities, and definitions when responding to changing situations.

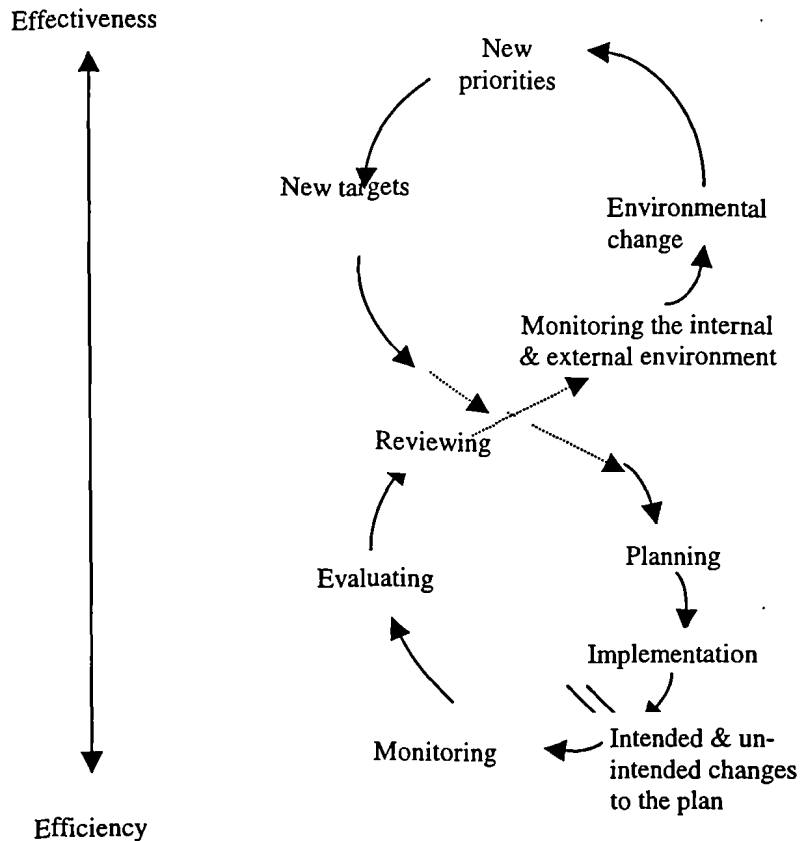
Sometimes called operational learning (Hawkins, 1994), or, adaptive learning (Senge, 1990), single loop learning is often compared with learning through trial and error, and, according to Fiol and Lyles (1985), is mostly found in organisations where there are repetitive or routine work procedures. According to Morgan (1986), single loop learning usually involves the identification of the causes of and responses to actual or probable errors, resulting in a gradual increase in the company's knowledge base.

Building on the work of Garratt (1987), Hawkin's (1994) claims single loop learning is mostly about people learning how to do things more efficiently. Developing his theme, Hawkins suggests people usually begin with a plan. As the plan is implemented, *deviations from the intended outcomes are monitored and* reflected on, and the plan is redrawn, and freshly implemented. People rarely, if at all, question the plan itself because they are primarily focused on how to carry out the operation more efficiently, never on whether they are carrying out the right operation.

To discover whether they are carrying out the right operation, and to improve their performance, Hawkins (op cit, p15) argues people need to loop to the strategic learning cycle, where, he suggests, the focus moves from efficiency to effectiveness, and from the 'how to do' to the 'what ought we to be doing'. He suggests this

process of double-loop learning occurs only when both the operational and the strategic cycles are involved, and when people focus on issues relating to the internal and external environment (figure.1.1).

Figure 1.1 Integrating operational and policy learning: Double-loop learning

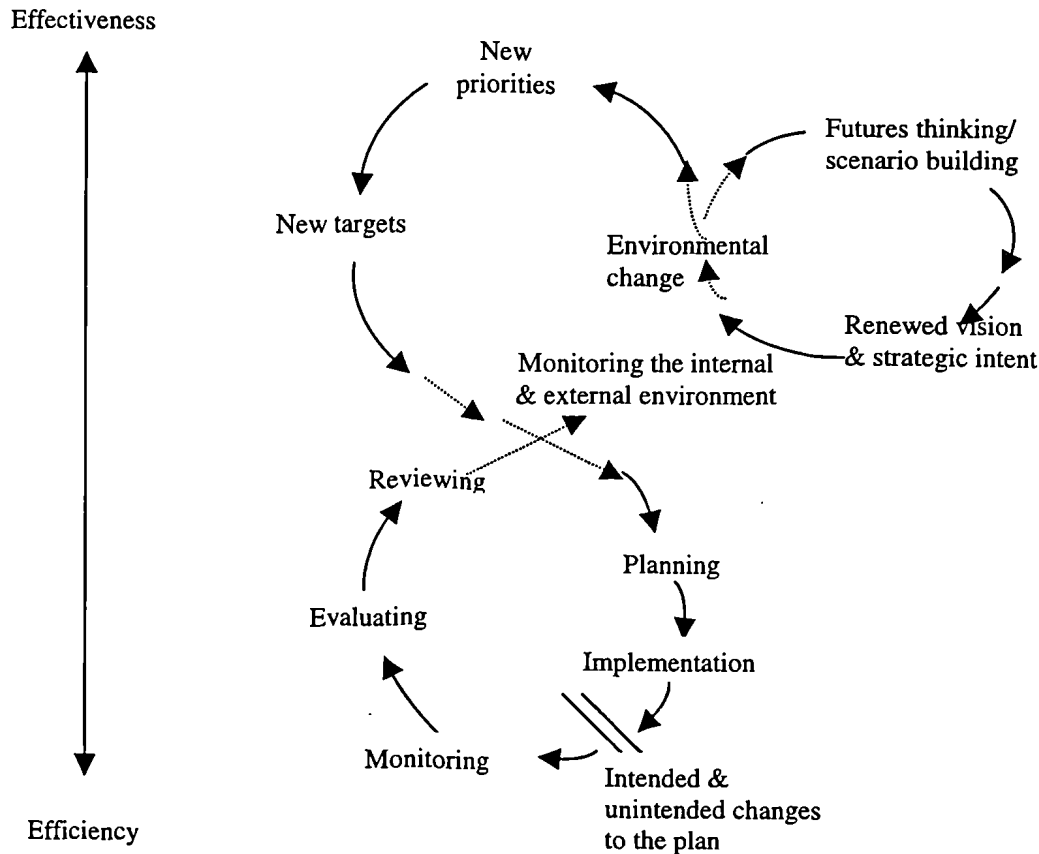


Source: Adapted from Garratt (1987), see also Hawkins (1994)

Taking this concept of looped learning a stage further, Hawkins (1994) developed the concept of treble loop learning (figure.1.2). People, he suggests, engage in treble loop learning when they speculate on longer-term internal and external environmental changes, and how those changes might affect the organisation in the medium to long term, once this learning is fed back into the operation and strategic learning cycles. Operating at this level of strategic thinking,

planners are said to engage in what is sometimes called 'futures thinking' and 'scenario building' (Davies and Ellison, 1998).

Figure 1.2 Integrating operational and policy learning: Treble-loop learning



Source: Adapted from Garratt (1987), see also Hawkins (1994)

Focusing on the proposed practices of looped learning, several researchers assert that planners can, and do, become entrapped in single-loop learning. Senge's (1990), for example, claims most large organisations rely on single-loop learning, and, within such organisations, people rarely engage in double-loop learning. Speculating on why this is so, Hatch (1997) argues that the favoured linking of methods of financial analysis and budgetary control with input-outcome strategic planning processes causes large organisations to generate single-loop learning.

Matlay (1998) offers a similar explanation, when asserting that instances of double-loop learning are also the exception rather than the norm in small firms. He records that owner managers of small firms are equally pre-disposed to rely heavily upon budgetary-based methods of input-output analysis, when monitoring and evaluating performance.

The learning environment

Approaching the task of modelling the learning organisation from a different perspective, a number of researchers describe the environmental pre-requisites and conditions for organisational learning. Often, these descriptions incorporate notions concerning the role and responsibilities of leaders within the learning organisation (Pearn et al, 1995; Dixon, 1994; Bomers, 1989; Stata, 1989; Argyris and Schon, 1978). For example, according to Watkins and Marsick (1993), there are six action imperatives for building learning organisations, which leaders need to be aware of. The six action imperatives are: to create continuous learning opportunities; promote dialogue and inquiry; encourage collaboration and team learning; establish systems to capture and share learning; empower people towards a collective vision; and connect the organisation to its environment. Subsequently, they added a seventh characteristic: leaders who model and support learning at the individual, team, and organisational levels (Marsick and Watson, 1996).

Focussing more on the process of leadership, Jones and Hendry (1992, 1994), proposed a five-stage model when describing the role of leaders in promoting and supporting “learning in organisations.” During stage 1, the foundation level, managers focus on the basics, i.e. on laying the foundations for future in-company

learning. Stage 2, the formation stage, sees managers encouraging, and supporting, self-managed learning and self-development. During this stage, and as learners make new learning demands, the organisation ensures additional learning resources are made available. During stage 3, the continuation phase, the individual and the organisation begin to show signs of independence and innovativeness, and the organisation supports stressed and plateaued employees.

Within the transformation and transfiguration phases (stages 4 and 5) the organisation is moving from the stage where it encourages organisational learning to the stage where it can be described as becoming a learning organisation. During the transformation stage managerial attention is focused on cultural and structural changes, on encouraging people to learn to think and act differently, to experiment and to consider and respond to ethical issues, individual development and entrepreneurship, on coaching and facilitating reflective learning. Finally, during the transfiguration stage, the emphasis is on individual as well as social welfare and improvement, concern for values, mission and global integration.

Another stream of theorising, which can also be said to focus on environmental pre-requisites and conditions for organisational learning, is concerned with issues relating to organisational culture, learning, and innovation. According to West & Wallace (1991) and Geppert (1996), there is a relationship between organisational culture, organisational learning and innovation. Anderson *et al.* (1990) identify four factors which they say allow a team to be a positive, dynamic force for innovative change within an organisation. The four factors are vision, participative safety, task orientation, and support for innovation. These four factors have been incorporated

into the Team Climate Inventory (TCI), a rigorously tested and validated psychometric tool used to assess different aspects of a team's working climate (Anderson & West, 1994a & 1994b). Each of the TCI scales are subdivided into other measures for the purpose of assessing different aspects of the team's working climate (see Table 2).

Table 1.2. Scales and sub-scales of the Team Climate Inventory

Scale	Sub-scale
Participative Safety	Information sharing Safety Influence Frequency of interaction
Support for Innovation	Articulated support Enacted support
Vision	Clarity Perceived value Sharedness Attainability
Task Orientation	Excellence Appraisal Ideation
Social Desirability	Social aspect Task aspect

Source: Anderson and West (1994a)

Theoretical issues

According to Hayes (1999), Buchanan & Haczynski (1997) Easterby Smith & Thorpe (1997) and Fox (1997), much of the modelling of organisations and organisational behaviour is questionable because of its origins within the positivist paradigm. Whilst there is no single anti-positivist position, critics tend to be united in a belief that positivism is based on a self-legitimising functionalist perspective, rather than empirical fact. This is a wider epistemological debate which is explored in more detail in chapter two. Here, the concern is to highlight, rather than to discuss

in detail, the positivist underpinning of many of the hypothesised models and descriptions of the learning organisation and organisational learning.

Focussing on this issue, Garrick and Rhodes (1998) assert that most models of the learning organisation and organisational learning are questionable because of the way they ascribe legitimacy to themselves: each purporting to offer a strategic business model and a way of managing that effectively encourages learning and the utilisation of its outputs for the benefit of the organisation, and for the general social good. Examples of the type of models Garrick and Rhodes have in mind are those promoted by Marsick and Watson (1996) Hawkins (1994), Jones and Hendry (1992 and 1994) and Pedler et. al. (1991), and which were described earlier.

In many ways, and despite the claims that organisational development and organisational learning are now defined as different things, the models Garrick and Rhodes refer to still reflect much of the inherent functionalist thinking associated with the earlier organisational development movement. Critics of these positivist inspired models and descriptions of the learning organisation, and of organisational learning, frequently point to the way in which they assume, and therefore, encourage practitioners to believe that people are capable of being manipulated (Fox, 1997). Such models and descriptions, it is suggested, fail to recognise, or account for, the relationship between cognitive processes and knowledge creation in organisational settings (Garrick and Rhodes, 1998; Hayes, 1998, 1999; Buchanan & Haczynski, 1997); issues concerning the relationship between discursive forms of representation and reality (Edley, 2001, Gergen, 1999, 2001a & 2001b); or for the effects of power and conflicting individual ideologies within organisations (Salaman and Butler, 1994; Argyris, 1990).

Power, and the effects of power and conflicting individual ideologies within organisations, is a focus of concern among researchers from a broad range of academic disciplines. Within the field of organisational sociology, for example, much has been written about the organisational contexts within which learning takes place, and their role in facilitating, or inhibiting, learning. Operating from this perspective, theorists tend to concentrate on the impact of issues such as the way bureaucratic structures, hierarchical power disparities, asymmetrical information flows, and political conflicts during learning processes (e.g. Salaman and Butler, 1994).

A particular concern for writers within this tradition is the way in which organisational structures and cultures are perceived to inhibit or distort meaningful personal and collective learning. For example, Argyris (1987, 1990) claims that hierarchical structures often prevent openness, questioning and confrontation; by discounting alternative perspectives, by encouraging deference and defensiveness, and by discouraging any kind of debate that might be interpreted as a challenge to authority.

THE INDIVIDUAL-ORGANISATION LEARNING RELATIONSHIP

While the subject of individual learning is widely discussed within the psychological literature, according to Stewart (2001); Matley (2000); Altman, (1998); Starkey, (1996), and Garvin (1993), the relationship between individual learning and collective learning in organisations, and how one translates into the other, is little understood. In part, this is said to be due to the inherent difficulties faced by researchers and practitioners when they attempt to bridge the gap between individual and organisational learning (Kim, 1993). The difficulties experienced are also said to

be a manifestation of a general tendency within the research community to marginalize the importance of social processes of personal and collective sense-making, and informal training and learning. (Storey, 2002; Deakins & Freel, 1998; Shaw, 1997). According to a growing body of researchers (e.g. Edley, 2001; Maze, 2001; Hayes, 1999; and Weinstein & Weinstein, 1998; and Bouwen, 1998), new possibilities for investigating the changing individual-organisation learning relationship unfold when the organisation is conceptualised as a living system in its own right, and, at the same time, a social construction, i.e. the collective outcome of individual sense-making over time.

The power of the learning organisation metaphor lies in the way it points to, and opens up, new opportunities to investigate and comment on the changing individual-organisation learning relationship. Within the literature there are a number of useful conceptualisations of the individual-organisation relationship, including propositions that: organisations are made up of informal communities of practice (Lave & Wenger, 1991, Wenger, 1998); organisations are arenas, wherein people interact to meet their own, sometimes competing, needs, as well as to address the organisation's needs (Burgoyne & Jackson, 1997); employers and employees have perceptions concerning the employment relationship, and the mutual expectations and obligations implied in that relationship (Argyris, 1960; Guest, et.al, 1996; Hayes & Dyer, 1999; Herriot & Pemberton, 1995; Rousseau, 1995).

Communities of Practice

The working group, and its importance in the working lives of most people, is well researched (Katzenback and Smith, 1993, Hayes, 1998a & 1998b; Wenger, 1998). Interactions within working groups are said to be the primary sources of people's learning experiences, social practice, meaning systems, and identity (Lave and

Wenger, 1991; Wenger, 1998). To document these social interactions, and their outcomes, is to document the ongoing social processes of knowledge creation.

According to Lave and Wenger (1991), and Wenger (1998), social participation is a process of learning, i.e. people acquire and use knowledge when engaging with one another to pursue shared goals. Developing their theory of learning through engagement in “communities of practice”, Wenger suggests organisations can usefully be construed as constellations of informal communities of practice, formed by people who come together to create a practice to get jobs done. He argues that, when engaging with one another in this way, and in the course of learning how to meet employer and client requirements, people achieve a number of outcomes: Firstly, they create their own practices, routines, rituals, artefacts, symbols, conventions, stories and histories, and, develop and preserve a sense of personal identity. Secondly, they assign meanings – a way of talking about their changing experiences, and abilities, and to explain the way things are in their immediate environment, and the world at large. Thirdly, they develop practice, i.e. personal and shared competence to do what needs to be done. Fourthly, they create a sense of community, a way of talking about the social configurations in which they engage. Finally, they create a sense of identity, a way of talking about personal and shared histories - notions of who they are, and how they ‘fit’ within the community of informal communities (Wenger, 1998).

The theory that organisations are constellations of informal communities of practice is a useful one, not least because it emphasises the importance of the relationship between social participation and learning within the workplace. However, when presenting their theory, Lave and Wenger are silent on the

substantive issues of power and its expression, and on the existence and impact of conflicting individual ideologies within organisations. That people choose to join and participate in informal communities of practice is more or less assumed. There is no apparent attempt to acknowledge the possibility, or take account, of competing personal visions, conflicts of interest, dysfunctional learning, or industrial unrest.

Organisations as Arenas

According to Senge (1990), there are creative (potentially destructive) tensions between personal and organisational learning. People, he suggests, experience feelings of creative tension when they become aware of the gap between their vision for their own, and, or, the organisation's future and present reality, and that these feelings of tension are reduced in one of two ways - they act to bring about changes in reality, so that it conforms more to the vision, or, they adjust their vision so that it conforms more to the current reality. Developing this theme, Senge (1996), argues that the leader's new role is to encourage personal and collective vision, and to facilitate creative, as opposed to destructive, resolution of any perceived mismatch between vision and reality.

Within the literature, other researchers have focused on and contributed to this discussion concerning the inherent tensions between personal and organisational learning. Approaching the task of explaining and accounting for the existence of conflicts of interest, dysfunctional learning, and industrial unrest in organisational life, Burgoyne and Jackson (1997) claim the organisation is an arena wherein people interact in an attempt to confirm, reinforce, promote, reconcile, and resolve their own conflicting purposes, as well as to respond to wider organisational issues.

This way of perceiving organisations is a useful one because of the way in which it acknowledges the inevitability of power, and conflict, within social settings. Furthermore, it highlights the potential for future investigations into the social processes through which personal and shared understandings are negotiated within organisational settings, and the way in which scientific knowledge is produced and judged to be valid. In recognising that people have their own, at times competing priorities, it opens up possibilities of investigating the processes through which people arrive at the point where they become willing, or unwilling, to create and engage in informal communities of practice. It also opens up possibilities of investigating and contributing to theory concerning employer and employee perceptions and expectations concerning the employment relationship, perceived shortcomings in the employment relationship, and corresponding changes in the individual-organisation learning relationship.

Psychological contracts at work

The term “Psychological Contract” was originally coined by Argyris (1960) when referring to an important aspect of the changing individual-organisation relationship, i.e. employer and employee perceptions, and understandings, concerning the employment relationship, and the mutual obligations implied in that relationship.

Thereafter, a growing body of researchers have contributed to an ongoing discussion concerning the term, and its usage (Hayes and Dyer, 1999; Herriot, et al., 1997; Guest et al, 1996; Rousseau, 1995; Maguire & Horrocks, 1995; Schein, 1965, 1980; Kotter, 1973; Levinson, et al, 1962).

Classical definitions of the psychological contract are rooted in theories and models based upon simple analogies, wherein the process of social interaction within organisations is likened to other phenomena – e.g. bargaining, and the theatre. Key features of the classical perspective are that psychological contracts are: implicit and unwritten; concerned with perceived expectations and obligations; and mutual, involving every member of the organisation (Hayes and Dyer, 1999; Guest, et al, 1996; Schein, 1965,1980; Kotter, 1973; Levinson, et al, 1962). If, and when, any of the parties reach a point where they feel the other party is violating these expectations, the consequences can be serious. According to Hallier & James (1997), Robinson & Rousseau (1994), and Manning (1992), the parties' expectations of one another are a powerful determinant of behaviour within the organisation.

In recent decades, there has been a fundamental shift in the way the concept of the psychological contract is defined, and used, within the literature. According to Hayes and Dyer (1999) there has been a noticeable drift towards an instrumental (functionalist) interpretation of the psychological contract, and a corresponding perception that human resource development, and management, is a central feature of strategic management, and the learning company.

Increasingly, people's career experiences are fragmented and mobile, and, despite contradictory evidence concerning real levels of job in-security, Hendry & Jenkins (1997) and Herriot & Pemberton (1995) assert that many workers experience feelings of job insecurity. In an attempt to explore the significance of a wider acceptance that the concept of a "job for life" is no longer practical, and the introduction of employee development schemes in a number of high profile companies, several researchers have hypothesised the emergence of a new

understanding (a 'new deal') between employer and employee, i.e. the employer will offer the employee skills training, and experience accumulation, to ensure his, or her, continued employability, in return for loss of job security (Hayes and Dyer, 1999; Burgoyne & Jackson, 1997; Guest et. al, 1996; Rousseau, 1995; Herriot & Pemberton, 1995).

According to Hayes and Dyer (1999), this drift towards an instrumental interpretation of the concept of the psychological contract is evident in the influential work of Rousseau (1995). Comparing Rousseau's ideas with those contained within the classical exposition of the psychological contract, the researchers highlight the following interpretative differences. Firstly, Rousseau (1995) challenges the idea that the psychological contract is always implicit and unwritten, arguing that some aspects can be, and sometimes are, clearly articulated and written down in employee contracts and terms of employment. Secondly, she challenges the idea that the psychological contract is concerned with expectations and obligations, preferring, instead, to argue that the contract consist of individual beliefs regarding the terms of an exchange agreement between the individual and the organisation. Thirdly, she claims that mutuality is not a requisite condition of the psychological contract, and that the parties can each hold different beliefs about the existence, and the terms, of a psychological contract.

In Hayes and Dyer's (1999) opinion, this recasting of the employee-organisation relationship in instrumental terms amounts to a significant move away from the ideas which were first outlined by Argyris (1960), Kotter (1973) and Schein (1980). Firstly, this recasting of the relationship serves to blur the distinction between two concepts – the economic contract, and the psychological contract.

Previously, the employee's written terms of employment rights, and reciprocal obligations, were seen to be manifestations of an explicit economic contract. Now, according to Rousseau, they are an explicit part of the psychological contract. With this change, the psychological contract becomes a human resource category, rather than a way of describing the implicit, and unwritten, employee-employer understandings, and notions of contract violation.

Secondly, several researchers claim that proposed instrumental interpretations of the changing employment relationship fail to account for people's real work-related experiences, and emergent understandings. According to Meyerson (1991), and Herriot & Pemberton (1995), there is increasing evidence to suggest many HRD projects and employee development programmes are perceived by the recipients as instruments of control, through which the employer aims to promote a stable set of company beliefs, and interests. Furthermore, according to Storey, (1994) and Burgoyne and Jackson (1997) many organisations do not, or are unable to, provide opportunities to support self development; are unable to operate systems of performance management, and for motivational rewards, and, are therefore falling into the trap of transmitting mixed messages, i.e. fast track management programmes for the chosen few, and self-management for the many.

Thirdly, when the concept is recast in instrumental terms, the idea of the psychological contract is transformed into a set of beliefs about what the written contract should, and should not, contain, (Herriot, et al., 1997). In Hayes and Dyer's (1999) opinion, this recasting of the concept marginalises the social processes of psychological contracting, and, consequently, removes significant elements of the

1935). The dramaturgical perspective emphasises the importance of the subtleties and symbolic qualities of people's behaviour in organisational settings (Benzies and Allen, 2001, Blumer, 1969).

According to the dramaturgical model of social interaction, there is a clear relationship between a person's behaviour, and the formal and informal roles she, or he, undertake (John, 1996; Hofstede, 1984; Friedson, 1961; Goffman, 1959). The roles people play determine the scripts they perform. Roles are part of the social structure, in that they refer to the interlocking social positions which go towards the make-up of the organisation. Consequently, by definition, roles are relational constructs in that they refer to actions people perform in relation to other people's role-defined actions (John, 1996; Hofstede, 1986; King, 1962; Friedson, 1961).

The concept of 'expectation' is a central feature of the notion of role, since a person's behaviour is said to reflect their expectations, and perceptions, regarding the role, and attendant behaviour, of others (John, 1996; Parasuraman, et al., 1994). The ability to take the role of others is said to be a major aspect of interpretation (Mead, 1935; Turner, 1962). People often make judgements of other people's behaviour, with the intention of predicting their future behaviour, and when deciding how to respond (Hallier & James, 1997; Robinson & Rousseau, 1994; Manning, 1992). Where roles are formally established, aspects of people's expectations of one another often become encased in organisational culture, and conventions (John, 1996; Friedson, 1961 & 1970; Hofstede, 1986). But, where roles are mostly informal, as in the case of an organisation that is construed to be a collection of communities of practice, people's mutual expectations of one another emerge as a by-product of their developing relationships with one another, during specific encounters, and over time.

In such situations, it is more useful to think of role-related behaviour as a form of 'improvised', rather than 'scripted', drama (McCall and Simon, 1966; Weinstein and Deutschberger, 1964).

Within classical theory, the psychological contract is portrayed as a dynamic construct. Employer, and employee mutual expectations concerning their reciprocal relationship, and their role responsibilities, can, and do change over time, and according to their experience, and circumstances (Sparrow, 1996; Hiltrop, 1995; Robinson, Kraaz & Rousseau, 1994; Rousseau & Parks, 1993, Schein, 1980). Throughout an individual's time in the organisation, expectations are revised, and sometimes renegotiated. Employees may, for example, continue to want a career and security, but employers may be demanding more flexibility, greater input, and tolerance of change, whilst providing less in return. The accommodation of such differing expectations may result in a renegotiation of the psychological contract, or, in one party, or both parties, concluding that the contract has been violated. Hallier & James (1997), for example, quotes case study research during which they discovered that employees conduct sense-making appraisals of management decisions and behaviour during times of job change, and afterwards. The researchers described how their subsequent behaviour varied, depending on whether they felt contract violation was being sustained over time, or whether it constituted a single breach of contractual understanding. Responding to perceived sustained violation, some employees offered resistance to management imposed changes, and argued for a reinstatement of the established employment relationship. Conversely, workers who had apparently accommodated the personal outcomes of perceived management breaches of the employment contract showed less commitment to the contractual

relationship, and were resolved to undermine management and management decisions.

THEORY AND PRACTICE

Despite the widespread interest in the concept, it is widely reported that theory and practice concerning the learning organisation remains confused and difficult to implement (Matley, 2000; Altman, 1998; Scarborough et al., 1998; Probst and Buchel, 1997; Goh and Richards, 1997; Garvin, 1993), and that the relationship between individual learning and collective learning in organisations, and how one translates into the other, is little understood. (Stewart, 2001; Starkey, 1996).

According to Easterby-Smith (1997), Starkey (1996), and Campbell and Cairns (1994), there are few recorded case studies of learning organisations, and particularly of organisations that can be said to have retained the right to be described as learning organisations over time. With few 'real-life' case studies to refer to, the literature is mostly characterised by proposed descriptions and models of the learning organisation, and organisational learning environments, based on case study investigations of learning practices within large corporate organisations, e.g. Altman (1998), Tichy (1996), Starkey and McKinley, (1996), De Geus (1988), Pascale (1984). In contrast, Matlay (2000) and Chaston, et al. (1999) assert that issues to do with organisational learning within small and medium sized organisations have, until recently, to some extent been marginalized.

In recent times, and responding to claims that issues to do with organisational learning in small and medium sized organisations remain under-investigated, several theorists have asserted that people in these organisations also have a need, and a

capacity, to engage in transformational learning. For example, quoting case study investigations, Vyakarnam *et al*, (1996), and Chell & Howarth, (1991) claim that founding entrepreneurs need to build, and empower, self-transforming teams, if they are to retain the entrepreneurial spirit within a growing business.

Calls for investigations into SME organisational learning are particularly appropriate, given the number of small and medium sized enterprises, and their importance within the economy. Within the U.K. 98% of employees work in organisations employing less than 20 people (DTI, 1996). Not surprisingly, therefore, Deakins and Freel (1998) and Vinten *et al*. (1997) assert that many see the SME sector as the main engine of the UK's future economic growth. Within other European countries there are similar expectations regarding potential SME contributions within economies (EiM, 1994). Turok (1997), for example, draws attention to the increasing range of EU policy measures that are targeted at SMEs.

Despite this increasing interest in SME entrepreneurship, the incidence of SME failure is still reported to be relatively high (Storey, 2002; Vinten *et al*, 1997; Cressy and Storey, 1996), and Deakin and Freel (1998) assert that the literature remains relatively uninformative on the subject of SME learning and the growth process.

In presenting his unpublished research, conducted on behalf of the OECD, Storey (2002) reports that across OECD countries, including the UK, there is evidence to suggest small firms are less likely to train their managers and employees than large firms, more likely to fail than large firms, and likely to fail because of poor management. Not surprisingly, therefore, Storey (2002) and Fryer (1997) assert that it is widely assumed, by researchers, policy makers and practitioners alike, that

education, training, and workforce development are key factors influencing SME competitiveness in a global, and increasingly knowledge-based economy.

In the various policy documents published by the government and organisations that support SMEs, it is widely inferred that it is possible to reduce SME failure rates by raising the level of human capital within them. Within such policy documents, training and learning within the workplace is seen to be the clear mechanism for human capital enhancement. Consequently, in recent times, successive governments have pumped huge sums of money into initiatives designed to stimulate and encourage workplace training and learning, even though take-up rates remain low. Much time and money has been spent, for example, on the development of national occupational standards (NOS) and national vocational qualifications, yet, according to Taylor (2002), many people have not heard of them, and fewer still choose to make use of them.

There is much speculation within the literature concerning the reasons for the low take-up of work-based training and learning programmes within SMEs. Storey (2002) reports that it is still widely assumed that the low take-up of formal training and learning opportunities among managers and employees in small and medium sized businesses can be explained in terms of one, or more, of the following reasons: it is because they are unaware of formal training and learning opportunities; are unaware of their lack of knowledge and skills; do not appreciate the benefits of training; were unsuccessful when at school, and did not enjoy the experience; assume the costs (of training) are too high; assume it is not in their (the owner manager's) interest to encourage and support employee training; and pursue a reactive rather

than proactive strategy when deciding whether to take up training and learning opportunities.

Other researchers have drawn attention to commonly held, yet mistaken assumptions about small firm owners and managers. According to Deakins and Freel (1998), it is commonly asserted that small firm owners are generally naive about strategic thinking and practice. Lawson (1995) similarly claims that there is a widespread perception that small firm owners are relatively unskilled in matters to do with business finance, and the management of finance. However, according to these researchers, those perceptions are increasingly being challenged. Making use of ethnographic and qualitative research methods, researchers such as Jarvis et al (1995) and Shaw (1997) report that small firm owners have a greater sophistication of knowledge and understanding of financial matters and strategic decision making than they have previously been give credit for. Shaw (1977), for example, highlights the importance of bartering in small firm networks, and the capacity of small firm entrepreneurs to effectively respond to sophisticated financial issues. Similarly, Storey (2002) asserts that, contrary to the popular misconception, owner managers of small firms are aware of the benefits of training; reject formalised training and learning programmes because they consider them inappropriate; recognise that, in their circumstances, it is more appropriate, and effective, to engage in informal training and learning; and that they spend less (in relative terms) than a large firm on training for rational, as opposed to irrational strategic reasons.

A number of conclusions can be drawn on the basis of these reported findings. Firstly, in Storey's (2002) opinion, they draw attention to a tendency on the part of researchers, strategists, and practitioners, to treat small and medium sized firms as

though they are scaled down versions of larger firms, and to assume that it is appropriate to offer them the same types of formal training programmes. According to Storey, research findings emphasise how important it is to acknowledge, and take account of, the relationship between firm smallness and the preference for informal training.

Secondly, Deakin and Freel (1998) assert that research findings draw attention to the relative inappropriateness of many business planning models, and organisational learning theories, when applied to small firms. For example, the researchers refer to the way that small firm environmental circumstances cause owner managers to learn to adjust and take decisions, and to develop strategy, on a day-to-day basis. Owner-manager learning within SMEs, Deakin and Freel suggest, is rarely planned, and is mostly the result of the manager's reactions to critical events in the business environment, during which she or he learns to process information, adjust strategy, and take decisions.

Thirdly, according to Stewart (2001), Starkey (1996) and Kim (1993), there is little or no understanding among researchers as to the way in which knowledge is created, and shared within small firms, so theory concerning the individual-organisation learning relationship within small but growing enterprise remains confused.

THE CASE FOR FURTHER RESEARCH

This review of the literature has revealed three under-investigated areas of concern.

First, existing theory and models of the learning organisation are relatively

uninformative when it comes to explaining the proposed relationship between individual learning, and collective learning, or how one translates into the other.

Secondly, within the literature, the terms learning organisation and organisational learning are often used inter-changeably. This is because the learning organisation is often defined and modelled in terms of its hypothesised 'pre-requisite' and 'characteristic' learning processes and practices. Several reasons are offered as to why resulting descriptions and models of the learning organisation offer little explanation of the proposed relationship between individual and collective learning. It is suggested they assume (falsely) that people are capable of being manipulated like a machine, for the benefit of the organisation, and that, consequently, they fail to recognise, or account for, issues concerning the relationship between cognitive processes and knowledge creation in organisational setting, or for the effects of power and conflicting individual ideologies within organisations. Furthermore, and crucially, they fail to recognise, or account for, the way knowledge is created, and shared, during everyday social interactions.

Thirdly, it is generally accepted that issues to do with organisational learning within small and medium sized organisation have been under-investigated, and that the literature is more or less uninformative on the subject of SME learning and the growth process.

Several common misunderstandings concerning the levels of knowledge and understanding within small firms are highlighted in the literature. Deakins and Freel (1998), for example, assert that the roots of these misunderstanding lie within a general tendency within research and practitioner communities to treat small firms as

though they are scaled down versions of larger firms, and to assume the transferability of large scale business planning and human resource development models, when planning and commenting upon small firm interventions. Consequently, it is asserted that there is little, or no, understanding among researchers as to the way in which knowledge is created, and shared, within small firms, and that theory concerning the changing individual-small-firm learning relationship remains confused.

Not surprisingly, therefore, the literature contains a number of calls for investigations to address these gaps in the learning organisation literature, and so open up new possibilities for research and intervention. Stewart (2001) and Matlay (2000), for example, have argued that future investigations should aim to generate more meaningful explanations of the relationship between individual, and collective learning, and how one is translated into the other. Secondly, it is asserted that these conceptualisations should provide explanations for perceived on-going changes within the individual-organisation relationship (e.g. Starkey, 1996). Thirdly, researchers argue that future investigations should focus on a much-neglected area of research – issues to do with organisational learning within small firms, and, in particular, how knowledge is acquired and transferred during everyday social interactions within such organisations (e.g. Storey, 2002; Deakins and Freel, 1998).

This investigation

Responding to these calls for research, this thesis contains an account of an investigation into aspects of small firm learning. This investigation was undertaken with a view to stimulating new research by generating a list of grounded research themes, ideas, questions and hypotheses in this little understood area of research

interest. In particular, grounded ideas, questions and hypotheses were sought to guide future research into the relationship between individual, and collective learning, and how one is translated into the other; on-going changes within individual-organisation learning relationship; and the way knowledge is acquired, and transferred, during everyday social interactions within the small firm.

An important outcome of this review of the literature was the realisation that a number of theories could be brought together to form a tentative hypothesis to guide this investigation. The hypothesis has two parts. Firstly, it is argued that the small firm can be usefully construed as a network of informal communities, wherein people interact to meet their own, sometimes completing needs, and to learn how to do what needs to be done (Burgoyne and Jackson, 1997; Wenger, 1998). Secondly, it is proposed that the way in which people negotiate, agree to create, and engage in, these informal communities of practice, can be usefully explained in terms of an ongoing process of psychological contracting (Hayes and Dyer, 1999).

Focusing on three separate case study investigations of personal and collective learning within small but growing firms, this thesis contains descriptions of the approach and methods used when conducting this investigation, and its outcomes. In chapter two, the different approaches to, and methods of investigating the learning organisation are identified and discussed. Chapter three contains an account of the approach, and the methods used, when conducting this particular investigation. In chapters four and five, the research findings relating to small firm learning and the growth process, and the changing individual-organisation relationship are described. Finally, chapter six contains a discussion of the findings and the conclusions which were drawn as a result of this investigation.

CHAPTER 2

INVESTIGATING THE LEARNING ORGANISATION

CHAPTER OVERVIEW

This chapter is concerned with the approaches and methods used when investigating the learning organisation. Section one considers alternative positivist and social constructionist epistemological perspectives, and their impact in research. In sections two and three, a number of quantitative and qualitative approaches to research are explained. These approaches are described and analysed in terms of their appropriateness when investigating the learning organisation. Section four outlines a number of approaches and frameworks for gathering and analysing qualitative data, including the use of interviews, thematic qualitative analysis, and the grounded theory approach and methods. The final section appraises the approaches and methods used when investigating the small firm. In this section, issues relating to the relationship between consultancy and academic research practices, the gaining of access to small firms for research purposes, and the adoption of collaborative approaches to research are described and discussed.

ALTERNATIVE EPISTEMOLOGIES

There is an ongoing debate within the research community about how to conceptualise organisations, organisational learning, and learning within organisations. The debate is about epistemologies, that is, theories concerning the way scientific knowledge is acquired, and judged to be valid.

According to Edley, (2001); Hayes (1998); Easterby Smith & Thorpe, (1997); Gergen, (1987) and Dawe, 1970), there are two dominant, and diametrically opposed, philosophical positions, separated by a number of compromise positions, underlying thinking and practice within the research community. Sometimes characterised as a 'realist'-'anti-realist' dialogue, the debate is between those who maintain that knowledge of organisations, and organisational life, is somehow grounded in externally referential reality, and those who maintain that it is, in part at least, internally referential, a product of human mental functioning within everyday socio-historical contexts, and, therefore, socially constructed.

Arranged on one side of the philosophical spectrum, researchers representing positivist (sometimes called modernist) traditions tend to subscribe to the view that the "variables", i.e. characteristics of the learning organisation, and organisational learning, are inherently 'real', and can be identified and manipulated through targeted 'recipe driven' action (Leigh, 1998; Fox, 1997), resulting in commercial advantage and general social and economic improvement.

On the other side of the philosophical spectrum, researchers representing social constructionist (sometimes called post-modern) traditions tend to subscribe to an opposing paradigmatic viewpoint, arguing that personal and collective knowledge is, in part at least, constructed during everyday social interactions (Gergen, 2001a, 2001b, 1999; Hayes, 1998; Burgoyne and Jackson, 1997; Morgan, 1997; Pidgeon and Henwood, 1997; Harre & Gillett, 1994; Sampson, 1993; Edwards & Potter, 1992). Within this perspective, knowledge is perceived as both subjective and dynamic, and to exist in the understandings, and meanings, which people ascribe to their experiences when interacting with others in social-historical settings.

The Positivist Perspective

According to Buchanan & Haczynski (1997), Easterby Smith & Thorpe (1997) and Fox (1997), UK and USA based investigation of organisations and organisational behaviour was predominantly informed by the positivist paradigm throughout much of the 20th century.

The predominant influence of the positivist paradigm is evident in many of the idealised descriptions and models of the learning organisation, and organisational learning (Marsick and Watson, 1996; Hawkins, 1994; Pedler, et al, 1991; Senge, 1990), which characterise the literature (see chapter one). It is not difficult to see why this should have been so. The high esteem in which the paradigm is held is, in part, due to its roots in the claimed ‘scientific’ hypothetico-deductive methodology.

Traditionally linked with the use of quantitative methods of data gathering and analysis, hypothetico-deductive methodology involves the continual collection of data to support the on-going testing of hypotheses, or predictions, deduced from prior theory, and in settings where relevant variables can be isolated, and controlled, by the researcher. The use of objective methods of observation and measurement holds out the possibility of the researcher being able to isolate the potential sources of internal and external “bias”, which threaten to undermine the validity and reliability of his, or her, research findings. The elimination of such bias is said to be essential if the researcher is to uncover findings that are replicable (Hayes, 2000), or to be able to make cause and effect type statements about the learning organisation, and organisational learning. (Campbell and Cairns, 1994; Garvin, 1993).

The Social Constructionist Perspective

There are a number of alternative approaches to the study of the learning organisation, and organisational learning. Included in this list of alternative approaches are 'critical psychology', 'discourse analysis', 'deconstruction', 'post structuralism' and 'post modernism'. While each is a recognisable, distinctive philosophical and methodological approach, most, if not all, share two common features. First, they assume an anti-positivist stance. Each approach is critical of the way in which positivist conceptualisations reify the learning organisation, and organisational learning, and of how they fail to recognise, or account for, the relationship between cognitive processes, the way knowledge is created in social settings, the relationship between discursive forms of representation, and reality, and the effects of power, and conflicting individual ideologies within organisations. Second, each approach shares a common underpinning theoretical orientation wherein knowledge is perceived to be socially constructed. (Edley, 2001; Gergen, 1999, 2001a & 2001b; Garrick and Rhodes, 1998; Hayes, 1999, 1998; Buchanan & Haczynski, 1997; Fox, 1997; Burr, 1995).

The social constructionist perspective is often referred to as the counter paradigm to positivism (Hibberd, 2001, a & b; Harre, 1993, Shotter, 1993; Lyddon, 1991, Paranjpe, 1992; Steier, 1991). However, in practice, social constructionist research is a 'broad church' encompassing theorists from a range of disciplines. The different and sometimes divergent meanings which theorists from these different disciplines assign to the term social constructionism is such that it is no longer possible, or appropriate, to claim there is a single social constructionist perspective (Edley, 2001; Stam, 2001; Hackley, 1998; Burr, 1995).

Sometimes described as a movement, a theory, a meta-theory, and an approach, the roots of modern day social constructionism can be traced back to the influential work of Berger and Luckmann (1966), who argued that beliefs about reality are created during social interactions; that social institutions and people's perceptions of one another, are created during social interaction; and that beliefs about reality, which are constructed during social interaction, play an important role in the (re)construction of institutions, and peoples' knowledge of one another.

In other words, according to Berger and Luckmann, people's knowledge of organisations, and experiences within them is the product of their own perceptions and understandings, i.e. the results of personal sense-making over time. People are said to assign meanings to their experiences within social settings, and to respond to those experiences in ways which can subsequently be explained in terms of those assigned meanings.

Working in this way, and over time, people are said to create dynamic "meaning systems" for themselves (Hayes, 1997; Pidgeon and Henwood, 1997; Farr, 1996; Pidgeon, 1994). These knowledge systems are said to be dynamic because a person's experiences are unique, and because his, or her, understandings are fragmented, provisional and arbitrary (Garrick and Rhodes, 1998). Some experiences may be similar, but they are never the same. Even when experiencing an inanimate object for a second time, a person's experience of it is never the same. On the repeat occasion, he, or she, will not only draw on the meanings they assigned to the experience on the first occasion, but will also see something different in the object (Spinelli, 1989).

A key feature of this process of assigning meanings to experiences is the way in which people draw on their previously constructed meanings, when interpreting and assigning meanings to new experiences. Individual meaning systems are the result of a constant interplay between experiences, as they are perceived, and the individual's developing conceptualisations. According to a number of researchers, knowledge, gained in this way, is contained within individual and shared belief and value systems, and is represented symbolically in the features of organisational culture (Dandridge, 1985; Trice and Beyer, 1985; Abravanel, 1983; Pondy, 1983; Wilkins, 1983; and Clark, 1972).

It follows that, within this broadly perceived constructionist perspective, subjectivity is seen to be a 'real' and inevitable feature of the process whereby people acquire and make claims to possessing scientific knowledge concerning organisations, and organisational features. Within this perspective, the validity of notions of total objectivity, and of being able to eradicate subjective biases is questioned.

Berger and Luckmann's (1966) theory has since been taken up, modified and refined within a number of research traditions, including ethnomethodology, feminism, post structuralism, narrative philosophy and psychology, post-foundational philosophy and post-positive philosophy of science. The result, according to Stam (2001), is a proliferation of competing perspectives, producing a general sense of confusion in the way terms and concepts are used within the literature, and how, sometimes, they are used inter-changeably – e.g. post modernism and social constructionism.

In recent times the branch of social constructionism which is associated in particular, but not exclusively, with Gergen (1987, 1994, 1999 and 2001a, 2001b) has become the focus of much discussion within the literature. Drawing on the work of Derrida (1978), and Wittgenstein (1953), Gergen (1999, 2001a & 2001b); Garrick and Rhodes, 1998; Knights, 1997, and Boje, (1995) all argue the case for a 'turn to language' and the use of deconstruction (a tool favoured by post-modern thinkers) when seeking to expose how modernist (positivist, behaviourist) theories are dubiously legitimated and conceived attempts to retain control, maintain orthodoxy, and to suppress differences within organisations, and within society in general.

Deconstruction theory emphasises how the meanings which people assign to their experiences are conveyed in words, texts and stories, and how, because words, texts and stories are constantly being read in different ways, they have multiple, arbitrary meanings (Boje, 1995). Representing this post-modern tradition, Cullen (1999) and Stewart (2001), assert that organisations, and the experienced features of organisational life, can usefully be construed as being described and re-described through the continually changing narratives members inherit, produce and re-author. According to this perspective, the sharing of stories becomes an important component of learning. And all knowledge is constructed in social contexts, and is inseparable from shared understanding (Stewart, 2001). Every aspect of organisational life, including leadership, conflict, learning, and change, is said to be anchored in narratives, and learners are portrayed as active constructors of meaning (Cullen, 1999).

In the Garrick and Jones (1998) view, reality is inextricably interlinked with the way it is reconstituted as a representation, and representation is fragmented, provisional and arbitrary. Within this so-called radical constructionist perspective, all accounts and representations of phenomena, including representational theories concerning organisations and organisational forms, are perceived as being relative, and, it is suggested, there may not be any one accurate or “true” representation of objects, or relationships (Garrick and Jones, 1998). That is why a key aim within post-modern research is to ‘decenter’, i.e. uncover, and lay bare, the socio-historical relativity of perceived dominant discourses concerning organisations, and organisational forms.

In recent times theorists claiming to represent ‘mainstream’ social constructionism have expressed concern over the broader implications of so-called radical post modern theorising, claiming that it is an extreme form of relativism, and basically anarchistic, since it would seem to deny the existence of all phenomena outside socio-historically contextual discourses (Edley, 2001; Hibberd, 2001a & 2001b; Liebrucks, 2001; Maze, 2001; Weinstein & Weinstein, 1998; Bradley, 1998; Hassard, 1993; Reed & Hughes, 1992). However, quoting the distinction made by Edwards (1997) between the ontological and epistemic views of social constructionism, Edley (2001) argues that it is a mistake to treat statements such as ‘there is nothing outside the text’ (Derrida, 1976) as though they are ontological rather than epistemological pronouncements. According to Edley (2001) epistemic social constructionism is constructionist about the accounts and descriptions of entities, rather than about the entities themselves, and that much of the contemporary post-modern realist-relativist debate is based on confusion – a mistaken failure, on

the part of some theorists, to recognise the distinction between ontological and epistemic constructionist perspectives.

Given that social constructionists focus in particular on issues of epistemology, it is hardly surprising that epistemology is so often a source of controversy. Referring to how easy it is for constructionist to be accused of being anti-realist, or, alternatively, of assuming realism, Stam (2001) argues the case for follow-up research to explore the potential of Harre's (1986) concept of realist social constructionism.

The overall message, therefore, is that any attempt to produce a simplistic distinction between a positivist and a constructionist approach to investigating the learning organisation is liable to fall apart. As explained below, there are occasions when it is appropriate to adopt a realist perspective, and positivist inspired methodologies, when investigating the learning organisation. Equally, there are occasions when, as in the case of this investigation, it is more appropriate to work from a constructionist perspective, and to use qualitative research methods, so that the way in which knowledge is acquired, and transferred, during everyday social interactions can be investigated.

QUANTITATIVE AND QUALITATIVE METHODOLOGIES

When investigating the learning organisation, the researcher is able to select from a variety of positivist and anti-positivist inspired methodologies. Positivism insists that scientific knowledge consists of only that which can be directly observed and measured. Hence, positivist methodologies are often referred to as being

‘quantitative’ – they involve the use of number and counting, and the production of numerically and statistically based analyses.

According to Hayes (2000), the positivist perspective is closely associated with the hypothetico-deductive approach. Adopting this approach, researchers aim to continually collect data so that hypotheses, or predictions, deduced from prior theory, can be tested, refined and then retested in settings where relevant variables can be isolated, and controlled (Leigh, 1998; Fox, 1997). It is a cyclical process and one wherein the object is to produce results that can be replicated, and therefore be judged to be reliable (Hayes, 2000).

In contrast, there are a number of alternative anti-positivist research traditions (Edley, 2001; Burr, 1995), and each tradition is associated with a particular methodological approach (Hayes, 1997). Because the methods used within these different traditions usually result in the gathering and analysis of large amounts of unstructured, content rich data, this type of research is usually described as ‘qualitative’.

There are many research traditions which can be rightly described as being anti-positivist, and qualitative. That is because they share a number of things in common (Edley, 2001; Burr, 1995). Firstly, as the term suggests, anti-positivists reject the idea that scientific knowledge consists of only that which can be directly observed and measured, in settings where the relevant variables can be isolated and controlled. Some researchers assert that there is no place for the use of number or counting in qualitative research (Strauss and Corbin, 1990). However, commenting on this assertion, Hayes (1997, p.4) recognises that, from time to time, qualitative

researchers do make use of quantitative terms, such as “more,” “fewer” or “frequent”, when communicating their findings.

Secondly, anti-positivists share a view that people consciously and actively create knowledge, when interacting with one another in everyday social settings (Edley, 2001, Gergen, 1999, 2001a & b, Hayes, 1999). Consequently, when seeking to tap into, and explore, the meanings which individuals ascribe to perceived realities, anti-positivists reject the idea that such information can only be obtained in settings where known variables are isolated and controlled. They acknowledge, instead, the inherent subjectivity of the social processes of knowing and knowledge creation (Hayes, 1997; Pidgeon and Henwood, 1997; Farr, 1996), and make use of techniques such as interviews and diary methods, when gathering qualitative data (Breakwell and Wood, 1995; Massarik, 1981).

According to Hayes (2000), researchers have traditionally employed qualitative methods when conducting investigations in areas where there are few or no specific theories to explain the circumstances being investigated, or when existing theories, and, or their positivist underpinnings, are questioned. At such times, the investigator is more likely to adopt an inductive rather than a hypothetico-deductive approach. Induction research begins with the collection of data, followed by the analysis of that data. The information derived from the data is then used when formulating a theory in order to describe and explain the phenomena being investigated. Sometimes, researchers engage in inductive research in order to generate theory which can be subsequently tested, using one or more of the positivist inspired methodologies

Choosing the methodology

Factors to be considered when deciding whether to make use of qualitative or quantitative techniques include the aims of the research, the nature of the topic of investigation, and the way in which the research information will be used, once the research is completed. Some research projects lend themselves more readily to quantitative research methods, for example, when the goal is to test the reliability of a particular theory concerning the characteristics of a learning organisation, or organisational learning (Campbell and Cairns, 1994). On other occasions, the researcher might conclude that qualitative techniques are the most useful ones to use, for example, when existing theory fails to adequately account for aspects of the changing individual-organisation relationship (Bouwen, 1998). At other times, research projects lend themselves more easily to the use of both quantitative and qualitative techniques, for example, when questionnaires are used to sample views in the wider population, either before, or after conducting a qualitative investigation (McDonnell *et al*, 1999).

Choosing between quantitative and qualitative methods often involves making a trade-off between reliability and validity. Commenting on the nature of this trade-off, Hayes (2000) refers to the advantages and disadvantages of each method. She explains how the use of quantitative techniques enables the researcher to make more reliable comparisons between observable phenomena, and to identify general trends. In such instances, the researcher's goal is to produce results which can be replicated, and which can therefore be judged to be reliable. However, according to Hayes, reliability is achieved at the cost of wasted opportunities for gathering and analysing much valuable research data.

In contrast, the issue of validity is of particular concern for qualitative researchers. According to Pidgeon and Henwood (1997), the main goal of the qualitative researcher is to develop a valid understanding of the human meanings contained within content rich data. Adopting this approach, the researcher recognises the uniqueness of the meanings which people ascribe to their experiences, and, at the same time, that the research findings are therefore unlikely to be replicated. Consequently, the research findings may be judged to be valid, but they are unlikely to be judged reliable.

CASE RESEARCH

Researchers often refer to case studies when describing and modelling the learning organisation. This is because the case approach is considered to be a particularly effective way of investigating organisations experiencing rapid and frequent change (Voss et. al., 2002; Lewis, 1998).

Within the literature, case study research is variously described as a strategy (Yin, 1994), an eclectic methodology (Robson, 1998), and an approach (Hayes, 2000). For the purposes of this thesis, the term 'case study' is defined as an approach which is used during quantitative and qualitative research (Keyzer, 2000).

The case study approach

A case study is a single unit of analysis in case research. Yin (1994) defines a case study as an empirical investigation of a contemporary phenomenon within its real life context, when the boundaries between phenomenon and context are unclear, and in which multiple sources of evidence are used. A case study can be an in-depth

Table 2.1 Types of case study

Person	The study of one single individual, generally using several different research methods.
Group	The study of a single distinctive set of people, such as a group or team of people.
Location	The study of a particular place, and the way that it is used or regarded by people.
Organisation	The study of a single organisation or firm, and the way that people act within it.
Event	The study of a particular social or cultural event, and the interpretation of that event by those participating with it.

Source: Hayes (2000)

study of a single individual, a group of people, a location, an organisation, or an event (Table 2.1). It can involve the use of different cases from the same firm to study different issues, or when researching the same issue in a variety of contexts within the same firm. Case research can take the form of a longitudinal study of a single case, conducted over a number of years (Narasimhan and Jayaram, 1998), or it can be an in-depth study of a single company conducted in a matter of weeks, or months (Schonberger, 1982). It follows, therefore, that, when conducting a case study investigation, the researcher can often end up gathering data from large numbers of people.

Advantages and limitations

As with other research methods, the case study approach is considered to be a preferred way of conducting research in certain situations. Searle (1999) identifies four situations when it is considered advantageous to use the case study approach (Table 2.2.).

Table 2.2. Purposes of Case Studies

Stimulating new research
Contradicting established theory
Giving new insights into phenomena or experience
Permitting investigations of otherwise inaccessible situations

Source: Searle (1999)

First, the case study approach is particularly relevant when the aim is to stimulate new research. In the early stages of a research programme it is often useful to begin with one or more case studies in order to generate a list of research ideas, questions, and hypotheses. As explained earlier, many of the published models and descriptions of the learning organisation, and organisational learning, draw on the researcher's earlier case study investigations of learning practices within organisations.

Because case studies are so rich in information, a case approach is also advantageous when there is a need to investigate little understood aspects of a particular phenomenon, e.g. the relationship between individual and shared learning, and how one relates to the other. Case study research is widely recognised as being particularly useful when examining the how and why questions (Yin, 1994), when the intention is to generate new insights into phenomena or experiences (Pidgeon and Henwood, 1997), and when developing new theory (Voss et. al., et al, 2002).

Thirdly, the case study approach is a useful one to adopt when the aim is to test, refine, extend, or challenge established theory. Case research provides an excellent means of studying emergent practice, and relating it to existing theory. For example, Pagell and Krause(1999) adopted a case approach when testing theory concerning

the relationship between the firm's external environment and its internal level of operational flexibility.

A fourth advantage of case research is that it enables the researcher to undertake investigations that would be otherwise impossible to conduct in controlled, laboratory-like conditions (Hallier & James, 1997), or for ethical reasons. For example, Heron (1996) and Reason (1994) assert that research into the 'condition' of the organisation and its people should be done with them, not on them, or about them.

Whilst case study research has many advantages, there are also some criticisms. A common criticism is to do with the perceived excess of bias within case research (Voss et. al., 2002). Case research methods produce a huge amount of complex data, and consequently, the researcher has to be selective in his or her treatment of the data. It is often pointed out that the case study approach is an open opportunity for the injection of subjective bias into the research findings. For example, Bromley (1986) refers to the way subjective judgements during the data collection stages can render constructs invalid. Identifying another potential source of bias, Searle (1999) points out that the researcher's feelings for and attitudes towards the subjects may invalidate the research conclusions

Commenting on the criticism that case study findings are potentially affected by the researcher's subjective attitudes and judgements, Hayes (1997) asserts that it is naïve, and impractical, for researchers to claim they have no impact on what they are studying when working in real organisations. The natural curiosity of people

working in organisations, concerning the researcher, and his or her activities, causes them to develop their own theories about what is going on, and what lies behind the research activity. Furthermore, it is argued that it is both morally and scientifically valid to inform, and involve, subjects of research (Heron, 1996, Reason, 1994).

Another identified potential source of bias lies in the way some case studies are based on retrospective material. In such instances, information is gathered concerning peoples' recollections of past events and experiences (Newell & Dopson, 1996). Commenting on the problems which the researcher faces when attempting to tap into peoples' recollections and understandings concerning past experiences, Hayes (2000) asserts that memories are notoriously subject to distortion. Looking back in time, people are naturally inclined to focus on factors they believe to have been important, while being unaware of other possible influences.

Approaching the issue of bias from a slightly different perspective, several researchers, including Heron (1996), focus on ethical aspects of case study research. When interviewing people, the researcher is often presented with information of a sensitive, and confidential nature. On such occasions, the researcher is obliged to protect the identity of the interviewee, and the organisation (Lennon & Wollin, 2001), and this ethical obligation can, at times, cause the researcher to with-hold vital information, when reporting his or her findings. At other times, and as Hayes (2000) emphasises, the researcher needs to be aware of the danger of becoming involved in a discussion which goes beyond his, or her, professional competence, and to take steps to avoid such a danger.

However, the most common criticism of the case study approach is that it suffers from a lack of scientific rigour. Amaratunga and Baldry (2001) point to the ever-present dangers of ad hoc theorising and of neglecting to test the data. Other researchers, including Searle (1999) and Yin (1994), point out that case research provides a limited basis for traditional scientific generalisation. Often, it is impossible to generalise from the results, since each case is likely to be atypical (Voss et. al. et al, 2002). Sometimes, however, it is possible to draw useful comparisons between findings from different cases, and, because of this, Amaratunga and Baldry (2001) and Yin (1994) recommend a multiple case study approach when theory building.

According to Hayes (2000), the criticism regarding the reliability of case study research is in some respects questionable. As previously explained, the researcher is often required to choose between a methodology which is likely to deliver reliable results, and one which is more likely to deliver valid results. The purpose of the case study approach is not to identify general laws and principles of human behaviour.

Case studies are only used in this type of research to supplement, or illustrate other research methods (Lennon and Wollin, 2001). Used in conjunction with other research methods, case study research is a useful approach to adopt when the overall aim is to develop a more rounded picture of the investigated phenomenon (Voss et. al., et al, 2002; Yin, 1994).

FRAMEWORKS FOR QUALITATIVE ANALYSIS

According to Yin (1994), case studies benefit from the prior development of theoretical propositions, research questions, and techniques for collecting, handling, and analysing data. In case research the amount of data collected is often vast. This is particularly so in qualitative research. Consequently, the identification of prior research propositions and questions, however tentative they may be, is a crucial starting point (Voss et. al. et al, 2002). Guided by these research propositions and questions, the researcher is better placed to decide on the number and types of case to be explored, and the methods to use when gathering and analysing data.

When adopting a case study approach, the researcher's purpose is to focus on giving as full a description of the selected phenomenon and its meanings as possible (Pidgeon and Henwood, 1997). The phenomenon in question can include individuals, groups, or organisations, and methods of collecting appropriate data can include the use of interviews, surveys, observation, personal diaries, field notes, and archival data (Yin, 1994; Smith, 1997).

Interviews

According to Voss et al (2002), the interview is by far the most common method of gathering data during case research. Interviews can take many forms (Searle, 1999, Yin, 1994). Some can last no more than a few minutes, while in-depth interviews can last for an hour or more (e.g. Boyer and McDermott, 1999). Some interviews assume the characteristics of a verbally administered questionnaire, with the interviewee responding to previously scripted questions which require short answers to be given. These answers are usually coded and analysed numerically (e.g.

Deakins et al, 1998). Others types of interview are designed and conducted so that interviewees have more freedom to offer open-ended and free-ranging accounts of their experiences. On these occasions, the resulting data is qualitative and substantial, and qualitative methods are used when analysing the data (e.g. Perrin, 1998).

Planning and conducting interviews

One of the first things the researcher needs to do when planning an interview study is to establish the purpose of the interview and the type and range of information being sought (Yin, 1994). Armed with this information, the researcher can then decide on the type of interview that they feel will best deliver the data they require. Different types of interview provide opportunities to collect different types of data (Massarik, 1981, Yin, 1994). The type of information being sought can include factual information, individual perceptions and opinions, or details of personal and corporate experiences.

Interviews can be structured, semi-structured or open structured, and the range of possible schedules is quite broad (Searle, 1999). Structured interviews are considered advantageous when the purpose of the research is to gather detailed and highly structured data from a large number of respondents, and when it is intended that the data will be analysed using quantitative techniques (e.g. Chaston et al, 1999).

When planning interview-based research, it is common practice to produce an interview schedule (Stratton, 1997). Typically, the schedule for a structured interview will be extremely tight, stating exactly what questions will be asked, and,

in some instances, a range of standardised answers for the respondent to select from (e.g. Chaston et al, 1999). This means that what the interviewer is able to say has been scripted in advance, and is not left open to the interviewer's judgement. Sometimes, the schedule will contain a number of prompt questions which the interviewer can ask, if the respondent's answers are at first unclear. The purpose of these prompt questions is also to ensure the respondent gives a relevant answer.

According to Hayes (2000), structured interviews can be problematic. The pre-scripting of questions means that, apart from deciding whether to, and when to ask probe questions, the interviewer has little or no opportunity to make a judgement, or to act on his or her own initiative. Consequently, there is little or no opportunity in the structured interview to broaden the scope of the interview, and to tap into, and explore, potentially worthwhile information.

Structured interviews can also be perceived to be artificial and off-putting by respondents (Hayes, 2000). In face-to-face situations, people respond to one another as human beings, and their reactions to someone who is unable to act spontaneously differ from their reactions to someone who is more relaxed and open. Responding to an interviewer who is more relaxed and open, the respondent is more likely to feel able to share and comment on his or her experiences.

A most common criticism of the structured interview concerns its underpinning roots. The rationale for structured interviews is to be found in the positivist perspective, and, as already explained, this perspective is heavily criticised within several sections of the literature. Consequently, when investigating the learning organisation, modern researchers tend to use semi-structured, or open structure

interviews (e.g. McDonnell et al., 2000; Lennon and Wollin, 2001; Deakins and Freel, 1998).

The schedule for a semi-structured interview involves a set of questions which are phrased in such a way as to allow the respondent the opportunity to answer freely and openly within the context of the research topic (e.g. Newell and Dopson, 1996). The contents of this type of schedule usually include some 'closed' questions, which can be coded and categorised easily, and a number of open questions. Whilst requiring definite answers, standard practice is for the open questions to be phrased so that respondents are able to reply in their own words (Smith, 1997).

Increasingly, researchers are choosing to use a schedule that is more open in structure, when interviewing people (e.g. Hallier & James, 1997). Defined as a rapport interview (Massarik, 1981), the open-structure interview has some structure. However, the structure is less clearly defined than in a semi-structured interview. In an open-structure interview, respondents are allowed maximum opportunity to organise and share accounts of their experiences, and their opinions. Consequently, the richness and the quality of the information obtained during this type of interview far exceed that obtained during a semi-structured interview (Perrin, 1998).

Lemon and Taylor (1997) describe this type of interview as being like a conversation between two people, although, the conversation is not open-ended. Typically, the open-structure interview has a schedule of some kind. At times it will be little more than a list of main topics which the researcher wishes to cover during the interview. Hayes (2000 p 123) provides an example of this type of schedule. Usually, the open-structure interview is presented as a collaborative venture, and the

schedule contents and its purpose is shared with the interviewee and discussed at the start of the interview. Later in the interview, it is normal practice for the interviewer to consult with the interviewee, when checking whether all the interview topics have been covered.

In an open-structure interview, the interviewer has the freedom to phrase the questions as they like, and to make decisions based on their perceptions concerning the way the interview is developing. However, there is some structure, and throughout the interview, the interviewer is required to remain conscious of the scheduled topics which need to be covered in the time available (Lemon and Taylor, 1997).

Challenges

Researchers face several challenges when using interviews to obtain research data. Interviews, and particularly semi-structured and open-structure interviews, are time consuming and therefore costly to administer. Their effectiveness is also dependent on the interviewer having the necessary skills (Voss *et al*, 2002).

Focussing on the skills interviewers need, Yin (1994) identifies several skill requirements. First, he asserts that the interviewer needs to be skilled in formulating questions, and in the way they ask questions. Commenting on the impact of different speech registers during interviews, Hayes (2000) explains how the interviewer needs to ensure they use the right kind of speech register, when interviewing people. She asserts that one difference between the skilled interviewer and the unskilled interviewer is the way the skilled interviewer adopts a register that conveys friendliness and politeness. In contrast, the unskilled interviewer is said to be more

likely to employ a register which is highly structured and grammatical, and which conveys a sense of formality, and which is perceived to be less friendly.

Conducting an interview requires a great deal of sensitivity on the part of the interviewer. In particular, the interviewer needs to be sensitive to aspects of non-verbal communication, and their impact, during the interview (Gummesson, 1991). Interviewees are often very good at reading non-verbal signals, and can quickly home in on the interviewer's non-verbal signalling of agreement, or disagreement, with their statements. In face-to-face situations, most people are keen to avoid interpersonal conflict, and so, they are likely to home in on the interviewer's non-verbal cues, and to respond by making statements which they perceive to be more socially acceptable (Hayes, 2000).

As already explained, in many interviews, particularly qualitative ones, the interviewer is required to establish a high degree of rapport with the interviewee, so that she, or he, feels safe and able to freely share their perceptions and opinions. Establishing the necessary rapport is not easy, and, in some instances, it is not possible to achieve this goal. It is not uncommon for people to respond differently when being interviewed by a male interviewer, and a female interviewer, or when being interviewed by someone of different ethnicity. Similarly, the age difference between the interviewer and interviewee can be an important factor, particularly when the interview is focused on an issue about which people of different generations might be expected to hold different views.

Several researchers, including Amaratunga and Baldry (2001), highlight concerns regarding ethical aspects of interview-based research. In the course of

interviewing people, the researcher is often presented with information of a sensitive, and confidential nature. It is essential, therefore, that the interviewee is asked to give his or her consent for the interview to be recorded, either by tape, or by hand, and for the information to be used for research purposes. Similarly, when recording the research findings, the researcher is obliged to take steps to protect the identity of the interviewee, and the organisation (Sherrard, 1997).

Analysing qualitative data

When choosing to collect and work with qualitative data, the researcher is able to choose from a wide range of qualitative methodological approaches. As explained earlier, each approach is recognisable in terms of its particular underpinning philosophical perspective, and its own distinctive methods of gathering and analysing data. The following are but a few examples of the many approaches to analysing qualitative data. They have been selected because of their relevance in terms of this investigation (Chapter 3), and also because they are some of the most popular qualitative approaches.

Thematic qualitative analysis

Thematic analysis is a popular method of analysis, and, as the name suggests, involves identifying particular themes within the data. The purpose in using this method is to build up a theoretical understanding of the area, or topic, of investigation.

The process of thematic analysis begins with the preparation of the data. Qualitative data usually includes large amounts of unstructured, content rich

information, much of it obtained during interviews. This information is usually transcribed, and the researcher then works with the resulting transcripts. The data may also include observational information, and, where this is the case, this information is written down in as much detail as possible.

The theory-led approach

Hayes (2000) identifies and describes two basic approaches to thematic analysis. One approach is to adopt a hypothetico-deductive stance, and to develop the analysis in order to test pre-determined themes, based on prior theory. Known as the theory-led thematic approach, the purpose of this type of qualitative analysis is the same as it is for quantitative analysis: to provide information which will allow the researcher to test, confirm, or contradict pre-determined theoretical hypotheses and predictions.

Normally, hypothetico-deductive research lends itself to quantitative data analysis, but in some instances, *hypotheses and predictions are more effectively* tested using qualitative methods. This is particularly so when working with large amounts of data containing the recorded thoughts, feelings, and emotions of interview respondents. To use numerical methods of analysis in such instances would be inappropriate. Too much worthwhile data would be lost in the process, and, with it, the opportunity to grasp any real meaning in the data. It is for this reason that theory-led qualitative analysis should not be confused with content analysis. In content analysis, the researcher counts the number of instances when the data are construed to support the identification of previously defined constructs. Hayes (2000) asserts that this is an extremely contentious approach.

Adopting a theory-led approach, the researcher's first task is to analyse the existing theory, and to formulate hypotheses and prediction which she, or he, intends to test during the qualitative analysis. Then, the researcher conducts the analysis, using the transcripts.

Taking each theme separately, the researcher reads through the transcripts several times, identifying all the items of information which relate to that theme. Having identified and checked all the items of information for their thematic relevance, and focusing on each theme in turn, the researcher then sorts through the data, looking at the meanings and implications of peoples' statements, with regard to each theme. The researcher's purpose during this stage of the process is to see how well the meanings and implications of peoples' statements concur with what was predicted.

The use of pre-determined themes is one way in which the researcher can deal with large amounts of unstructured, qualitative data. Using this method, the researcher can also investigate a single issue, or prediction, and compare different research participants' views on the same topic. If two or more people have searched the data, the researcher can also carry out a correlation test and obtain an inter-rater reliability coefficient, to show the degree of closeness between the researchers' judgements (Voss et al, 2001).

This method of analysis does, however, have some disadvantages. In particular, it doesn't allow researchers to identify, and focus on, new or unexpected bits of information, unless they relate directly to the pre-determined themes. Consequently,

there is a risk that valuable explanatory information will be ignored during the analytical process. Also, this approach is not a particularly useful one to adopt when investigating a completely new or little understood area of research, or when existing theory is questioned.

The inductive approach

An alternative, and according to Hayes (2000), a more popular approach, is known as inductive thematic analysis. Inductive thematic analysis is conducted in stages. Throughout this process, the researcher works painstakingly through the data transcripts, often returning to a transcript time and time again. In the earliest stage of the analysis, the researcher works through each transcript in turn, noting down bits of information which seem relevant to the area of research. At this early stage, the researcher is not intending to identify themes. The aim at this stage is to make a note of relevant bits of information.

During the next stage of the process, the researcher begins to sort out the bit of information, gathered during the earlier stages of the analysis, and it is here that the themes begin to emerge. Items of information, which appear to be dealing with similar topics, are placed together, to form tentative themes. These themes are given a tentative name, a label, and, according to Pidgeon and Henwood (1997), the researcher might draft a provisional definition of the theme at this point. Thereafter, the researcher continues to revisit the data transcripts to refine, redefine, or reject them, until it is decided that the emerging themes accurately reflect the meanings and understandings contained in the data. It is a long and painstaking process, and Hayes

(2000) asserts that it is not uncommon for the researcher to have systematically examined each interview transcript at least eleven times.

Once it is decided that the emergent themes accurately reflect the meanings and understanding contained in the data, the researcher then takes each theme and constructs its final analytical form. In its final analytical form, each theme is given a name, and a definition; and references are made to items of the data, usually quotations or details of observations, which illustrate the themes relevance.

Inevitably, in the process of constructing the theme's final analytical form, the researcher is required to be selective when identify items of data that are construed to be supportive of the theme's identification. Otherwise, it would be impractical to record every connecting item of data. Commenting on this practice, and responding to accusations that it is subjective and biased, Pidgeon and Henwood (*op cit*) point out that thematic analysis is a comprehensive process, during which the researcher identifies considerably more cross-references between the emerging themes, and the data.

Furthermore, and as explained later when describing the incorporation of the practices of inductive thematic analysis within grounded theory research, it is commonplace for researchers to fully document the processes of analysis, as they occur, so that other researchers can inspect the data.

Grounded theory

The term 'grounded theory' was first used by Glaser and Strauss (1967) at a time when the relative merits of quantitative and qualitative methods of inquiry were being hotly debated within the research community. The debate was, and continues

to be, not just about methodological techniques, but also about questions of an epistemological nature. According to Charmaz (1983), in its earliest stages, the main objective of the grounded theory movement was to bridge the gap between theoretically “uninformed” empirical research and empirically “uninformed” theory, by grounding theory in data (see Glaser and Strauss, 1967, p.vii). It was a reaction against the then perceived extreme empiricism of “Grand Theory”, and a perceived preoccupation among researchers with collecting quantitative data, often for its own sake. Mills (1959) coined the term Grand Theory when criticising the way in which contemporary sociological theories tended to be couched in highly abstract terms.

Along with a number of theorists, Glaser and Strauss (1967) expressed concern over the way qualitative methods were being systematically devalued, because of the perceived dominant use of quantitative methodology. In particular, they highlighted (critically) a perceived pre-occupation, among theorists of that time, to assume all the “grand” theories had been discovered, and to use quantitative methods to test propositions derived from those so-called grand theories. This research activity, they argued, produced impoverished theory that had little or no empirical relevance in local, contextual situations. Referring to the methods they developed during an earlier investigation of the institutional care of the terminally ill (Glaser & Strauss, 1965 and 1967) responded by arguing the case for the use of qualitative research to develop theoretical analyses.

In common with other qualitative research traditions, such as phenomenology (Thompson, 1993); semiotics (Holbrook and Hirschman, 1993); critical relativism (Anderson, 1986); researcher introspection (Gould, 1995; Wallendorf and Brucks, 1993); critical theory (Hirschman, 1993, Murray and Ozanne, 1991); hermeneutics

(O'Shaughnessy and Holbrook, 1988) discourse analysis (Elliott, 1996) and postmodern perspectives (Brown, 1995; Firat and Venkatesh, 1995), the roots of grounded theory can be traced back to the work of Wilhelm Dilthey (1894). During debates with early experimentalists, Dilthey (ibid) maintained that human sciences should be concerned with *Verstehen*, i.e. 'meaning', as well as cause and effect relationships.

Grounded theory methodology is also rooted in the symbolic interactionist perspective of Herbert Blumer (1969) and the case study approach of the so-called Chicago school of social psychology and sociology in the 1920s and 1930s. Symbolic interactionism is based on the claim that man does not simply react, he interprets, evaluates, and defines, and then acts in terms of this interpretation. Within this perspective, human society is seen to be consisting of acting people, and the individual's social world is said to be enacted. This process of enactment involves the interplay of significant gestures, symbols, and systems of meanings that are embedded within a significant social context.

Symbolic interactionists concentrate on small-scale interactions, and the processes involved in the development of predictability, reciprocity, and regularity. They engage in interpretative work, during which the goal is to unravel the multiple perspectives, and common-sense realities of the research participant. It follows that, when using the grounded theory approach, theorists argue that it is perfectly acceptable to gather data from a very small number of context specific situations. What matters is that the emergent findings are found to be grounded in concrete, 'real world' situations. On such occasions, it is suggested that the emerging theory can serve as a strong basis for further investigative work, as well as being a

meaningful research finding in itself, (Hayes, 2000; Pidgeon, 1994; Henwood and Pidgeon, 1997).

Grounded theory, as first proposed by Glaser and Strauss (1967), is theory that is generated during, or 'grounded' in an iterative process, and involves the continual sampling and analysis of local, context related, qualitative data. According to Glaser & Strauss (ibid), grounded theory is developed in an inductive manner, and relies on data gathered during semi-structured, and open structure interviews, fieldwork observations, case study visits, and from archival sources. In particular, attention is paid to the participant's own accounts of their experiences in localised social settings. Accordingly, grounded theory evolves during the research process itself and is a product of continuous inter-play between data collection and analysis (Pidgeon & Henwood, 1994, 1997; Strauss and Corbin, 1990, 1994; Glaser, 1978, 1992; Stern, 1994; Strauss, 1991; Charmaz, 1983; Glaser & Strauss, 1967).

Grounded theory: emerging variation in interpretation and approach

Originally intended as a methodology for sociologists, the subsequent impact of the Glaser and Strauss' (1967) publication can be traced within a wide range of disciplines, including social psychology, cognitive science, management and business studies, and particularly within emerging practitioner disciplines such as health psychology, clinical psychology, and educational psychology. (Goulding, 1998; and Pidgeon, 1994). Consequently, there are a number of reported versions of grounded theory, and, it is suggested, a corresponding degree of confusion concerning the methodology within the wider research community (Goulding, 1998).

Nowadays, the term grounded theory is used in three particular ways within the literature. Firstly, it is used when describing theory that is deemed to be 'grounded' in qualitative data. Secondly, it is used when referring to a particular set of data handling procedures and techniques, used when coding and analysing large amounts of highly unstructured qualitative data. Thirdly, it is often used to convey the message that a particular piece of research is "well grounded", and, therefore, empirically valid.

Tracing the development of grounded theory, it is noticeable how Glaser and Strauss came to disagree over the way grounded theory should develop in practice, and how this disagreement resulted in the opening up of two distinct approaches. According to Skodol-Wilson & Ambler –Hutchinson (1996), it is now common for researchers within the area of nursing to be expected to specify whether the grounded approach being adopted is the original Glaser and Strauss (1967) version, the version as promoted by Strauss and Corbin (1990), or Glaser's (1978, 1992) subsequent interpretation of the original version.

A comparison of Glaser and Strauss' (1967) original version of grounded theory with subsequent versions by Glaser's (1978), and by Strauss and Corbin (1990), highlights the two authors divergent interpretations of the original method. Both employ differing terminology, and the Strauss and Corbin (1990) version of the method contains a much more complex and stricter process of systematic data coding than was originally contained with the original Glaser and Strauss version. This introduction of a more complex and systematic process of data coding marks a particular point of departure between Glaser (1992), who continues to argue that theory should only explain the phenomena under study, and Strauss and Corbin

(1990), who argue for the use of rigorous coding procedures, so that theorising can be extended beyond the immediate field of study. Glaser's (1992) and Stern's (1994) response is to heavily criticise the Strauss and Corbin (1990) version, arguing that it reduces grounded theory to a set of rigorous coding procedures, and represents a serious undermining of the original concept of theory emergence.

Grounded theory: fundamental analytical commitments

By its very nature, qualitative research data is both rich in content, and voluminous. When dealing with such data for the first time, and without a strong a priori theoretical stance, the researcher is faced with the analytical task of sorting and making sense of the highly unstructured data. Not surprisingly, therefore, much of the relevant literature contains detailed descriptive accounts of the data handling procedures and techniques used by grounded theorists.

In their original version, Glaser and Strauss (1967) recommend the development of an open-ended indexing system, so that the researcher can systematically work through the data corpus, generating codes to refer to emerging low level concepts and more abstract categories and themes. Working in this way, the researcher is said to be gradually moving towards creating a data representation language (Pidgeon, 1994).

As described in the literature, this is an iterative, cyclical process, during which the researcher's conceptual understandings emerge, and develop, as she, or he, interacts with the data (Hayes, 2000; Pidgeon and Henwood, 1994 and 1997; Glaser, 1978, 1992; Strauss and Corbin, 1990, 1994; Charmaz, 1983; Glaser and Strauss,

1967). It is an iterative process, during which the researcher returns to the data, time and time again, with the intention of making sure emerging concepts, categories and themes 'fit' the data well (Glaser and Strauss, 1967).

Herein lies the basic message of mainstream grounded theory. The object is to generate theory, which is firmly grounded in qualitative data that has been gathered in the real world (Glaser and Strauss, 1967; Pidgeon & Henwood, 1994 and 1997). Hence the original Glaser and Strauss (ibid) emphasis on the need to overcome a perceived tendency for the research process to be over methodologically prescribed, and Glaser's (1992) subsequent heavy critique of the Strauss and Corbin (1990) version of grounded theory, which, in Glaser's view, falls into the twin trap of being too methodological prescriptive, and of virtually ignoring the original, and all important, notion of emerging theory.

Other grounded theory researchers have voiced concerns regarding the so-called Straussian School's version of grounded theory (e.g. Stern, 1994), suggesting that it (unwittingly) amounts to an erosion of grounded theory, as originally portrayed, and risks becoming identified as merely a form of content analysis. Unlike grounded theory, the goal of content analysis is reliability and validity, achieved via the counting of instances within a predefined set of mutually exclusive and jointly exhaustive categories.

More recently, and responding to the criticisms levelled against their position and approach regarding grounded theory, Strauss and Corbin (1994) claim that, while arguing for the use of particular data handling procedures and techniques in their version of grounded theory, they do not support the claims of commentators

who identify grounded theory merely with a way of coding unstructured qualitative data.

Despite the above noted differences in interpretation and approach among theorists, mainstream grounded theory stipulates that there are two fundamental analytical commitments, which the researcher must fulfil, when building the open-ended indexing system. They are the commitments to applying the methods of constant comparison, and theoretical sampling. Both methodological commitments originate from the work of Glaser and Strauss (1967). Both are advocated primarily as means of generating theory, and of ensuring the analysis is characterised by conceptual, and theoretical depth. Both also clearly differentiate grounded theory from traditional content analysis and other forms of thematic analysis (Hayes, 2000; Goulding (1998); and Pidgeon and Henwood, (1994 and 1997; O'Callaghan, 1996).

When using the method of constant comparison, the principal analytical task is to continue sifting and comparing elements within the developing indexing system, and throughout the lifetime of the analysis. The researcher needs to be alert to the similarities and differences between different occurrences of the same concept, so that the different facets of the concept are thoroughly explored. In this way, the complexities of the data are uncovered, and the analysis proceeds in depth.

Theoretical sampling, on the other hand, involves the sampling of new cases, as the analysis proceeds. Ideally, data analysis should begin as soon as there is sufficient data to code. Additional samples are then chosen for their potential for adding value to the continuing research project. Decisions concerning the number, and the range of samples, are taken in the light of theoretical concerns, and not

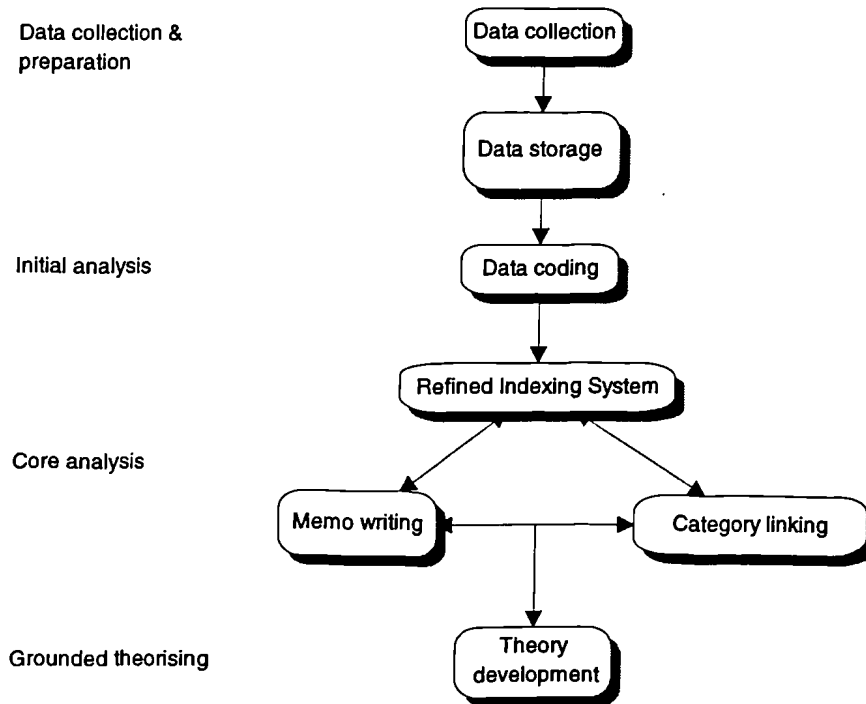
because of a prior need to produce generalised findings. New cases are selected for their potential for generating data, which the researcher can then use to extend, or deepen, his, or her, emerging conceptual understandings.

One highly recommended feature of the method of theoretical sampling is the notion of negative case analysis, (see Kidder, 1981). Here, cases are chosen, and analysed, because they appear to contradict the researcher's emerging conceptual understandings. According to Turner (1981), negative case sampling is useful because it causes the researcher to reflect deeply on his, or her, initial assumptions and conceptualisations, and helps them avoid proposing indefensible theory.

Negative case analysis is also one way in which the researcher creates opportunities for constant comparison. Pidgeon & Henwood, (1994 and 1997), and Hayes, (2000) provide detailed expositions of the common processes and methods used by grounded theorists. Pidgeon and Henwood (1997) identify a four-staged grounded approach (figure 2.1). First, the data are collected and prepared. Secondly, the data are subject to initial coding, i.e. the first stages of the analysis. During the third stage, the researcher carries out the core analysis, a repetitive process, during which the data are interrogated, over, and over again, to ensure emerging concepts, categories and theories fit the data. During this core analysis, a refined indexing system is build for the data. Finally, the researcher uses the results of the analysis to build grounded theory.

Fig 2.1

The Grounded Approach



Source: Adapted from Pidgeon & Henwood, (1997)

Grounded theory: the collection and preparation of the data

Grounded theory, it is argued, is a particularly useful way of systematically handling large quantities of unstructured qualitative data. The researcher is encouraged to transcribe this data, allocating line and page numbers to each page of transcription. The aim is to prepare the data, so that the researcher can find, and return to, specific parts of the text, time and time again.

Grounded theory - coding

According to Glaser and Strauss (1967), the researcher should begin the process of coding the data by building an open-ended indexing system, containing labels used to describe low-level features, and more abstract concepts. In these early stages, the

researcher is allowed maximum flexibility, when identifying labels (codes) to describe features within the data. Coding of qualitative data is recognised to be a creative process, and involves a certain amount of judgement on the part of the researcher. The interpretations of the participants, and the researcher, are contained within this emerging open-ended indexing system.

When describing the process and methods of data coding, Pidgeon & Henwood (1994 and 1997) highlight an important point - the dangers of sticking rigidly to a staged methodological approach, and, in the process, turning the approach into a form of content analysis. As previously explained, within traditional thematic content analysis, themes tend to be pre-established. Also, content analysis emphasises the criteria of reliability and validity, and the counting of instances when a thematic category is deemed relevant. In the case of grounded theory, the purpose of the exercise is to foster theory generation, rather than theory testing. During the coding and indexing process, themes and concepts emerge as the researcher interacts with the data. Referring to this iterative process, Pidgeon & Henwood (1994 and 1997) suggest it leads to changes within theory, the data and the researcher's conceptualisations.

Grounded research – indexing

Quoting Glaser & Strauss (1967), Pidgeon and Henwood (1994 and 1997), recommend the researcher build an open-ended indexing system, containing tentative thematic labels and abstract concepts. Describing the first step in building such an indexing system, Pidgeon and Henwood (1997, p. 261) recommend that the researcher looks at the first paragraph of the transcript, and, asks him, or herself,

‘What categories, concepts or labels do I need in order to account for what is of importance in this paragraph?’ Continuing to think, and work in this way, the researcher is encouraged to work his, or, her way, through the remaining transcripts. As the indexing system grows, so each emerging category is revisited, and refined several times, until the researcher is satisfied the category ‘fits’ the data well. In Pidgeon and Henwood’s terms (*op cit*), there is a ‘flip flop’ between the data and the emerging index categories. Working in this creative, and non-mechanical way, and starting with a number of tentative descriptive categories, the aim is to build a refined language for describing the data.

Grounded research - the core analysis

During the core analysis, the indexing system is subject to continued refinement. This continues to be a highly creative and iterative process, during which categories are merged, and the researcher writes *memos*. *Within these memos, the researcher* records his, or her, emerging conceptual understandings, when interacting with the data. Typically, memos contain explanations of, and mini-discussions concerning emerging concepts, and theoretical understandings, as well as references to, and comparisons with, relevant theory *within the literature*. *More often than not* there are several iterations, or cycles of analysis, during which, categories are explored, and new concepts introduced.

Eventually, according to Pidgeon and Henwood, (1994 and 1997), a concept becomes saturated, in the sense that the analysis is no longer throwing up new possibilities as to how the concept might be further developed. At this point, the researcher begins to summarise the concept, usually in the form of a comprehensive

definition. Thereafter, the researcher moves on to develop the grounded theory itself. According to Hayes (2000), such theory develops as a synthesis of the concept definitions, the memos, which the researcher wrote during the core analysis, and the relationships between the emergent concepts.

Outcomes of grounded theory research.

Grounded theory is particularly useful when the research aim is to identify general themes and issues arising from the qualitative data. Pidgeon and Henwood (1997) list three particular types of outcome from grounded theory work: taxonomy development, local theoretical reflection, and grounded theory.

Firstly, grounded theory can be used when the aim is to identify a set of concepts, as the basis for further research. The methodology is particularly useful when the area being researched is new, or when the phenomenon being investigated is little understood.

Secondly, grounded theory methodology can be usefully employed when the aim is to explore issues in a particular localised context. It might involve comparing the findings from the analysis with those obtained from other research, and with established theory, to see whether the new findings match, or don't match, those contained in previous research. Or, grounded theory methods can be used when the intention is to take one, or two, core aspects of a particular analysis, to see what they mean in a particular context.

Thirdly, as the term implies, grounded theory methods are used when the aim is to generate what Pidgeon and Henwood (*op cit*) refer to as “fully-fledged” grounded

theory. The purpose of such theory is to provide a full account of the subject of investigation. Because it contains so much depth and detail, such theory is an ideal prompt for future research.

Clearly, the development of “fully-fledged” theory is an ambitious goal, and the emergent theory would need to be based on a sub-set of grounded theory analyses. According to Pidgeon and Henwood (*op cit*), there is little, or no, explanation in the literature as to what steps need to be taken, before a “fully-fledged” theory can be said to have been produced. Furthermore, because grounded theory is rooted in the “constructivist” paradigm, it is important not to lose sight of the paradigm’s message that truth is subjective, and not given to being generalised.

Evaluating grounded theory projects.

Because of its roots in the “constructivist” paradigm, grounded theory is not suited to being evaluated using positivist quantitative methods. Classical, positivist criteria seek to guarantee the objectivity of the research, and, therefore, assume the independence of the researcher, and the research subject. The constructivist perspective, on the other hand, challenges the view that knower, and known, should be treated as distinct from one another. The constructivist takes the view that knowing is a subjective thing, and that subjectivity is always present in research. Taking up this theme, Pidgeon and Henwood (1997), claim there are no quantitative, or qualitative, methods of guaranteeing the absolute accuracy of research. They go on to suggest, however, that it is both necessary, and appropriate, to judge the quality of grounded research, and, referring to aspects of established ‘good practice’ within

qualitative research, they propose a set of criteria for judging the quality of grounded research (Table 2.3)

Table 2.3 Criteria for judging the quality of grounded research

Keeping close to the data	The theory should fit the data well
Rich and integrated theory	The theory produced should be rich, complex, and, as such, provide connections between different levels of analysis, or abstraction.
Reflexivity	The theory should reflect the independence between the research activity, and the subject of inquiry.
Documentation	The research process should be thoroughly documented. That way, the development of the theory is open to external scrutiny.
Negative case analysis	The researcher should actively seek opportunities to gather, and analyse, data which appears to contradict the emerging findings.
Sensitivity to participant realities	Participants should be able to recognise the theory which purports to explain, and account, for their experiences.
Transferability	While grounded theory is, by definition, firmly rooted in its context, a rich theory should be capable of providing explanations for other context-laden situations.
Persuasiveness	The emergent theory should be convincing, and inspire new understandings in the audience.

Source: Pidgeon and Henwood (1997)

There are of course many other approaches to qualitative research. Those described here were chosen because of their relevance to this investigation. As explained later, a case study approach was adopted, and interviews and grounded theory methods were used when gathering and analysing the case study data, since these are generally recognised as appropriate methods to use when investigating a little understood area of research interest, and when seeking to stimulate further research.

INVESTIGATING THE SMALL FIRM

There is a growing discussion within the research community about the approach to adopt when investigating the small firm. In particular, the discussion is focused around two inter-related issues: the most appropriate approach and methods to use when investigating small firms, and the gaining of access to such firms in order to conduct meaningful investigations (Ram, 2000; Grant, et al, 2000).

It is widely asserted that researchers have been over-reliant in their use of positivist inspired methods when investigating the small firm. In particular, several researcher, including Ram (2000) and Grant et al (2001), argue that there has been an over-reliance on the use of surveys in order to gather quantifiable data, and a corresponding failure to obtain meaningful information concerning the dynamic processes of entrepreneurial learning within small firms. Consequently, there have been various calls for heuristic inductive investigations into the small and medium sized firm, and for such investigations to be grounded in fieldwork (Brown and Butler, 1995; Aldrich, 1992; Gibb and Davies, 1990).

Consultancy and academic research

Traditionally, academic researchers, and management consultants, have been called upon to work with organisations, to help them improve their operations, and to manage change. But, according to Gummesson, (1991), academic researchers, and management consultants, are often unclear about their possible combined role, because they have been inclined to view consultancy from different perspectives. The traditional research approach, he argues, is to assume knowledge of academic research, and its findings, can be directly applied during a consultancy. In contrast,

he suggests management consultants tend to assume their experiential knowledge is a satisfactory basis on which to provide consultancy.

Recently, a number of writers, including Grant et al (2001), Ram (2000), Heron (1996) and Gummesson (1991) have expressed interest in exploring the similarities, and differences, between the two roles, and, in investigating the extent to which combinations of the two roles might result in higher quality consultancy, and improved access to organisations for research purposes.

Gaining access to firms

Gaining access to the owner manager of a small firm, and, to the organisation for research purposes is not easy, and particularly when seeking to conduct a qualitative investigation (Ram, 2000); Gibb, 1996). Several reasons are put forward as to why this is so. First, Storey (2002), Grant, et al (2000), and Gibb and Davies (1990), among others, are critical of the lack of relevance of existing academic research, when applied to small firms. In their view, the predominant use of surveys by researchers, when gathering quantifiable data, results in unhelpful findings, when viewed from the owner manager's perspective. Second, existing models and theories of organisational learning are said to bear little resemblance to peoples' everyday experiences within small firms (Storey 2002; Deakin & Feel, 1998). Third, it is reported that owner managers are often reluctant to agree to research-based interventions because of the time involved, and the ensuing disruption within the production process (Ram, 2000).

A search of the recent literature indicates a corresponding increasing interest in the use of qualitative methods, and a blurring of the borderline between academic research, and management consultancy (Egan, 1994; Gummesson, 1991; Heron, 1996; Reason, 1994). To facilitate access to organisations for research purposes, researchers are often required to trade their professional knowledge and skills, often through employment in the research setting (e.g. Casey, 1995; Watson, 1994 a & b; and Stewart, 1989). Indeed, as already explained, models and theories concerning the learning organisation, and organisational learning are often grounded in the researcher's previous observations, when undertaking consultancy work (Stata, 1996; Burgoyne, 1994; Senge, 1990).

As mentioned earlier, researchers have long been aware of the dangers of bias creeping into research, and particularly qualitative research. The question as to whether it is possible to conduct reliable and valid research in settings where the researcher is also a paid employee is a long-standing concern within research communities. Understandably a common fear is that the research will be quickly compromised, and that the researcher will, at some time, find that she or he is prevented from investigating real and important issues because to do so would potentially damage the firm and its reputation.

Within the modern literature, several researchers argue the case for a form of reciprocity when investigating small firms. According to Ram (2000) some form of reciprocity is implicit in many qualitative research programmes. Commenting on the significance of such reciprocal arrangements, Ram (2000), and Watson (1994 a & b) asserts that the fieldworker and the owner manager of a small firm share an important entrepreneurial characteristic, they are both opportunistic in seeking and

exploiting opportunities to ply their trade. Developing this theme, Ram (2000), and Grant et al (2001) assert that an entrepreneurial approach to qualitative case research is vital when it comes to studying small firms. They claim meaningful research into small and medium size organisations is only possible when the researcher is able to achieve a degree of 'closeness' to the subject of the research. Voss et al (2002) make a similar point when asserting that qualitative research is enriched by the researcher's experiential exposure to real problems, and to the creative insights of people at all levels of a company, and to the varied context of cases.

Collaborative research

Within the literature there are a number of useful suggestions as to how the researcher might approach the task of working collaboratively with clients. For example, Gummesson (1991) has argued that before engaging in a research programme, or consultancy assignment, it is advisable to obtain some "pre-understanding" of circumstances within the organisation, and of people's experiences and understandings. Similarly, Egan (1994), when proposing a staged approach to helping, describes how, in the first stages of the helping process, the helper should enable the client to review the "current scenario" i.e. to "identify, explore, and clarify their problem situations, and unused opportunities".

Arguing from a similar perspective, Heron (1996) asserts that research into the 'condition' of the organisation, and its people, is a matter of tapping, and bringing to the surface, insider knowledge. The implication is that researchers can only truly investigate organisational issues from within (Egan, 1994; Heron, 1996; Reason, 1994). If change is to occur within organisations, the people within them need to be

willing, and active collaborators. According to Oldroyd and Tiller, (1987), attempts to introduce change, in response to ever increasing demands, are more likely to succeed if they recognise, and address, the 'social' and 'material' realities, and barriers to change within the organisation.

Pursuing this theme, Heron (1996), and Reason (1994), have been to the forefront in arguing the case for co-operative inquiry. People are said to engage in co-operative inquiry when they aim to make research an integral part of practice. As an approach to research, co-operative inquiry builds on the principles and practices of collaborative action research (Cohen and Manion, 1989; Corry, 1953; Elliot, 1991; Kemmis, 1981; Lewin, 1948). Co-operative inquiry is said to be person-centred, in that the research is done with people, not on them, or about them, (Archer and Whitaker, 1994; Heron, 1996; Marshall and Reason, 1997; Marshall and McCLean, 1988). It is grounded in the belief that people are self-determining, and that personal, and collective potential, is released when people learn how to link with, and relate to, one another, and the wider world. According to Heron (1996), co-operative inquiry is grounded in an extended theory of knowledge and belief.

As describe by Heron, (1996), and Reason (1994), co-operative inquiry involves people on the inside becoming 'co-researchers' and 'co-subjects' with the initiating researcher. As co-researchers, they collaborate, when forming the questions to be explored, agreeing the methods to be employed, and making sense of the experiences. As 'co-subjects', they collaborate in the experiences, and the actions that are the focus of inquiry. By its very nature, co-operative inquiry dictates that those on the inside will be fully involved in the processes of decision making, and reflection, and, in the events being researched. The initiating researcher, on the other

hand, may, or may not, play a full part in the events being researched. She, or he, will, however, be at least partially involved in these events, because, as Hayes, (1997) points out, the initiating researcher would be naive to assume she, or he, has no impact on the outcomes of the research. In most instances, his, or her, involvement in those events will be partial (Table 2.4.).

Table 2. 4. Levels of involvement in co-operative inquiry

	Initiating researcher	Co-researchers
Participation in reflection and decision-making:	Full involvement	Full involvement
Participation in the experience / researched:	Full involvement	Full involvement

Source: adapted from Heron (1996)

More often than not, the process of inquiry spans several cycles of reflection and action, (Elliott, 1991; Heron, 1996; Kemmis, 1981). It follows that co-operative inquiry is a cumulative, iterative process, during which participants experience different types of knowing, and belief. Heron (1996), and Marshall & Reason (1997), identify four types of knowledge and belief (Table 2.5).

Table 2. 5. Types of knowledge and belief

Experiential knowledge/belief:	Gained through personal encounters with persons, places or things.
Practical knowledge/belief	gained through practice, learning 'how to', and, being able to do something.
Propositional knowledge/belief	about something, and described in statements, and theories.
Presentational (intuitive, experiential) knowledge/belief	which is often expressed in visual and expressive art forms.

Source: adapted from Heron (1996)

There is, it is claimed, no one correct way of undertaking co-operative inquiry – “there can only be my, your, or our view as to what is a good method”, Heron (op cit, p.49). In making this statement, Heron, does, however, consider the issue of validity. He suggests a need to “free the various forms of knowledge involved in the inquiry process from the distortions of uncritical subjectivity” (p.59). Consequently, and referring to ‘good practice’ within qualitative research, he describes a number of validity procedures, which, he claims, need to be incorporated into the co-operative inquiry design, (Heron, op cit, see Appendix 1).

The overall message, therefore, is that, within SME research, there has been an over-reliance on the use of surveys in order to gather quantifiable data, and a corresponding failure to obtain meaningful information concerning the dynamic processes of entrepreneurial learning within small firms. The solution, according to a number of researchers, is to adopt a different approach; one which acknowledges that research into the small firm is more valid, and beneficial for the people concerned, when it is done with them rather than to them, and when qualitative methodologies are used. In particular, it is argued that some form of reciprocal arrangement between the researcher and the researched is a more effective and ethically sound way of ensuring improved access for research purposes, and higher quality intervention for the organisation and its people.

Consequently, and while not denying the value of a positivist approach and the use of quantitative methodology in certain situations, it was anticipated that the aims of this research would be best achieved through the adoption of a multiple case study approach, and the use of qualitative methods of gathering and analysing data. To this end, reciprocal arrangements were agreed with the case study companies whereby

the researcher was able to obtain the data for this investigation, whilst at the same time providing consultancy for each of the firms. The approach adopted, and the methods used when conducting this investigation are described in the following chapter.

CHAPTER 3

THE CASE STUDIES

CHAPTER OVERVIEW

In this chapter the approach and methods used when conducting this investigation are described. In section one, the reasons for adopting a case study approach are explained, and the three case study companies are described in terms of a series of company thematic comparisons. In section two, the approach adopted when making contact with the case study firms, and when negotiating the opportunity to gather data for this research is described. Section three is concerned with the methods used when gathering data. In particular, the use of open-structure interviews is described and explained. Finally, section four contains an account of the use of grounded theory principles when preparing and coding the data.

THE COMPANIES

A case study approach was adopted during the investigation. This is because the approach is widely recognised as being a useful one to employ when seeking to stimulate new research by generating research ideas, questions and hypotheses in a little understood area of research interest (see chapter 2).

The research involved three individual small firm case study investigations. The three firms were ConstructOrg, an owner-managed construction company, PrintOrg, a family owned printing company, and LandscapeOrg¹, an owner-managed company specialising in landscape design, site construction and maintenance. Within each case study, multiple units of analysis comprised interviews with individuals, either on their own, or in groups of two to four.

Given the nature of this investigation, and its aims, there was no *a priori* requirement to select a representative sample of the population of small firms. However, following the recommendations of Yin (1994), a multiple case study approach was adopted so that useful comparisons could be drawn between the findings from the different cases.

The case firms were selected one at a time, on the basis that each one was unique in itself, but was also capable of providing sufficiently rich data for useful comparisons to be drawn between the personal and shared learning experiences of people across the companies. Case selection continued until sufficient data was obtained for the purposes of the investigation.

Company comparisons

When compared with one another, the three firms display a number of similarities, as well as differences. These similarities and differences are described in the following four sets of comparisons.

Company histories compared

A comparison of each firm's history with the histories of the other two firms clearly shows a number of similarities, and differences in the way the companies were founded, and in their growth (Table 3.1).

¹ These names have been changed to respect confidentiality

ConstructOrg

ConstructOrg, a construction company, is part of a larger holding company founded by a single entrepreneur in the mid 1980s. The company provides a service that includes building construction, and civil engineering contracts.

In the period between 1991 and 1997, company turnover increased by 300%, despite the adverse trading conditions experienced within the industry at large during that period. Between 1991, and 1997, employment levels within the company grew by more than 200%, so that, by 1997, ConstructOrg was providing employment for 49 core employees, and additional subcontractors. ConstructOrg's strategy was to build on its success in winning contracts in the north of England, and to seek, and win contracts in other UK regions.

PrintOrg

PrintOrg, a family owned printing business, was founded in the 1930s by the current chairman's parents. Second and third generation family members occupy key, but by no means all of the main, managerial positions.

Trading internationally, and within highly competitive markets, the company has invested substantially in high technology hardware, and software, in order to compete effectively in the marketplace. Approximately 90% of PrintOrg's contracts are with four major international publishing companies.

In the period up to the mid 1980s, the company achieved steady growth, and, between 1987, and 1997, rapid growth. During this latter ten-year period, company

turnover increased by 400%, and staffing level rose from below 40, to more than 160 employees. A significant part of this growth was achieved through the acquisition of other companies, thus increasing its capacity to win, and deliver contracts. It was found, however, that a price was being paid for such a rate of growth. Commenting on this more recent rate of growth, the in-coming M.D. said: "The pace of change, and growth has been too fast, and has certainly outstripped the company's ability to change its organisational structure, and management culture."

LandscapeOrg.

The owner-managing director founded LandscapeOrg in 1978, when he was made redundant in his early twenties. The business is firmly rooted in his own and his fellow director's horticultural background, and experience. Operating from its Head Office, and a number of regional offices, and depots, the company provides a service that includes large-scale landscape design, site construction, and maintenance for 'blue chip' public and private sector organisations, throughout the north of England and the Midlands.

During the ten-year period up to 1999, LandscapeOrg experienced uneven growth, and, at one point in the mid 1990s, the directors felt that they were in danger of over-trading. 1997/98 was a particularly bad year, and, for the first time in twenty years, the company had to make a number of people redundant.

In 1998, the company reached the end of a ten-year plan, the major part of which was to move into new premises, and to consolidate, and build on, its previous business success. The company had outgrown its previous premises, and, prior to the move, had increasingly experienced logistical difficulties as the business expanded.

In the ten-year period to 1999, employment levels within LandscapeOrg rose from below 30 to more than 70 employees.

Table 3.1: The case study companies: histories

	ConstructOrg	PrintOrg	LandscapeOrg
History	<p>Founded in mid 1980s by current owner and as part of his larger holding company</p> <p>300% growth in turnover between 1991 & 1997</p> <p>Approximately 200% increase in employees during same period</p> <p>In 1997 the company was employing 49 core employees, augmented by subcontract workers</p>	<p>Founded in early 1930s by parents of the current Company chairman. Current owners include Company chairman and other family members</p> <p>400% growth in turnover between 1989 and 1997</p> <p>More than 300% increase in employees over same period</p> <p>Acquisition of other companies in recent years</p> <p>In 1997 the company was employing 160 people.</p>	<p>Founded by current owner in 1978</p> <p>Rapid growth in turnover in last ten years</p> <p>More than 150% increase in employees over same period</p> <p>Other regional offices/deports opened in recent years</p> <p>In 1999 the company was employing just over 70 people.</p>

Organisational structures compared

As proved to be the case when comparing the histories of each firm, when comparing each firm's organisation structures with those of the other two firms, clear similarities and differences were found between the cases (Table 3.2).

ConstructOrg

The growth of organisational structures within ConstructOrg has been organic. In its earliest days, the company founder, now the company chairman, managed the company, supported by managers of four departments – construction, estimating & marketing, purchasing, and design. The four managers have since become directors of the company, and, together, form the board of directors. Each of the four

departments has grown in size to accommodate the growth in business, and, while the directors have overall responsibility for their departments, other line managers, foremen, and team leaders now manage day-to-day operations.

In the course of the pre-consultancy meetings, it was learned that:

- The directors were still learning how to operate as a board, rather than as semi-independent heads of department. Until recently, directors had not met as a Board, and they freely admitted that they were learning how to manage by trial and error.
- ConstructOrg had reached a stage of growth where the directors felt they could no longer maintain daily 'hands on' control of operations;
- Communications between directors, and between directors, managers and employees, being still more or less informal and ad hoc, were proving difficult to handle, and, gradually, new methods of communicating were being tried, but not always successfully.

PrintOrg

Headed by the joint-owner and company chairman, he, along with other family, and non-family directors, collectively form the board of directors. At the time of the consultancy, PrintOrg was organised into a number of inter-dependent functional departments, and operations were overseen and managed, by functional directors, department managers and team leaders.

Following a recent two-day audit, conducted by a major multi-national client, and, as a result, to retain that client's business, PrintOrg was required to restructure its workforce into a number of multi-skilled, cross functional teams. Whilst PrintOrg had for some time toyed with the idea of re-organising its workforce into cross-functional teams, the external audit had forced them into planning those structural changes. Consequently, beginning with a pilot team, PrintOrg had embarked on a programme of restructuring the entire workforce, apart from specialist support teams, into dedicated multi-skilled, cross-functional teams. The team leader was held responsible for managing, and delivering contracts for a specific client organisation.

LandscapeOrg

The board of directors at LandscapeOrg comprises the owner-managing director, the director responsible for marketing and estimating, and the company secretary.

Structurally, the company has grown organically, beginning in its earliest days with the owner-manager operating "out of a van, and helped by a lad". Now, the directors, and function managers, oversee operations, and support a number of service delivery teams that operate from the Head Office in West Yorkshire, and regional offices in the North East and the East Midlands. Each service delivering team is lead by a team leader-foreman.

Table 3.2: The case study companies: organisational structures

	ConstructOrg	PrintOrg	LandscapeOrg
Organisational structures	Board of directors, headed by managing director Functional departments, each headed by a director.	Board of directors, headed by company chairman Functional departments but in the process of breaking up departments and the restructuring of employees into a number of multi-skilled cross-functional teams.	Board of directors, headed by owner/managing director Service delivery teams, managed and supported from Head Office and Regional Offices and lead on a day-to-day basis by team foremen.

Company strategy compared

A different set of comparisons, this time of each firm's business strategy, and the processes through which the strategy was generated, with the strategy and strategy setting processes in the other two firms also uncovered similarities and differences between the cases (Table 3.3).

ConstructOrg

The company chairman and his fellow directors set the business strategy at ConstructOrg. This strategy is laid out in a broad five-year business plan, under the following headings: aims for turnover, marketing, process development and investment. The business plan also includes growth projections that include three indicative staffing structures for three projected annual turnovers.

Being a young company, the chairman, and directors are aware that their success so far has been based on them winning a relatively large number of small-scale, low profit rather than larger-scale, high profit contracts. Consequently, the company's strategic intent is to increase the number of larger-scale contracts won at the expense of some of the smaller, low, or non-profit making contracts. At the same time, within the set strategy, it is recognised that the risk of over-trading through bidding for and gaining contracts that are too large for a small but growing company is great, and the details in the plan reflect this concern.

An important feature in the business strategy was a commitment to quality, and, in particular, a commitment to working towards achieving ISO 9000 and Investors in People recognition.

PrintOrg

At PrintOrg, the company chairman and his fellow directors set the business strategy. Approximately 90% of the company's business is conducted on behalf of several international publishing companies, and the aim is to retain and build on this client base.

At the time of the research, the company's evolving business strategy was influenced by three main themes, the second and third themes being very much an outcome of the first. Firstly, the company is under continual pressure to increase the quality of its products, using the latest technology during the production and publishing stages, and, at the same time, to reduce its prices. Secondly, throughout the 1980s, and 1990s, PrintOrg invested substantially in high tech equipment, and skills training for its workforce, in order to retain and build on its existing client base. Thirdly, and responding to the requirements of one of its major clients, and to deliver quality products more quickly and cheaply, PrintOrg had begun to restructure the greater part of the workforce into a number of multi-skilled, cross-functional teams.

LandscapeOrg

The owner-managing director, and the director responsible for marketing and estimating, identify and set the strategy at LandscapeOrg, although the views of the company secretary, contracts managers, and employees are sought, and taken into account.

At the time of the research, having successfully come to the end of a ten-year business plan, the directors indicated their awareness of the need to identify and draw up a business plan to drive the business forward over the next ten years.

From the outset, the owner-manager of LandscapeOrg set out to build a company that is recognised for its capability in delivering on large-scale public and private sector design and build landscaping contracts, and for the quality of the service it provides. Over the years, LandscapeOrg has gained a reputation for being the first, or one of the first companies, to undertake particular types of landscape design and build contracts. This has been, and continues to be, a deliberate strategy, it is seen as being a way of growing the in-company expertise and service capability. To build and maintain this service capability, from its earliest days, a key plank within the company's strategy has been a commitment to train and develop employees.

In common with many design-and-build companies, LandscapeOrg's strategy is to reduce the extent to which it is drawn, by market forces, into low-profit work. Whilst experiencing mixed results so far, the company's expressed intent is to increase its profit margins by marketing strategically, thus reducing its dependence on reactive business. In particular, the directors are proud of their achievements in relationship marketing. When interviewed, the owner-manager made a point of saying "We want to work with and for nice people, and we aim, wherever possible, to build, and keep these sort of relationships."

Table 3.3: The case study companies: strategies

	ConstructOrg	PrintOrg	LandscapeOrg
Strategy	<p>Set by founding entrepreneur and other directors</p> <p>Broad five-year business plan includes aims for turnover, marketing, process development, investment and indicative company structures for three projected annual turnovers.</p> <p>Strategic intent includes an increase in strategic marketing and a decrease in reactive marketing practice</p>	<p>Set by chairman (second generation entrepreneur, other directors (family & non-family)</p> <p>Strategic plans to restructure entire workforce in order to achieve greater efficiencies and in response to customer demands.</p> <p>Plans to continue servicing existing as well as potential new clients.</p>	<p>Set by founding entrepreneur and fellow directors</p> <p>Completion of a broad ten-year growth plan. In the process of identifying and setting the broad strategy for the next ten years.</p> <p>Strategic intent includes an increase in strategic marketing and a decrease in reactive marketing practice</p>

Company recruitment and HRD strategy compared

A final set of comparisons involved comparing each firm's recruitment strategy and HRD strategy with that of the other two firms. Once again, similarities and differences were found between the three cases (Table 3.4).

ConstructOrg

From when the company was first founded, directors have pursued a policy of recruiting qualified and experienced staff from larger companies, and from college or university. In a number of instances, directors and managers have recruited people they had previously worked with in other organisations. The reason given for this approach to recruitment was an expressed desire on the part of directors and managers, and, in certain cases, a logistic need, to recruit experienced people who are able to do the required job 'from day one'.

In conversation with employees, it became clear that, across the organisation, people felt that when they first joined the company, they already had the experience and qualifications to do their job, and that they wouldn't have been appointed if that weren't the case. That being said, directors were aware of a need to do more than just provide training which is responsive to legislative changes. Consequently, the purpose of the consultancy project was to help the company conduct a company-wide analysis of training needs.

It was found that director, manager, and employee expectations were that people would learn from, and with one another, on the job. Training is usually provided to enable employees to comply with legislative requirements.

PrintOrg

At PrintOrg, directors and managers principally make use of advertisements, recruitment agencies, and referrals from existing employees, when recruiting new staff. One of the directors has overall responsibility for human resource development, and another manager is responsible for personnel matters.

Managers and employees expect that they will learn from, and with one another, on-the-job. To encourage such practice, at the time of the research, the company pay-and-rewards policy allowed for people to receive pay increases when it was decided that they had gained new work-based knowledge, and or skills. The widespread expectation was that decisions to award pay increases would be made during annual appraisals. However, during the research it became apparent that managers, and employees, were concerned that the move towards the creation of cross-functional teams, comprising multi-skilled workers, would be accompanied by a general

flattening of the pay structures, and the loss, by some people, of recognised seniority within the team, and, or, prospects for promotion-based pay increases.

In addition to operating a 'training on the job' policy, employees of PrintOrg are sent on specialist courses, and, or, external trainers and consultants are employed to provide in-company programmes.

LandscapeOrg

From the earliest days of the venture, the founder manager looked to recruit managers and site workers directly from school and horticultural college courses. Typically, he offers young people work experience whilst they are still at school, or during their second year college course. Thereafter, and depending on their suitability and interest in eventually working for the company full-time, he sponsors him or her, during their final year at college. The marketing/estimating director first came to the owner manager's attention in this way, and was recruited in 1985, having first worked for a competitor for a few years. The other director, the company secretary, was recruited during the company's earliest days, when she was responsible for managing the accounts, and other administrative duties. Her continued employment, and growth into the role of company secretary, is an example of how many employees have remained with the company, and grown into expanded roles.

The company has an established policy of training its own workers to appropriate NVQ standard. This training is provided internally, and, where necessary, employees are sent on externally provided courses.

Table 3.4: The case study companies: recruitment & HRD strategies

	ConstructOrg	PrintOrg	LandscapeOrg
Recruitment / HRD Strategy	<p>Policy of recruiting qualified and experienced staff from larger companies, college or university.</p> <p>Policy of recruiting people who are already known by the directors and who are known to be good at their job</p> <p>Assumption that new employees will, with minimum induction, be able to do their job from day one.</p> <p>Training is ad-hoc and, in the main, offered in direct response to legislative requirements.</p>	<p>Recruitment via advertisement, recruitment agencies and referral</p> <p>Ad-hoc in-company and externally provided training</p> <p>Managers/team leaders and knowledge/skills specialists within the company expected to train colleagues</p>	<p>Long standing policy of providing students with work experience and sponsoring students in their final year at college as a means of identifying future recruits.</p> <p>Policy of recruiting people who are already known by the directors and who are known to be good at their job</p> <p>Recruitment via advertisement and recruitment agencies.</p> <p>Established programme of in-company training to NVQ standard.</p> <p>Owner manager and other directors committed to providing company-wide training</p>

GAINING ENTRY

The approach adopted when seeking the opportunity to gather the research data was as described in chapter two when commenting on the consultant-researcher relationship.

Making contact with each of the companies, and negotiating the opportunity to gather data for this research programme, whilst at the same time, providing a consultancy service, proved to be a long, drawn-out process. Essentially, it was a process of relationship building, conducted during a series of meetings with directors, and, in the case of PrintOrg, two managers. These meetings proved necessary for several reasons. Firstly, it was an opportunity to gather essential information about each company, and the nature of the issue, or issues, they felt they

needed to address. Secondly, at particular stages during these discussions, proposals were invited as to how I would proceed in helping them address the issues of concern. Thirdly, the meetings and discussions were perceived to be a desired opportunity, on the part of the company personnel, to 'get to know, and vet, the consultant', before sharing their deeper concerns, and agreeing to a programme of consultancy. Fourthly, the meetings were an opportunity for the researcher to evaluate the potential for gathering the research data, whilst undertaking the consultancies.

ConstructOrg

Contact was first made with the marketing manager of ConstructOrg. He had previously applied to attend a business briefing, organised by the researcher, and in partnership with St William's Foundation in York, (*Appendix 2*). Because an insufficient number of people expressed an interest in attending the briefing, it was cancelled, and an alternative offer to meet with the ConstructOrg marketing director to discuss some of the themes of the briefing were accepted.

During this first meeting, the marketing director explained how he had been prompted to attend the briefing because of an interest in learning more about human resource matters. He described how he, and his fellow directors, had come to realise that, rather than providing basic training – usually in order to comply with legislative requirements - they needed to be more proactive in identifying, recognising, and addressing their fellow employees training needs. He went on to explain that he, and his fellow directors, realised that they would need to begin by identifying employee training needs, but that they were unsure how to proceed with such a task.

Over the course of several weeks, a series of meetings were held with the managing director, and the board of directors, to discuss the possibilities for a reciprocal arrangement whereby the researcher would undertake consultancy on their behalf, whilst, at the same time, gathering data for this investigation.

A proposal (Appendix 3) to help directors and managers to undertake training needs analysis, and, thereafter, design, and develop, a training and development response, was presented and accepted. A follow-up consultancy plan (Appendix 4) was then presented, indicating the first stages of the consultancy and how the gathering of data, during a series of semi-structured interviews with directors, managers and other employees, would be an essential feature of the first stages of the consultancy process. It was found that directors approved of the idea of people being asked to express their views anonymously, and, during the interviews, directors, managers and employees welcomed the opportunity to talk about their experiences and express their views.

PrintOrg

Shortly after making contact with ConstructOrg, and before gathering the research data in that company, efforts were made to identify another case study company.

Having previously co-delivered a competence-based management development programme for middle managers at PrintOrg, a follow-up proposal to undertake consultancy work on behalf of the company, and, in the process, gather research data for this research programme, was accepted. This turned out to be an opportune moment to approach the company, as a decision had been taken to embark on a

major programme of team restructuring, in response to the findings of a two-day external audit, conducted by a major multi-national client company.

The approach adopted when negotiating the opportunity to gather data for this research was the same as used when meeting with the directors of ConstructOrg, and involved a series of meetings.

After an initial meeting with the director of human resources, several more meetings were held, over a four-week period, initially with the director of human resources, and thereafter, with the newly appointed MD, the intended leader of one of the to-be restructured teams, and the newly appointed personnel manager. These proved to be necessary meetings in order to discuss, and agree, the consultancy project.

To support the programme of restructuring, PrintOrg had already contracted the services of another consultant to provide training for team leaders. It was proposed and agreed, therefore, that a series of open structured interviews would be held with each member of the pilot team, during which they would be invited to share their experiences of the period leading up to the restructuring process, and during the early days of operating as a newly formed team (Appendix 5). Following these interviews, a report would be presented, indicating the findings from the exercise, and making recommendations for future developments.

LandscapeOrg

Adopting the same approach as used when negotiating the opportunity to gather the research data in ConstructOrg and PrintOrg, meetings were held with the directors of

LandscapeOrg – a company the researcher was already familiar with, as a result of an earlier data collection exercise.

Contact had first been made with LandscapeOrg when the managing director completed and returned a questionnaire, sent to him during a separate consultancy project (Appendix 6). The purpose of this project was to establish contact with a number of SMEs, and, to maintain a database of their experiences in learning how to respond to everyday business issues, and challenges. This project involved following up the questionnaire with a number of in-company visits, and telephone calls, to obtain further information. A meeting was therefore arranged with the M.D. of LandscapeOrg, and the marketing director, so that information could be gathered concerning their experiences, when growing their business.

In the course of this meeting it was learned that the company had recently completed a ten-year business plan, culminating in the significant growth of the business, and the occupancy of entirely new premises. Much information was obtained during this two and a half hour interview. A key finding was that both directors felt they, and the company, had come to the end of a period in their lives, and, that they needed a new ten-year business plan to drive the business forward, and to re-charge their own enthusiasm.

Following this meeting, and over a period of some twelve months, a series of telephone conversations was held with the managing director for the purpose of collecting further information. During these conversations, it emerged that, while still eager to produce a new ten-year business plan, pressure of work had prevented both directors' devoting time to this task. The M.D. also expressed concern, during

some of these discussions, that he, and others in the company, were experiencing something of 'a flat spot', and that they needed to re-establish the company-wide drive and energy to drive the company forward in the coming years.

Gradually, during these periodic discussions with the M.D., the opportunity occurred to make a proposal to help the two directors lay the ground for the development of the desired business plan. It transpired that both directors, and the MD in particular, were keen to discover the employees' views concerning the business, and its future development. It was proposed, and accepted, that this information would be gathered during a series of open structured interviews with company employees (Appendix 7).

DATA COLLECTION

The research data were gathered whilst undertaking consultancy work on behalf of the three case study companies. Sources of data included open structure interviews, company documentation, and records of on-site observations, and informal discussions with people in the case study companies. It was predicted that open-structure interviews would prove to be the major sources of data and so primacy of value was assigned to the large quantities of data obtained during those interviews.

A series of open structure rapport interviews (see chapter 2) were conducted with a representative sample of people in each company (A transcript of a sample interview can be found in Appendix 8). In line with common practice, interviewees were asked for, and gave their permission for un-attributed feedback on the outcomes of interviews to be given to directors, and managers. Similarly, directors, and

interviewees, were asked for and gave their permission for the data collected during the interviews to be used during this research investigation.

Preparing for and conducting the interviews

Before the interviews took place, each interviewee was informed of the purpose of the consultancy, and the interviews. This information was provided, prior to the interviews, by the MD of each organisation, and by the interviewer at the start of each interview. As anticipated, this did not prevent those being interviewed from speculating about, or forming their own views as to the purpose of the exercise, and, as a result, offering various opinions and comments during the interviews.

When designing the interview schedule, and to provide direction to the conversations, use was made of theory concerning the proposed characteristics of a learning organisation, organisational learning, and team climate, (see chapter 1). Building on this information, the aim, when drawing up each of the schedules, was to encourage those being interviewed to focus on the following six categories of experience: relationships, reflective learning and innovation, work related knowledge and skill acquisition, recognition and rewards, communications, and personal career development and advancement.

Consultations with the MD of each company resulted in some changes in the wording of questions within the different interview schedules. These changes were deemed necessary in order to reflect the decision to interview directors, managers and employees in ConstructOrg, the team setting for the interviews in PrintOrg, and, in the case of LandscapeOrg, in order to gather employees thoughts concerning the

company's future direction. Despite these changes, it was predicted that each of the schedules would allow interviewees to share their thoughts and experiences, in each of the above six categories of experience. The interview schedules for each of the company interviews are presented in appendix 9.

Representative samples of directors, team leaders, and other employees, in each case study organisation, were interviewed. People were interviewed individually, or in groups of two to four, for between forty minutes, and one hour.

Before each interview took place, interviewees were asked whether they minded if the interviews were taped. It was explained that no one, other than the researcher, would have access to the tapes, and that taping the conversation would free him from having to make notes during the conversation, thus allow him to devote all of his attention to listening to what they had to say. The majority were happy with this suggestion, and in the few instances where this was not the case, the researcher took notes during the interviews, and then produced a typed record of the interview discussion shortly afterwards.

Assurances that all feedback to directors would be un-attributed were also given to all the interviewees, before the interviews began. All were happy with these assurances, and some suggested that they wouldn't mind if their comments were attributed.

To reassure them, and to focus the direction of the interview discussion, interviewees were given a copy of the schedule at the beginning of each interview. When presenting each interviewee with the schedule, it was made clear that they

could respond to the questions in any order, and offer any additional observations, if they so wished. As anticipated, most treated the schedule as a loose structure, within which to describe their work experiences, offer their thoughts, and express their own feelings.

Throughout the interviews, the aim was to minimise the interviewer's own conversational input, and to allow interviewees maximum opportunity to respond as they wished to the questions. To demonstrate the interviewer's attention and interest, and to encourage interviewees to talk freely and with confidence, use was made of micro-interviewing skills (Ivey, 1971), during the interviews. Also, attention was paid to room, and seating arrangements, ensuring an informal, and personally secure setting. In the case of ConstructOrg, the company made arrangements for the interviews to take place off-site, and in comfortable surroundings.

During the interviews, and where necessary, secondary (un-scripted) questions were asked to enable interviewees to expand on emerging themes.

Data collection periods, and the number of people interviewed.

During the research programme, a total of fifty-six people were interviewed, either individually, or in groups of two to four (Tables 3.5 & 3.6). In the case of

Table 3. 5: Data Collection Periods

ConstructOrg	October – November 1997
PrintOrg	December 1997-January 1998
LandscapeOrg	January-February 1999

Table 3. 6: Number of Interviews for Each Company

	No of people interviewed, individually or in groups	Hours
ConstructOrg	22	12
PrintOrg	21	9
LandscapeOrg	13	13
Total	56	34

ConstructOrg, a representative group of twenty-two company personnel, including directors, managers and employees, were interviewed during October and November 1997. Collectively, these interviews lasted for twelve hours.

At PrintOrg, an entire team of twenty-one people, including the team leader, were interviewed, either individually, or in groups of two to four, during the months of December 1997 and January 1998. Collectively, these interviews lasted for nine hours.

Lastly, at LandscapeOrg, a total of 13 people, including directors, managers, foremen and site workers were interviewed during the months of January and February 1999. Collectively these interviews lasted for thirteen hours.

In addition to the taped transcripts, detailed records were kept of all the un-taped interviews, and conversations, with employees and directors. All these records were subsequently electronically recorded.

It was also found that an important factor when undertaking this kind of work is the time taken (nine months in the case of ConstructOrg) to agree dates when interviews could take place. Difficulties were experienced in getting managers and employees in ConstructOrg in particular, to assign priority to the proposed activity,

and in getting individual managers to accept responsibility for identifying times when it would be possible to meet with, and interview people. Undoubtedly, a significant factor is the 'leanness' of such organisations, and the degree to which everyday operations are disrupted when individuals, and groups of people, are withdrawn from their normal activities.

DATA PREPARATION, CODING AND ANALYSIS

As explained in chapter 2, several researchers have called for heuristic inductive investigations into the small firm, and for such investigations to be grounded in fieldwork. Consequently, grounded theory methods, as described by Pidgeon & Henwood (1994 and 1997), were used when preparing, coding and analysing the case study data. The decision to use these methods was taken because of the need to handle large quantities of unstructured interview data. Furthermore, it was predicted that, when using these methods, there would be reduced scope for analytical distortions, and the emergent research ideas, questions and hypotheses would be more likely to be grounded in the data.

Once the interviews were concluded, steps were taken to build a permanent record of the collected data. Each tape was transcribed, and, to aid archival retrieval, the identification of the company, and the interviewees, was recorded on each interview transcription. Also, to support data analysis, numbers were assigned to each page, and each line of transcribed data.

The transcription of each taped interview proved to be a time consuming exercise, not least because it was necessary to listen to sections of the tape recording

over and over again, to ensure the accuracy of the transcription. This proved necessary, because of voice blurring in parts of each of the taped recordings.

In the majority of instances, the 'blurred' content was deciphered when the preceding, and subsequent parts of the conversation, were taken into account, and when the researcher was able to recall the overall context, and content of the particular conversations. Pidgeon and Henwood's (1997) assertion that, on average, it takes eight to ten hours to transcribe a one-hour interview tape proved to be a fair estimation of the time required when transcribing the tapes.

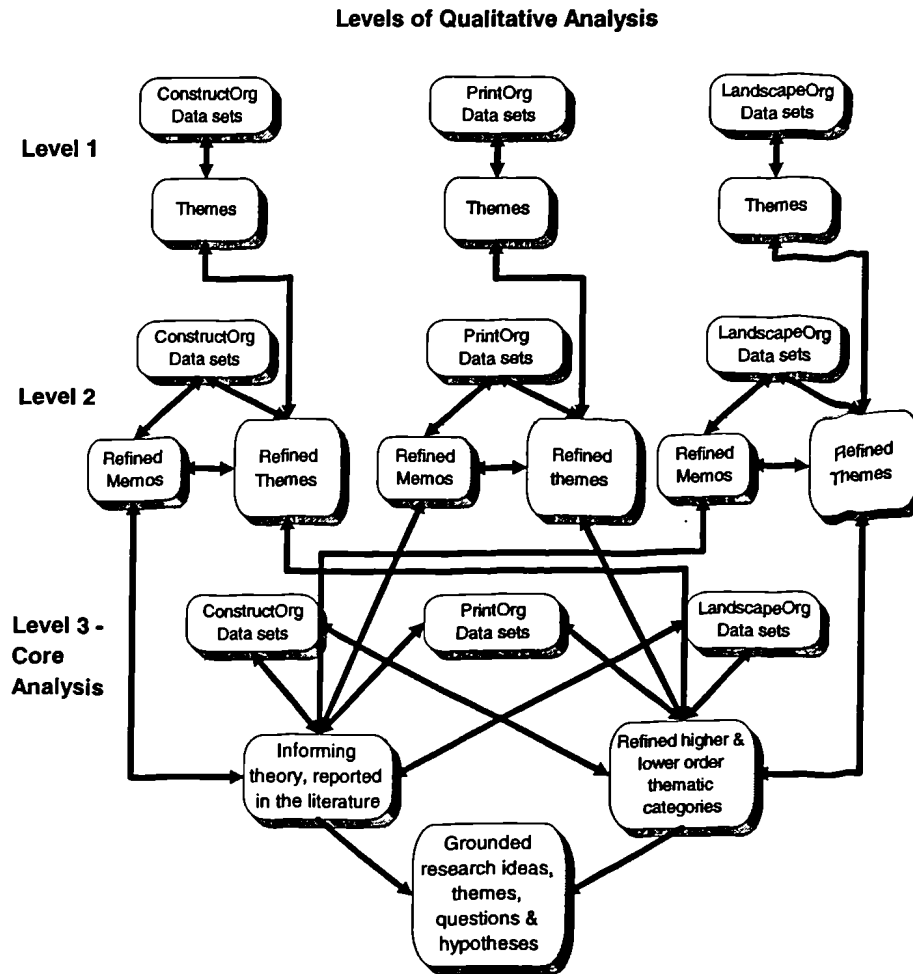
In the few instances where permission to tape the conversations was not given, or when it was impractical to tape the interviews, with the interviewee's permission, a written record of the interview was kept, and, as soon as possible afterwards, typed and stored on computer.

Data coding

Coding, and, with it, the qualitative analysis, was conducted at three levels, as indicated in figure 3.1.

The first, and second level analysis involved the separate, and systematic coding of data obtained from each of the case studies, beginning with data obtained from interviews conducted in ConstructOrg, then PrintOrg, and finally LandscapeOrg.

Fig. 3.1



Having collected, transcribed, labelled and stored the data from each of the case studies, the next task was to develop an open-ended indexing system. This entailed working through the different sets of transcribed material several times, firstly to tentatively identify, and label, emergent themes, and then, on one or more subsequent occasions, to clarify, refine, and revise the emerging themes, in line with the researcher's own developing conceptual understandings. Coding was continued with, until identified themes were judged to accurately reflect the meanings and implications contained in peoples' statements, i.e. the themes were judged to 'fit' the data well (Glaser and Strauss, 1967). Pidgeon and Henwood (1997) suggest that adopting a grounded approach "should not leave the theory, the data or the researcher unchanged." This proved to be the case.

Level One Analyses

Working with the data sets from each case study in turn, level one coding involved working through the data transcripts, one by one, and line-by-line, in order to tentatively identify, and label, emerging themes that were judged to account for the similarities, and differences, in the meanings and implications contained within people's statements.

In this first instance, each tentative theme was briefly labelled – often in the form of a brief description of the interviewee's account of his, or her, experiences in the workplace. A page and line reference was recorded underneath the label, to indicate the particular statement, or statements, which gave rise to the theme's identification. Then, continuing to work through the remaining transcripts, additional page and line references were added to the card, showing where other people's statements could be described, using the same category heading (Box 3.1).

Box 3.1: Coding: Initial category heading

Wanting to do a good job – but being un-recognised.

Group 1, p.8, lines 3 –4.

Group 1, p.10 lines 56-60.

Group 5, p 3, lines 25 - 28.

Etc

Working repeatedly through the transcribed data, a considerable number of tentative themes were identified and labelled – often in the form of thematic summaries of the meanings and implications of peoples' statements. Samples of

these tentative themes are recorded in Table 3.7. A full list of the tentative themes for each case study is recorded in appendix 10.

Table 3.7: Sample tentative themes

Employees' appreciation of company's commitment to them, during trading downturns.
Managers not trained to manage – wonder whether they are “doing it right”
Policy of recruiting experienced people from larger companies.
People develop their own ways of gathering/recognising feedback.
People expect, and are expected, to “fit in” from day one.
A small business - people expected to do all sort of jobs – just to get on with it.
Informal, and unstructured communications – “when we meet”
Career development – a personal responsibility.

Level Two Analyses

Treating these lists of tentative thematic categories as an initial starting point, second level coding involved working through the same case study transcripts, in the same painstaking way, for a second, and, where necessary, a third time, in order to refine the developing indexing system. During this process the tentative themes were repeatedly refined, redefined, and merged, until it was decided that the resulting themes suitably accounted for the similarities, and differences, in the meanings and implications contained in people's statements.

The making of such constant comparisons between labelled themes, and the data to which they refer, is a basic requirement when applying grounded theory methods. Taking this principle of constant comparisons a stage further, additional opportunities to make comparisons were sought, this time in the form of reflective memos. The content of these memos included emerging theoretical reflections,

embryonic theoretical models to be developed at a future date, themes to be researched, and developed, reflections on links to the existing literature, and draft abstracts for academic papers, and journal articles (see appendices 11 -17). These memos were developed over time, and their purpose was to ensure the researcher's emerging conceptual understandings were grounded in the data, and wider research.

As predicted, the process of making constant comparisons resulted in the identification of a number of revised, and, in some instances, linked themes, and concept headings, supported by reflective memos, for each case study analysis, e.g. box 3.2.

Box 3.2: Examples of Levels of Coding: PrintOrg

Revised category heading

(a) *Feeling under-valued*

Group 1, p.8, lines 3-4, 30 – 32, 38, 39, and 46-50

Group 4, p.4, lines 18-22

Group 5, p.1, lines 43-44, p. 3, lines 25 – 28, p.7, lines 8-11.

Etc.

Linked categories

Feeling under-valued* – linked to- *dissatisfaction with pay & rewards

Group 1, p11, lines 1-5, 7-9, 13-15

Group 4, p.4, lines 28-41

Group 6, p.2, lines 36-42, 46-52, 56

Etc.

Thematic Background

Discussions with other people in the company, and an analysis of company documentation, provided essential pre-understanding when analysing the interview data. The system whereby individual pay increases are currently being awarded and promotion gained, appears to encourage people, and teams, to work against one another. Pay increases are awarded on the basis of people gaining new knowledge and skills, but, at the time of the research, there was a bar on the number of pay increases that could be awarded in any one year.

The analysis of the ConstructOrg data was the first to be completed, resulting in the identification of nine thematic categories (Table 3.8). These categories were then

Table 3. 8: Refined themes - ConstructOrg

1.	Learning to “fit in” when first joining the company – a culture shock.
2.	Communications, and communication breakdowns, in a small, but growing company.
3.	The management of learning – largely each person’s own responsibility.
4.	Feeling under-trained, the attendant frustrations, and experiences of negative stress.
5.	Not knowing first-hand and, therefore, having to deduce what directors and managers think of your performance.
6.	Living with the realities of business uncertainty, and business challenges.
7.	A requirement to work outside and beyond your immediate role
8.	Attitudes and responses to the pressure of work
9.	Little, or no expectation of having the opportunity, or support, to develop one’s career

operationalised, and the meanings and implications of people’s accounts of their experiences were compared (e.g. box 3.3). Thereafter, and adopting the same grounded approach, the separate analyses of the data from PrintOrg, and then LandscapeOrg were completed.

Box 3. 3. Sample thematic based comparisons - ConstructOrg

Theme 1: Learning to “fit in”, when first joining the company

“It’s a case of you have previous experience and the company puts you out to see whether you are any good.”

“My first six months was hell – I thought what have I done, until I got use to the ConstructOrg way. The culture here is entirely different from what I’d been use to, but now I feel I am a better person and I am enjoying it”.

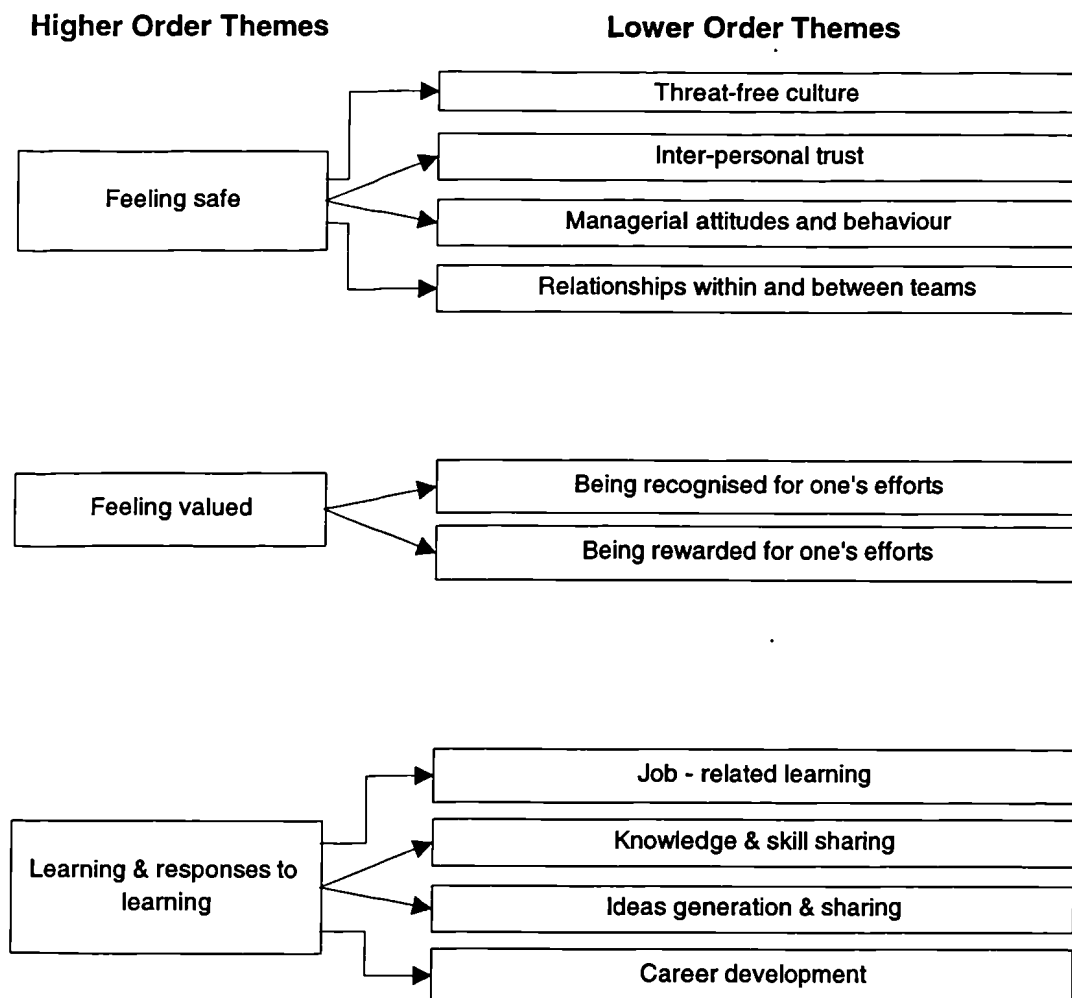
“At first it felt as though I was just standing around, not knowing what to do. The first few months, it was sink or swim”.

Gradually, as the three separate analyses were developed, it was found that themes could usefully be described as being of ‘higher’, and ‘lower’ order status. Consequently, in the early stages of the second level analyses, certain themes were assigned tentative higher or lower status, the prediction being that continued coding

would eventually result in a refined list of higher and lower order thematic categories.

Tentative higher and lower order themes were first identified when analysing the PrintOrg data. Treating the initial list of thematic categories as a starting point (see appendix 10), and continuing to work through the transcribed data, three clusters of tentative higher and lower order thematic categories were identified and labelled (fig.3.2), and references were made to those sections of the data within which the themes were grounded (e.g. box 3.4).

Figure 3.2: PrintOrg analysis: emerging higher and lower order thematic categories



Box 3. 4. Sample higher & Lower Order thematic categories – PrintOrg analysis

Feeling safe (higher order), **Threat-free culture** (lower order)

“There was always somebody looking over your shoulder, trying to bring you down.”

“Up there, there was a lot of back-stabbing. And there were a lot of people that were happy to see other people fail.”

“There would be four people working closely together, and you always knew there was something going on. You’d look around, and you could see them, they’d tap on the desk, and another one would look over, and they knew. There was something going on all the time, and you just didn’t know what. It just made you feel so...”

Later, during the separate analysis of the LandscapeOrg case study data, more higher and lower order thematic categories were identified. This time, two higher order themes were identified. The first theme was labelled ‘Feelings of attachment, and commitment to the business venture’, and the second theme was labelled ‘Strategic learning.’ The theme of strategic learning was then defined in terms of several emergent lower-order thematic categories (Table 3.9). Once again, references

Table 3. 9: Refined themes – LandscapeOrg

Higher order themes	Lower order themes
Feelings of attachment, and commitment to the business venture.	
Strategic learning.	<p>A process of ongoing reflective practice.</p> <p>Learning to manage a small, but growing firm</p> <p>Strategic verses reactive planning.</p> <p>Learning to develop, and market, the company image.</p> <p>Learning to engage in relationship marketing.</p> <p>Reflective entrepreneurship.</p> <p>Enterprise capacity building.</p> <p>Learning to manage communications in a small, but growing firm.</p> <p>Learning to manage change through managing people.</p> <p>Recruiting and training non-managerial staff.</p> <p>Responding to the demand for self-fulfilling, and career enhancing work in a small, but growing, firm.</p>

were made to those parts of the data within which the themes are grounded (e.g. boxes 3.5).

Box 3.5. Sample higher & Lower Order thematic categories – LandscapeOrg analysis

Feelings of attachment, and commitment to the business venture (higher order).

"We put our heart and soul into the company, and very much care for the company."

"We used to be working every Saturday, and Sunday. You would take work home, but all that's gone now. I don't think it's gone because everyone's on top of everything. I think it's more a case of, well why should I put all this time in, when other people aren't."

"I think the people we are now getting, aren't as committed to the industry as we were. They go straight to college, and then come out, and, because they don't have their middle year in the industry, they discover that it's not what they thought it was going to be."

Strategic learning (higher order), Strategic verses reactive planning (lower order)

"We've always tried to get away from the day to day viewpoint, and have a bit of an overview, and so we can set some sort of policy, and have a look at what's happening. At certain times, you can't do it, and I think that's been one of the problems, where you can't guide your company in a certain way, you are just going with it."

"We all sort of get dragged along, we go along in which ever direction the business take us – its about the jobs that come in through the door, and it's about deciding what jobs we want to go for, and which jobs we don't want to go for, and win."

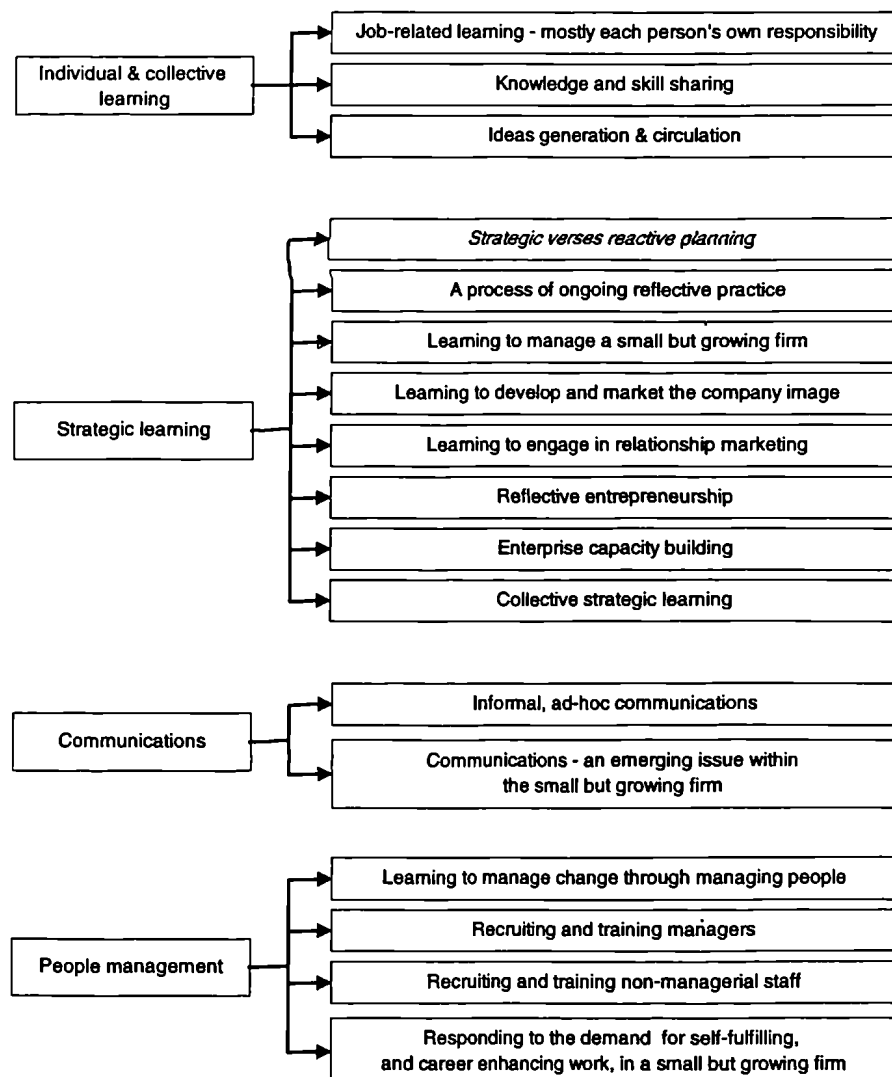
Level Three (Core) Analysis.

Third level (core) analysis involved a continuation of the coding process, and the search for constant comparisons. However, this time, the aim was to increase the scope of the comparisons, and, as a result, build a refined indexing system comprising emergent themes which accurately reflect the meanings and implications contained in people's statements across all three organisations, and in relation to the research topics.

As previously explained, a number of tentative higher and lower order themes were identified and operationalised when building the indexing systems for the

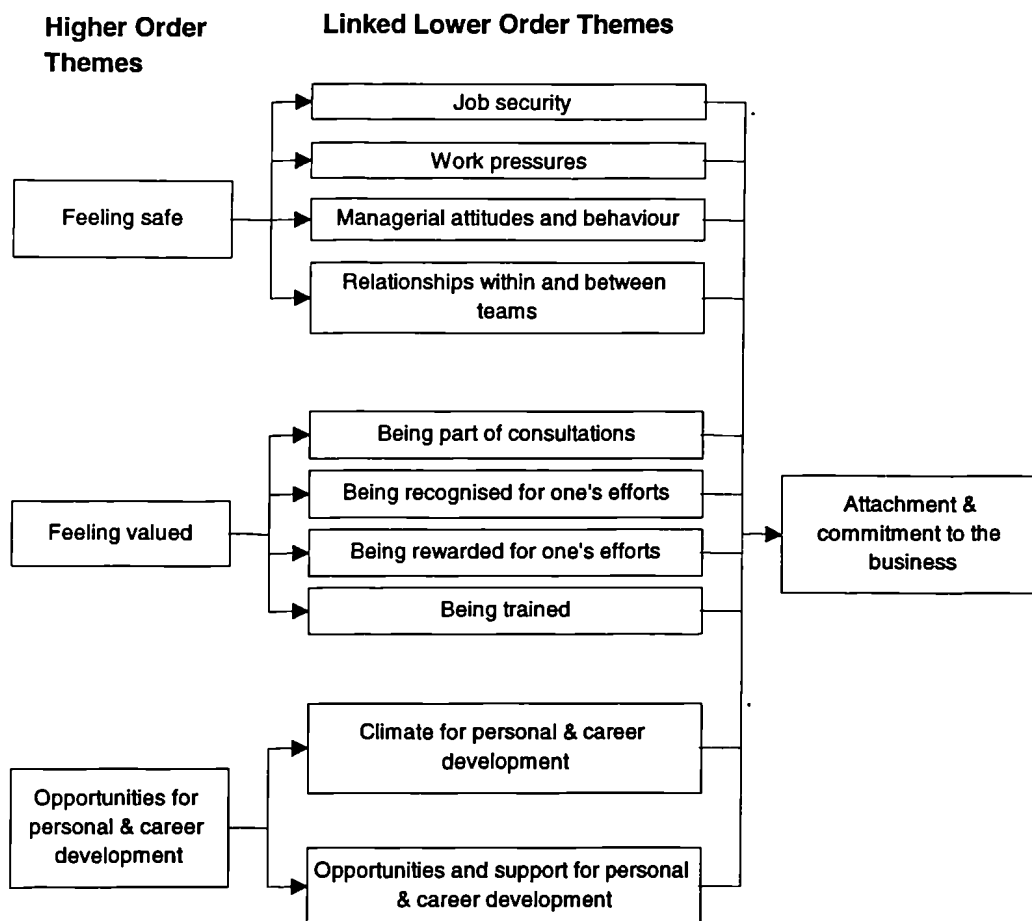
PrintOrg and LandscapeOrg data. Treating these tentative higher and lower order themes as a starting point, and continuing to search for comparisons within the emerging data indexing systems for all three case studies, and within the related literature, four clusters of 'higher' and 'lower' order thematic categories were identified and labelled as being significant in relation to the topic of small firm learning and the growth process (figure 3.3). These clustered categories were then operationalised to increase the scope of the comparisons between meanings and implications of respondent's accounts across all three firms. The outcomes of this analysis are recorded in chapter four.

Figure 3. 3: The case studies - significant themes relating to small firm learning and the growth process



Continuing to build the refined indexing system, a further three clusters of higher and lower order thematic categories were then identified and labelled as being significant in relation to the topic of the changing individual-organisation relationship (figure 3.4).

Figure 3. 4: The case studies - significant themes relating to the changing individual-organisation relationship



An important feature of this iterative process of qualitative analysis was the gradual building up of a series of memos, containing theoretical reflections on links between the emergent themes, and the data to which they refer, to existing sections of the literature. Building on a review of the literature concerning the psychological contract, the categories of contract negotiation, affirmation, and violation were used when exploring the potential of the themes identified in figure 3.4 to account for the

meanings and implications contained in people's statements across all three firms (e.g. Box 3.6). The concepts of contract negotiation, affirmation, and violation were particularly significant in assigning interpretative meanings to people's statements:

Box 3. 6: Sample higher and lower order thematic categories – comparison of comparisons.

Feeling safe (higher order) Managerial attitudes, and behaviour (lower order)

Contract negotiation, and affirmation

ConstructOrg.

"Certainly, they've carried me. I mean, I've spent three months sat in a cabin with nothing to do, but the company will carry you."

"I think its times like this that you see that the company is loyal to you."

LandscapeOrg

"I'm grateful to the owner-manager, he's helped me out a lot, he's taught me a lot, he's helped me out financially, when I was at college."

In summary, this investigation was undertaken with a view to stimulating new research by generating a list of grounded research themes, ideas, questions and hypotheses concerning aspects of small firm learning and the growth process. The approach and methods used when analysing and gathering the research data have been described in this chapter. The findings from this activity are described in chapters four and five. Firstly, significant themes relating to small firm learning and the growth process, and samples of the data in which the themes are grounded, are described in chapter four. Secondly, significant themes relating to the changing individual-organisation relationship, and samples of the data in which the themes are grounded, are described in chapter five. Finally, chapter six contains a discussion of the findings and the conclusions which were drawn as a result of this investigation.

CHAPTER 4

SIGNIFICANT THEMES RELATING TO SMALL FIRM LEARNING AND THE GROWTH PROCESS

CHAPTER OVERVIEW

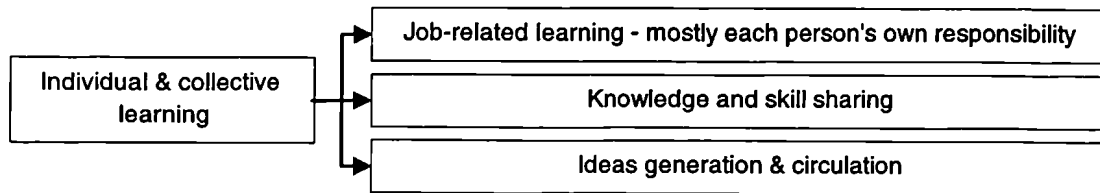
In this chapter, the results of the qualitative analysis concerning aspects of small firm learning and the growth process are presented. Four sets of significant higher order themes and seventeen lower order themes were identified during the separate case study analyses, and the subsequent comparison of comparisons. These themes, and samples of the data in which they are grounded, are presented and briefly described in this chapter. Their wider significance in relation to the topic of this investigation is discussed in chapter six.

SIGNIFICANT THEMES

Four sets of themes were identified and labelled as being significant in relation to the topic of small firm learning and the growth process. The first set of themes relate to findings concerning people's personal and shared learning experiences at work. The significance of the second set of themes lies in the way they cast light on the processes and outcomes of personal and collective strategic learning within the case study firms. The third set of themes represent a number of insights concerning the informality of communications, and the emergence of communication as an issue within these growing firms. The significance of the final set of themes lies in the way they draw attention to emergent people management issues within the firms.

Higher order theme: individual and collective learning

Figure 4. 1: Significant themes relating to individual and collective learning in the small firm



Lower order theme: Job related learning - mostly each person's own responsibility.

Comparisons

ConstructOrg

When doing their job, people at ConstructOrg expect, and are expected, to draw and build on their previous experience, to be proactive when managing their own learning, and to learn with, and from, one another.

"It's experience, the only way you can learn in this game is by experience, by doing it. You rely a lot on the people that you are working with to start with"

"I've been with large companies with very precise procedures, and I employ my own way of carrying on. Basically, I employ the training I have had through out my life, and it seems to be quite acceptable. You can tell, can't you, if what you are doing isn't right, and there have been occasions, but I find them a very easy company to work for."

"Since I came here, I have used some of the better ideas, and practices I learned when working at my previous company, and I ignore those that were no good, or, in my opinion, didn't work"

"I got to know what to do, and how to do it, by playing it by ear. I was thrown in at the deep end. You know, I just went along, and used the experience that I'd had in the past. I worked for a company in the same industry before, so I wasn't entirely strange to it. So I just picked it up, as I went along"

"I came just after the company had expanded a bit. But it was basically applying what I already knew, to the new situation. You pick up problems as they arise, and deal with them as they arise. Question of training, I've had half an hour here and there, but nothing to sort of steer me into how the company wants me to do things"

If someone has a learning need, they expect, and are expected, to take the initiative and seek out and ask for help from people who know how to do things.

"You phone someone up who has done it before, plus you learn from subbies, if they are anywhere decent."

"You learn by asking people who you are working with, the other members of the team."

"There's nobody actually sits down and says, you will change this way, or you will do it that way. You do it yourself, and you've got to learn yourself."

"I was given a job, and I didn't know how to do it. It was on the Thames embankment, and it was seven metres down, but the tide didn't allow you to work down there. So I just kept asking questions of people, because I thought, somewhere, someone will know how to do it. But I had this idea, and so I spoke to a few subcontractors, and they'd heard of something, and put me onto someone else, and I made a few phone calls, and we finally came up with something, and it was exactly what I'd thought of in the first place, but nobody in the company knew how to do it. That's not a criticism of our company, because it was something that we had never come across before."

PrintOrg

At PrintOrg, people's experience is of being expected to, needing to, and having to learn with and from one another, and, in some cases, teach themselves, during the normal course of their daily work.

"When I moved down here, I had to start doing what I thought was other people's jobs, as well as my own. So I am learning a lot more now."

"When I started as a Mac operator, the practice was for people to teach themselves."

"You just have to ask other people, it's a case of being there, of finding out what needs to be done."

“My training was very much a case of having to go round, and say to somebody, what’s this? Why this? Why do that? Where’s that? How does this happen? Why does this happen? And they might actually say, well, I don’t really know, go and see so-and-so.”

“When I started, for the first week I was with a colleague who set me off, and she’d come along and say, yes she’d done that, and I could ask her questions. The first week was fine, and then I was put in the reading department, and that was it, no-body was there to show me anything, unless I actually went to ask for something, it wasn’t going to come to me, unless I had huge problems. And the feedback was poor. My work was going through, and I didn’t know whether it was right, or wrong, unless someone said, what have you done that for.”

“It’s been a case of, come on, keep going, because we need to get this done. I’d say, come on, lets see if we can get some help with it, we can’t just shrug our shoulders, and say it doesn’t work, we’ve got to make it work.”

“We’ve been thrown in at the deep end, and some of the time it’s been a bit blind. We’ve been shown once, or twice, and then told to get on with it, and sort it out.”

A frequently commented upon experience is that time is rarely set aside for people to train, or learn from others, and that trainers, and learners, are expected to maintain levels of production, while, at the same time, fulfilling their training obligations.

“Your training always got pushed back, and pushed back, and rushed, because there just wasn’t the time set aside to do it. You would begin training, and you would guarantee that production would come with a load of work, saying, this needs doing, it’s more important than your training.”

“No one took any of this work-load of me, and it was piling up, and when I went to my manager for training, he would have his ordinary work to do as well, and people are interrupting every five minutes.”

Many describe this approach to learning as the blind leading the blind.

“I found after I’d been here a month, or so, that I wasn’t sure what I was doing, and they set someone else on, and said to me, you train him, and I didn’t know what I was doing anyway.”

“He taught me the basics, but he didn’t teach me well, because I kept making mistakes, and I found out that it was the way he’d trained me that was wrong.”

As well as perceiving this to be an ineffective way of training, and learning, people also comment upon the distressing aspects of the experience.

“You can’t just learn it in two or three stages. I’ve had two lessons on it, and taught myself, and then I’ve been told that what I’ve learnt up there is no good down here.”

“The manager’s stressed out because he hasn’t been able to concentrate on his other work, while he’s training me, and it ends up with him saying, you do this, this and this, and by the end, I don’t even know where the keys are on the key board, and I’m nearly in tears.”

Lower order theme: knowledge and skill sharing

Comparisons

PrintOrg

A number of people said theirs, and their colleagues’ response to feeling undervalued, and under-rewarded, is to not always share their knowledge, or skills.

“Up there, you sometimes got the feeling that they actually know more than they were going to tell you, but they didn’t want to tell you everything, because that jeopardises their chances for promotion, or a pay increase – if you’re the only person in the company that knows how to do certain things.”

“You get people who know things, and they don’t let on, they just keep it to themselves, rather than pass it on. I mean, I’ll do it as well, to some extent, I’ll keep something back for myself, because, if you tell them all, the company doesn’t say, here’s an extra day, £10 a week, they just say, oh, its part of your job, and you won’t get any recognition for it. They’ll just go on, and on, taking you for granted.”

LandscapeOrg

At LandscapeOrg, once qualified, managers expect, and are expected, to continue learning with, and from one another, as they go along, and in response to changing requirements. Furthermore, team climate is such that managers do feel comfortable about sharing ideas, and helping one another.

“The type of work we do is constantly changing. Obviously, one of the biggest things in contracting is that it is impossible to say whose going to be building what. If you are going to specialise in one particular thing, then you are not really going to succeed, because the markets go up and down. So, you’ve got to constantly keep changing. It’s very much a case of being multi-skilled.”

“Obviously, with doing a B.Eng, and a HND, I have been able to use that knowledge in this job. In the case of everything else, it’s been a case of learning as I go along. Certainly, by working out on site, I’ve learnt a lot from the people I’ve worked with.”

“I’ve not really had any formal training to do the sort of work I’m doing, I’ve just learnt as I gone along.”

“I picked stuff up from colleagues. I had a job last year, which no one had really time to look at themselves, and it dropped on my desk, and it was something we’d never done before, a totally different kind of job. In that instance, it was a case of phoning round and just picking the brains of whoever I could find, and just sort of work it out for myself.”

“We all work together, and if there’s a particular problem, we pull together and have a look at it, and try and sort it out between the four of us.”

“We’ve all got niggles, there’s always something that gets up your nose. But we all get on, it’s not as if there is someone you are uncomfortable with, or you feel worried about approaching, because you might have cocked up, or done something wrong. We’ve all done it. I’ve done it loads of times. Sometimes you cock up, and everyone helps out, and you sort it out. So, in that respect, it’s quite good, because everyone here is totally approachable, so you don’t have to hide things.”

Lower order theme: ideas generation & circulation

Comparisons

ConstructOrg

Interviewees frequently noted that, because of their workload, there is little or no time for people to sit down, either individually, or collectively, to reflect on, and identify, better ways of doing their jobs. Where people commented that they sometimes discuss ideas for improvement, they also noted that there is little or no spare time to plan and implement those ideas. Responding to the question – “how are ideas for improvement passed around the organisations?” typical responses were:

"I suppose if you have a good idea, and you talk it through with your boss, he'd take in on further, but you don't get the time, do you."

"You are so busy all day, everyday, that, really, you don't have time to think."

"We do talk, and say, we ought to do this, and we ought to do that, but then, all three of us are so busy that it it's end of subject, end of discussion. Nothing ever happens because you are so busy with the task that you are doing."

PrintOrg

Many interviewees at PrintOrg expressed a view that directors, and other senior managers, are the predominant sources of ideas for improvement, and change, and that this is how they (the directors and senior managers) want it to be. A widely expressed view is that directors' and middle and senior managers are not interested in discovering if employees have ideas for change, and improvement.

"Its a case of the guy's higher up decide that this is how its going to be now, and you get told this is how its going to be now."

"The directives come from on high, they filter down to the managers, they tell us, and then nothing goes back up."

"Ideas are generated at managerial level, and nobody is consulted further down."

"They say that they are interested in people's ideas about this, and that, but I don't think they really are. We're told, right, this is what we're doing."

"You do find that it's a 'tell' session, right this is going to happen, not, has anybody anything to say about...?"

"I feel the subordinates don't have ideas, it comes from higher up."

"There's no feedback, you're never asked, have you any suggestions, how do you feel about this?"

Acting in the belief that they are not expected to have ideas for improvement, and change, and that if they do so, their ideas will be rejected, more or less out of hand, a

number of interviewees expressed a view that they, and other team members, don't attempt to think about, or communicate new ideas.

"We don't talk to the bosses or anything like that."

"What you might think is a good idea, to them, it is a load of grief, and isn't going to work properly. But they just go, ah no, and that's it."

"I don't think any of our ideas get through ... and you get to the point where people think, well, fair enough, if you're not going to bother, I'm not going to try. I'm not bothered."

"If your idea was something to do with the system, the systems manager probably wouldn't listen to you... he'd say, well you know, I'm a Dr, and you're just an operator."

"I think, if I'd have gone with an idea to my supervisor, it would have been, oh, it's always been like that, and that's how it's going to stay."

"You might mention it to a supervisor who'd not take it any further."

Linked to the notion that they are not expected to communicate ideas for improvement, and change, is a recorded view that middle managers at PrintOrg want an easy life, and are, therefore, resistant to new ideas that might lead to change.

"The middle management want an easy life, they don't want any hassle, they don't want any grief, they don't want people coming to them with any problems."

"You can see where improvements could be made, but nobody listens to you. In the end you are stuck until you get someone to listen."

"It's just a case of, well its been done like that for ages, and that's how it is."

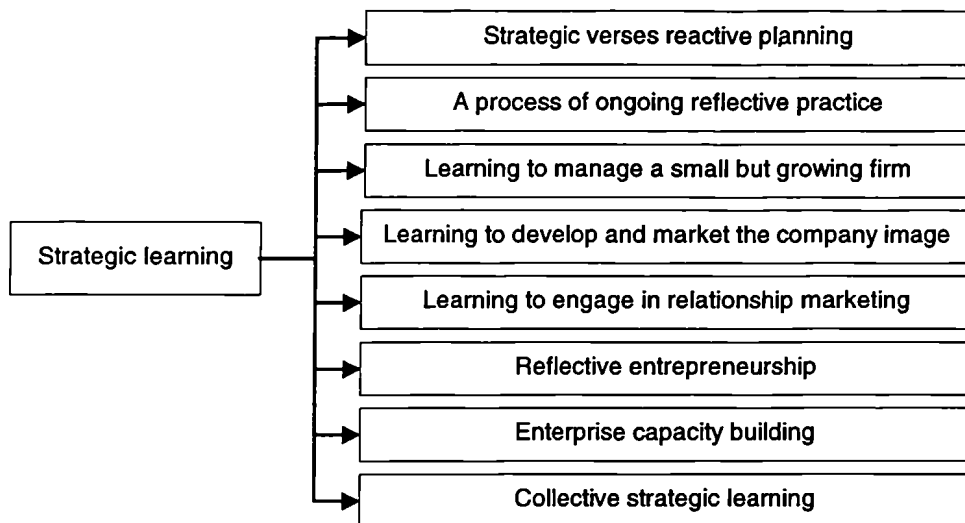
While at the time of the consultancy, the team had been together for only a few weeks, there were indications that, in a new, and more psychologically safe environment, people were prepared to think about, and offer, ideas for improvement.

"Certainly, I've had a few ideas, and I've given a few to my boss, and she usually says - that's a good idea. There have been a few ideas I've given her."

“I think it will work better now, within the team, because you can say to somebody, look, how about we try it this way, and I think our boss would be quite open about it.”

Higher order theme: Strategic learning

Figure 4. 2: Significant themes relating to strategic learning in the small firm



Lower order theme: Strategic verses reactive planning

Comparisons

LandscapeOrg

During the interviews, directors and managers at LandscapeOrg described the difficulties they experience, when they try to plan strategically, and how they feel they are often forced to plan reactively.

“We’ve always tried to get away from the day to day viewpoint, and have a bit of an overview, and so we can set some sort of policy, and have a look at what’s happening. At certain times, you can’t do it, and I think that’s been one of the problems, where you can’t guide your company in a certain way, you are just going with it.”

One of the contracts managers commented:

"We all sort of get dragged along, we go along in which ever direction the business take us – its about the jobs that come in through the door, and it's about deciding what jobs we want to go for, and which jobs we don't want to go for, and win."

Commenting on their experiences, when attempting to develop a strategic response to rapidly changing business circumstances, the directors went on to say:

"We've tended to be dictated to by the way the market place has been. Last year was a particularly bad year. We ended up making a few people redundant, first time in twenty years. There wasn't the work there. And the work that was there was going very cheap, and we took the decision that we would not buy work, we would cut the overheads, and we had to make some people redundant."

"But this year, it's turned completely on it's head, and its the other way round, and we are back with more work that we..... we're frightened about over-trading, and it's had a more detrimental effect on the company than if we had no business at all."

Learning how to manage their business, during times of rapid, ongoing change is a particular concern for directors and managers at LandscapeOrg.

"The market place has been very difficult in the last two years. There have been companies that have come into the industry from the forestry side, and they are winning the forestry side contracts, and are using forestry rates, and forestry sub-contract labour, who work for nothing. And people who used to work on such contracts are being pushed out of that market, into the markets that we are particularly strong in. As a result, those rates have come down, and, last year, we found it very difficult to win work at those rates."

A particular concern, voiced during the conversations with the directors, was the requirement to compete successfully for profitable work, at a time when they were experiencing severe downward pressure on their profit margins.

"Everything's a bit of a scramble, prices are down to the bone, and it gets so demoralising at times."

"The biggest challenge is being able to utilise our staff to their full potential, by obtaining profitable work. We think we now have the people in place to go in various directions, or to make sure we continue on the path that we are on. But, we have now to go out, and win profitable work."

In seeking work with higher profit margins, the directors related their discovery that it is not always in their business interest to compete for, and win, large-scale jobs, and how they are learning to manage within a very competitive, and cut-throat marketplace.

“We found that with the bigger jobs, profit margins are less. We are not chasing them. There’s been a lot of jobs this year where we’ve been in the running, sometimes first, sometimes second, and the guy has rung up and said, I’m now the buyer, and not the estimator, and, if you want to do this job, you’ve got to knock 5% or 10% off. And that’s your profit out of the window. And we’ve said, thank you very much, I’ll give you another 3%, and that’s it, and they say, well, I’ve got someone else whose prepared to give me 10%. And that was from a position where we were good. So I said, we can’t do it. We’ve got to be more selective.”

Developing this theme, the directors went on to explain how they are constantly struggling, never quite successfully, to break away from having to bid for the lowest priced “rough and tumble” work, and how, somewhat reluctantly, they have come to accept that their business will always be a mixture of the nice, and not so nice work.

“But it still comes back to pounds, shillings and pence, and we are getting back to the old type of rough and tumble situation, where people couldn’t care less, as long as it gets done, but we don’t want to be in there.”

“We’ve got to have a mixture, some rough and tumble work, as well as the top-end work, otherwise we would get no work.”

Such experiences have caused directors to try to develop a more structured approach to planning, although they admit to struggling.

“We are looking at turnover, forecasting, cashflow, and all sorts of things that we’ve never done before. Last year, turnover was down, but we made more profit, and, in one sense, that’s better.”

“We have regular financial forecasts from our company secretary. We tried to have regular financial meetings, and management meetings to see what’s happening, and to forward plan, which we’ve never done before. We were always up-front, and see what’s happening at the end of the day. If we were busy, we assumed things would be alright. But, we’ve always had problems. It’s not that people have not been doing their jobs, it’s always been financial

matters, picking up on accounts, and making sure we get paid. We've had knock-on cash flow problems."

"But now we have meetings, try to have meetings, it is still difficult when we are very busy."

Lower order theme: strategic learning - a process of on-going reflective practice

Comparisons

LandscapeOrg

Much of the recorded conversations with the directors, managers, and employees, concerned their on-going personal, and collective strategic learning. The focus in many of these conversations was people's accounts of their attempts to wrestle and come to terms with the complexities of managing a small, but growing business, in a highly competitive market. Interviewees, were, in effect, describing a process of on-going reflective practice.

"We have the potential for huge growth. We have the management in now, and we are tendering for £million jobs. We won one in the North East, but we made an arithmetical error, and we decided that we couldn't do the job at the price we'd quoted. To do those jobs, we are pricing them wrong. If you are going to take those sort of jobs on, you've got to be properly organised, with people in key positions, who know what they are doing. You can't take a two or three million pound job on the back of a cig packet."

"In the old days, jobs were split up. You might have had a main contractor doing this part of the work, and a civil engineer doing that, and the landscaper coming in at the end, doing a £100,000 seeding job. But now, jobs are getting bigger, because the clients are amalgamating the whole job, and you have to have the infrastructure to do all the different parts of the job. We could turn round and say, we don't want this job, we are happy with £50,000, £100,000 jobs, but we are not happy with that, we want to take part in those big jobs."

Lower order theme: Learning to manage a small, but growing business

Comparisons

LandscapeOrg

Directors and managers at LandscapeOrg spoke of how, as the company grows, they are becoming more aware of management issues, and how they are learning to respond to them.

"We've all come from such varied backgrounds, and, because we're such a small team, it's very difficult. In terms of training about horticulture, most people have knowledge to fall back on, but the management side is self-taught."

"Since we moved into these larger premises, we've learnt how to "utilise the land, the equipment, and the stores, so that it's efficient. I mean, we sat down, and we planned it as best we could, and then, in reality, you try to make it work. It doesn't necessarily always work."

"We employed a yard man, something we'd never done before, but now we've got him, it helps. Before, everyone thought someone was doing it, and nobody was doing it."

Reflecting on the growth of the company, directors, and managers, described the experience of opening up new sub-offices, in other regions, as being rather like starting a new business all over again.

"I'm going up to the new office, to review what's happening there, and I think we are going to experience similar problems that we had when we were developing this company."

Speaking of the work they have put in over the years, to train their foremen, and site workers, one manager said:

"Then we started up these satellite operations, and it's a new learning curve. Instead of them coming in and starting from where we are, they've come in where we were five years ago. So we've done all this, and we are back to square one. They ought to be able to catch up a lot faster, because we've already got the knowledge, but they've not. If anything, they are going backwards."

Lower order theme: Learning to develop, and market, the company image

Comparisons

LandscapeOrg

A central plank within the LandscapeOrg strategy is a desire, matched by action, to market the company as being more than a collection of the usual run-of-the-mill gardeners, and, to compete successfully for top quality, high prestige work, rather than low priced “rough and tumble” work.

“We are trying to break away from being one of the also-ran gardeners – a few lads with a few spades. We are trying to increase the professional image of the company, to get away from the rough and tumble work. We still go for some of that type of work, because you have to.”

“The way the industry is going, it seems there are fewer companies winning the major high-quality work, because architects are only asking the top six companies to tender, and we want to be in that top six. And, we’ve just managed to get in, and we are now able to bid for top quality work.”

“We have an image, we’ve got something to give to somebody, and say, look, you want your grounds doing, this is us, you can see the work in here, we’ve got all the equipment, and everything.”

“You’ve got to get away from this notion that we are a landscape company, to we are a landscape design, and build company. You’ve got to change the client’s perception of what we do, we are not just the blokes in blue overalls, who come out, and plant trees. We have the backing, and the skills to do the whole lot.”

Lower order theme: Learning to engage in relationship marketing

Comparisons

LandscapeOrg

At LandscapeOrg, the commitment to relationship marketing is, to a large extent, the product of their learning. Directors recognise that they, and many of their employees,

are best able to market their services, when they build on their experience, and when they refrain from attempting to adopt marketing approaches, with which they feel uncomfortable.

“Take our maintenance man, he’s a groundsman. He knows all about how to look after turf, and golf courses. He’s not a salesman. He gets on well with clients, but he’s not glossy, the sort of person who will talk people into signing three contracts. The way he wins confidence is that he knows what he’s talking about, he can tell them why their grass isn’t growing, or why it’s looking yellow.”

Directors, and managers realise that, to compete successfully for high quality contracts, and to work for ‘nice’ people, they need to build, and maintain, relationships with individuals within target organisations.

“We have a number of companies with whom we are happy to work, but it is individuals in those companies, that’s what it is about, it’s about those relationships.”

“We probably compete nationally with about eight companies. And the architects that we work for, it’s a small band of tenderers that are all over the country, but they are very good quality people.”

“We are happy to stay in that region. We think there is some nice work there. The type of work they do in that area is good quality work. We get satisfaction out of doing good quality work. And, they are good people to work for.”

“If someone wants to be a swine, then they will make your life hell. There are a lot of them like that, and there is no need for it. Whereas, people we like working for will say, we like you, we want you to work with this job, but give us a price.”

Experience has taught the directors the value of building, and maintaining, long-term business relationships with high prestige customers. Commenting on this aspect of their strategic learning, one of the directors said:

“You can invest a lot in a site in the first year, do a lot of pruning etc, and turn the site round, only for them to go out to tender in the second year, and you lose to the lowest bidder. There is no incentive to do that, if it’s a twelve-month contract. Whereas, if it’s a three year contract, you can afford to put the effort into the first year, which makes it easier for you to maintain the site in years two and three, and they get a better landscape. And they know where they are, because they have got fixed costs.”

He then went on to describe an emerging business relationship with a particular high prestige client.

“Previously, it was a three year contract, and, come what may, it was going out to tender, and the lowest bid wins. But what they said yesterday was, you are now fighting for a two year contract, and, if after two years, we are happy with you, we’ll give you another three years, and we’ll index link those three years, and so on, if everyone is happy. Now that’s completely different, you can invest in their site, and create better landscaping, because we know we are there for one, two, three years. So you can put better machinery in, we can put money in up front.”

However, pursuing this strategy of building long-term, mutually beneficial alliances with architects, and high prestige companies, has not been easy, as the directors explained.

“We are having problems getting that (long-term concept) over to people.”

“We have alliances with some architects, who like to work with us, and, with whom we like to work. But at the end of the day, if some other company offers to do the work at, say, £100,000 less, they’ll get the job.”

Lower order theme: Reflective entrepreneurship

Comparisons

LandscapeOrg

At LandscapeOrg, directors, and managers have learned to expect that they will have to continue to diversify, and take on new types of work, if their business is to survive, and grow.

“We were traditionally involved in ornamental, amenity type work, but, if it’s not there, then you look to other things. What we’ve done over the last three years is, we’ve diversified into other areas.”

“We have some very good hard working people, who are good at hard works. In fact, we do a lot of play equipment sites. We have built up a steady core of play equipment sites for several local authorities. We are also good at civil engineering contracts, car parks, and footpaths.”

At points during the interviews, directors, and managers, related instances that confirm the company's commitment to a constant process of opportunity identification, and exploitation. Directors and managers recounted how they test ideas for new venture development, on a trial and error basis.

"We've tried all-sorts of new things, like that environmental matting, and types of erosion control, and we are not frightened of taking a job on. We were one of the first companies to lay those plastic bumps for councils, and we developed a little machine to lay it."

"Since we first started laying plastic bumps for councils, other companies have come in, and done it, and are now undercutting us, and, we know that's the way it is."

"We started on the RAF bases that we won three years ago, not knowing really whether we had the background. But we've now done some, so we know where we are coming from and, now, we also have the equipment to do that type of contract."

"As long as it's not too big a gamble initially, and we think we can do it for a reasonable rate, we are happy to have a go. We can do the job, but we can't seem to get the right rates."

"So we've dipped our foot into the water of forestry planting, which we've found we can't do competitively, so we are going to drop it."

Lower order theme: Enterprise capacity building

Comparisons

LandscapeOrg

Reflecting on circumstances within their industry, directors referred to the need for, and benefits to gained from, investment in plant, machinery, and staffing.

"Where we are going to have an advantage with maintenance contracts is if it's a large contract, where you have got to have the investment. If its a job that might take two men a day to cut the grass, you're not going to compete with a guy whose got a pick-up, a trailer, and a £500 mower. That's why we can win the big contracts. You've got to have the expensive equipment, the labour, and the uniform. They (the client) want all that side of it. They want name badges, a uniform, and certificates of training."

At the time of the research, the company had just completed its move to larger premises. The site relocation was the major part of the company's previous ten-year plan, and, referring to this development, the directors provided further insight into their reflective thinking, and practice.

"We purchased the site eighteen months before we moved, and that was the end of a long period of looking for a site that was suitable for us to expand in to. We were in a very small area, which was causing us great complications. We were unable to store materials, work efficiently. But moving here with the space, and the proper workshops, and the office space, and the land outside, and the closeness to the motorway network has been the major thing in the last two years."

Lower order theme: Collective strategic learning

Comparisons

Not surprisingly, in small organisations where employees have regular contact with directors and managers and, in some cases work alongside them, people are only too aware of everyday business challenges.

ConstructOrg

"The building industry is a bastard, and, alright, they say we are coming out of a recession, but I don't notice it. The margins that we work on are extremely slight, and we have experienced a 50% drop in turnover in the last few years. They (the directors) are trying to achieve a 50%, and then a 100% rise in turnover. The cashflow problems associated with that are enormous. I don't know the depth of the company's finances, but I am concerned that they might not make it. I wish them well with it."

"Nobody's going to give us a 50 million-pound job, because they look at the figures, and realise we can't handle it."

"At the end of the day, you have to look at it from a selfish point of view. If the company goes bust, it's a lot of jobs. If the company gets taken over, you could be out of a job. If we take someone over, it could go wrong."

During the interviews, people were divided over how they felt the company should, or needs to, respond to such difficult trading conditions. Some expressed a view that, if the company is to survive, directors and managers will have to adopt a more aggressive approach in response to market conditions:

“There are two philosophies. One is, you do a good job, and the client pays you well. The other philosophy is to stuff the client with a contract where he’s got to pay you well. They are trying to be more aggressive with some contracts, not all of them, but some of them. And I don’t feel the company is yet prepared for that culture. It hasn’t got the people in place for it. The buying isn’t aggressive enough for an aggressive contract. I don’t believe that, if they are going to go down that route, they have enough surveyors.”

“It isn’t all of the work that’s confrontational, but there is quite a large proportion of it that is confrontational turnover. And, I don’t think they are geared up to do that.”

Other interviewees favoured a less confrontational approach, one where the emphasis is placed on giving the client a quality service:

“It’s difficult to explain. If I lend you £100 in a contract, I’ll be happy, if the contract went well, for you to pay me back £90. That’s how this company has tended to work during the fifteen months that I’ve been here. You don’t go through a client to get every bit back, whereas, the company I came from would get a hundred and twenty pounds out of you. Working there, I’d upset you, and you wouldn’t let us work for you again but that’s how it worked. A lot of the business we’ve got at the moment is people coming back to us, and saying, will you look at this for us? I think we would lose such work if we became too aggressive. It’s been a refreshing change, me coming here.”

LandscapeOrg

At LandscapeOrg, within the normal daily run of events, employees gather, and interpret, information that causes them to become more strategically aware.

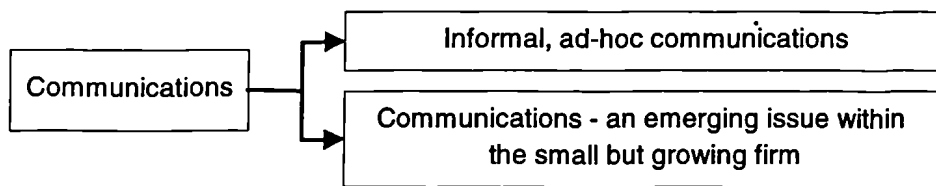
“Like the job we are doing at the moment, it’s a massive job with a lot of traffic management stuff. There are only so many companies that can do it straight away, and so you are in a strong position, assuming you can get the price right.”

"We do sometimes get some nice jobs in, but, a lot of cases, it's just little jobs. But, when we sit down and look at it, what we get out of the job doesn't even cover my salary for a year. But a lot of the thinking seems to be on the lines of – if these companies grow, and start picking up the bigger jobs, with bigger landscaping requirements, they'll probably come to us, because we're a big enough company to do it."

"I think some of the big commercial customers are not particularly good customers. We might get three, four or five jobs a year out of them, but they are relatively small jobs, and they don't pay particularly well. They are also a massive bore to do, because they send you a specification and you do a design to the specification, and you generally find you do five or six drawings, five or six revisions before they are happy with it. By the time you have done, there is no real money left in it, and you take up to a year to get paid for it."

Higher order theme: Communications

Figure 4. 3: Significant themes relating to communications in the small firm



Lower order theme: Informal, ad-hoc communications.

Comparisons

ConstructOrg

Within ConstructOrg, communications between people have traditionally been informal, and, more often than not, face-to-face. As the company grows, and despite growing evidence of communication breakdowns, managers and employees still prefer to meet face to face, and to communicate informally.

“When we see one another, you have a friendly chat, and all that. Some of the conversation turns to work, and that’s how you find things out. You don’t find out by any other means. Its just through friendly chit chat.”

“Your contracts manager, when he visits the site, he’ll generally let you know what’s going on in the office”

Within ConstructOrg, people expect, and are expected, to ask when they need to know anything. Directors, and managers are described as approachable and willing to listen, although several interviewees expressed a view that directors only pass on information they think employees need to know.

“Everyone is at the end of a telephone, or you can arrange to meet. You usually get what information you want. It’s maybe not always readily available, and, if you are not prepared to ask, then it could be a problem.”

“You get to know what they think you need to know.”

“You can go and speak to anyone, all the way up to the owner of the company.”

“You’ve got to go and find out.”

“I think sometimes, things that they should tell you, they don’t tell you, so you have to go and find out for yourself. I’m not saying that they don’t want to tell you, so you just have to go and find out for yourself.”

“If you want to know something and you know where to find out, you don’t have a problem, but it’s not always forthcoming from the other side.”

Lower order theme: Communications – an emerging issue within the small, but growing firm

Comparisons

ConstructOrg

As their companies grow, directors and managers are increasingly finding they can no longer maintain the high degree of face-to-face contact with employees,

particularly with those out on site. On the same theme, employees noted that communications are increasingly conducted via grapevines, and memos, rather than during face-to-face conversations with directors. Some interviewees expressed concern about this trend, explaining that they miss the face-to-face meetings with directors. Several interviewees suggested directors are no longer in touch with day-to-day, on-site events, and that communications between the office, and building sites, are poor.

"I would like to see the directors attend sites more. The only director I've seen on site in the last six or seven months is the architect director. We had one director come on site, he said something to the client, which totally contradicted what we had agreed in a meeting with the client, and he wasn't aware of it because he'd not been on the site for two years."

"They (the directors) have a job to do, and it's hard for them, I must admit. They are in that office, and they are seeing a fraction of the job. They are not actually seeing what we are doing to fulfil the job."

"We've got one of the best underground communications networks around. You get to hear things on the grapevine, before you hear anything official. Everyone you speak to, you say, what do you know?"

"If someone thinks you should know something, it sort of comes through the grapevine, rather than straight to you."

"I don't think the people concerned talk to each other. I like someone to come to me and say, look, you've done this wrong, or, I want you to do this, or, I don't want you to do that. The bigger we get, the more pieces of paper we get, and it doesn't explain things."

When discussing communication within the company, an emergent theme was the extent to which, across departments, people don't communicate effectively, or understand each other's work, and problems.

"In our office, we don't have a problem, but we do have a problem with communications from other departments. For example, contracts managers don't inform us in the administration when a site will start, or finish, and we can be busy sending post to a site, and they've taken the cabins, and telephones away a week ago."

"A chap rang me from site yesterday, asking me about the colour of bricks I wanted for this job. I said, why, what are you doing? We're starting work on it, he said. I said, you do know you haven't got planning permission yet. No, he said. And that's typical."

"Things that would help us, they don't seem to listen to, because the people in the office are builders. The systems work for them, but sometimes, they don't work for us."

LandscapeOrg

As LandscapeOrg has grown, and more employees have been taken on, communications have also become an issue. In the early days, communications were rarely seen to be an issue.

"When we were a small company, it was easier to share the problems. You were all on top of each other, but you were all together, so, if you had a conversation, everyone was in earshot, so you always found out what was going on. Now that we are in bigger premises, and we have offices in other regions, communications have to be different, we can no longer communicate by everyday conversations."

Recalling when they first moved into the new, larger premises, the owner-manager said:

"It took us six days to get used to the fact that there are people downstairs, and that you had to use the telephone, rather than shout, which is what we did previously."

Now, people are finding that they have to learn new ways of communicating within, and between teams.

"The main problem from my point of view is the sharing of information between the estimating, and the contracting departments – it's a case of putting some sort of system in place. At present, if you are estimating a job, then you have to get into that job mentality. You look at the drawings, sort out the estimation, then the tender goes in, and you file it away. If we get the job, we get the file out, and it comes to the contracts manager. If I've been involved in the estimating, it's not so bad. But if the contract suddenly appears, you have to physically go and find things out."

Outside the office environment, information to foremen-team leaders, and then employees, has traditionally been given in the form of instructions, and on-the-job training.

“Someone out of the office comes and explains it to us, and then we just expect them to get on with it. Mainly, we get instructions, either architect’s instructions, or instructions from the management”

“Well its us (foremen) who shows them how to do it, we get two men in a team, and then we just explain what we want them to do, and we show them how to do it first.”

“When I get to know, I tell them. If they have to know, they see me like. The foreman is the link between management, and the team members.”

In recent years, directors, and managers, have come to realise that it is not always possible, and, increasingly ineffective, to maintain a top-down only approach to communications. At one level it is no longer possible for managers to meet with all the site workers at the same time.

“It’s difficult in that one of the main ways of achieving that is to go out there first thing in the morning, and collar everyone when they come to work. It’s not a factory environment, where everyone is on site. Our lads can be anywhere in the country. So, really, the only time you can communicate properly with them is either first thing in the morning, or last thing at night, and last thing at night, everyone is wanting to be off home.”

At another level, this top-down approach to communicating information has resulted in foremen, and site workers, not expecting to be asked to share their ideas or comments with management. Not surprisingly, therefore, as directors and managers begin to ask for feedback, employees are reluctant to provide it.

“You tend to find that foremen’s meetings are rather autocratic, and, it does feel as though I’m banging my head against a brick wall, when I’m looking for communications from our foremen. It’s a bit of a struggle, a bit of a battle to get the feedback that I want from them.”

“To be perfectly candid, I don’t think it makes any difference what we say. They’ll just decide. We are only the workforce.”

Asked what their ideas were, concerning the company's future direction, a typical employee response was:

"I don't really know, to be honest, I haven't really thought about it."

A common reported experience is that directors, and managers, are beginning to learn, but somewhat reluctantly, that they need to spend much more of their time planning, and co-ordinating, the work of teams, rather than getting involved in the work themselves. The comments of various interviewees would suggest that the owner manager, and some of the other managers, are finding it particularly hard not to continue with their hands-on approach.

"He'll bring something out that he's been sat on for months, and say, I didn't want to bother you with it, so I hung on to it, but we need to sort this out. It's more of a problem then, than if he'd told us before."

"Instead of showing them the sketch, and saying, this is what I want you to do, go away and do it, he'll say, I'll have to go out and see them on site to show them how to do it...but he doesn't need to do that."

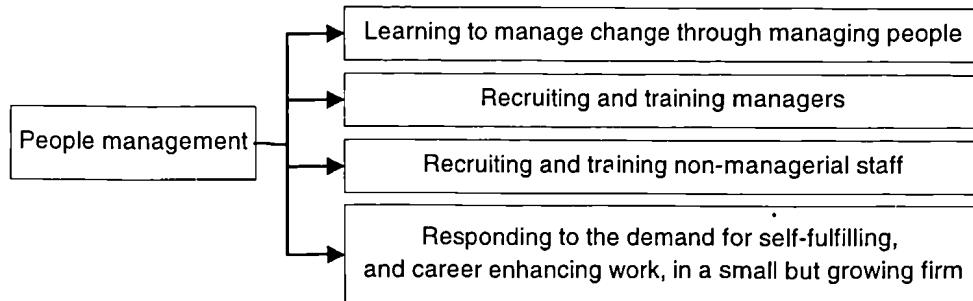
One outcome of this tendency for directors, and managers, to maintain their hands-on role, is that they are found to be working in isolation of one another. According to employees, this sometimes means that teams end up getting contradictory information and instructions.

"You tend to get two or three different stories. Someone says, do it this way, and someone else comes along, and says, what the hell are you doing it that way for."

"It can be quite frustrating. You are being told to get on with it, and do something, to sort it out as best you can, and then, when you are half way through, the next thing you know, the jobs been scrapped, and we're going somewhere else."

Higher order theme: People management

Figure 4. 4: Significant themes relating to people management in the small firm



Lower order theme: Learning to manage change through managing people

Comparisons

LandscapeOrg

Commenting on their capacity to bid for, and successfully complete, diverse large-scale projects, director recalled the ‘ups’ and ‘downs’ they, and their employees, have faced over the years. They describe how, during the company’s twenty-year history, they have continued to work at recruiting, and developing, a capable team of managers, and site workers.

“We’ve all had to change. One of our foremen, for example, he’s been a good company man, but has dropped down a little bit, because he didn’t know where the hell he was. We’ve worked with him to try to get him back , and I feel now, especially with this change, it’s like starting a new company again. I think we’ve got a situation where a lot of staff are now more settled, and know where they are going, but you’ve got to work with them all the time.”

Initially, the company secretary was employed as the office administrator. As the company grew, she was promoted into the role of company secretary. However, during the interviews with the other two directors, they noted that they, and she, have had to

work at developing the role of company secretary. It would seem to have been a somewhat steep learning curve for all three directors. Commenting on this, the owner-manager said:

“The company secretary, she’s been with us for the last ten, or twelve years, and it’s been necessary to build her up on a different management scale. So, she and I went to the university on a course. It was just basically accounts. We all knew about it, but it helped to work with her. But it’s been awkward, and I think we have had to guide her in the right way, and I think she is beginning to do the job in the way we need her to do it. And, it’s taken a long time for us to get her use to the notion of us appointing someone else to do the work she’s being doing, so that she can concentrate more on developing her role as company secretary.”

“We won’t go and get a job unless we know we have the people who are skilled in it, who can at least have an understanding of it. So it’s like the big civil engineering job that we did. Our contracts manager is a qualified civil engineer, he thinks like a civil engineer, and he did very well, and he’s brought a different dimension to the company.”

Directors were also at pains to stress the importance of their, and their fellow managers, ability to see the potential in people, and to get the best out of them.

“One of our foremen, while he’s not very good at reading and writing, he’s absolutely brilliant. Show him a drawing, and he’ll know how to put it all together. He’ll say, I sorted it out, this problem here, we put that there, and we’ll make a little bracket, and it’ll all go together with no problem.”

“We’ve got one foreman who’s a bit of a rough and tumble. Now, if we win a job in a rough estate, he’s the man to go out and do it, and make it work. One of the others would collapse. That’s what we are looking for – its jobs for individuals, and that’s how diverse we are.”

Lower order theme: Recruiting and training managers.

Comparisons

LandscapeOrg

Over the years, the owner manager, and his fellow director, have developed a strategic approach when recruiting and training managers. From the earliest days of the venture, the founder manager has looked to recruit managerial staff from horticultural college courses.

“We’ve always seen the colleges as places where we can recruit qualified staff, rather than just labour. In the old days, you just used the job centre, and they would send us lots of people, because they thought it was just labour we were after. But there’s more to it. We need people to come from college, with the basic City and Guilds qualification, and experience.”

“At one time, we used to get a lot of students who did City and Guilds with us, and then moved on to higher education, to take diplomas. And some of them came back to us. Some have gone on to higher things. So, there are a lot of people out there who we have trained, and who have moved on. But we still know them, and we’ve got a network attitude towards things anyway.”

Building on this practice, LandscapeOrg still looks to recruit, and train, people over several years. Typically, young people are offered work experience, whilst they are still at school, or during their second year college course, and, depending on their suitability, and interest in eventually working for the company full-time, the company sponsors him, or her, during their final year at college.

“A couple of years ago, we came across a middle year HND student, who turned out to be a good lad, we sponsored him through his third year, and he’s come back to us. Obviously, his coming back was part of the bargain of our paying for his third year. It’s his second year, and he’s now our designer.”

“I am absolutely delighted with the kids the schools are sending us for work-experience. Now, these last few years, that has been our route. I’ve got a letter on my desk today from a chap who we had a couple of weeks ago, he says, he’s now made a decision- ‘I want to go into horticulture, having talked to one of our contracts managers, and please send me some more information.’ You know, we offer them a job if they have done very well, and we are pleased to employ them.”

“And we put them on a Youth Training Course, so they go to college, and they do their NVQ at college, on a day release. And then, after the first year, if they have done very well, they come off the allowance they have been getting, and we give them employment status, and pay them a wage. They have earned it. I don’t believe in keeping them on an allowance.”

“So after that time, we’ll nurture them through, whatever they want to do. If they want to go to college, further education, great, no problem. We like to keep them on a further year, if they are going to do that, just because we know how hard it is. And I think another year just strengthens them.”

“The ones that are making the grade are the ones we found on this work experience situation.”

Pursuing this policy, LandscapeOrg has gradually been able to assemble an all-graduate team of managers.

“It’s getting more settled now, young lads, and they know what they are about, and they are all graduates. We want them to have the LandscapeOrg attitude, its something that we are constantly trying to put forward.”

“It tends to take two years for us to get people to work the way we want them to work.”

“I’ve been here five and a half years, plus, I did the summer vacation before that, when I was at university. So, that’s how I started here. I qualified as a civil engineer. I’ve been contracts manager for two and half years. So, it’s been a very quick move up the ladder, but I did actually start at the bottom.”

“I came and worked a bit during the my first year at college. The owner - manager was happy with me, and then I came as a middle year student, and worked for 14-16 months. I just started off on site, then, I sort of moved into the office, doing a bit of drawing, being a bit of a dogsbody. Then, I went back to college, and the company sponsored me in the final year, and I carried on doing bits and pieces for the company, while I was at college. Then I came back when I finished college. Again, when I came back from college I had a bit of a non-descript role, a bit of everything, a bit out on site, a bit in the office. But, in the last twelve months, I’ve been in the office virtually all the time, basically doing the drawings, designing, a bit of contract managing, looking after a few jobs.”

Lower order theme: Recruiting and training non-managerial staff.

Comparisons

LandscapeOrg

In common with other small, growing businesses, the directors of LandscapeOrg are finding that they need to review, and develop, their practice regarding the recruitment, and training, of non-managerial staff.

“We’ve had terrific problems finding the right calibre of clerical worker. There are lots of people who have done short courses on computers, but know nothing else. It’s accuracy that’s the problem.”

“There seems to be a lot of clerical staff who seem to be highly trained in just a small aspect of it, and, obviously, we are not big enough to have someone who just does one thing. We want someone who, because there is only three or four of them, can step in and do any of the jobs, if someone is ill. We need that flexibility.”

By their own admission, directors are aware that, while always being committed to providing training for their employees, they have tried various training approaches, but have never really stuck with any one approach.

“Training is something that we tended to pick up, and drop. From day one, it’s been a sort of mentoring process, where one skilled person passes on his skills to a youngster, for example, working alongside a foreman, who is well versed in how to do things.”

“There use to be the ATB proficiency tests, and we’d take so many of those little tests, and that sort of thing. We then had our own training organisation for the industry, which organised courses, and we use to send people on those courses.”

“In recent years, NVQs came along, and, we’ve always been at the forefront for anything that’s new. In the early days, NVQs were all bits of paper, and words about what we are going to do, and nothing tangible that anyone could get involved with. But that’s changed, and our training organisation for the industry has developed an open learning package with one of the colleges, and, at one time, we had 28 people on NVQ, when it first started. At lot of the people we had on it have now left, and, it wasn’t probably the right way of doing it. I thought everyone could do it, but at the end of the day, some people weren’t interested, and never would put their minds to it, and others just couldn’t focus on the open learning packages.”

“Now, we’ve got a couple of modern apprenticeships.”

As the company grows in size, directors are finding that the increasing requirement, and demand, for training is such that it is placing new and challenging demands on the business.

“We have to comply with new legislation, and, obviously, you’ve got to keep up with it. You’ve got to recognise that if you don’t get people doing training, you are not going to be able to get anywhere. So, you’ve got to find time to do the training. The problem is that it takes people out of the production process, particularly when it involves two, or three-day courses. And, the costs of the courses are quite expensive for a small company such as us. Because we work in teams of three, you can’t just have one forklift driver, because the driver might be needed in different teams. So, you have to train a lot of people to be forklift drivers. Similarly, each team need someone who can spray, someone who can dumper drive, so that you are not constantly disrupting teams by taking people out of them.”

Recognising that this is the case, they also recognise that they will have to meet the challenge, if they are to succeed with their business.

“We’ve got to bite the bullet, and say, we’ve got training for such, and such a day, and, we know we are busy elsewhere, but the training has got to go ahead. That’s the only way.”

Lower order theme: Responding to the demand for self-fulfilling, and career enhancing work, in a small, but growing business.

Comparisons

LandscapeOrg

Handy (1994), speaks of the need for people to learn how to manage major paradoxes of our times. At LandscapeOrg, to satisfy people’s aspirations for self-fulfilling and career enhancing work, directors and employees are discovering that they need to learn how to manage three related paradoxical situations.

The paradox of self-fulfilling, and profitable work

At LandscapeOrg, directors recognise that, to get the best out of people, and to retain them, they need to provide them with career and job-enrichment opportunities. Referring to this issue, directors' describe how they are learning to juggle with what are, at times, incompatible requirements to provide employees with job enrichment, and career development opportunities, and, to take on profitable work.

"We have a designer technician. He's got a particular interest in private gardens, so we said, look, we will go back to private gardens, because we've got the staff outside to do it, but we will only do the big ones. They are nice jobs to do, and it keeps the interest. We've got someone there; he can be costed, so we are running with him. And he's the sort of person who, after he's done the design, will negotiate with the client – he'll say, is this what you want? Then he'll do it quickly, and efficiently. He's someone who will follow it all the way through."

"A lot of people have got windfall money from shares, and they want to spend it on their gardens. So there are plenty of opportunities at the moment for us to allow our designer technician to move into what he wants. We are keeping his interest by saying, look, have a go at private gardens. We want to keep him, because he is a good chap."

Later, in a separate discussion, the employee in question said:

"I'm particularly interested in private gardens. I've met a few people who seem to be making a good living out of doing private gardens, but the way you have to work to make it work is a way we couldn't do here, because you've got to be totally dedicated to a few customers. But to get into that market, you're going to have to spend a long time earning nothing, because you are going to do a lot of trailing around, a lot of chasing up work. We've had half-hearted attempts, but the problem, as I see it, is that we don't get enough time, because there's commercial stuff coming in, and that is seen as more important."

It is, or course, not always possible to satisfy these, sometimes competing demands for job-enrichment, and profitability.

"I know I can plan a supermarket up, but it doesn't interest me, just to go out on site, and help build it, plant it.... well it's just monotonous. You might as well be working in a factory. You've planned it, you've twenty thousand shrubs to plant, and that's it. There's no mystique about it, there's no real thought to it. You just get on, and do it – its second nature, there's no interest. And most of the jobs we do are like that."

"I do a lot on the environmental side of things, and I've been trying to get the company to pay for me to do an NVQ in landscaping. And, I've just come up against a brick wall. It's got to where I was considering paying for it myself. He's always on about training people, but, for instance, a couple of lads mentioned to me that they wanted to do a chain saw course, but it seems to have fallen flat."

The paradox of people development, and employee retention

Comparisons

LandscapeOrg

Whenever possible, directors are keen to encourage people to get involved in projects, which offer then opportunities to acquire new knowledge, and develop new skills. Yet, by developing people, to increase the company's human resource base, they are also ensuring that the company will have to continue to grow, to accommodate the increasing career aspirations of employees.

"I don't want to step sideways into another contract manager's job somewhere else, that's not what I'm looking to do. I'm looking at moving onwards. If it's a case that I can do it here, then I can stay here, and make that step. But, since we moved here, and achieved our ten year plan, the company seems to have lost ideas of how to move on."

"By the time I'm forty, I'd like to be a general manager, and by the time I'm fifty, I'd like to be a managing director, and whether that's here, or somewhere else, it's impossible to say. Trouble is, at the moment, because we've been short staffed at times; I've done estimating, and QS jobs. I've done it all, I'm now in a strong position, and so my role has actually shrunk, if anything, back to being just a contracts manager. So, what we talked about recently is me taking back on board more of the building, and that sort of thing."

Paradoxically, by providing training, and access to career development opportunities, directors are discovering that they are widening people's horizons, and encouraging them to think about a career move outside the company.

"I had the opportunity this year, the company got involved in a TV programme, doing some gardening in Sheffield. I got involved in that. I enjoyed doing the practical stuff, to be honest. I really enjoyed it. I'd probably get bored after six months. Afterwards, I had lots of chats with the owner-manager, and he said, if you're happy, get out on site a bit, and see what kind of work we do."

Later in the conversation, the interviewee went on to say:

"The ideal job for me would be to design, and build private gardens. Sort of doing the full job, meeting the clients, doing the surveys, doing the drawings, and building as well. I'd love to be working for myself. If I said, five, ten years, I'd want a company of my own, but it would be different from here. It would be just me, and a couple of lads, and I'd want to do high quality jobs. I wouldn't be looking for the turnover. I'd be just looking for high quality jobs. My aspiration is to have my own small company, to do the work I want to do, and make a comfortable living."

Asked whether he had discussed his feelings and ideas with the owner manager, the interviewee said:

"Yes, to a degree. He said, come up with a business plan, and we will see what we think, and we might be able to do it between us. But I want to do it for me, in the same way that he's done it for himself. He goes on about when he first started, about working 26 hours a day, and, at 44 years of age, he must get a nice feeling to turn up here every morning, and think, all that's mine. I want to achieve that, and have that same feeling."

"It was that Sheffield job it killed it. It introduced me to people who do build gardens at Chelsea, and win awards. And, when you get people like that saying to you, why are you working there, come and work for me, you start thinking, could I?"

Later still, the same interviewee said:

"I think its a good company, I enjoy working here – don't get me wrong - a lot of people work here, it's a nice atmosphere, but I don't think I've got a future here. I don't think there's any further for me to go, I don't see where I am going to develop from here."

The paradox of meeting the cost of training, and paying people the wages that they expect.

Comparisons

LandscapeOrg

As the company grows, so directors are grappling with the complexities of funding a growing, and increasingly costly training programme, meeting the wage expectations of employees, and, at the same time, absorbing the impact of reduced profit margins. Being aware that they have little financial scope to both train, and pay employees higher wages, directors are acutely aware that they are training people for the benefit of other employers.

“I’m personally responsible for a major part of the company’s turnover, and I don’t feel that the remuneration actually rewards me in the way it should.”

“Last couple of years, there’s been a large turnover of staff. People drift in and out. One day they’re here, the next day they are gone. They come through the training, and then they are away, chasing money.”

Several interviewees described how they are torn between wanting to stay with what they consider is a good company, and feeling that they will have to leave to find a higher paid job.

“I’m grateful to the owner-manager, he’s helped me out a lot, he’s taught me a lot, he’s helped me out financially, when I was at college, but, you know, there comes a time when I’m going to have to make a jump. I’m engaged, and I want to get married, want to buy a house, and, presently, with what I earn, I can’t do that. I’m relatively well educated. I have relevant qualifications for the job I’m doing. You see similar jobs advertised, and when you see the money being offered, but then, often, they seem to be crap companies to work for.”

An important feature of many of the above themes, and the data within which they are grounded, is the way they also draw one's attention to aspects of the processes through which changes occur in the individual-organisation relationship. In particular, they confirm the proposed existence of ongoing processes of psychological contracting within the workplace, and the potential outcomes of those processes in terms of the changing individual-organisation relationship.

When coding the data, three more sets of higher and lower thematic categories were identified and labelled as being particularly significant in relation to these processes of psychological contracting. These themes, and samples of the data in which they are grounded, are described in the following chapter. Then, the wider significance of the themes described in this chapter, and in chapter five, is discussed in chapter six.

CHAPTER 5

SIGNIFICANT THEMES RELATING TO THE CHANGING INDIVIDUAL-ORGANISATION RELATIONSHIP

CHAPTER OVERVIEW

This chapter is concerned with the changing individual-organisation relationship, and, in particular, the psychological processes through which changes in the relationship occur. During the core analysis, three higher, and eleven lower order thematic categories were identified as being significant when investigating these psychological processes. These themes, and samples of the data in which they are grounded, are presented and briefly described in this chapter.

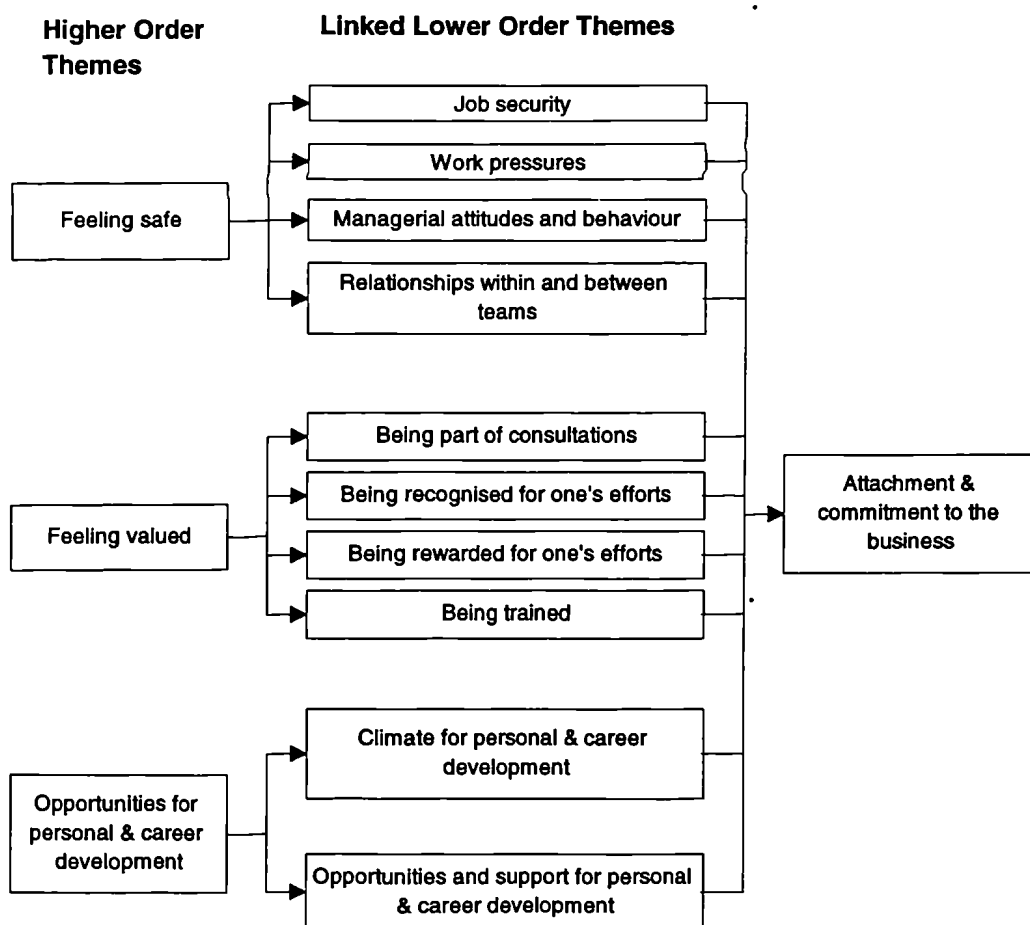
PSYCHOLOGICAL PROCESSES - SIGNIFICANT THEMES

Three sets of grounded themes were identified and labelled as being significant when focussing on the topic of the individual-organisation relationship. The first set of themes relates to findings concerning people's feelings of psychological safety in the workplace, and the potential implications when events and the behaviours of others cause them to feel unsafe. The significance of the second set of themes lies in the way they shed light on people's need to feel valued, and the potential consequences when they feel they are, or, are not valued in the workplace. The third set of themes focus on people's hopes and expectation that their employer will offer them opportunities to achieve personal and career development, and the possible implications when this expectation is not met.

These grounded themes assume particular meaning, when considered within the context of existing theory concerning the psychological contract. They confirm

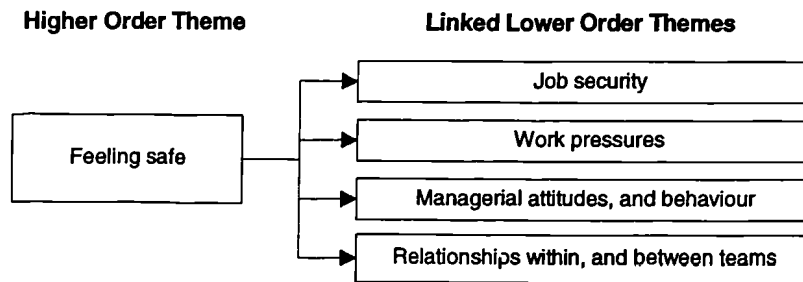
existing theory that an implicit, but largely unwritten contractual understanding between the employer, and the employee, concerning their respective role relationships and mutual obligations towards one another, is being continually negotiated, tested, and affirmed within the workplace. In particular, they witness to employee perceptions and understandings concerning key areas of ongoing contractual concern, and the potential consequences for the individual-organisation relationship, when the employee considers the employer is violating an implicit contractual understanding. As the model in figure 3.4 shows, collectively, the themes help explain how and why peoples feelings of attachment, and commitment to the business, change over time.

Figure 5. 1: The case studies - significant themes relating to the changing individual-organisation relationship



Higher order theme: Feeling safe

Figure 5.2: Feeling safe - emergent higher & lower order thematic categories



Feeling safe: Contract negotiation, and affirmation

Comparisons

Job security

Several people indicated that they interpret the employer's willingness to continue to employ them during difficult trading times, and for as long as possible in such circumstances, as showing that they are a good employer. Such behaviour is then interpreted (by the employee) as signalling the employer's appreciation of his, or her, efforts on behalf of the company. The following recorded comments suggest that the respondents feel they are party to an implicit, and unwritten understanding with their employer, and that the employer is honouring that implicit understanding.

ConstructOrg.

"Certainly, they've carried me. I mean, I've spent three months sat in a cabin with nothing to do, but the company will carry you."

"I think its times like this that you see that the company is loyal to you."

"I must say, we get reassurance from our contracts manager, but probably, because I'm relatively new to the company, I still find it hard to believe my employer will keep paying my wages for three, or four months."

A feature of this apparent developing unwritten understanding is the way its continuing affirmation by the employer leads to a reciprocal build up of employee loyalty to the company. In this way, it would appear employer and employees are negotiating, affirming, and re-affirming, an unwritten understanding concerning reciprocal behaviours over time.

ConstructOrg.

"I think if you are alright with them, they are alright with you. I think they are quite a human employer, they are a quite compassionate employer."

"A lot of people have been here a long time. And the crucial word is loyalty. You don't get loyalty with a lot of companies any more, that's one of the unique selling points of our company."

LandscapeOrg

"I'm grateful to the owner-manager, he's helped me out a lot, he's taught me a lot, he's helped me out financially, when I was at college."

However, evident in a number of people's comments is a recognition that it might not always be possible for the employer to continue to employ them, and that the employer, and employee, might not always feel able or inclined to comply with implicit and unwritten understandings concerning job security.

ConstructOrg.

"The margins that we work on are extremely slight, and we have experienced a 50% drop in turnover in the last few years. I don't know the depth of the company's finances, but I'm concerned that they might not make it."

"At the end of the day, you have to look at it from a selfish point of view. If the company goes bust, it's a lot of jobs. If the company gets taken over, you could be out of a job. If we take someone over, it could go wrong."

Work pressures

An apparent unwritten expectation, on the part of employees, is that they can, if the pressure of work begins to adversely affect them, turn to their director, or their

manager, for advice and support, without feeling threatened. However, commenting on whether or not they would feel comfortable about discussing issues of personal concern with their manager, or one of the directors, a number of people indicated that they wouldn't, or, would do so hesitantly.

ConstructOrg

"I think the problem with that is, you would think of yourself as admitting that you couldn't do the job, and nobody wants to do that."

"There's that fear in the back of your mind that you are not going to progress (with your career)."

"But I do feel there are one, or two people you could go to for advice, if I thought things were getting on top of me. I think I could go for advice, maybe not say, I'm under pressure, I can't cope, but, maybe for advice on how to cope with the pressure."

"There's that fear in the back of your mind that you are not going to progress."

Some interviewees did, however, describe how experience has caused them to believe certain directors, and managers, would respond sympathetically if they found themselves needing to discuss personal matters.

ConstructOrg

"I do feel there are one or two people I could go to for advice, if I thought things were getting on top of me, maybe not to say, I'm under pressure, I can't cope, but maybe for advice on how to cope with the pressure."

Managerial attitudes and behaviour

During the interviews, people explained how important they feel it is to be able to communicate freely, and without fear, with directors and managers.

ConstructOrg

"You can go and speak to anyone, all the way up to the owner of the company, they are all approachable."

When considering the issue of employee feelings of safety, an important factor would seem to be the extent to which employees feel directors, and managers, will support and back them up when things go wrong.

ConstructOrg

"I'm always quick to put my hand up, if something is starting to go wrong, and I've always had backup (from directors & managers)."

LandscapeOrg

"Sometime you cock up, and everyone helps out, and you sort it out. So, in that respect, it's quite good, because everyone here is totally approachable, so you don't have to hide things."

During several interviews, people indicated that they look to directors and managers to provide them with positive feedback, when they do a good job, and that such feedback helps them feel safer.

PrintOrg

"After I'd been working here for about eight weeks, my manager took me into a room, and gave me a talk about how I was doing, and she said I was doing well."

"We've had a lot of stress over a two to three week period, and, wherever possible, she has come and said, well done, which hasn't happened before (in other parts of the organisation)."

Relationships within, and between teams

Judging by their comments, people expect, value, and feel safer in a working environment where they are able to learn from and with one another.

ConstructOrg

"You learn by asking people who you are working with, the other members of the team."

"I was given this job, and I didn't know how to do it. So I spoke to a few subcontractors, and they'd heard of something, and put me on to someone else, and I made a few phone calls, and we finally came up with something."

"You throw ideas off each other, You say, this is the job, it's got to be finished by such and such, and say, well, I think I'll do it this way, and someone says, well, what about doing it this way. We do that in the team."

LandscapeOrg

"We all work together, and if there's a particular problem, we pull together, and have a look at it, and try to sort it out between the four of us."

"We've all got niggles, there's always something that gets up your nose. But we all get on."

"Everyone here is very approachable."

Feeling safe: Contract violation

Work pressures

Several interviewees indicated that they believe directors and managers are expecting too much of them, and that such expectations are unfair. In all three organisations, people spoke of the amount of work everyone has to do, how they sometimes feel driven by the pressure of work, and how stressful such experiences are.

ConstructOrg

"You don't often think about the pressure, you just get up on a morning, and you think, right, there's this happening today, you've got it all in your head, and just go to work and do it. And, it's not until the end of the job, and you look back, you realise how much you do."

"I find that I get direct instructions from the owner, the MD, my department manager, or whoever walks through that door, and they always say 'I need it now'. And I can't slot them into some sort of priority. I have to try to keep all the balls in the air."

"And sometimes, I go home, not with a feeling of job satisfaction, but with a sense of frustration that I've not done all the jobs that I had to do. I'm thinking, have I missed something, have I made a mistake?"

PrintOrg

"The department grew so much because there was so much work, and I was doing it all, or it felt like it, and I was doing a bit of this person's job, and that person's job, and it grew that much that it was just uncontrollable. I was training all the time, and then I wouldn't have time to train, and people just sat about, and I ran round, because I didn't have time to leave the work ...if you have to get something out at 5.00 p.m., you've just got to get it out. I mean, many times I've gone to management ... I complained once, I said, I've got to train this new person, or it's the job – it's not going out, what do you want – get the job out, so then it was left to me."

"The idea was that it would be a good idea to learn certain technical skills, but nobody took any of this work-load off me that was piling up on my desk, and, when I went to my manager (to be trained), he would have his ordinary work to do as well, and people are interrupting every five minute.... and it's do this, this and this, right then you get that now, so I was nearly in tears. I didn't even know where the keys were on the keyboard – and I was frustrated, my manager was frustrated, and I didn't want to come into work."

Managerial attitudes and behaviour

Several people indicated that they expect the employer and managers to act to ensure the environment in the workplace is psychologically safe. Several interviewees described experiences which caused them to believe the employer, and, or, managers are not fulfilling this duty.

PrintOrg

"When it gets to the point where your supervisor is scared of people below him, and the people on the same level as him..."

"The supervisors just wanted an easy life. If someone went up to them and complained about someone else, they (the supervisors) didn't seem to have the guts to say to them, look, concentrate on your own work, if I think they are not pulling their weight, I'll tell them."

"The middle management want an easy life, they don't want any hassle, they don't want any grief, they don't want people coming to them with any problems."

"Your (the supervisors) are getting the extra money for the extra responsibility, you've got to be prepared, you can't be everybody's friend, you've got to be the boss."

In some instances, people seemed to imply that the actions of some of their directors, and managers, are a cause of people feeling psychologically unsafe.

PrintOrg

"The idea was that it would be a good idea to learn certain technical skills, but nobody took any of this work-load off me that was piling up on my desk, and, when I went to my manager (to be trained), he would have his ordinary work to do as well, and people are interrupting every five minute.... and it's do this, this and this, right then you get that now, so I was nearly in tears. I didn't even know where the keys were on the keyboard – and I was frustrated, my manager was frustrated, and I didn't want to come into work."

Relationship within, and between teams

The comments of several people indicate that they feel employers and managers are not 'being fair', when they are the cause of, or fail to act, when relationships within and between teams breakdown. Reporting such occasions, interviewees clearly, described how, at the time, they felt unsafe.

PrintOrg

"There was always someone looking over your shoulder, trying to bring you down."

"There would be four people working closely together, and you always knew there was something going on. You'd look around, and you could see them, they'd tap on the desk, and another one would look over, and they knew. There was something going on all the time, and you just didn't know what. It just made you feel so..."

"I wanted to get away... there were some really difficult people in the department, and then they merged departments, and I was taking over some more staff, and they didn't like the move, and they didn't like me, and it sort of got..."

"I was the only woman there, the only young woman there and it felt like a closed shop. The number of times people said 'time served as an apprentice, time served as an apprentice – we've learnt the trade the right way.' That's been hard."

Within organisations, there is often a largely unwritten expectation that people will share ideas for improving products and services, and that people will 'pull together' to make a success of the business venture. Describing their experiences of feeling unsafe, when working in their teams, several interviewees provided an insight into the behaviours of people when they feel they are no longer operating within a safe environment.

PrintOrg

"You have an idea, suddenly it becomes somebody else's."

"And I saw the list of work that was going through, and my name wasn't on it. Every one of those lists had the other reader's name on it. I actually went through them, and I said, I want them all altered, and all the work that I'm doing, putting on the lists, because I want it booking down to me, because, when the extra money comes for skilling, I want people to know what work I've done."

"Up there, the attitude was, oh, your the team, you think you can do this better, go and sort it out, we shouldn't be doing it, were not in the team."

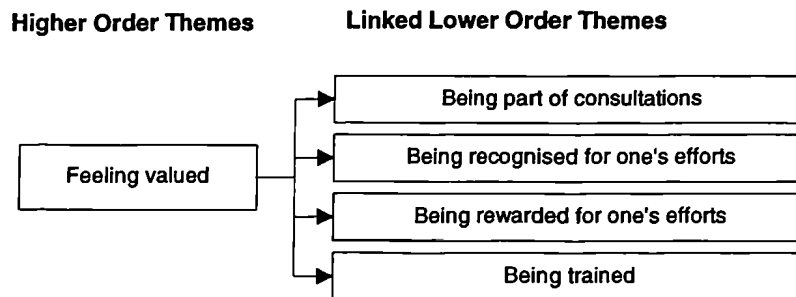
"Things would go missing. You'd get a manuscript in, you'd separate the figures to go into scanning, and then the figures package has got to be married up, then they come back, and they probably come back when its late, and they say, oh, its because we can't find the figures, and then they'll say its someone else."

LandscapeOrg

"We use to be working every Saturday and Sunday. You would take work home, but all that's gone now. I don't think it's gone because everyone's on top of everything. I think it's more a case of, well, why should I put all this time in, when other people aren't."

Higher order theme: Feeling valued

Figure 5.3: Feeling valued - emergent higher & lower order thematic



Feeling valued: Contract negotiation, and affirmation

Comparisons

In one way or another, interviewees in all three companies described an unwritten expectation that the employer, and managers, should clearly show that they, and their efforts on behalf of the company, are valued. It was found that, on most occasions, people reflect on their employer's behaviour towards them, and, on a basis of that behaviour, draw inferences as to whether, or not, they and their efforts are valued.

- a) Being recognised for one's efforts.

And

- b) Being rewarded for one's efforts.

ConstructOrg

"I think its times like this that you see that the company is loyal to you. There are many times when you think, those people up there don't know what I'm going through here, but it's times like this that you know they do, and it's times like this that, if you are being carried, you know that you haven't got a problem with the company."

"When the civil engineering work started to dry up, one of the directors had me in and asked me if I would be interested in receiving some building training."

"But it's like we said, if they are saying, well, he's done a great job there, we'll give him a chance on this next one, but you don't know that. The only way you get to know is when they say right, you can go there now and give so-and-so an hand."

PrintOrg

"Down here, the manager knows that we have worked our socks off to get as many issues out as we could by the deadline. You just feel it's nice to know that you have done well, and it creates a good atmosphere."

"She (the new team leader) is always saying you are doing a good job... she's the only person who has ever told me how well I'm working."

"The MD and manager did buy a big box of chocolates to thank us all. That was fair enough, it is thanks, but they didn't come round to say anything to you personally."

During the interviews with people in ConstructOrg, it was widely acknowledged, and accepted as an industry-wide practice, that people rarely give, or receive, direct feedback, and in particular, to give and receive positive feedback on one another's performance. Interviewees said they deduce that they have done a good job if their work is not criticised, or, if they are asked to help someone else. Typical responses to the question - "How do you know when you have done a good job?" - were:

ConstructOrg

"No complaints from the client, from the contracts manager, from the site manager, from the QS, from the sub-contractors you are using. The sub-contractor will speak to your manager, if there is a problem, without a doubt."

"Basically, there's a saying. If you don't see them, you don't hear them, then you are doing all right. But this is the same everywhere. You're never going to get a pat on the back, and someone say to you - well done, you've done a good job. The only reason why you know is that you're not getting told that you are doing it wrong."

"Nobody comes back to you and says, that's a good job. If somebody comes and gives you feedback, there's something wrong. That's the only feedback you'll ever get, because that's the industry throughout. It's hundred miles an hour stuff. I don't think they have time to come round and praise everybody, for everything you do right."

"Usually, it's a case of you get feedback if you have done something wrong. Quite often though, it's the client who gives you feedback, usually through a letter, which is sent to the office, saying congratulations, you've done a good job. You get a copy of that letter, but that's about as far as it goes."

"The only way you get to know is when they say - right! can you go there now, and give so and so a hand. That's the only way that you get an idea that you are doing the right thing"

Several interviewees indicated that they want feedback, and therefore would like to, but rarely have the opportunity to, meet with their managers to learn and talk about how well they are doing:

"The bigger firms do have an appraisal scheme, where your progress, or lack of it, as the case may be, is monitored, and these things are brought up honestly to you, which is something I would like to see here. Because there are certain times when I'm not sure whether, or not, I'm being thought of as doing the right thing."

"You could have a response for their criticism, there could be a reason why you have done it that way, and they could be criticising you, and you've got an adequate response for it. You could then tell the people in the hierarchy, but it would affect your progress in the company, so you could respond to it. And appraisal would allow that."

"You can't rectify your faults if people don't tell you what your faults are. If you know there's a problem, you can work hard to overcome it, or to change the way you work, to fit more into what they expect of you."

In the absence of more formal processes for giving people feedback on their performance, several interviewees indicated how they have their own methods of discovering whether their work is, or isn't, appreciated.

"I ask and, if I ask, I'm told, and, you know the appropriate people to ask. And you get a sense of achievement, or not. And, if the job hasn't gone well, I wonder why, but I can usually persuade myself that it wasn't my fault."

"In a sense, I don't really need anyone to tell me if a job has gone well. or not. If someone says, oh, that's a nice building, I tend to know in myself whether it's a good job or not."

"On a recent job, I met the end user, and he was very happy, so that was enough for me"

Being trained

On the basis of their comments, it was possible to infer that people value, and perceive themselves as being valued, when they are offered training.

PrintOrg

"I asked to move over, simply because the training for me here is better than where I was before."

"I didn't have any problems, I started working for my sister-in-law. She was a good teacher, she was finishing very late at night, and she needed some extra help. And basically, I just learnt how to do different things from her. And I've always had somebody to teach me what to do."

LandscapeOrg

"I came and worked a bit during the my first year at college. The owner manager was happy with me, and then I came as a middle year student and worked for 14-16 months. I just started off on site, then, I sort of moved into the office, doing a bit of drawing. Then, I went back to college, and the company sponsored me in the final year, and I carried on doing bits and pieces for the company, while I was at college. Then I came back when I finished college."

"I'm grateful to the owner manager, he's helped me out a lot, he's taught me a lot, he's helped me out financially, when I was at college."

Feeling valued: Contract violation

Being involved in consultations

Within organisations there is often an expectation, be it spoken or unspoken, that communications between employer and employee will be a two-way process. When this is not the case, employees appear to assume that they and their ideas are not valued. In their comments, interviewees described how they feel communications in their organisation are mostly top-down, and how their views and opinions are rarely

sought. When sharing these perceptions, interviewees also describe some of the knock-on effects in terms of their own, and their colleagues' behaviour.

PrintOrg

"The directives come from on high, they filter down to the managers, they tell us, and then nothing goes back up"

"We don't talk to the bosses, or anything like that."

"I don't think any of our ideas get through ... and you get to the point where people think, well, fair enough, if your not going to bother, I'm not going to try. I'm not bothered."

"You can see where improvements could be made, but nobody listens to you. In the end you are stuck until you get someone to listen."

ConstructOrg

"We are very responsible people in the company, and I think it needs to work both ways, there needs to be that trust given to you, instead of treating you like kids, you know Chinese whispers, they should tell people what they think."

LandscapeOrg

"To be perfectly candid, I don't think it makes any difference what we say. They'll just decide. We are only the workforce."

"You tend to find that our foremen's meetings are rather autocratic, and, when I'm looking for feedback from our foremen, it's a bit of a struggle, a bit of a battle to get the feedback that I want from them."

Being recognised for one's efforts

Many of the people interviewed indicated that there are times when they feel their efforts on behalf of the company are not recognised, and when they feel generally undervalued.

ConstructOrg

"They (the directors) have a job to do and it's hard for them, I must admit. They are in that office and they are seeing a fraction of the job. They are not actually seeing what we are doing to fulfil the job."

"You're never going to get a pat on the back, and someone say to you - well done, you've done a good job. The only reason why you know is that you're not getting told that you are doing it wrong."

"The bigger firms do have an appraisal scheme, where your progress, or lack of it, as the case may be, is monitored and these things are brought up honestly to you, which is something I would like to see here. Because there are certain times when I'm not sure whether or not I'm being thought of as doing the right thing or not."

"I sometimes think that the management don't understand the problems we have."

PrintOrg

"We are never told when we do a good job."

"Even if you are just told that you have done a good job, it's nice to know that its been appreciated."

"And if we sat down for ten minutes, it was a case of, oh, nothing to do girls. And, there would be others sat around, and even I know of two people being sat asleep at their desks."

"I could do one hundred jobs, ninety five of which would be right, five would not be on time. I would only hear about the five – every time."

"Someone from production will come and look at your printout, and they say, that shouldn't have taken you two hours. They just get the finished article, and think there is nothing difficult about that."

At PrintOrg, people commented on their perception that managers were unaware of their qualifications, or capabilities, and how, in some instances, managers only became aware of people's qualifications and ability by accident.

"Once when some work was returned by an outworker, it was wrong, and we said, why couldn't we do that? They said, we didn't know whether you could do it, or not, and I said, it's simple, and within five minutes I'd done it for him."

"The first three months, I was absolutely demented. I was looking for jobs to do all the time. I don't think people realised what level I was before."

"There a lad there, he's been here two and a half years, and he's got a degree, and suddenly his manager said, what, have you got a degree. I thought, this is not fair, they should know."

One person commented upon how she was able to grow her job, because, in response to feeling bored with what she was being given to do, she sought out, and took on, more tasks, and, in the process, showed managers what she was capable of.

"I went about getting as much information as possible from helpful people, just to make my job interesting, and then, suddenly, people started to notice that I was doing these jobs, and that I could do them. My job and responsibilities just expanded in that way."

Being rewarded for one's efforts

The data collected in all three organisations suggests employees expect to be, but feel they are not appropriately rewarded for their efforts, and that they are not valued.

ConstructOrg

"I now feel I was lured on false pretences. The company made an offer to me, and this offer was based on Performance Related Pay, and, now the government is cutting back on PRP, the company have said, I can't have any, because we haven't made any profits. That's fair enough, but they did say they were going to put something else in its (PRP) place. And I feel the company is letting me down, because they haven't told me what they are going to put in its place."

"Like this Christmas, the Christmas bonus. There are various rumours going around, yes we will, no we wont. It's lack of communication. If someone where to say to me now, yes you will, not you wont, I could plan."

PrintOrg

"They expect people to do a perfect job without being given any credit or rewards. They get you to do jobs and to stay over and you don't get any thanks for it. But, why should they expect people to do it, when they don't get any reward for it."

"You'll have seen the poster – 100% commitment, and, I think people are quite willing to commit themselves to the job, and I think people want it (the team project) to go well. But, I think people want, think, well, I hope this commitment's going to be rewarded."

"I mean, they always tried to say that appraisal has nothing to do with salaries, but someone is going to sit there and say, well you've done a good job this year, well done, go and do another year of it. I mean, it's a bit of an insult because you want to be rewarded, that's what you work for."

LandscapeOrg

"I'm personally responsible for a major part of the company's turnover, and I don't feel that the remuneration actually rewards me in the way it should."

"I'm engaged and want to get married, want to buy a house, and, with what I'm earn, I can't do that. I have the relevant qualifications for the job I'm doing, and you see similar jobs advertised, and when you see the money being offered, but then, often, they seem to be crap companies to work for."

Describing their experience of feeling they are not being properly rewarded, several interviewees provided an insight into the attitudinal and behavioural responses of employees in such circumstances.

PrintOrg

"I don't know when they are going to sort out the whole wages thing, but, if they're wanting you to put in all this commitment, and to do well, I don't think people are bothered about that, so long as it's rewarded. I don't think it can be one way. That's what happened up there – the staff aren't treated well, so they think, stuff you, I've done just enough to get by."

LandscapeOrg

"They say, I'm not working here for this sort of money."

"They come through the training, and then they are away, chasing money."

Being trained

In all three firms, people described why they feel their employer is in breach of a spoken or implicit agreement that they will be appropriately trained to do their job.

ConstructOrg

“And I think that there are probably things that it could do that I’ve no concept of how to do. And I think, well, for the sake of a one day course, I might learn something that would be helpful.”

“But more and more, it’s our head that’s on the block, especially at our age where you are young. Say HSE comes on site and say, oh, he’s only 24, he’s not got the required certificate, he doesn’t know what he’s doing. It’s just a worry that you can do without, really.”

“It does say in our job description, and all the rest of the bumph that goes with the company, training will be given, as and when required, or when we ask for it. But, training is there so long as it doesn’t cost anything.”

“You need training so that you are confident that you are doing the job properly, and that’s been sadly lacking.”

“I’ve no objection to going to night school, if someone is paying for it, but I don’t feel I should pay for it, when I don’t need it other than to benefit work.”

PrintOrg

“Your training always got pushed back and pushed back and rushed because there just wasn’t the time set aside to do it. You would begin training and you would guarantee that production would come with a load of work, saying, this needs doing, it’s more important than your training.”

“I found after I’d been here a month or so that I wasn’t sure what I was doing, and, they set someone else on, and said to me, you train him, and I didn’t know what I was doing anyway.”

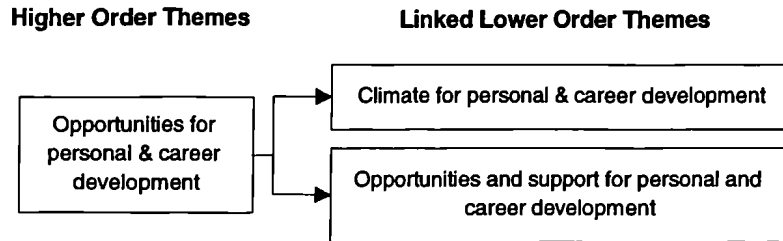
“The manager’s stress out because he hasn’t been able to concentrate on his other work, while he’s training me, and it ends up with him saying, you do this, this and this, and by the end, I don’t even know where the keys are on the key board, and I’m nearly in tears.”

LandscapeOrg

“I do a lot on the environmental side of things, and I’ve been trying to get the company to pay for me to do an NVQ in landscaping. And, I’ve just come up against a brick wall. It’s got to where I was considering paying for it myself. He’s always on about training people, but, for instance, a couple of lads mentioned to me that they wanted to do a chain saw course, but it seems to have fallen flat.”

Higher order theme: Opportunities for personal and career development

Figure 5.4: Opportunities for personal & career development - emergent higher and lower order thematic categories



Opportunities for personal and career development: Contract negotiation and affirmation

Comparisons

a) Climate for personal and career development

And

b) Opportunities, and support for career development

During the interviews, people described how, when first joining their company, it felt as though they were being deliberately “thrown in at the deep end.” For some, this appears to have been a negative experience. Others, particularly people at ConstructOrg, and LandscapeOrg, described how, over time, they came to realise, and appreciate how, by being ‘tested’ in this way, they were being offered the opportunity to show directors and managers what they can do, and how much they can be trusted to manage day to day activities.

ConstructOrg

“It’s a case of you have previous experience, and the company puts you out, to see whether you are any good.”

"I think the good thing about this company is, if the site manager is a good site manager, they are quite happy to let him go his own way. As long as each site manager is good at his job, directors are not bothered about tying them down to fixed ways of working."

Some interviewees described how, having grown accustomed to not having managers and directors regularly telling them what to do, and how to do it, they discovered that their work was more enjoyable and self-fulfilling.

ConstructOrg

"My first six months was hell – I thought what have I done, until I got use to the ConstructOrg way. The culture here is entirely different from what I'd been use to, but now I feel I am a better person and I am enjoying it".

Directors and employees of ConstructOrg and LandscapeOrg described how they frequently have to update their knowledge and skills. A key feature of the emerging unwritten understanding between employer and employee is the notion that, as long as the employee continues to show she or he is capable, he or she will be entrusted with work that provides opportunities for them to extend their personal knowledge and skills, and which, in turn, increases the company's capacity to do business.

ConstructOrg

"I was given a job and I didn't know how to do it. It was on the Thames embankment and it was seven metres down, but the tide didn't allow you to work down there. So I just kept asking questions of people... I had this idea, and so I spoke to a few subcontractors and they'd heard of something and put me onto someone else, and I made a few phone calls, and we finally came up with something... but nobody in the company knew how to do it. That's not a criticism of our company because it was something that we had never come across before."

LandscapeOrg

"We've tried all-sorts of new things, like that environmental matting, ... and we are not frightened of taking a job on. We were one of the first companies to lay those plastic bumps for councils, and we developed a little machine to lay it."

"I picked stuff up from colleagues. I had a job last year, which no one had really time to look at themselves, and it was something we'd never done before...In that instance, it was a case of phoning round and just picking the brains of whoever I could find, and just sort of work it out for myself."

At LandscapeOrg, directors explained that, by providing opportunities and support for employees to achieve career development, they are doing what they think is right for the employee and the company.

LandscapeOrg

"There are plenty of opportunities at the moment for us to allow our designer technician to move into what he wants. We are keeping his interest by saying.... We want to keep him, because he is a good chap."

"I had the opportunity this year, the company got involved in a TV programme, doing some gardening in Sheffield.... to be honest, I really enjoyed it. Afterwards, I had lots of chats with the owner-manager, and he said, if you're happy, get out on site a bit and see what kind of work we do."

Predictably, it was found that, over time, and in a supporting environment, the employee's aspirations and expectations regarding their personal and career development, and the kind of work they want to undertake, change.

LandscapeOrg

"I know I can plan a supermarket up, but it doesn't interest me, just to go out on site, and help build it, plant it.... well it's monotonous. You might as well be working in a factory."

LandscapeOrg

"It was that Sheffield job, it killed it. It introduced me to people who build gardens at Chelsea, and win awards. And, when you get people like that saying to you ..., you start thinking, could I."

Several interviewees went on to describe how they had come to realise that, despite their employer's good intentions, and efforts on their part, they would no longer be able to achieve their career aspirations in their current company.

LandscapeOrg

“By the time I’m forty, I’d like to be a general manager, and by the time I’m fifty, I’d like to be a managing director, and whether that’s here, or somewhere else, it’s impossible to say.”

“I think it’s a good company, I enjoy working here – don’t get me wrong – a lot of people work here, it’s a nice atmosphere, but I don’t think I’ve got a future here. I don’t think there’s any further for me to go. I don’t see where I am going to develop from here.”

Opportunities for self –actualisation: Contract violation

a) Climate for personal and career development

And

b) Opportunities and support for career development

Comparisons

Implicit in most people’s comments is a belief, and an expectation, that a good employer will ensure there is a climate and support for personal and career development within the company. Many described how they expect to gain a feeling of self-fulfilment from their work, and that, all too often, they don’t have this sense of self-fulfilment.

ConstructOrg

“And I do have this personal thing of taking pride in whether I have done it properly or not. It bugs me if I haven’t. And I’ve been getting a lot of that lately.”

“I do payroll and accounts, and as long as people get paid, then I think that’s my job done. But that’s as far as it goes, and I can’t say that the job is done to my satisfaction.”

Referring to this expectation of a sense of self-fulfilment, some interviewees described how, in the absence of employer interest, or support, they had been forced

to take the lead in finding opportunities for personal and career development, and for job enrichment.

PrintOrg

"I was doing a really basic task, and so I started going round the company taking jobs off people, just to make my job more interesting. Really, it just grew from there. But I've always had to teach myself, or just tag along with someone, just to sit with someone."

"But my initiative has been because I had nothing to do. I've gone and said to Jane, teach me your job, and I'll teach you mine."

"Nobody really takes any notice of what you are doing, so, I just went along, and just got myself things to make my job more interesting."

Several interviewees described how they feel about the lack of opportunity to achieve career advancements.

ConstructOrg

"There's no where to go, other than out of the door."

"In this industry you don't talk about your future job prospects, you just get on with it."

"Career advancement is a little bit limited here, because of the size of the company. Obviously, if you are working for a big multi-national, there's more levels, but I think all of us, if we go up one level, we're a director."

Some people went on to describe how they are resigned to the fact, others expressed feelings of disappointment, or resentment.

ConstructOrg

"If you've never had it, you don't miss it."

"I feel as though I'm stuck in the same job, as I have always been"

"I've never known anything else expect accounts and payroll. But I feel as if I've just drifted on. I've come to accept it. I can't say I'm happy about it, but I've come to accept it."

“Well, I do the job I came to do, and I presume I’ll be doing it until I’m 60, And, I am happy about that, because that’s the job I came to do. There isn’t any opportunity to do anything else in the department I’m in.”

Many of the people interviewed, describe how they had come to expect, but not necessarily accept, that directors and managers would decide whether or not to promote and support their career development, without consulting them.

ConstructOrg

“There seems to be an attitude within the company, we’ll leave it to the directors, they’ll sort it out.”

“You just don’t talk about it. Sometimes you might wonder which direction they are trying to push you into, and you’ll ask a question.”

PrintOrg

“There’s no chance of being able to discuss your future job prospects with people here.”

For some, their experience is of being on the receiving end of ad-hoc career development, usually as a result of being invited, by a director, or senior manager, to take on new responsibilities. In discussions with the directors, it was discovered that, from time to time, they identify employees with potential, and look to give them opportunities to develop their potential, but usually in the absence of prior discussion with the employee. In such instances it is not unknown for the employee to have to guess why she, or he, is being asked to assume responsibility for the project.

ConstructOrg

“When the civil engineering work started to dry up, one of the directors had me in and asked me if I would be interested in receiving some building training.”

“They do appraisal, I’ve found out, but we’re not involved in them. It’s your contracts manager who goes in and does an appraisal on you with the director, so I believe.”

“But its like we said, if they are saying, well, he’s done a great job there, we’ll give him a chance on this next one, but you don’t know that. The only way you get to know is when they say right, you can go there now and give so and so an hand.”

Several interviewees at PrintOrg described how they believe career changes are only offered to them when it is in the company’s interest.

“I feel quite lucky, because one of the operators was off sick at the time, it saved them not having to advertise for someone else, but I think, if he hadn’t been off, I don’t think I would have got the chance.”

“What it is, they’ll specialise you, then, there is so much work in this specialist field that you do it all the time. So you get penalised in your appraisal, because you haven’t done other things within the pay banding system.”

When setting up the new team at PrintOrg, the appointed team leader, and the MD, chose the people they wanted to be in the team. People were not invited to apply, they were “called in” and informed that they had been chosen.

“Oh, it’s been disgraceful. I haven’t worked here so long, and I was absolutely staggered when I got into the boardroom, and was told that I was a member of the team. We were told one morning, got a phone call, went up stairs, how do you feel about this. I’d no idea it was coming.”

Several of the chosen ones found that they were no longer occupying managerial positions, and, even though they welcomed the opportunity to get away from an unpleasant working environment, they clearly felt they had been demoted.

“I was supervising fifteen people at one point, and then I was taken into this new team, I was just moved, and someone else came in and took over, and I just sat and kind of took a step down.”

“I was taken up stairs, it was the MD who told me. I mean, he put it in a really nice way, he said, well you know so much about this customer....”

“When I started my job, there was never anybody in for it. I’ve always had a free way because I had so much work. Suddenly, now there’s only one manager, and, I’ve got other people in front of me.”

Once the team was established, people gradually came to feel that they had been tricked; the move was not a career development move, but rather, a piece of cynically managed workforce re-structuring.

“A lot of us were up for it, because we were told our wages would increase. So I thought, great, and since then, nobody’s said anything about it, nothing’s materialised.”

CHANGES IN FEELINGS OF ATTACHMENT, AND COMMITMENT TO THE BUSINESS VENTURE

Comparisons

A feature of the landscapeOrg analyses was the extent to which it was possible to compare the attitudes of directors, and long-term employees, towards the company, with the reported attitudes of more recent recruits. Directors described their feelings of attachment to the business, and their employees. They referred to the business as a joint creation, a venture, which, to them, is about much more than just making money.

“We put our heart and soul into the company, and very much care for the company.”

“At one point, I think we were taking out less salary than our foremen were getting. But that’s how we’ve done it and we still do it, it’s frightening how much money’s left in the company. But its got a good future, and we haven’t robbed the company, and that’s why we’ve got something that we feel is worth having.”

The founder manager felt able to say:

“I know everyone as individuals. A lot of people we’ve brought up. The guy who started with me twenty years ago is still foreman out there.”

Similarly, in their comments, long standing employees of the company displayed some feelings of personal attachment to, and part-ownership of the venture, while, at the same time, commenting upon a perceived change in attitude among more recent recruits.

“We used to be working every Saturday, and Sunday. You would take work home, but all that’s gone now. I don’t think it’s gone because everyone’s on top of everything. I think its more a case of, well why should I put all this time in, when other people aren’t.”

During one discussion, three foremen described how, having been trained by the company, employees’ leave to work for an employer who will pay them a higher wage.

“We get men, we give them a bit of training, but we get men that are not interested. It’s making it a lot harder to get jobs done on time.”

“They say, I’m not working here for this sort of money.”

“I’ve one or two who say it’s alright, but others, they are just coming for a wage.”

In the recorded discussions, directors and foremen suggested that the lack of motivation, on the part of some recruits, could be explained in terms of their unwillingness to put up with the harsh working conditions during the winter months.

“It’s down to the conditions – its better when you’ve got the sun on your back, than when you’re wet through, and cold, in the middle of winter. They are alright cutting grass in summer.”

“I think the people we are now getting, aren’t as committed to the industry as we were. They go straight to college, and then come out, and, because they don’t have their middle year in the industry, they discover that it’s not what they thought it was going to be.”

“Our last HND student started in summer, and left last month, because it was winter, and the work was too hard for him, he just upped and said, thank you very much, but I find the work hard, and I’ve gone home.”

“When I was in my middle year at college, if you didn’t like it, or found it hard, you had to stick at it, but, you know, now they go home. They can be very good at the management theory part of it, but the actual physical work, they are absolutely hopeless.”

In summary, it is apparent from this analysis that there is grounded thematic support for the argument that reference can be made to proposed on-going processes of psychological contracting when seeking to explain key aspects of the changing individual-organisation learning relationship. The wider significance of this and other outcomes of the analysis are discussed in the next chapter.

CHAPTER 6

DISCUSSION AND CONCLUSIONS

CHAPTER OVERVIEW

This investigation was undertaken with the intention of explaining little understood aspects of learning organisation theory, and small firm learning in particular (see chapter one). The investigation's findings were presented in chapters four and five. Here, their implications are discussed, and proposals are made for new investigations into this area of research interest.

ORGANISATIONAL LEARNING IN SMEs

An important outcome of the investigation is that the research findings support the argument that people in small firms have a need for, and are able to engage in transformational learning. As explained in chapter one, several researchers (e.g. Vyakarnam, 1996) have argued that, when growing their business, owner-manager need to build and empower teams that continually search for new ways of looking at problems, and ways to exploit new ideas for products, services, and processes. A useful finding in this research is that, in its early years, the small firm is an ideal environment wherein people at all levels within the company can and do acquire a shared strategic and entrepreneurial understanding. They gain this knowledge and understanding while interacting with one another during the normal daily run of event. In small organisations, where employees have regular face-to-face contact with directors and managers, and, in some instances, work alongside them, people are only too aware of the everyday business challenges which the company faces, and ways of responding to those challenges.

In contrast, the findings also support a prediction that there will be some dilution of this wider entrepreneurial spirit as the firm grows, and that emerging circumstances within the evolving company will cause some employees to question their commitment to the venture. These twin observations are the subject of further discussion later in this chapter.

Emerging communications and learning issues

A feature of the analysis is the way it draws attention to the increasing managerial pre-occupation with emergent communication and people management issues in the growing firm. First, in the firm's early days a common expectation is that communications will be mostly face-to-face and informal, and that there will be few, if any, formalised meetings. Paperwork is minimal, and, in some instances, non-existent, and team members will be expected to deal with problems as they arise and, in the main, to manage themselves. Also, and for much of the time, managers and employees will work alongside each other, and everyone will get to know what she or he needs to know during everyday informal face-to-face interactions.

However, it is evident from the findings that, as more employees are taken on, and as additional premises are opened up, managers become pre-occupied with communication and people management issues. People find there is less time, or opportunity, to meet face-to-face, and informally, and there is a corresponding increase in the use of memos and other paper-based methods of communication. Also, and as proved to be the case in ConstructOrg and LandscapeOrg, managers spend more of their time planning and coordinating the work of teams, and it is no longer possible for them to maintain a 'hands on' involvement in the work of the business.

It is apparent from the research findings that this transition from informal to more formal methods of communicating is problematical for the typical small firm. Within the case firms, common reported experiences include more frequent interruptions in the downward, upward and sideways flow of information, and knowledge sharing, and people being less inclined to show initiative and creativity. Also, there is support in the findings for assertions that, as a business grows, there is the danger of a “them-and-us” split developing between the workforce and managers, and a tendency for later entrants to perceive the company as an established and ongoing firm, rather than an exploratory venture (Vyakarnam, et al, 1996).

Referring to the findings, a predicted outcome of a them-and-us split between management and the workforce is the way employees no longer expect to be involved in the process of plotting the firm’s future development. This becomes a particular danger when top-down processes and method of communication replace previous informal face-to-face communication processes. So, for example, people in all three case organisations intimated that they rarely, if at all, expect to be asked to make suggestions for improvement and change in working practices, and that, consequently, they don’t think about, or communicate, ideas for improvement and change.

These latter observations draw attention to another concern – the difficulties people encounter within the growing firm when it is expected that they will continue to learn informally, and with and from one another. As explained in chapter one, several researchers have argued that small firms are unable to run the type of training and learning programmes referred to in the typical idealised models of the

learning organisation, and that research should therefore focus on the proposed informal learning process which are said to characterise the small firm (e.g. Storey, 2002; Burgoyne and Jackson, 1997). Certainly, the finding from this research support the contention that people in small firms expect, and are expected, to learn from one another in informal social settings, and that time and resources are rarely made available for people to engage in more formal training.

However, it is apparent from the findings that it is not a foregone conclusion that people can, or will choose to continue to learn informally, and while working with and alongside each other, in the growing firm. A crucial factor appears to be the willingness and ability of managers to ensure there is time for people to train and learn with and from one another. Another important factor is the employee's changing perceptions concerning the learning climate within the company, and the employer-employee relationship. These related issues are the subjects of further discussion later in this chapter.

Emerging human resource issues

Another outcome of the core analysis is that it supports a prediction that owner-managers of growing small firms will find that they have to address a collection of new, and previously unexplored complex issues concerning staff recruitment, motivation, development, and retention.

First, a predicted concern for the owner-manager is their ability to satisfy employee ambitions for self-fulfilling and career enhancing work. Statements made by the directors and managers in LandscapeOrg, for example, provide useful insights

in the inherent complexities of this issue. On the one hand, it is recognised that profitable work is not always interesting, or pleasant to undertake, and that the firm's continued existence is often dependent upon people undertaking profitable work which is also uninteresting, and sometimes unpleasant. On the other hand, the statements of employees indicate that they aspire to do interesting and career enhancing work, and that this is an important factor which they take into account when deciding whether, or not, to look for another job.

A second, and related set of competing demands, concerns issues regarding people development, the cost of providing training and other employee development opportunities, and the firm's continuing ability to retain people after they have been developed, particularly when the employee's expectation is that she, or he, will be paid more in return for being more qualified and experienced in the job.

In each of the case study firms, the policy is to provide training for managers and employees. Furthermore, at ConstructOrg, and LandscapeOrg, directors and managers actively pursue a policy of encouraging and helping people to get involved in projects which offer them opportunities to acquire new knowledge, and to develop new skills. Doing this, they believe, is in interests of the employee, as well as the company.

However, providing training and other employee development opportunities is a costly business, and, in view of the findings from this investigations, it can be expected that the owner-manager will increasingly be pre-occupied with the complexities of funding a growing, and increasingly costly training programme,

responding to the rising wage expectations of employees, and, at the same time, absorbing the impact of low, or, in some instances, reduced profit margins. Being aware that they have little financial scope to both train, and pay employees higher wages, there is an ever-present danger that the firm will end up training people for the benefit of other employers.

Reflecting and commenting on these issues, the directors and other managers at LandscapeOrg referred to the potential consequences of pursuing their policy of training and developing employees, i.e. the way training, job-enrichment, and personal development projects widen people's horizons and expectations, and how it is difficult, and sometime impossible for the small firm to satisfy the employee's increased expectations.

In the small firm, it can be expected that the rate of growth will be insufficient to support the creation of additional, more highly paid roles for people to achieve their emerging career aspirations. This was the case in LandscapeOrg, and ConstructOrg, and, not surprisingly, several respondents described how they were torn between wanting to stay with what they considered is a good company, and feeling that they would have to leave if they were to find a higher paid job, and, or, the aspired career move.

Summarising the findings as discussed so far, evidence was found to support the claim that people in small firms are able to engage in transformational learning, and that individual and collective learning processes within the small firm are mostly informal.

Focussing on the informality of these learning processes, evidence was found to support an important aspect of the first part of the two-part research proposition, namely, that the small firm can usefully be construed as a network of informal communities, wherein people interact to learn with and from one another, so that they can do what is required of them. Also, there is clear evidence of people expecting to derive personal benefit from engaging in such learning processes.

Having made this point, it is also clear that the evidence supports a proposition that, within the growing firm, managers increasingly become pre-occupied with a range of previously un-addressed learning issues that have implications in terms of the firm's capacity to survive and grow. In particular, the finding support the claims made in the second part of the guiding research proposition, namely, that people's continuing willingness to engage in informal communities for the purpose of learning with, and from one another, cannot be taken for granted.

In the case study organisations, people appear to take account of the climatic circumstances within a firm, when deciding whether or not to engage in informal learning processes. In particular, the findings support the argument that reference can be made to proposed on-going processes of psychological contracting, when seeking to explain the way in which people negotiate, agree to create, and engage in informal learning communities. These finding and their implications are discussed in the next section.

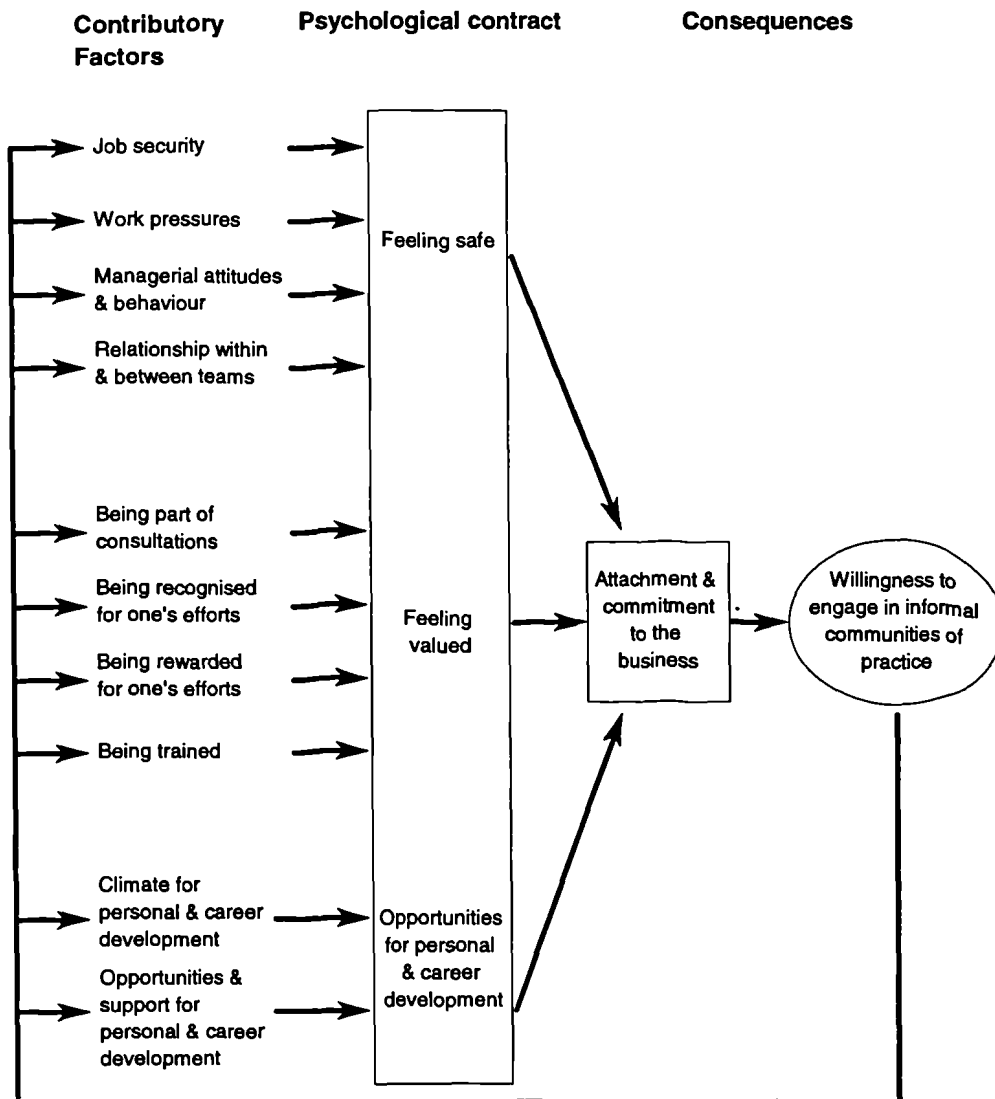
THE CHANGING INDIVIDUAL-ORGANISATION RELATIONSHIP

It is argued that in all three organisations, people described a process of psychological contracting which can usefully be likened to a form of 'improvised' role-related drama (see chapter one). When describing interactions within their formal, and informal, groupings, people implicitly referred to, and commented on, factors, which, they implied, caused them, and their colleagues, to be willing, or unwilling, to engage in collaborative learning practices. They were, in effect, describing how, over time, their implicit and unwritten mutual expectations of one another are negotiated, affirmed, renegotiated, and, in some instances, violated, during specific interpersonal encounters.

As explained, three higher, and ten lower order thematic categories were identified and used in order to tentatively model people's implicit, and unwritten, mutual expectations of one another (figure 5 .1, chapter 5). Using this tentative model, it was found that people assigned meanings to their experiences that suggest they felt an implicit psychological contract was being negotiated, affirmed, or violated. Also, it was apparent that people were more likely to express feelings of attachment and commitment to the business, and a willingness to engage in formal and informal learning practices, when they *felt an implicit contract was being affirmed*. Conversely, they were found to be less likely to express feelings of attachment and commitment to the business, and a willingness to engage in formal and informal learning practices, when they felt a contract was being, or had been, violated.

Consequently, it is apparent from the analysis that, when describing their experiences and the meanings they assign to them, people in the three case studies were implicitly describing aspects of an ongoing process of emergent psychological contracting, operating at all times within their organisations. This process is represented in a proposed model, figure 6.1, which is grounded in the one developed during the core analysis.

Figure 6.1: The ongoing process of psychological contracting and the changing individual-organisation relationship



According to this model, psychological contracting is a continuous process, and there is a clear relationship between people's perceptions concerning the emergent psychological contract, and their feelings of attachment and commitment to the business, and their willingness, or unwillingness to create, and engage in informal communities of practice.

In the model, the psychological contract comprises people's perceptions of feeling safe, feeling valued, and of being in a climate, and having the opportunities and support to achieve personal and career development. The 'contributory factors' are the content of the process of psychological contracting, and are the changing perceptions of behaviour, and working terms and conditions, which cause people to feel the psychological contract is being implicitly negotiated, affirmed, renegotiated, or violated.

In terms of people feeling safe, contributory factors are their perceptions regarding the security of their job, pressures of work, the attitudes and behaviours of managers, and relationships within and between teams. In terms of feeling valued, contributory factors are people's perceptions regarding being part of consultations, being recognised and rewarded for their efforts, and being trained. In terms of opportunities for personal and career development, it is people's perceptions as to whether they are, or, are not, working in a supporting climate, wherein there are opportunities to achieve personal and career development.

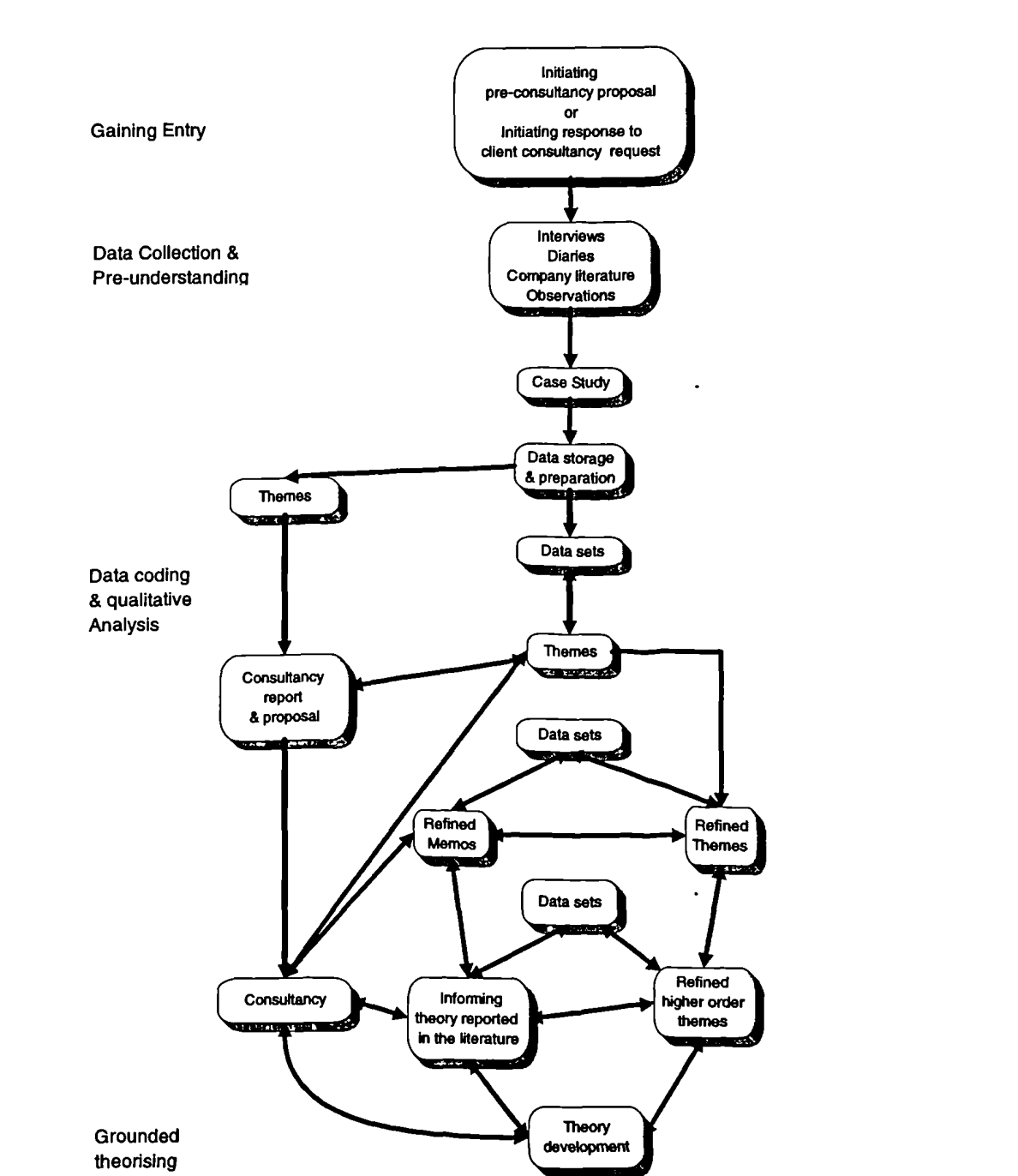
In addition to portraying the ongoing processes of psychological contracting and their impact within the small firm, the model also highlights two other key themes with organisational theory. First, it draws the researcher's attention to the

idea that there is significance in every aspect of organisational life; that the organisation rests in systems of shared meaning; that individual-organisation relationships are socially constructed; that issues of power and conflict are central features of psychological contracts, and that psychological contracts can be treated as forms of social representation (Hayes, 1998a, b)

A second feature of the proposed model is its capacity to indicate how the same processes give rise to perceptions of an implicit psychological contract, and organisational culture. As explained in chapter one, there are frequent references to the modelled features of the processes of psychological contracting in the literature concerning organisational culture.

RESEARCH AND CONSULTANCY.

In chapter two it was explained why a number of researchers have expressed an interest in exploring the extent to which combinations of the roles of academic researcher, and management consultant, might result in higher quality consultancy, and improved access to organisations for research purposes. During this investigation, the opportunity arose to explore the value of using grounded theory methodology in a consultancy setting. This use of the methodology is portrayed in figure 6.2.



The model shows that a useful way of gaining access to an organisation for research purposes, and, or, to provide consultancy services, is to present an initiating pre-consultancy proposal to the organisation's representatives. The proposal may or may not have been invited by a representative of the organisation. And, the consultant-researcher may or may not have previous knowledge of the organisation.

As explained in chapter two, the consultant and researcher is advised to obtain some "pre-understanding" of circumstances within the organisation, and of people's experiences and understandings, at the start of research programme or consultancy assignment.

An important finding during this investigation was that gaining entry to an organisation is a time consuming process, during which members of the organisation seek to assure themselves of the quality, and good intentions, of the consultant-researcher. The gathering of data during a pre-consultancy data gathering exercise, and the presentation of the initial findings to the organisation's representatives, provides a useful opportunity for them to assure themselves of the consultant-researcher's quality and good intentions, and for discussing and agreeing opportunities for further added value consultancy and research.

According to this model, it is possible to envisage, but not always practical, or essential, for the consultancy and the research programmes to continue to be run side by side. However, it is inevitable that there will be a time when the consultancy reaches its natural conclusion, and, perhaps, before the anticipated coding and analysis of the data is complete. Furthermore, when the investigation involves multiple case studies, it is even more likely that individual consultancies will be

negotiated, entered into and completed at different times, and before the overall research investigation is finally complete. The model does, however, show how there are rich possibilities for mutual grounded research, and consultancy.

A key feature of the model is the way it incorporates the use of grounded theory methods within a consultancy setting. In the course of this investigation, and as described in chapter three, grounded theory methods were used when coding and analysing data obtained during the three consultancies. An important finding was that, at various stages during the qualitative analyses, it was both possible and practical to incorporate, and refer to, emergent researcher understandings when reporting to the representatives of each organisation.

The ethical implications of combining the roles of researcher and consultant are widely discussed in the literature (see chapter two). As explained, a particular concern is the way the researcher can sometimes find that she, or he, is prevented from researching and commenting on key issues because of the damaging implications for the firm, and, or, for individuals in the organisation. In the course of writing this thesis, the researcher thought long and hard about the potential implication of reporting some of the research findings, particular when, as in some instances, they reflect badly on a particular organisation. It is for this reason that owner managers and other respondents in the organisations were asked for, and gave their permission for the researcher to use the data during this investigation. Furthermore, every effort has been made to ensure the anonymity of the organisations when writing this thesis. Similarly, assurances were given, and honoured, that feedback to the directors, and senior managers would be unattributed and generalised, so that the identities of the respondents would be protected.

However, having acknowledged this issue, it is also important to point out that, as explained in chapter two, it is inconceivable that this kind of investigation could have been conducted, and its findings uncovered, other than by gathering qualitative data from people in their respective organisations, and by using qualitative techniques when handling and analysing the data.

FUTURE INVESTIGATIONS

Two main strands of further investigation are indicated in this research. Firstly, it has been argued that one of the investigation's contributions to the growing body of knowledge is to offer tentative conceptualisations of small firm learning and the changing individual-organisation relationship. These conceptualisations are rooted in the notion that the small firm can usefully be construed as a network of informal learning communities, particularly when the individual's willingness, or unwillingness, to engage in informal group learning practices is explained in terms of an ongoing, and emergent process of psychological contracting.

Further investigations are required to test the usefulness of the proposed modelling of the process of psychological contracting, and its bearing on peoples' willingness, or unwillingness to form, and engage in, informal group learning practices. It is envisaged that such investigations would include a number of replicate studies, using the methodology as described in this thesis, and focusing on other small, but growing businesses. Equally valuable would be a number of replicate investigations, based on larger public, and private sector organisations, so that the model's capacity to conceptualise the changing individual-organisation relationship, in all types and sizes of organisation, could be assessed. It would also be appropriate

to investigate whether the model has relevance when seeking to explain the changing individual-organisation relationship in a variety of national cultural settings.

Secondly, it is argued that another contribution to the growing body of knowledge concerns the proposed consultant-research relationship (e.g. Gummesson, 1991, see chapter one). This investigation contains examples of how qualitative research methods can be used in the context of a reciprocal arrangement where the researcher agrees to provide consultancy in return for improved access to the organisation for research purposes. That being said, when making this point, it is also recognised that a number of issues need to be further investigated, not least, issues concerning the inherent dangers, as well as benefits, in this type of reciprocal arrangement.

A particular useful avenue of research would be to investigate the use of qualitative research methodologies when planning and conducting a form of co-operative inquiry (see chapter one). For example, such investigations might focus on how those inside the organisation can be empowered to make use of the proposed grounded research methodology, and, in the process, assume the roles of co-researcher and co-consultant.

CONCLUSIONS

In summary, the outcomes of the investigation are as follows. There is grounded thematic support for the argument that people in small firms have a need, and are able to engage in transformational learning. In particular, the findings support the making of a two-part proposition concerning small firm learning and the changing individual-organisation relationship. First, that the small firm can be usefully

construed as a network of informal communities, wherein people interact to meet their own, sometimes competing needs, and to learn how to do what needs to be done. Secondly, that the way people negotiate and agree to form and engage in these informal communities of practice can be usefully explained in terms of an ongoing process of psychological contracting.

Another outcome of the investigation is that it was possible to explore the value of using grounded theory methodology during a dual research and consultancy role. This part of the investigation is also described and discussed.

Finally, the case for wider investigations to test the emergent two-part proposition concerning small firm learning, and the changing individual-organisation relationship, is argued.

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APPENDICES

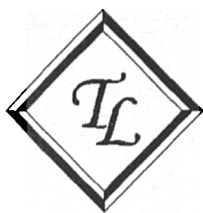
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APPENDIX 1

Co-operative inquiry - validity procedures

Research cycling	This is about ensuring there are several cycles of action, experience and reflection and that individual experience, and reflection, is open to influence by collective experience, and visa versa.
Balance of divergence and convergence	The means ensuring there is a balance of activity, whereby individuals and sub-groups sometimes diverge to explore different aspects of the inquiry topic, either in the same, or in different ways, while at other times they explore the same aspects of the topic, either in the same, or in different ways.
Balance between experience and reflection	This is achieved when equal attention is paid to action, and reflection phases during each of cycle.
Aspects of reflection	This is about making sense, and reaching agreement about different forms of knowing: knowing on the basis of practice/action, theoretical knowing, experiential knowing, and presentational (intuitive) knowing.
Falsification	This involves building opportunities for individual and collective 'devil's advocacy', into the cyclical inquiry process
Balance between chaos and order	This is about being open to, and providing the conditions whereby people can take risks, experience periods of uncertainty, confusion, ambiguity, and chaos, as a necessary prelude to new and insightful learning.
Management of unaware projections	This is about providing the conditions, and helping people surface their unspoken / hidden fears, and defensiveness, which could otherwise lead to distortions occurring in the inquiry process.
Sustaining authentic collaboration	This is about working to ensure each member of the inquiry team is able to, and remains confident about playing a full part in the process.
Open and closed boundaries	Boundaries are open when, during the inquiry, there is interaction between the co-researchers, and others outside the group, and outside the organisation.
Coherence in action	This is about working to ensure inquirers act in a coherent and concerted way.
Variegated replication	This means the inquiry, in terms of its perspective, research design, and practical content can be replicated, but not necessarily in the same way. The concept of literal, and exact replication is antithetical to the principles, and practices of co-operative inquiry, and the nature of subjective-objective reality as experienced, and reflected on by people individually, and collectively.

APPENDIX 2



St. William's Foundation

Learning To Win

An management briefing on a powerful approach to gaining and maintaining competitive advantage through learning

Church House, Ogleforth, York

Thursday 10th July 1997, 9.30 a.m. to 1.00 p.m.

Should you attend?

- Senior executives / managers of private & public sector organisations
- Executives / managers responsible for in-company training & development

Are you concerned about:

- ☐ Improving your organisation's ability to win & retain new business in increasingly competitive times?
- ☐ Motivating and energising your people to achieve your organisation's vision and strategy?
- ☐ Improving performance by sharing experience and learning?
- ☐ Effectively managing strategic change?
- ☐ Building effective teams?
- ☐ Realising added value by putting creative ideas and innovations to work?

If so, join us for the executive briefing on *Learning to Win*, a teach-in about gaining peoples commitment and energising them to achieve business success in complex times.

This briefing is not about impenetrable jargon. It is about approaches and techniques which are essentially very simple yet highly effective. They can be applied in any organisation.

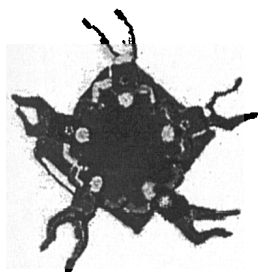


It is widely recognised that the effectiveness and success of every organisation - from the smallest to the largest, and in every sector, is increasingly determined by four key factors - all of which the organisation can use to its advantage, if it chooses to act on them:

- A clear strategy which involves delivering significant value to the customer
- Maximising know-how by learning systematically throughout the organisation
- Innovating to develop and introduce new ideas fast and effectively
- Developing networks with customers, suppliers and partners

Programme Details

The briefing consists of four powerful sessions, each of which concentrates on the **how to** techniques of building organisational learning and making it work:



High Performance Teams

Session 1	<i>Effective team learning & empowerment</i>
Session 2	<i>Generating creative solutions</i>
Session 3	<i>Effective learning through mentoring and coaching</i>
Session 4	<i>Case Study Presentation</i>
Session 5	<i>Bringing it together to impact on organisational performance: Building the culture for achievement.</i>

What you will gain from the briefing

- Enhanced understanding of the nature of **learning in organisations** and why learning is a vital weapon for competitiveness
- An overview of the **techniques for making learning work** for business advantage
- A way of **assessing how effectively learning is used** within your organisation at present
- How to **pinpoint ineffective learning processes, learning disabilities** and improve them

Who is leading the briefing?

Tony Leach -	Consultant on organisational learning and researcher at Huddersfield University Business School
David Rae -	Senior Lecturer in Enterprise at Nottingham Business School and Managing Consultant of Adept People Ltd
Mike Whittaker -	Co-author of 32 Activities on Coaching & Mentoring to be published by Gower in July 1997
John Seager	Head of Providers (Adults) Calderdale Social Services

When & where is the briefing to be held?

The executive briefing will be held on at **Church House, Ogleforth, York** on **Thursday 10th July, 1997, from 9.30 a.m. - 1.00 p.m.**

Fee: £47.00 inc VAT

Lunchtime refreshment will be provided.

Please place your booking by returning the attached booking form by post or fax. Payments to be made by 21 days prior to the briefing.

APPENDIX 3

**Building A Strategy for
Employee Training & Development**

**A Proposal Prepared for
ConstructOrg**

Tony Leach (Consultants) Ltd

1. Background

We note that ConstructOrg is committed to a process of continuous improvement in order to ensure customer satisfaction and to win new business. To underpin this commitment, board members have for some time been considering the need to develop and implement a company-wide strategy for training and development. Currently, there is broad recognition of the need to begin by developing an appropriate strategy for identifying training and development needs.

Following initial meetings with — and —, Tony Leach (Consultants) Ltd has been asked to prepare and present these proposals.

2. Our proposed approach

The purpose of a training and development plan is to ensure each employee has the knowledge, skills and attitudes so that the company can achieve its business goals and targets. When identifying training and development needs a company has to establish and maintain a range of mutually supporting processes and procedures for activities such as appraisal / performance reviews, recruitment and succession planning, induction, on-the-job coaching and mentoring.

We assume the board of ConstructOrg will wish to examine all aspects of need prior to developing and implementing a company training and development plan. In which case we suggest a three-stage approach:

Stage 1 - A Survey of the current position & potential

- Ownership of the process
- Information gathering:
 - understanding the company and its corporate objectives
 - establishing the issues and aspirations
 - developing the survey methods
- Analysis and interpretation of results
- Presentation and reporting to the board
- Communication of findings
- Review and strategic planning

Stage 2 - Training Needs Analysis

(Focusing on the needs of senior and middle managers - a pilot exercise)

- Establishing and agreeing the methods for gathering information on collective and individual training and development needs:
- Information gathering
- Analysis and interpretation of results
- Review and strategic planning

Stage 3 - Training and Development Planning

(Focusing on the needs of senior and middle managers - a pilot exercise)

- Prioritising training and development needs
- Setting training and development objectives and targets
- Identifying and agreeing strategies for achieving training and development targets
- Producing, resourcing and implementing training and development plans
- Establishing the methods and processes for monitoring and evaluating training and development
- Monitoring and evaluating training and development
- Review and strategic planning

Because we cannot predict the findings from the suggested Stage 1 activity, we have outlined, and costed, a schedule of work for Stage 1, on completion of which and subject to the board's approval we would then make recommendations for the Stages 2 and 3 follow-up work.

3. Stage 1- A Survey of the current position & potential

Schedule of Work

a) Ownership of the process

Because board members of ConstructOrg have ultimate responsibility for strategic planning it is essential that they influence, approve and take ownership of the survey process. Consequently, we would seek to make an initial presentation to board members during which we would describe and explain in detail our proposals and at the same time seek to clarify the board's requirements from the survey.

Thereafter, we would recommend that the survey and its purpose is announced to all employees as soon as possible. Such an announcement could be made in a personal letter to each employee from the most senior person in the company and / or in newsletters, memos, noticeboards etc.

b) Information Gathering

i. Understanding the company and its corporate objectives

When undertaking an assignment such as this we would need to understand the company's overall objectives and plans - expressed as mission statements, visions, values and business development objectives and targets- and to determine the extent to which these objectives and plans are shared across the company. In essence, we need to become familiar with the culture of the business and the processes whereby strategy is set.

We would also need to help the company determine and understand how the results of our work are to be included in future human resource policy making and appreciate the decisions which might be made as a consequence.

To gain this necessary pre-understanding we would:

- need access to all relevant company documentation (**all information would be handled in strictest confidence**);
- use a published and internationally tested questionnaire (the Team Climate Inventory) in order to assess the culture within the company;

iv. Analysis of and interpretation of results

Questionnaires can be quite lengthy and may take between 15 and 30 minutes to complete. They also generate a large amount of information, which needs to be aggregated so that hypotheses can be tested, and conclusions drawn.

Analysis of the findings from the **Team Climate Inventory** will be carried out using the published software. A full report will be made available of these findings, their interpretation and implications for the company. When analysing and interpreting the results of the second questionnaire which we propose to design, we would cross-tabulate the questionnaire responses. The answers to each question would be shown in total and analysed by relevant sub-groups such as:

- work location / team
- age
- gender
- length of service
- job grade / salary
- function / department

Sub-group titles would be determined after consulting board members.

Together with appropriate statistics for significance testing this analysis would enable the organisation to gauge the degree to which the workforce, as a whole and in parts, hold particular views about company development issues.

Transcripts of interviews will be typed up and proven software will be used for the purpose of content analysis.

c. Presentation & reporting

Our report on the results of the Stage 1 survey would take the form of a written report (including tabulation of results) providing a commentary on the findings and detailed recommendations and proposals for the follow-up Stage 2 & 3 work. We would also make a MS Powerpoint presentation to the board.

d. Communication of findings

At the outset we would recommend that the board commit to publishing the key findings of the Stage 1 survey to all company employees. Such a commitment will encourage employee co-operation and candour when information is gathered and should ensure future employee commitment as the company's human resource strategy is developed and implemented.

We would also prepare presentation packs for managers to communicate the findings of the survey via Team Briefings.

4. Timings and costs for proposed stage 1 survey programme

A detailed schedule will be prepared following the proposed initial presentation to the board. We have provided an estimate of costs based on all the assumptions contained in these proposals.

- Developing the methodology, information gathering, including administration of questionnaire, personal and focus group interviews and analysis of results
- Publisher's fees for using Team Climate Inventory with 55 employees
- Preparation of report, presentation materials / pack and presentation time

5. Why choose Tony Leach (Consultants) Ltd?

For this project, Tony Leach would be the lead consultant and from time to time it is anticipated that David Rae would also be involved. Other consultancy expertise would be made available as required. Full consultant CVs will be made available.

The approach described in this document, the CVs of our proposed consultants and resources provide an insight into our capability. Probably the most important reason to select us for this assignment is that we understand the investment required by you in the project, not just financially but in faith that the outcome will be worthwhile.

We also understand your need to effectively implement recommendations from the survey so that your business can be seen to grow as a consequence.

18 Guarantees for our Fieldwork & Consultancy

1. Quotations fully detailed showing the assumptions about the interviews and all the services included, with no hidden extras.
2. Fully detailed project schedule supplied on commission
3. All project questionnaires and interview schedules independently vetted
4. All project methodology approved by client
5. All projects personally briefed to interviewers & consultants
6. Agreed interim reports to client on fieldwork achievement
7. Fieldwork quality report produced at end of each project
8. All fieldwork activity conforms to our published Code of Conduct
9. Monitoring of each individual interviewer's / consultant's work
10. Manual edits of all questionnaires and interview schedules
11. All monitoring and editing completed before despatch to data processing
12. All questionnaires insured in transit
13. Fieldwork completed on time and to specification
14. Fieldwork completed within price quoted
15. All interviewers and consultants are recruited and trained to recognised professional standard
16. All interviewers and consultants regularly monitored, assessed and developed within a continuous training and development programme
17. End of project report and materials produced to support line-management communication of results
18. MS Powerpoint presentation to senior management team.

APPENDIX 4

Consultancy Plan – presented, in the form of a letter, and during a meeting with the directors of ConstructOrg

Consultancy Plan

1. Gather and read related documentation.
2. Consultant activities:
 - 2.1. Semi-structured interviews with five focus groups (3/4 in each group). A total of 2 interview sessions with each group, each interview lasting approximately 45-50 minutes.

Groups:

- a group of senior managers / board members
- a group team leaders
- a group of in-company employees
- two groups of site based employees

Related issues:

How to identify group membership and inform those involved. How to inform all company employees of the project, and its purpose.

2.2 Draft questions for first lot of interviews:

With senior managers / board members & team leaders:

- a) Do you think it is important to and how is company / employee performance judged? How do managers / you / employees react when faced with good & bad performance? How satisfied are you with these responses?
- b) How are recruitment needs assessed and met? Do you think it is important to and how are new recruits inducted into the company? Is there a system whereby existing employees are trained to fill new positions in the company? How satisfied are you with these activities?
- c) Do you think it is important to and how does the company set out to retain good employees? How good is the company at keeping such employees?
- d) How do managers / you set out to ensure employees know what to do and how to do it? How effective is this 'in-the-job' training?
- e) Do you think it is important to and how do you seek to gain the opinions and ideas of employees when planning quality improvements? How effective are you at getting employees ideas and opinions?
- f) Do you think it is important to and how do managers / you ensure the working environment is pleasant and safe? How are employees encouraged to voice their grievances and concerns? How satisfied are you with the way these processes and procedures work?
- g) How is information communicated (informally and formally) throughout the company? How effective are these communication systems?

Interviews with other employees

- a) Do you think it is important to know how well you do your work? How does your manager / do you know how well you are doing your job? Do other people, including your line manager, comment upon your performance and how do you feel about it?

- b) When you first joined the company and since then, how did you / do you find out all you needed to know in order to do a good job? Were you / are you ever left in the dark?
 - c) If you are asked to do something which you have not previously been trained to do, how do you / are you helped to develop the new skills?
 - d) Do you ever have chance to talk to your line manager / other managers about your job and your future job prospects. Do you think it is important to have such discussions?
 - e) Do you feel that you and your work are appreciated? If so, how is such appreciation shown?
 - f) Does your team leader and other managers ask you for your ideas on ways in which jobs are done and how they can be done better? How are you encouraged to share your ideas? If you say what you think, will you get the sack?
 - g) If you are unhappy about anything to do with your job / outside your job and your work begins to suffer, are you able to and do you feel safe to discuss issues of concern with your line manager / other managers?
- 2.3 During the second round of interviews, the discussions will be centred around a more focused group of questions. We will take into account the responses to the first round of questions when identifying the questions for the second round of interviews.
- 2.4 Unless interviewees object, we propose to make tape recordings of all interviews. This will aid our recall of what we expect to be very detailed discussions. We also expect, as necessary, to respect the anonymity of individuals who provide us with information in confidence. In such instances our stated policy will be to record and report on the information but in such a way as to maintain the individual's anonymity.
- 2.4 During the period when we are conducting the second round of interviews, we propose to use the Team Climate Inventory questionnaire in order to obtain additional company-wide supporting data. We feel it would be best if everyone in the company has opportunity to complete this questionnaire.
- 2.5 Having gathered and analysed the necessary information, we will produce and present our report with recommendations to the board as specified in our business proposal.

Tony Leach
(30th October 1997)

APPENDIX 5**Letter to MD, PrintOrg**

31st October 1997

Dear

Team Training and Development

Many thanks for your letter dated 24th October 1997.

I agree that it will best to wait until after my scheduled visits on the 17th/18th and 21st November before discussing in detail how I might be usefully employed.

On the 17th /18th November I would like to use the opportunity to get to know team members, to become familiar with the team's current stage of development and future training and development needs.

Clearly, over the two days I will be observing, familiarising myself with processes and procedures, and related documentation, as well as having conversations with people. I think it would be useful all round if I held a number of semi structure discussion with individuals and / or small groups of 2/3 people during the two days. To stimulate discussion, and to obtain quality information, I would ask a total of 6 or 7 question during 40 - 45 minute discussions. Interviewees would have access to the questions beforehand so that they can give them some prior thought and also to allay, hopefully, any fears they may have. If the interviewees are happy for me to do so, I will tape record the discussions. Alternatively, I will record the discussions myself.

I think it will be best if I agree with the interviewees that, unless they agree otherwise, I will not refer to them by name or any other obvious identifiable means when reporting on information and views given during the discussions. I have drafted the following questions to give you a clear idea of the proposed content of the discussions. Perhaps you, — and I should meet at some early date in order to discuss my suggestions and, if you think they are appropriate, make necessary plans.

Draft questions for semi-structured interviews

1. How long have you been with the company? what did you do before you joined the company?
2. When you first joined the team and since then, how have you been able to find out all you need to know in order to do a good job? Have you / do you every feel that you are being 'left in the dark'?
3. Does your team leader / other managers ask you for your ideas on ways in which jobs are done and how they can be done better? How are you encouraged to share your ideas?
4. How do you and other members of the team know when you are doing a good job? Do you feel you and your work are appreciated and, if so, how do you know?
5. When you are faced with having to do something which you have not previously been use to doing, how do you / are your being helped to develop the new skills and confidence?
6. Do you ever have chance to talk to your team leader / other managers about your job and your future job prospects. Do you think it is important to have such discussions?
7. If you are unhappy about anything to do with your job / outside your job and your work begins to suffer, are you able to and do you feel safe to talk things over with your team leader / manager?

Yours sincerely,

Tony Leach
(Director)

APPENDIX 6

Dear

We would like to invite your company to be one of a panel of local businesses. Huddersfield Pride Ltd have awarded us a contract to research, report on and support the growth of innovative businesses in Huddersfield and surrounding districts. Consequently, over the coming two years we will be carrying out quarterly surveys to discover how a panel of small and medium sized businesses are learning how to grow.

Our hope is that the panel of businesses will remain the same over the two-year period so that we develop a 'barometer' to record key issues concerning the growth of innovative small and medium sized businesses. We are developing similar 'barometers' of growth businesses in other parts of the region so that we can present a larger picture of how businesses are effectively managing to grow themselves.

What will it involve?

The Barometer survey will be in two sections. Every three months we will ask you to complete a questionnaire similar to the one enclosed. From time to time we might also contact you in order to hold a short interview. The second section will be customised so that we can discover how each company is responding to a particular business growth challenge identified by the company itself, and if the company wishes, provide support to help the company respond to the challenge.

Your time and co-operation will be very much appreciated. You have our assurance that the information you provide about your business will be treated in strictest confidence.

How do you benefit?

It is our intention to share our general findings with panel members and to support the growth of their businesses by providing various support programmes and information. We will also be publishing our general findings on the Huddersfield Creative Town Website. There will also be opportunity to meet with owner managers of other growth businesses at our planned network seminars.

What to do next?

If, on behalf of your company you would like to be a panel member, please complete the enclosed questionnaire and return it to us in the SAE provided. A few days afterwards we will telephone you to acknowledge receipt of the questionnaire and to answer any questions you may have to put to us.

Yours sincerely,

Director,
Tony Leach Consultants Ltd

Professor Brian Kenny School
Huddersfield University Business

APPENDIX 7**Letter to MD at LandscapeOrg**

21st September 1998

Dear

Further to our discussions during last week's meeting, I propose the following actions to help you and ---- tease out your company's management development issues and to plan a response.

When undertaking an assignment such as this I would need to understand the company's overall objectives and plans and the way everyday operations are managed - expressed in mission statements, visions, values and business objectives and targets. I would also need to determine the extent to which these objectives and plans are shared across the company. In essence, I need to become familiar with the culture of the business and the processes whereby strategy is set and communicated.

To gain this necessary understanding, I would need to:

1. Access all relevant company documentation/information concerning:
 - company strategy including aims, objectives and values;
 - the processes and procedures whereby:
 - strategy is planned and communicated;
 - everyday operations are managed;
 - people are managed and supported in their development;
 - information is communicated and managed within the company.

All information would be handled in strictest confidence.

2. Hold a series of semi-structured interviews with groups of 2 -3 employees based at the ----- site to gain their views and perceptions concerning management issues. On the basis of our discussion last week, I believe we tentatively identified eight groupings:
 - a group comprising -----;
 - a group comprising the Training Supervisor and the Maintenance Manager;
 - a group comprising the Mechanic and Yardman;
 - two groups of between 2 and 3 Foremen;
 - two groups of between 2 and 3 operation people, and;
 - a group comprising the Estimator, Quantity Surveyor and Designer.

Each interview/discussion would last approximately 40-50 minutes and the purpose would be to discover:

- a) the extent to which company aims, objectives, targets and plans are shared across the company;
- b) views, and perceptions, concerning the evolving management issues as the company grows.

If interviewees agree, I would tape each discussion so that I don't have to make notes at the time. When reporting back to you and Hugh, people would know that I would recall views and observations so that the individuals expressing them would not be identifiable, unless they agree otherwise.

The interview would take the form of a discussion and, if you and Hugh agree, I would facilitate the discussion by asking the following questions:

- i. When you first started here and since, how did you learn about your job? Do people here all learn in the same way?
 - ii. How do people go about learning the skills needed for tackling new jobs?
 - iii. How is communication in this organisation? Does it let you know what you need to know?
 - iv. In the last fortnight or so, what have been your main concerns as you have gone about your work?
 - v. How are ideas for improvement passed upwards, downwards and sideways in this organisation?
 - vi. Are you able/ do you feel able to discuss your job and your future job prospects with you team leader/line manager or a senior manager?
 - vii. Would you feel able to discuss personal matters, which might affect your work with your team leader or line-manager?
3. Having collected the necessary information and conducted the interview discussions, I would prepare and present a report, including observations and recommendation for future action.

My fee for the above work would be:

If you decide to go ahead, I recommend that you inform all your employees based at the ----- site about the exercise and its purpose as soon as possible. Such an announcement could be made in a personal letter to each employee and/or via a newsletter, memo, notice board etc.

Finally, I believe these proposed activities go along way towards giving your employees an opportunity to express their views and concerns – a point you particularly mentioned during our meeting.

Please let me know if you wish to go ahead on these terms. I would be happy to begin the work at your earliest convenience.

Yours sincerely,

Tony Leach
(Director)

APPENDIX 8

Transcript of a sample interview

I applied for a job as a middle aged student just working out on site about five years ago actually.. um I came and work a bit during the first at college just so of to get a feel for the place and also to make sure ---- was happy with me and then I came as a middle year student and worked for 14-16 months, something like that ...just started off on site then sort of moved into the office – doing a bit of drawing and stuff – being a bit of a dogs-body ..um a bit of all sorts really, measuring stuff up. Went back to college and the company sponsored me in the final year – I carried on doing bits and pieces for them while I was at college – drawings and that sort of thing, then I came back when I finished (at college) and I've been back two and a half year now. Again, when I came back from college bit a sort of non-descript role – bit of everything, bit out on site, a bit in the office but last twelve months it's being been virtually all in the office ... basically doing the drawings, designing, bit of contract managing, looking after a few jobs and stuff, bit of everything.

Question: How have you learned the job, what to do and how to do it?

Um ... picked stuff up from colleagues..um it depends.. somethings you sort of.. I had a job last year which no one had really time to look at themselves and it dropped on my desk and it was something we'd never done before, totally different kind of job and in that instance it was a case of phoning round and just picking the brains of who ever I could pick the brains of really, and just sort of working it out myself. Some of it's like that, some of it's ... we all work together and if there's a particular problem we pull together and have a look at it and try and sort it out between the four of us and each of us has got our area where we've got a bit more knowledge or a bit of a speciality, so we all pull together. So, a lot of it's stuff I've learned in that kind of way. It sort of comes out, information comes out as you've working without there being any sort of set format, rather than being a sort of set plan.

Question: Have you received any particular training in the last few years?

Um, not really. I've been off on courses but nothing specific really, but I think the qualifications I got have stood me in pretty good stead anyway... and I think the fact that I was, at the time, at LandscapeOrg as well as at college helped a lot ... I was able to gain experience from working on huge practical examples.

Question: How is communication in this organisation? Does it let you know what you need to know?

Um, it does and it doesn't. Sometimes different elements, at a higher level don't seem to know what one's saying to the other or what's... you often get two or three different stories – someone says do it this way and someone else comes along and say what the hell are you doing it that way for? — sometimes it's ... communications are a bit confused. Sometimes it can be quite frustrating ..um, in one breath you are being told to get on and do something ... sort it out best you can and get it done and sort it out and that's it .. and you're half way through organising something for a job and the next thing you know and you turn round it's all been scrapped and we're going somewhere else instead, and you've just wasted a morning sorting stuff out or whatever.

Question: Why do communications sometimes break down in the way you describe?

I think sometimes, it stuff like the weather or something has gone wrong somewhere – a piece of machinery's broken down somewhere so it's slowing the job down, but sometimes there are definite cases where ...things have been promised to clients that... given the work load we've got and given the time restraint we've got or the number of staff we've got ... we can't do it ..without cocking something else up and sometimes the position is, if something crops up and we need three lads to go and sort it out ... sometimes they're pulled off my jobs because .. they are generally small jobs anyway and they

- hold a series of individual and focus group interviews (see establishing the issues and aspirations in ii below) in order to discover the extent to which corporate aims, objectives, targets and plans are shared across the company.

NB. Board members would have access to all questionnaires and their approval will be sought before any questionnaire is used. Thereafter and to ensure individual commitment to the process, we suggest completion of the questionnaire be treated as an anonymous exercise. To achieve this objective, we would issue a stamped and addressed envelop with each questionnaire so that respondents can post them directly to us.

ii. Establishing the issues and aspirations

We would survey peoples perceptions of the **drivers for change** in their own and the company's performance and their views concerning current and desired training and development activity within the company.

In particular, we would need to discover the attitudes and aspirations of people regarding:

- appraisal / performance reviews
- succession planning, recruitment & induction
- on-the-job coaching and mentoring
- other training and development activity
- the relationship between training and development, strategic planning and change management
- the identification of training needs (strategies and methods)
- opportunities for training and development

iii. Developing the survey methods

Generally speaking, it is better to include all employees rather than some. No-one likes to be left out when the opportunity arises to make an input on company issues. Employees who are left without a chance to make a contribution may look upon the survey findings with scepticism suggesting that positive findings can only be attributed to a biased selection of survey respondents.

When surveying the above and other emerging issues we would design and administer a questionnaire to all employees and hold semi-structured interviews with individuals and mini-focus groups comprising managers and other employees. We have assumed that we will work with 5 'mini focus groups' drawn from all parts of the company; each group will contain 4-5 employees, including managers and will last between 45 and 60 minutes.

There are strong arguments for and against establishing both mixed and separate manager / employee focus groups. When setting up the mini-focus groups we would consult with both managers and other employees before making a decision over membership.

All interviews would be conducted against a discussion guide agreed beforehand and will be tape-recorded for future content analysis.

Wherever it is practical, we would conduct face-to-face interviews. Alternatively, interviews would be conducted by telephone.

When interviewing individuals and groups of people it is necessary to obtain honest responses and sometimes to probe sensitive issues. At times it is vital that those being interviewed are assured confidentiality and that their anonymity is ensured when their observations are reported.

are less important, but it still pisses me off sometimes to be honest – you produce a programme and get it all sorted out before the job starts and you put forward your programme and you man that programme and you gather up your materials and then to be told the night before you are due to start that its been put back a week... so this jobs now taking priority — it obviously does get up my nose a bit – it doesn't happen very often because I don't run that many jobs but – I suppose it's the way my overall role is conceived within the company – as being a bit of a dogs-body and so therefore I don't necessarily get backing – but we all get on but sometimes I think there's stuff I do that's seen as less important than the next man's. And a lot of the time is actually, if you've got a big job and it's worth half a million it's more important than my four grand little job. It's still gets up you nose, you know, it's that's my little bit and it's not running how I want it to work. And I've told someone down the line 'we'll start today' and then this person comes along and say well actually no, I'm going to do this instead .. and I've gone by the book and I've done it as we're supposed to ...

Question: Anything else about communications?

Um. I think that fact that we all get on... we've always got niggles, there's always something that gets up your nose at sometimes but we all get on, so we have a laugh and we go out together, so in that respect it's easy – it's not as if there is someone you are uncomfortable with or you feel worried about approaching because you might be cocked up or done something wrong, we've all done it, I've done it loads of times, sometimes you cock up, go see and everyone helps out and you sort out.. so in that respect it's quite good, because everyone here is totally approachable, so you don't have to hide things.

So as far as communications go, at times it's a case of it not coming down rather than going up. Sometimes, I think – I wouldn't say they've lost touch but they're not as aware... like I say if you'd come twelve months ago – at that time we were working out of a glorified Portacabin – there was — and — and three people in the office who looked after the contract side of it and now you've got 15 staff and 80 lads and so you've obviously going to lose a certain amount of the overview you had.

Question: Who's directing people's work?

The actual people on site or staff (generally- interviewer). People are and they aren't being left to there own devises – as far as the staff goes it far more settled now than its ever been – we had a lot of people come and go and now everyone seems quite settled – we're now at the point where most people know what to do and just get on with it.

Question: You say a lot of people have come and gone?

Well on average there is quite a high turnover (of staff) but in the last year several people have joined the company and it's sort of settled down. It's more a case of where the company's going and we'll all sort of get dragged along rather than, it's more a team and we go along in which every direction the firm's going – it's about the jobs that come in through the door and winning the jobs for a kick off, so it's down to — and — to decide what we are going to be doing and what we going to be building and its about deciding which jobs we want to go and try to win and which jobs we don't want to go and win. And so to comes down to — and — to decide which jobs they want to go for and which they don't want to go for. Its not as though we go out physically looking for work, most the work comes in from companies we do work for on a regular basis. You always learn when big jobs are coming off and you will physically chase those jobs – if they're big prestigious jobs you want to do.

A lot of it is repeat business – because of the size of company we are the size of contract we can deal with – if you're a big builder doing a 20 million office somewhere there are only so many companies in this area who can handle that size of work – so like the job we are doing down at..... it's a massive job with sort a lot of traffic management stuff that goes along with it, there are only so many companies that can do it so straight away you're in a fairly strong position and assuming you can get the price right, you've ...

Question: Personal ambitions?

But as far as where we going.. the problem for me I don't think we will ever go into the area that I'm particularly interested in (Interviewer – "what's that"? – private gardens – that's something that I've got a particular interest in, particularly in the last year – it's what I want to do, but I just think... I've spoke to ---- about it but I seem... during the last year I've met a few people who seem to make a good living out of doing private gardens and... but the way the way you have to work to make it work is a way we couldn't particularly do here because you've got to be totally dedicated to a few customers and it's got to be ...it's true you of offering a full service and it's not the kind of service where we can say well we are going to start here and we'll finish here and we are not right sure what will happen in the middle but if we say we'll be there a nine-o'clock on Monday and it will take two weeks to do if we work all night and that... it's a totally different client base - to make it work you're looking at dealing with customers who haven't ten or twenty thousand quid to spend on his garden and the kind of people who have that kind of money expect a kind of service... and expect a type of behaviour from the lads who are going to do the job and it's just ... it's not so much a landscaping, they're looking for a bit more, something different, a bit of a name, it's a bit of one-upmanship on next door and all that kind of thing, and to start getting those sort of clients you've got to be providing a different kind of service, they don't want to go to a landscape designer who's going to basically try and shove him where they can, you know, not that we would do but they are looking for something a bit different. Looking at the different television programmes there is massive interest in gardening – it's taken off in the last couple of years, there are people definitely now seeking to add an extension to their house and are willing to find the money. But to get into that market you going to have to spend a long time earning nothing because you are going to have to do a lot of trailing around, a lot of chasing up of work.

We've had sort of half-hearted attempts but the problem as I see it is that we don't get enough time because there's commercial stuff coming in and at the minute it still seen as more important to look after some commercial clients we've got who send us regular design work even though... I think some of them are not particularly good customers... we might get three, four, five jobs a year out of them but they are relatively small jobs – they don't pay particularly well and they are a massive bore to do because they send you a spec and you do a design to that spec and you generally find you do five or six drawings, five or six revisions before they are happy with it. By the time you've done there is no real money left in it, you take up to a year to get paid for it, I just wonder sometimes what is the point, its alright chasing turnover but if you are not making a profit out of it I don't really see the point. We do sometimes get some nice jobs in but a lot of it's just little jobs but when we sit down to look at it, what we might get out of them wouldn't even cover my salary for a year but a lot of the thinking seems to be but if those companies grow and start picking up the bigger jobs with bigger landscaping they'll probably come to us because we've a big enough company to do it.

A lot of our clients come to us for a fee design if we're expected to build it, but if they went to a landscape architect they'd be charged for every stage from survey to final drawings, and even when we do charge we don't charge a realistic fee, I think. But it's taking me, by the time I've gone out and had a look and drawn up and they've sent it back and we've got to change it because of the way the car parking's going and we change it and they send it back again – it's taken up two and a half days to do it.

I don't honestly know what the answer is with the commercial side. You need to be chasing the work in the early stages, you've got to get away from this notion that we are a landscape company type of activity to we are a landscape design company, we've got to look at it in a completely different manner – you got to change the client's perception of what we do, we're not just the blokes in blue overalls who come out and plant trees but we do have the backing and skills to do the whole lot. And some clients know this and use us regularly and some don't and continue to use architects for the design. So for some of our clients it's designed already so you need to be chasing clients if the intention is to sell the idea that you are a design company as well.

Question: What are your thoughts about the company's future and the part you might play in it?

I think it's a good company, a lot of people work here, a nice atmosphere but I don't think I've got a future here at all, to be honest. I don't see, I don't think there's any further for me to go, I don't see where I'm going to, where it's going to develop from here. I don't think I'm going to make the kind of living, I don't have delusions of making millions but I want to make a nice living. I'm engaged and want to get married, want to buy my own house and presently with what I earn I can't do that – but I'm 25 next month' I'm relatively well educated, I have relevant qualifications for the job I'm doing, I think I do a good job, um. no one ever says they get paid what they want. When you see similar jobs advertised, well actually when you see some of the contract managers job or contract supervisors jobs advertised and the money being offered, but then often they seem to be crap companies to work for... um I don't know if I'll be surprised or upset if I'm still here in a year's time but I probably would have thought I will be.

Question: What are your aspirations? What would you like to have achieved and be doing, say in five years time?

Working for myself, I suppose. I had the opportunity this year, the company got involved in a TV programme, doing some gardening in Sheffield, I got involve in that, I enjoyed doing the practical stuff to be quite honest, I really enjoyed it. I'd probably get bored with it after six months.. I'm probably looking for more of a combination between sort of doing bits out on site and doing what I'm doing in here. I've had lots of chats with — and he's said if you're not happy get out on site a bit and see what kind of work we do, but it doesn't interest me, its kind of a case of yeh, I know I can plan a supermarket up... when I first started I'd never sort of worked on a big contract or anything like that, just to go out on site and help build it, plant it... well it's just monotonous, you might as well be working in a factory, you've planned it, you've 20,000 shrubs to plant and that's it, there's no mystique about it, there's no real thought to it, you just get on and do it – it's second nature, there's no interest there and most of the jobs we do are like that. You just do it, you read the spec, you get the drawing out, you mark it out, you plant it up, its no....

Question: So what would your ideal job be like?

Christ, um. The ideal job for me would be design and build private gardens. Sort of doing the full job, meeting the clients, doing the surveys, doing the drawings and the building as well. So that would be, ideally, I'll love to be working for myself. If I sort of said five, ten years, what would I want – I want a company of my own but it wouldn't be different. From here, it would be just me and a couple of lads, and I be wanting to do high quality jobs. I wouldn't be particularly looking for the turnover, I'd be just looking for high quality jobs and getting a name for myself for doing quality jobs, on a sort of higher level than other small landscaping companies. Just getting into a little niche market. My aspiration is to have my own small company, to do the work I want to do and make a comfortable living. I've picked the wrong game to be retired by the time I'm 35 – it doesn't happen in landscaping.

I enjoy working here – don't get me wrong – it's not all doom and gloom but the more I'm here I get to realise it's not for me, there's something else, there's something missing. If.. really I think doing the work down at Sheffield was the make or break one really – and it introduced me to a set of people I would never ever have met before, the kind of people who do build gardens at Chelsea and win awards and are on the television and when you get people like that saying to you why are the hell are you working there, come and work for me type of thing and you are thinking, hang on, why couldn't I. And I'm grateful to —, he's helped me out a lot, he's taught me a lot, he helped me out financially when I was at college, but, you know, there comes I time when I going to have to sort of make a jump really... I don't.... so there's so much bubbling about in my head and don't really know where to start to be quite honest.

Question: Have you had this sort of conversation with your boss?

Yeah, to a degree, um. He said, bring it to us, we'll see what we think, we might be able to do something between us but, I think it's got to be totally removed from... To get to, I don't know but, what would justify it for me and the profit margin that would justify it for me and the turnover that would justify it for me probably wouldn't, I would have thought, justify this place. There's a lot of overheads to take into account before you've even started, whereas, much lower overheads in running a small firm with two or three. I think to get to where you want to be it needs to be a much more personal, individual service which I think you've lost when you get to be a company of this size – it's a big monster and it needs feeding. My wanting to do six private gardens a year – isn't going to make any massive dent anywhere. Hopefully eventually it would, but I can't see — and — sitting around and letting me go on my little whim for the next four or five years in the hope that it will eventually turn out, and it might and it might not. And it's a case of what I want to do for myself which is the thing I'll think about. — sort of says, come up with a business plan and we'll see what we think and we might be able to do it between us to certain extent I want to do it for me in the same way that — goes on about tales about the time when he first started, about working 26 hours a day 400 days a year ... and it... at 44 he must get a nice feeling to turn up here every morning and think, God that's all mine. Look what I've done, after starting out mowing lawns out of the back of a mini-van. He now employs a hundred people, owns all this... I want to achieve that and have the same feeling. I don't know whether it's a bad feeling or not, I don't think it is, there's nothing wrong with having a small bit of ambition is there? I'm a young man with the rest of my life in front of me. If I didn't enjoy doing what I do, I wouldn't do it but this year and last year certainly I had my eyes opened a bit more um, about possibilities. It was the Sheffield job – it killed it, I should never have gone – just before Christmas, I said I wished I never gone because I've never been the same since. I've been unsettled and unsure. My dad says, stop there, it's a good firm, they look after you, but don't... when my dad left school it was true, but not any more. I might have a job here for life but I'm not going to get a lot of satisfaction out of it. It's not taxing my brain, I'm not learning as much, I'm not... it just feel that it's like working on a conveyer belt.

It's done me a lot of good and I'm grateful to — for giving me a chance, I hope I've paid him back – I don't want to see myself here in a year's time.

APPENDIX 9

CASE STUDY INTERVIEW SCHEDULES

Interview Schedule: ConstructOrg

Directors:

1. When people join the company, how do they learn about their job? Do new recruits all learn in the same way?
2. How is communication in this organisation? Does it let people know what they need to know?
3. How are ideas for improvement passed upwards, downwards and sideways in this organisation?
4. How do you and other people let individuals and teams know whether they are doing a good job?
5. How do you go about updating your skills to do your job? How do other people in this organisation go about learning the skills they need to do their jobs?
6. With whom are you able to discuss your job and your career prospects? With whom do other people discuss their jobs and career prospects?
7. To whom do people turn when personal matters affect their work? What about yourself?

Employees

1. When you first started here, how did you learn about your job? Do people here all learn in the same way?
 2. How is communication in this organisation? Does it let you know what you need to know?
 3. How are ideas for improvement passed upwards in this organisation? Do they get passed around team members / other employees as well?
 4. How do management let you know if you or the team are doing a good job? Do you think they do it in the right way?
 5. How do you all go about learning the skills needed for tackling new jobs?
 6. Are you able to discuss you job and your future job prospects with your team leader or other staff?
 7. Would you feel able to discuss personal matters, which might affect your work with your team-leader or line-manager? What about work matters?
-

Interview Schedule: PrintOrg

-
1. When you first started here and since, how have you learned about your job? How do you go about learning to do your job in the new team?
 2. How is communication in this organisation? Does it let you know what you need to know?
 3. How are ideas for improvement passed upwards in this organisation? Do they get passed around team members / other employees as well?
 4. How do management let you know if you or the team are doing a good job? Do you think they do it in the right way?
 5. Are you able to discuss your job and your future job prospects with your team leader or other managers?
 6. Would you feel able to discuss personal matters, which might affect your work with your team-leader or manager? What about work matters?
-

Interview Schedule: LandscapeOrg

1. When you first started here and since, how did you learn about your job? Do people here all learn in the same way?
 2. How do people go about learning the skills needed for tackling new jobs?
 3. How is communication in this organisation? Does it let you know what you need to know?
 4. In the last fortnight or so, what have been your main concerns as you have gone about your work?
 5. What are your thoughts on the company's future and the part you hope to play in it? How do you see/hope your career will develop in the coming five or six years?
 6. Are you able/do you feel able to discuss your job and your future job prospects with your line manager or one of the directors?
-

APPENDIX 10

Initial coding: tentative thematic categories

ConstructOrg - initial thematic categories.

- Directors loathed to get rid of anyone
- People 'eased' out rather than sacked
- Employees appreciation of company's commitment to them during trading downturns
- Learning to compete aggressively in a competitive marketplace
- Employee appreciation of company cashflow problems
- Perceived importance of 'profit factor', when evaluating business success
- Management by trial and error
- Managers not trained to manage – wonder whether they are 'doing it right'
- Directors grooming future managers
- People learning informally and through general chit-chat
- Policy of recruiting experience people from larger companies
- Just-in-time recruitment/subcontracting
- Stable company – no new people coming in to train or learn from
- Ideas generation – learning how to do things
- Team culture – learning with and from one another
- Little encouragement from above for people to suggest new ideas for change
- No time/little opportunity to develop, explore and share ideas and experience
- Pressure of work
- Feedback – a view that it is/ought to be pay related
- People develop their own ways of gathering/recognising feedback
- People have their own methods of appraising themselves and whether a job has been done well
- Good feedback is the absence of negative feedback
- People want feedback but don't get it
- Managing change – a process of personal adaptation – taking responsibility for your own learning
- People feel that they are under-trained – have to muddle along as best they can
- Pressure of work – there is little time to learn on the job
- People feel they need to learn on the job
- Learning as you go along – relying on the people you work with and your previous experience
- People expect and are expected to 'fit in' from day one.
- People driven by the pressure of work – you just have to cope – 'I need it now syndrome' (linked to muddle along syndrome).
- People feel they are not doing anything right - risk of mistakes
- Small business - people expected to do all sort of jobs –just to get on with it.
- No time to sit and reflect /identify better ways of working / or, if new ideas are exchanged, there is no time to do anything about it.
- As the company grows, managers loose touch/communications become an issue
- People and departments don't communicate/understand each other's work and problems.
- Informal and unstructured communications – 'when we meet'
- Negative feedback via rumour and grapevine
- Communications – underground networks
- They (managers) tell you what they think you need to know
- If you want to know anything or need help, just ask environment
- Communication of information tends to be upwards rather than downwards inspired
- Directors/ managers adopt an open door policy for communications
- Fear of being seen/thought not to be able to cope
- Fear of loosing your job through no fault of your own
- Absence of career advice/support – down to individual themselves

- Most people don't think about career development/advancement
- Resentment at having no career development opportunities
- Appraisal done to people/without them being present
- You get career advice/help if you ask for it
- Ad-hoc career development
- Little opportunity within company for career development – you have to move
- Career development – a personal responsibility

PrintOrg - initial thematic categories.

- Managing change against the odds
- Having the strength to withstand bullying in the workplace
- Responding to difficulties – a voyage of self discovery
- Fear of losing one's job because of the company's need to remain competitive
- People being resolved to treating people differently to the way they have been treated (a reaction to having been bullied and intimidated)
- Career development – perceived as being something that is 'done' to people
- People feel they are not supported/helped to develop their careers
- People feel they are prevented from developing their careers in the interests of the company
- People don't trust colleagues to keep confidences
- People work against rather than for one another
- People take credit for other peoples work
- Keeping knowledge and information to oneself - a strategy used to protect ones job and increase one's promotion prospects
- No perceived recognition or rewards for information sharing
- When problems occur in the production process, people don't know what has happened or why
- Being in control / not being in control of one's own workflow
- Positive changes in working environment and working arrangements cause people to have raised expectations
- Positive releases of energy and enthusiasm when people are no longer subjected to bullying and intimidatory management practices
- 'Dog eat dog' behaviour – a perceived response to an autocratic management style which is in turn perceived as management's way of managing constant change.
- Bullying and intimidation seen as management's way of increasing productivity
- Bully begets bullying
- Inter-team rivalry – a bye-product of a bully/blame culture
- Blame culture when things go wrong
- Inter-personal and inter-team sabotaging behaviour
- A learn as you go along culture
- People feel they are thrown in at the deep end when they first join the company
- Internal training – a case of the blind leading the blind
- People being deliberately taught to do thing in correctly
- Training – you have to assume responsibility for it yourself / you have to teach yourself
- Production goes first – training keeps being 'put off'
- People not being give time to train others
- Career development – the individual's own responsibility – little support from managers, except for the lucky ones
- Lack of opportunity to develop one's career – perception that people are offered career moves because it is in the company's interest.
- Pay review system – seen to being unrelated to reality of the work situation, work that people actually do or their competence in the job – people dissatisfied with the situation

- Pay review system – seen to be demotivating.
- Ideas – perceived as being top down – people do feel they are encouraged to suggest new ideas.
- Some managers encourage people to express/offer ideas for improvement
- People not committed to their work
- People don't feel they are rewarded properly for the work they do
- Perception of what constitutes career advancement – being paid more
- Divisive impact of pay review system – perception that people deliberately under-perform when they feel they are not being rewarded properly.
- People who feel they work hard resent those who choose to not to work hard and those managers who allow employees shirk work.
- New team, new team leader, release from bully/ intimidating environment – people report an increase in ideas generations, sharing and a willingness on the part of people to learn as they go along.
- People feel managers don't know what's involved – do not appreciate what people do.
- People feel that it is better when managers are one of the team and know, therefore, what effort people put into the work.
- Feedback not offered – you have to ask for it
- Some managers give feedback on performance without being prompted – recipients consider themselves to be the lucky ones
- Feedback tends to be generalised rather than of a specific nature
- Many managers don't operate the company appraisal system, unless pressure is put on them to do so.

LandscapeOrg - initial thematic categories.

- The venture is a labour of love, rather than just a means of making money.
- Still wanting to retain a 'hands on' approach – finding it difficult to 'let go' as the company grows.
- Director and managers credibility - having done the job/being able to do it/having hands on experience.
- What to do with the business– business exit strategy.
- Needing to increase sales, while, at the same time, consolidating the business.
- Building the business – awareness of the company image and its importance.
- Growth strategy – seeking to do business with and on behalf of new small companies – to build a 'grow together' strategy
- Feelings of being 'dragged along' by market forces
- Need for, but lack of strategic thinking time – time to reflect on the needs of the business and growth strategy
- Knowing and making the most of employee capabilities, when identifying new opportunities to bid for and undertake work.
- Expansion into other (regional offices) – like starting another company – having to go through the same learning process all over again.
- Conscious of being forced into reactive marketing – wanting but not always able to be proactive
- Strategy –having to go with the flow rather than grow the business strategically.
- Harder to get jobs with sufficient margins.
- Looking for good quality work.
- Wanting to work for, and with nice people – people who appreciate what we do.
- Strategic marking – building alliances and personal contacts.
- Conscious investment in the growth of the company's systems and expertise in order to be able to bid successfully for and deliver larger contracts.

- Need to identify and pursue a steady stream of new ventures – ventures tend to have a short life span, before others come into the marketplace
- Maintaining and building the business is a roller-coast experience
- Cashflow problems – linked to the need to identify and win a steady flow of work
- Tension – the quality vv price issue – particularly in a market place where price tends to rule.
- Issue of what happens to the company if the founding director leaves, sells or dies
- In-company management development needs and issues.
- Learning to manage in larger premises, and with more employees
- Employees used to/expecting to be told what to do and then to get on with it.
- Helping one another out when there are difficulties or when things go wrong.
- Experience of being pulled off one job to go onto another.
- Feeling that you are a 'dogs-body' – not being able to get on with what you want to, or what you feel you ought to be doing.
- People working at sixes and sevens.
- New types of work – having to learn as you go along.
- Learning from one another.
- Operatives don't expect to have an input into the company's strategic planning process
- Operatives' experience/expectation is that managers will tell them what they want them to know
- Low pay and motivation – people only interested in their wage – once they have been trained – they find work with another employer who pays them more.
- As the company grows, people have lost the 'we are in this together' feeling.
- New recruits to the business don't show the same levels of commitment to the company as people who have been with the firm since it's earliest days.
- Recruitment problem – need people with all-round knowledge and skills – such people are difficult to find.
- Problems in recruiting the right people – a trial and error experience.
- Assumption that new recruits will have gained knowledge and experience before – that they will be able to fit in.
- Expectation that people have reached a level of training and experience, and, that they are therefore able to get on with the job.
- Long-term recruitment and training strategy – utilising the opportunities generated by work experience and college programmes.
- Experimenting with different approaches to training.
- In-company training – 'sitting next to Nellie' approach.
- Training – reactive to legislation.
- Cost of training – taking trainees out of the productive process.
- College students are less committed to the industry than was the case in the past – they are now more willing/interested in pursuing career changes.
- Wanting interesting, self-fulfilling work and career development, but feel thwarted
- Career development - mixed feelings – appreciating that you are working for a good company, but, also, that to earn more money, and achieve career development, you will have to move on.
- Awareness of the lack of a sufficient number of career development opportunities in a small company, to keep everyone happy.
- Experience of communications breakdowns, as the company grows in size.
- Communications difficulties – communications between head office and site managers/workers.
- Departments working according to function and independently of one another/emergent problems

APPENDIX 11

Memo 1: Research methods for SMEs

Within this research programme, there is opportunity to investigate the use of research methods within an SME environment. In particular, there would seem to be value in researching, and commenting on the theoretical underpinnings, and the practicalities of combining academic research and management consultancy within an SME environment. The writings of Gummesson, (1991), Reason, (1994), Heron, (1996), and Egan, (1994) appear relevant:

- Gummesson argues that the role of the consultant provides opportunities for the effective use of qualitative research methods, when conducting an intensive inquiry into the behaviour of firms, and the people within them;
- Heron and Reason argue that research into the 'condition' of the organisation and its people is a matter of tapping into and bringing to the surface insider knowledge. They argue for the use of 'co-operative inquiry' methods, as a way of bringing about personal and organisational transformation. They also argue that, for both scientific as well as moral reasons, research should be done 'with people, not on them or about them'.
- Egan has similarly argued for a collaborative approach to helping. His claim is that "helpers (for example, the consultant-researcher) are effective to the degree that their clients, through client-helper interactions, are in better positions to manage their problem situations, and to develop the unused resources and opportunities of their lives more effectively."

APPENDIX 12

Memo 2: Co-operative Inquiry

According to Heron (1996), research into the 'condition' of the organisation, and its people, is a matter of tapping and bringing to the surface insider knowledge. The implication is that external and internal researchers can only truly inquire into the organisation, and its people's capacity to transform itself and themselves, from within (Reason, 1994; Heron, 1996). For change in organisations to occur, the active collaboration of people in the organisation is essential. Attempts to introduce change, in response to the demand for ever increasing competitiveness, are more likely to succeed if they recognise, and address, the 'social' and 'material' realities and barriers within the organisation's learning culture, which is itself the outcome of people internal interactive experiences (Oldroyd and Tiller, 1987).

Co-operative inquiry is person centred, in that the research is done 'with people, not on them, or about them' (Heron, 1996, p19). When people engage in co-operative inquiry, they aim to make research an integral part of practice. It is grounded in the belief that people are self-determining, and that personal and collective potential is released when people learn how to link with and relate to others, and the wider world. It is also grounded in the principles and practices associated with action research (Lewin, 1948, Kemmis, 1981 and Elliott, 1991), and an extended theory of knowledge and belief (Reason, 1994; Heron, 1996).

Heron (1996) identifies four types of knowledge and belief. First, "experiential knowledge/belief", gained through personal encounters with persons, places or things; second, "practical knowledge/belief", gained through practice, learning 'how to' and being able to do something; third, "propositional knowledge/ belief" about something and described in statements and theories and four, "presentational" (intuitive, experiential) "knowledge/belief" which is often expressed in various visual and expressive art forms.

Co-operative inquiry involves people becoming 'co-researchers', and 'co-subjects'. As 'co-researchers', they collaborate when forming the questions to be explored, agreeing the methods to be employed, and making sense of the experiences. As 'co-subjects', they collaborate in the experiences and actions that are the focus of inquiry. More often than not, the process of inquiry spans several cycles of reflection and action. It is an accumulative process, during which participants experience different types of knowing and belief (Heron, 1996, Marshall and Reason, 1997).

Heron (1996) suggests "there can only be my, or your, or our view as to what is a good method." However, he considers the issue of validity when he recognises the need to "free the various forms of knowing involved in the inquiry process from the distortion of uncritical subjectivity", (p59). Accordingly, he describes a number of validity procedures, which, he claims, need to be incorporated into the co-operative inquiry design.

Building on Heron's conceptualisations, this research would appear to be best described as a partial form of co-operative inquiry, in that, the researcher and the people involved in each of participating organisations are assuming the roles of 'co-researchers' and 'co-subjects'. Each case study is being developed as a 'partial form' of co-operative inquiry, because of the researcher's 'partial' involvement in the experiences and actions that are the focus of each inquiry.

APPENDIX 13

Memo 3: Teams, organisational culture, learning and innovation.

A feature of the emerging indexing system for the ConstructOrg data, is the degree to which the emerging thematic categories support a claim that there is a clear link between the culture within an organisation, personal and collective learning, and, a willingness, on the part of individuals and teams, to innovate.

There will be value in further reviewing the literature on this subject, and, in particular, the writings of West and Wallace (1991), Anderson and West, (1994) and King and Anderson (1995).

APPENDIX 14

Memo 4: Team Climate

According to West & Wallace (1991) and Geppert (1996) there is a relationship between organisational culture, organisational learning and innovation. Anderson *et al.* (1990) identify four factors that they say allows a team to be a positive, dynamic force for innovative change within an organisation. The four factors are:

- Vision;
- Participative safety;
- Task orientation;
- Support for innovation.

These four factors were later incorporated into the Team Climate Inventory (TCI), a rigorously tested and validated psychometric tool, used to assess different aspects of a team's working climate (Anderson & West, 1994a & 1994b). In addition, the TCI also contains a fifth factor – a social desirability scale – designed to allow the users to detect when respondents are trying to present themselves, or their team, in a more favourable light than might be justified. Each of the TCI scales are subdivided into other measures for the purpose of assessing different aspects of the team's working climate, see Table 1.

Table 1. Scales and sub-scales of the Team Climate Inventory

Scale	Sub-scale
Participative Safety	Information sharing Safety Influence Frequency of interaction
Support for Innovation	Articulated support Enacted support
Vision	Clarity Perceived value Sharedness Attainability
Task Orientation	Excellence Appraisal Ideation
Social Desirability	Social aspect Task aspect

Source: Anderson and West (1994a)

APPENDIX 15

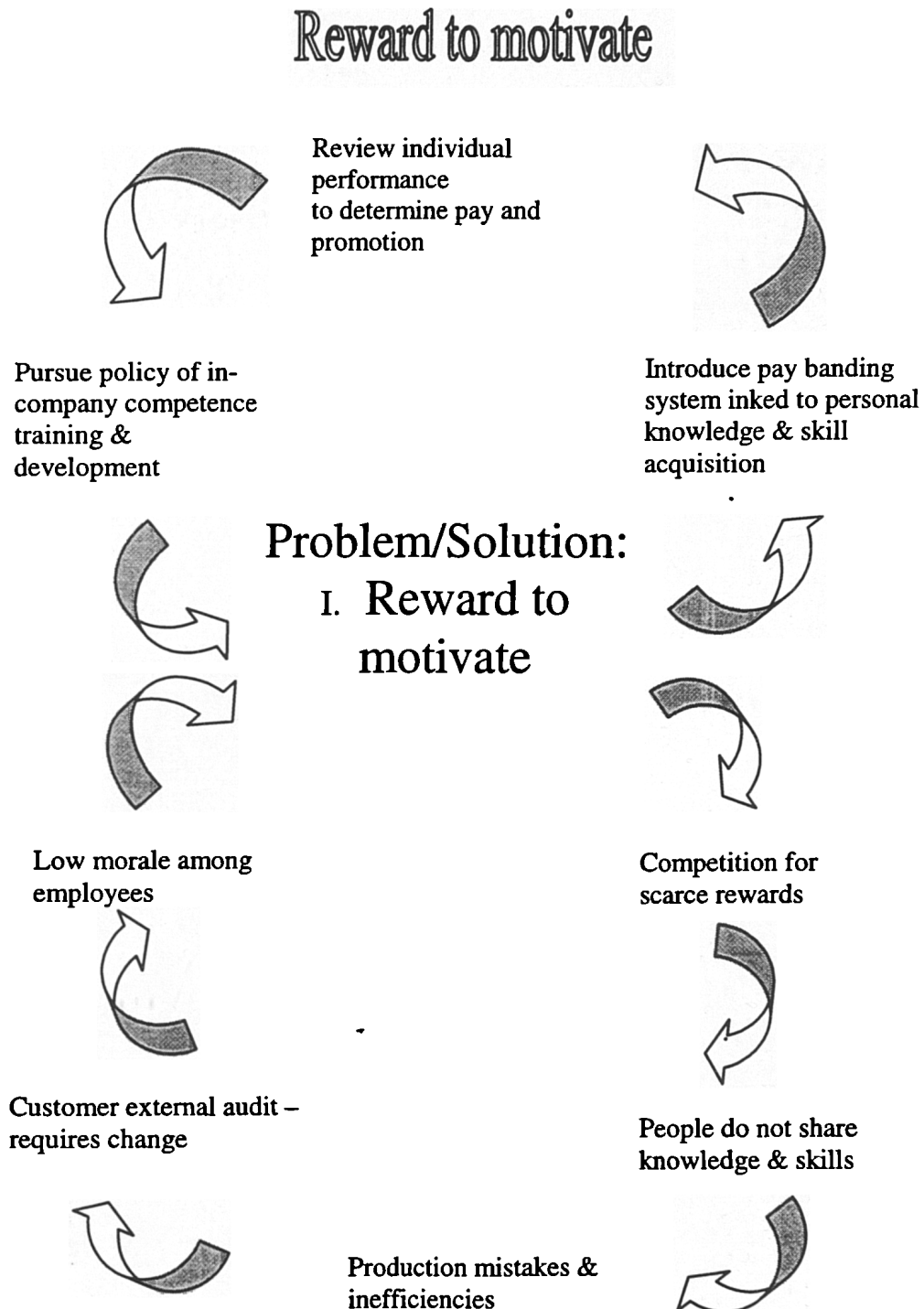
Memo 5: Emerging higher order thematic categories – a basis for theorising about an implicit psychological contract between employer and employee.

While building the indexing systems for the ConstructOrg and PrintOrg data sets, it was discovered that certain thematic categories could be usefully employed when comparing people's accounts of their experiences at in both organisations. Of interest, is the degree to which the outcomes of the analyses appear to be consistent with the published research findings of Anderson and West (1994a). In particular, the apparent higher order standing of two of the three tentative categories identified during the coding of the PrintOrg data, **Feeling Safe** and **Feeling Valued**, is noted. Furthermore, evidence gathered during this research seems to support a suggestion that there is a causal relationship between people feeling safe and valued at work, and their willingness to engage in creative and innovative thinking and practice on behalf of the company.

Feeling safe and valued in the workplace would appear to be a more or less unspoken psychological expectation on the part of the employee, and, therefore, the basis for a more explicit psychological contract between employer and employee. It is intended, therefore, to further investigate the emerging wider literature concerning the psychological contract.

APPENDIX 16

Memo 6: A system archetype



APPENDIX 17

Memo 7: Research Propositions

1. There is a need to investigate whether there is a causal link between a firm's ability to achieve and retain competitive advantage and business growth and the willingness and capacity of founding entrepreneurs to cope with emerging 'softer' management issues such as people, culture, values and leadership behaviour.
2. For many firms there may well be an optimum period when external intervention is more likely to lead to positive changes in company culture and leadership behaviour (Gersick, 1989, Zucker, 1977, Boeker, 1989, Eisenhardt, 1988). The writers' findings support the claim, which needs to be tested, that successful intervention is more likely to occur early in the life of a firm, involve those who would intervene working with the top team and before negative aspects of the rapidly evolving organisational culture and leadership behaviour assume dominance.

APPENDIX 18

Memo 8: a draft abstract

Unlocking competitive potential

In this paper, it is argued that the active collaboration of people within organisations is essential, if the organisation is to unlock its competitive potential. When organisations act to identify and realise their competitive potential, they are seeking to manage personal and collective transformational learning, i.e. manage change. Attempts to introduce change are more likely to succeed if they: recognise that, within their institutional setting, people interact in order to air and address their own as well, as the organisation's needs; ensure the active collaboration of the people involved; ensure information is provided in accessible language; start with the everyday experiences, perceptions and expectations of the people involved, and address the realities and barriers to change within the organisation's unique learning culture.

Memo 9: a draft abstract

Leadership and the growth SME:

It is argued that to grow their businesses, and, at the same time, gain and retain competitive advantage, founding entrepreneurs and other 'top team' managers need to build and empower teams that continually search for and discover new ways of looking at problems and to exploit new ideas for products, services and processes.

In this paper, the writer reports on the methods used when working with SMEs, including two reported case studies. On the basis of this research a number of theoretical arguments are developed. Firstly, that peoples' capacity to think and act in entrepreneurial ways is inhibited in many small but growing firms because of the unwillingness of founding entrepreneurs to admit they and their fellow managers need to reshape the company culture, and adopt new ways of managing people. Secondly, that by adopting a 'lean staff' approach to re-engineering "inefficiencies" and "slack" out of their businesses many owner-managers have created a situation where people are often working so hard and for so long they not longer have the time or inclination to reflect on the effectiveness of their practice or to engage in learning based activity. Thirdly, that those who would seek to intervene, to support wider entrepreneurial thinking and behaviour in the small but growing enterprise, might profitably begin by stimulating the learning of 'top team' managers, so that they are more able to address 'softer' people management issues as they emerge.

Memo 10: a draft abstract**Establishing the conditions for the retention and wider expression of the entrepreneurial spirit within the small but growing enterprise**

It is argued that, to grow their businesses and at the same time gain and retain competitive advantage, founding entrepreneurs, and other 'top team' managers need to build and empower teams that continually search for, and discover new ways of looking at problems, and to exploit new ideas for products, services, and processes, i.e. encouraged and stimulate people to think and act in an entrepreneurial way.

In this paper, the writer report on the methods used when working with SMEs, including two reported case studies, to stimulate the retention and wider expression of the entrepreneurial spirit with the small but growing business. On the basis of this research a number of arguments are presented. Firstly, that people's capacity to think and act in entrepreneurial ways is inhibited in many small but growing firms because of the unwillingness of founding entrepreneurs to admit they and their fellow managers need to reshape the company culture, and adopt new ways of managing people. Secondly, that by adopting a 'lean staff' approach to re-engineering "inefficiencies" and "slack" out of their businesses, many owner-managers have created a situation where people no longer have the time, or inclination to reflect on the effectiveness of their practice, or to engage in learning based activity. Thirdly, that those who would seek to intervene to support wider entrepreneurial thinking and behaviour in the small but growing enterprise might profitably begin by stimulating the learning of 'top team' managers, so that they are more able to address the 'softer' people management issues as they emerge.

Memo 11: a draft abstract**Stimulating a change in culture and leadership behaviour within small but growing businesses**

It is argued that many businesses fail to achieve their growth potential because of the way people are managed. A key factor to consider when identifying a company's growth potential is the founding entrepreneur's willingness and capacity to cope with 'softer' management issues – people, style, culture and values. To successfully grow their businesses, many founding entrepreneurs are required to reshape their company culture and adopt somewhat different approaches to leadership.

Referring to their wider longitudinal research and consultancy work with over thirty companies and two case studies, the researchers report on their findings when working with 'top team' managers to stimulate their personal learning and cultural change within their organisations. Firstly, it is argued that many businesses fail to grow because many founding entrepreneurs and top managers are unwilling to admit they need to reshape the company culture and/ or adopt new ways of managing people at an early but critical point in the company's history. Secondly, it is argued that interventions to support the reshaping of a firm's culture and leadership behaviour should occur early in the life of a firm and before negative aspects of the otherwise rapidly evolving organisational culture and leadership behaviour assume dominance

The Role of Professional Development in Stimulating Change in Small Growing Businesses

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Abstract

It is argued that many businesses fail to achieve their growth potential because of the way people are managed. A key factor to consider when identifying a company's growth potential is the founding entrepreneur's willingness and capacity to cope with 'softer' management issues – people, style, culture and values. To successfully grow their businesses, many founding entrepreneurs are required to learn how to reshape their company culture and adopt somewhat different approaches to leadership.

Referring to their wider longitudinal research and consultancy work with over thirty companies and two case studies, the researchers report on their findings when working with 'top team' managers to stimulate their personal learning and cultural change within their organisations. Firstly, it is argued that many businesses fail to grow because many founding entrepreneurs and top managers are unwilling to admit they need to reshape the company culture and/or adopt new ways of managing people at an early but critical point in the company's history. Secondly, it is argued that interventions to stimulate the professional development of managers should occur early in the life of a firm and before negative aspects of the otherwise rapidly evolving organisational culture and leadership behaviour assume dominance.

Introduction and purpose of the paper

Hayes & Lemon (1990) claim founders of many ventures fail to grow the business because they lack the leadership skills to cope with the 'softer' management issues as they emerge, i.e. issues relating to people, culture, climate and values. To grow their businesses and to retain the entrepreneurial spirit which characterised the firm in its earliest days, founding entrepreneurs need to build and maintain teams (Chell & Haworth, 1991, Vyakarnam *et al*, 1996) develop and maintain interpersonal relationships, (Watson *et al*, 1995, Kamm & Nurick, 1993), ensure shared vision, values, processes, structures and performance (Hackman, 1990) and establish an organisation-wide culture that encourages innovative behaviour (Anderson *et al*, 1990, Geppert, 1996). Quoting a substantial body of published research, Vyakarnam *et al* (1996) argue that successful businesses are more often than not the creation of a team of entrepreneurs rather than a single entrepreneur. Even when founded by one person, the more successful entrepreneurs quickly gather around them one or more people to create a 'top team' to co-ordinate efforts and resources to achieve the business vision.

In growing businesses, structures and process are quickly established and people come to see them as the only way of doing things (Gersick, 1989, Zucker, 1977). Early decisions and the way they are made can lead to a culture which is both difficult and costly to change (Boeker, 1989, Eisenhardt, 1988) but in many companies it is necessary for the culture to be changed if the company is to survive and grow (Kilmann *et al*, 1985).

The writers' findings, when working with over thirty small and medium sized organisations, support Hayes and Lemon's (1990) suggestion that it is possible to present a caricature of a typical small but growing firm. In the earliest days of a firm's life, people management problems are rarely experienced. People tend to work as a team, usually drawing on a background of shared technical expertise. Built around friendship networks where management and workers are part of the same team and communications are informal and face-to-

face, the people involved rarely see a need for formalised meetings. In such organisations paperwork is minimal or sometimes virtually non-existent, team members deal with problems as they arise and, in the main, people are expected to manage themselves.

As the business grows and more employees are taken on, managing human resource issues increasingly occupies more of the founding entrepreneurs' time and there are fewer opportunities to meet with one another or to maintain 'hands on' involvement in the work of the business. Managers become aware that effective communications can no longer be conducted on a face-to-face basis. There are more frequent interruptions in the downward, upward and sideways flow of information and knowledge sharing and people seem less inclined to show personal initiative and creativity. More often than not, new employees do not know, and in some cases do not feel any need to acquaint themselves with the company's history and the 'way we do things here'. Hayes and Lemon (1990) claim that as a business grows there is the danger of a "them-and-us" split developing between the workforce and managers and a tendency for later entrants to perceive the company as an established and ongoing firm, rather than an exploratory venture.

Vyakarnam *et al.* (1996) report the emergence of 'inner' and 'outer' teams in growing companies. Members of the inner team, usually the founding entrepreneurs, have many shared experiences and feelings of "being in this together" from the beginning. Subsequent entrants to the business, while in some cases involved in shaping the strategic direction of the company are unlikely to be part of the inner team, unless the latter make a conscious decision to include them.

Assumptions and Methodology

This article is informed in the following ways. Firstly, we draw on ten years' experience of working with founding entrepreneurs and managers on various professional development programmes which, directly or indirectly involve those concerned in reflecting on and making changes to their organisational cultures as well developing their leadership skills. Secondly, during the same ten-year period we have conducted in-depth longitudinal research and consultancy work with over 30 small and medium sized organisations, including the two reported case studies.

Hayes (1998) claims there are two basic and diametrically opposed philosophical positions underlying thinking and practice in the study of organisational behaviour and the methods for stimulating behavioural change. Those who subscribe to the view that organisational behaviour comprises "variables" to be identified and manipulated through targeted 'recipe' driven action (Fox, 1997, Leigh, 1998), are said to be positivists or modernists. Buchanan & Huczynski (1997) argue that the positivist paradigm dominates much of the current thinking and practice concerning organisational behaviour. Those who subscribe to the opposing paradigm and hold that organisational behaviour is a social construction (Morgan, 1997, Hayes, 1998) are variously described as phenomenologists, interpretivists or post-modernists.

Subscribing to the phenomenologist/interpretivist tradition and believing that research should be '*done with people not on them or about them*' (Heron, 1996), the writers are influenced by the following assumptions when working with organisations to stimulate a change in culture and leadership behaviour:

- There are strong links between personal motivational states and the desire on the part of individuals and teams to create new understandings and action (Vyakarnam, *et al.*, 1996).
- Organisations are 'arenas':
 - wherein people interact in an attempt to reinforce, promote, reconcile, and resolve their own conflicting purposes, values and agendas as well as respond to organisation's needs;
 - other parties can observe and become aware of peoples' conflicting purposes, values and agendas and participate in group discussions and activity;
 - that can, to a degree, be managed so that synergies can be achieved between personal, collective and organisation learning and goal achievement (Burgoyne and Jackson, 1997, Vyakanam *et al.*, 1996).
- Attempts to bring about a change in culture and leadership behaviour within companies are more likely to succeed if they:
 - ensure the active collaboration of the people within an organisation;

- recognise and address the 'social' and 'material' barriers to change which exist within the organisation;
- start with the everyday experiences, perceptions and expectations of the people within the organisation; and
- information is provided in language accessible to the people involved (Oldroyd and Tiller, 1987).

The Case Studies

Contact was made with two firms in response to a request to help them respond to human resource management issues. The researchers were invited to help company 'A' identify and implement a company-wide team-building programme and company 'B' to undertake a company-wide training needs analysis.

Following several meetings with directors and senior managers in each company, the researchers initially proposed to work with people in each company in order to evaluate the nature and impact of, the existing organisational culture and leadership behaviour. This preliminary research was undertaken to ensure managers in the client firms and the research consultants, were better informed when identifying potential solutions to people management issues in each company.

Within each firm, people were interviewed individually or in groups of two or three for approximately forty minutes. The interviews were semi-structured and designed to encourage the interviewees to talk freely about the firm and their perceptions and experiences concerning the culture and leadership behaviour within the organisation. To reassure the interviewees and to focus the direction of the interview, interviewees were each given a copy of the interview schedule at the beginning of the interview. It was made clear that people could respond to the questions posed in the schedule in any order and offer any additional observations if they so wished. Most treated the schedule as a loose structure whereby they described their work experiences, offer their thoughts and express their feelings.

Feedback for top managers in both firms was presented verbally and in a written report. The purpose in giving the feedback was to stimulate managerial thought about issues concerning the firm's culture and prevalent leadership behaviour within the company. Throughout, the researchers' aim was to allow managers every opportunity to 'own' the findings and identified changes to be made. To that end, wherever possible a range of possible responses was offered rather than a single recommendation.

When presenting the findings, the researchers invited managers to 'look in the mirror' and ask themselves if what they saw was a true reflection of the company-wide learning culture and prevalent leadership behaviour.

Company 'A' (a media company)

Background

Company 'A' is a second-generation family owned and managed firm employing 160 people, which operates within international markets. Second and third generation family members occupy key but by no means all of the key managerial positions. Between 1989 and 1997 turnover increased by 400% and there were year on year increases in employment levels. However, the company operates in an extremely competitive market where there is a need for continual technology updating. Following a two-day audit by a major multi-national client in 1997, to retain the client's business, the company had to restructure its workforce into multi-skilled teams while at the same time delivering enhanced quality products at significantly reduced margins and within reduced timescales.

Throughout the period when the reported work was undertaken, the researchers reported to the MD (designate), the newly appointed personnel manager and the pilot team leader and (to a lesser extent) the director of human resources. Significantly, given the findings and outcomes of the research programme, the researchers did not meet with the company chairman, the shortly to retire MD or the remaining 'top team' managers. Consequently, it is the view of the researchers that they were asked to report to members of the 'outer' rather than the 'inner' team of people who have been instrumental in establishing the company culture and patterns of leadership behaviour (Vyakarnum, *et al*, 1996).

Findings

All twenty-one members of one of the newly formed flexible teams were interviewed and during those interviews there was almost unanimous agreement that:

- The overall style of management within the company is autocratic, *'You are told what to do and expected to get on with it'* and that there is little or no encouragement for workers to identify new and better ways of doing things.
- People do not feel psychologically and, in some cases, physically safe; that managers and employees shout at one another and, in extreme cases, engage in physical fights. Comments included *'There is a strong blame culture, 'I could do one hundred jobs, ninety five of which would be right, five would not be on time, I would only hear about the five-every time'*. Several people expressed a view that some managers suppress and stifle subordinate initiative. Others spoke of a *'back-biting culture'* within and between some teams and that people *'are looking for others to fail'*. Some referred to examples of people being (deliberately) trained to do things incorrectly and of teams working against one another – *'Things go missing, work is passed on (to other teams) and (deliberately) lost'*.
- Organisation-wide communications *'are bad'* and *'usually you learn about it through rumour and once change is underway'*. Several employees and managers noted a tendency for people to deliberately keep essential knowledge and information to themselves.
- Induction and on-the-job training and development is a *'luck of the draw'* experience. Comments included: *'it depends who your manager is'*; *'When you join the company it's a in-at the deep end , sink or swim experience'*, *'Training is frequently interrupted---production takes precedence ---- every job is urgent'*.
- People are rarely encouraged or helped to think about and plan for personal career development / advancement. One respondent said *'I've been here for two years and I haven't had an appraisal yet'* (the company policy is for everyone to be appraised by his or her line manager at least once a year).

Wider follow-up discussions with other people in the company and an analysis of company documentation shed further light on these findings. The system whereby individual pay increases were awarded and promotion gained encouraged people and teams to work against one another. Pay increases were awarded on the basis of people gaining new knowledge and skills, but there was a bar on the number of pay increases that could be awarded in any one year.

In many respects the research findings suggest the pace of change and growth within the company during the 1990s has been too fast and has outstripped the company's ability to change its management culture and for leaders to develop and adopt new ways of managing people. Over several years in the early to mid 1990s, the company invested heavily in state-of-the art technology and support training as well as training for middle managers. Significantly, though, senior managers did not seek out or obtain leadership training for themselves. When interviewed, the newly appointed MD offered the view that *'the (management) training was promoted from 'outside' and not championed (or valued) by internal line managers and there was no serious attempt to change or influence the organisation's prevailing culture.'*

The feedback and response

The findings were presented in the form of a verbal and written portrayal of the company culture and leadership behaviour, supported by liberal (anonymous) use of quotations obtained during the interviews. The report also summarised the 'driving' and 'resisting' forces for change.

When presented with the research findings, the MD (designate), personnel manager, project team leader and all the team members agreed the description of wider company culture and prevalent leadership behaviour was a fair and accurate one. While they didn't openly say as much, it is the researchers' view that the MD (designate), personnel manager and project team leader shared the perception that people in most senior positions within the company continue to promote an aggressively autocratic managerial style. The MD (designate) shared the research findings with the company chairman only after several weeks had elapsed and at the researchers' suggestion. The chairman's response (communicated via the MD designate) was *'if it's true we need to do something about it'* and *'consultants – it means spending money'*.

Apart from the MD, most directors, particularly the company chairman and a number of line managers appear wedded to an autocratic bullying style of management. They represent a long-standing and dominant *'hard management'* culture, a tradition of people being told and if necessary made to do things in a climate of (sometimes physical) fear. However, while being divided in their attitude towards the company culture, directors and managers have long been aware of the impact of personal and inter-team rivalry and current working practices on profit levels.

A further indication of the chairman's reaction was to occur during the MD's (designate) absence through illness. During this time, the chairman and other senior managers took the opportunity to undo much of the reshaped team culture by visiting the project team to engage in so called 'hard-management practice', i.e. blaming workers and the team leader for missing deadlines and generally using 'bully-boy' tactics to get things done on time.

Following the reporting back of the research findings and several meetings with the Personnel Manager and the project team leader, the researchers submitted a further proposal to support in-company team building as requested.

Company 'B' (a construction company)

Background

Company 'B' is a Construction Company and part of larger holding company founded by a single entrepreneur. The company comprises several departments led by four founder director managers. The company employs 49 core employees and additional human resource needs are met through subcontracting.

Between 1991 and 1997 the company increased its turnover by 300% while also deliberately turning down work which would have caused it to over-trade. Over the same period the company increased its staffing, including team leaders, through a policy of recruiting skilled employees from other larger companies.

Initial visits resulted in the researchers obtained the following information:

- The company has reached a stage of growth where the directors feel they can no longer maintain daily 'hands on' control of operations.
- Communications are proving more difficult to handle and new methods of gathering and disseminating information are being sought.

- The weekly directors board meetings are a recent development but communications between directors continue, in the main, to be informal and ad-hoc. Increasing workloads mean that directors currently communicate less rather than more with one another.
- Other than sending employees on courses in response to legal and statutory requirements, the company currently operates a very limited, ad-hoc training and development programme. The vast majority of the company's employees were trained by their previous employer(s).
- The directors are agreed that the company needs to provide additional training and development opportunities for employees but are not sure what to do or how to do it.

An important factor to be born in mind when considering these findings is the time taken (nine months) to agree dates when the interviews could take place. Major contributing factors were the difficulties experienced in getting someone within the company to accept responsibility for planning these arrangements and in getting people to assign priority to the proposed activity. Undoubtedly a significant factor is the extent to which people within the organisation have traditionally been used to managing themselves and the 'leanness' of the organisation, which means that there is little or no 'spare time'. There is also a history of unwanted work being passed from person to person - *'It starts with the MD who passes it on to X who then passes it to me and eventually I get round to it'*.

Findings

Ninety percent of the firm's employees, including directors and managers, were interviewed. During these semi-structured interviews there was almost or, in some instances, unanimous agreement that:

- People feel psychologically safe working for the company, *'it is a good company to work for', 'the owner manager and managing director are approachable', 'If you make a mistake you are expected to hold your hand up – you might get a bollocking but its not held against you'*. Others said *'if things are quiet my manager tells me to keep my head down' – 'they find things for you to do rather than get rid of you if at all possible'*.
- People are appointed on the assumption that they are competent to do the job and are expected to get on with it from day one.
- It is assumed that people will learn from one another, *'if you need to know anything it's down to you, you just ask, directors and managers are very approachable'*. There is an overall *'learning on the job culture'*.
- Middle managers don't see themselves as managers. Rather they see themselves as *'hands on team leaders'* and managerial tasks are increasingly taking them away from the job (which they enjoy more).
- Directors and middle managers alike said *'we are learning about management as we go along'* and without *'really knowing whether we are doing it right or wrong'*.

In a number of key respects the responses during the semi-structured interviews were very similar to those given by respondents in company A and, once again, suggests the company culture is not very supportive of professional development:

- Communications *'are bad'*. *'It's a bit of a rumour factory and you get to know about changes as they are happening'*) there is little communicated or shared vision.
- On-the-job training and development is a *'luck of the draw'* experience – *'it depends who your manager is'*.
- There is little or no positive feedback from managers – *'if no one says anything then I assume I must be doing all right... they let you know when it's not right'*.
- There are low levels of co-operation and understanding between departments and, at times, departments (unknowingly) hinder the work of other departments.

- There is little or no encouragement for workers to identify new and better ways of doing things, it is assumed that they will be told if there are new and better ways.
- People are not encouraged or helped to think about and plan for personal career development / advancement.
- The main basis for judging company and team performance is *'are we making / did we make a profit on the project?'*

During the interview with the directors and middle managers, several talked of deliberately providing opportunities through which younger employees with potential can be *'brought along'*. However, it would seem that few of these employees were told that this is why they were being asked to take on new projects or assume responsibility for the work.

An important finding was the extent to which departments and, in some cases, directors' work independently of one another and the resulting inefficiencies. During the interviews and afterwards the researchers were given a number examples of near disasters and inefficient practice which had occurred as a result of departments not liaising with and working with one another when tendering for, planning and delivering contracts.

Everyone interviewed felt that it is important that they retain the best of the company's informal and flexible management style, particularly those managers with previously experience of *'paper-driven'* quality assurance systems. They agreed that, despite the initial culture shock when joining the company, its *'way of working is better, once you get use to it'*, *'you either adapt and learn or leave'*.

The feedback and response

Feedback was presented to the four company directors. As with company 'A', the findings were presented in the form of a verbal and written portrayal of the company culture and leadership behaviour, supported by liberal (anonymous) use of quotations obtained during the interviews. The report also summarised the *'driving'* and *'resisting'* forces for change. All agreed with the findings and, being keen to identify *'a way forward'*, the researchers met with one or more directors and team leaders on several occasions.

While directors and employees alike readily agreed that the findings accurately reflected the experienced company culture, it is less certain that there is any widespread desired to change things. In particular, during follow-up meetings, it is clear that some directors and team leaders are unwilling to countenance changes in the way they lead and manage people. Seizing the researchers' suggestion that a useful way forward would be for cross-departmental teams to be set up for the purpose of identifying and trialing ways of responding to emergent business issues, one director said *'We manage the company, not the employees'*.

While undertaking this research-based consultancy project, the researchers became aware that within the company, most managers and employees perceive training as going on a short-term course to be *'educated'* and to learn (quickly) what to do on returning to the workplace. They don't seem to readily appreciate the way in which some people within the company are naturally discovering ways of learning with and from one another and how the company could nurture and build on such practice. Secondly, on many occasions the researchers also discovered that most people, left to their own devices, would not voluntarily attend a training course. One person in the know said *'In the end the directors will have to decide who needs to go on which course and make them attend it, otherwise they (the trainees) will say, I don't need any training – I know them'*.

The overall impression gained by the researchers is that the vast majority of people are quite content with the company culture, despite its readily acknowledged in-built inefficiencies. In particular, the researchers feel this is the case because the culture is such that individuals, managers and employees alike, are afforded

significant power and control over their own working practices and they will not readily forego such autonomy.

Conclusions & research propositions

The reported case study findings are consistent with the findings from the writers' wider longitudinal research and consultancy work with small and medium sized organisations. In particular, the findings support a claim that many businesses fail to achieve long term competitive advantage and the growth potential shown in the earliest days of their existence because of the way people are managed in those companies. The need for the reshaping of organisational culture and changes in leadership behaviour within many small but growing companies is well documented (for example, Chell & Haworth, 1991, Vyakarnam et al, 1996, Watson et al, 1995, Kamm & Nurick, 1993, Anderson et al, 1990). However, in the course of their work the writers have discovered many founding entrepreneurs and top managers within small but growing companies who are unwilling to admit they need to reshape the company culture and/ or adopt new ways of managing people as employment levels rise.

When intervening to stimulate companies to gain and retain competitive advantage and business growth it is necessary to consider the issue of power and control. For many founding entrepreneurs and top managers, agreeing to, and knowing how to empower others and accepting empowered people is an issue. In the course of their wider research and consultancy work, the researchers have met many autocratic founding entrepreneurs who are unwilling to share power or who find it extremely difficult to do so.

A priority when intervening to support the small but growing firm is to investigate the 'barriers' to business growth as manifested in organisation wide perceptions concerning the culture and leadership behaviour within the firm. In particular, unless people feel safe and are bound together by a system of shared values and beliefs, it is unwise to invest in training to bring about personal and organisational behavioural change unless these issues are attended to first.

Those that would intervene to stimulate change within a firm's culture and leadership behaviour need to regard their role as potentially catalytic rather than prescriptive. The effective researcher-consultant brings to the company a method of surfacing and sharing the manifestations of corporate culture and leadership behaviour as well as working knowledge of response options; but the top management within the company will decide whether or not to accept recommendations. The researcher and consultant alerts the top management to manifestations of the company culture and prevalent leadership behaviour and, where the intervention works, adds value to top management's understanding of such issues and stimulates worthwhile changes in personal and organisational behaviour.

Finally, the reported research has enabled two principal propositions to be made so that they can be subjected to further empirical investigation.

3. There is a need to investigate whether there is a causal link between a firm's ability to achieve and retain competitive advantage and business growth and the willingness and capacity of founding entrepreneurs to cope with emerging 'softer' management issues such as people, culture, values and leadership behaviour.
4. For many firms there may well be an optimum period when external intervention is more likely to lead to positive changes in company culture and leadership behaviour (Gersick, 1989, Zucker, 1977, Boeker, 1989, Eisenhardt, 1988). The writers' findings support the claim, which needs to be tested, that successful intervention is most likely to occur early in the life of a firm, involve those who would intervene working with the top team and before negative aspects of the rapidly evolving organisational culture and leadership behaviour assume dominance.

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