

"THE ACTION LEARNING MODEL FOR NEW STARTER MANAGEMENT TRAINING"

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ABSTRACT

The methodology of Action Learning has been transposed from its wider use, in management development in large organizations, over to specifically designed programs for new owner managers. An analysis of several variables both of faculty experience and of surveyed participants' perceptions reveals an effective learning experience within this different application area of small business.

INTRODUCTION

Action Learning is both a pragmatic approach to problem solving and an alternative methodology for management development. Although the model presented by Ravens (1) has been widely adopted in a number of large organizations in the UK and overseas (2,3,4,5) its application to small firm training appears still in its infancy and as yet unproven across a range of situations (6,7,8,9,10). In a sense the emphasis on action in action learning is not new as many management training programs seek to encourage positive changes in behavior as a major objective. However, as suggested by Ramirez (11), action learning originally stems from a reformulation of existing concepts from such areas as small group dynamics, experiential learning, learning theory and scientific methods of enquiry. This reformulation coalesces previously disconnected activities into a integrated, broader approach to management development.

As a management development methodology, the emphasis is on self development, through action, supported by fellow learners. These learners, formed into groups or 'sets' of five or six participants, each work on a management problem of substance that requires analysis, conceptualization and action. The process has been described by Revans (12) as:

"A means of development, intellectual, emotional or physical, that requires its subject through real, complex and stressful problems, to achieve intended change sufficient to improve his observable behavior in the problem field . . . subjects learn with and from each other by mutual support, advice and criticism during their attacks upon real problems."

This paper has two objectives. Firstly it is concerned with reviewing the relevance of the action learning model to new business starter training based upon the experiences of both authors in the North East of England. Secondly, attention will focus on participant's perception of the processes experienced during involvement with action learning sets. The field investigation concentrates primarily on the issues associated with the complex interaction of variables that take place during peer group exchanges. No attempt will be made to hypothesize casual links between the adoption of an action learning approach

and resultant business outcomes, but a number of areas that merit further investigation will be highlighted.

MANAGEMENT TRAINING FOR THE START UP BUSINESS

The growth of interest in the small firms sector has encouraged the development of a comprehensive small business training infrastructure in the UK (13). Responses to emerging training needs have been diverse in both focus and delivery as a large number of polytechnic and colleges, along with some universities, have become closely involved with training and development for the small firm. Although sponsors are varied, a prime influence source has been the Manpower Services Commission, particularly in the new starter area. Three main programs formed the basis of their involvement in new starter training prior to reorganization in late 1986. These programs were:

- (a) The New Enterprise Program: Designed for manufacturing and industrial service businesses with good job creation potential. Operated from five major business-schools.
- (b) The Small Business Program: Located in colleges and polytechnic to cater for a variety of new ventures, at a localized level, where potential for growth may be more limited.
- (c) The Self Employment Program: Designed to facilitate the transfer hobby or work related skills into profitable self employment.

In many cases the development of the above and other programs represented a significant departure for educational establishments from traditional areas of operation. This has resulted in a period of modification to meet emerging patterns of need in the small firms market. Issues of researching, staffing, administration, marketing and not least teaching approaches have needed re-examination in the light of new experiences when dealing with a highly differentiated sector. Of particular concern has been the adaptability of 'academic expertise' to the needs of the small firms. It has been widely recognized that participants on small business programs differ substantially from those on degree/certificate based courses and furthermore they have little interest in and patience with academically based courses. Various writers have concluded that approaches need to be goal-oriented and problem centered (14), multi-disciplinary (15,16) and action based (17,18) with a minimum of jargon and indigestible material. A particular structural problem is created in small firm management development due to the synonymy between personal development and organizational development. In many cases owner-managers may be unwilling or unable to accept a linkage between a recognized organizational need and an externally diagnosed personal development need (19).

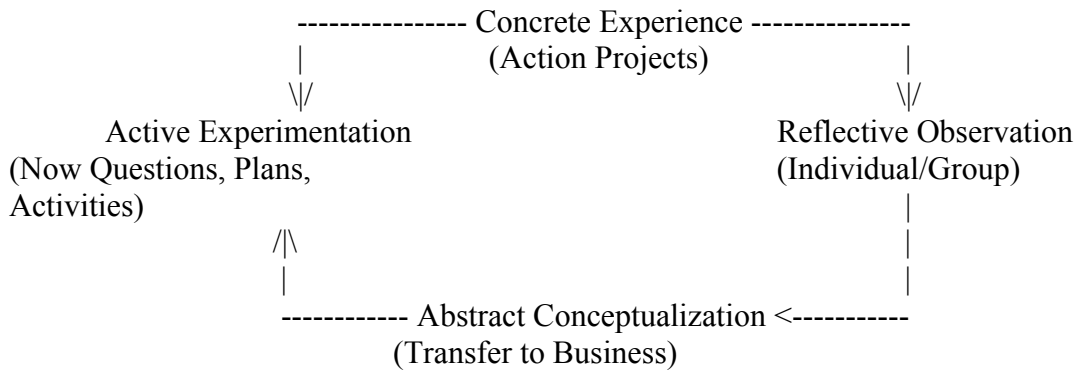
Given the above concerns the selection of teaching methods in relationship to learning needs is likely to merit serious examination and reflection by the small business trainer. Traditional academic delivery systems such as lectures, case studies and even tutor led discussions may be inappropriate if they cannot generate changed behavior in an organizational context. Knowing about managing a business is one thing, actually the instrument to implement change and growth in a new business, quite another. For

example, Pettitt and Kirkwood (17) expressed concern about an apparent gap between the wide variety of marketing training-inputs for the small firm and the resultant poor levels of marketing performance recognized by a number of observers (20,21,22). The transfer gap could be regarded as a major issue in small firms training provision effectiveness.

Facilitating the narrowing of the transfer gap is central to any rationale for the adoption of an action learning model for small firm training. Of course there is a role for a well prepared lecture, supported perhaps by pertinent notes, in imparting fresh concepts and ideas to the new starter. Information concerning administrative systems, business techniques and other essentially 'programmable' knowledge has a vital role in explaining clearly defined 'ways of doing things'. However there may also be other situations that do not lend themselves readily to programmed responses. The theme for this conference 'Adapting for Success in a Changing World' is perhaps indicative of the very real challenges facing the new starter entering a dynamic, complex and uncertain environment.

With such environmental turbulence learners need to be able to cope with the unexpected challenges and situations where ready-made, programmable answers may not be appropriate. The management trainer needs to tackle the problem of providing learning experiences for new starters seeking to acquire problem-solving and decision-making skills in situations of such turbulence. Action learning provides this experience within the context of the new venture and therefore has little need for simulation, lectures or case studies as each situation is essentially a live start up problem that demands comprehension of the environmental situation and a series of considered managerial responses. These evolve through a model of Understanding Action Experience and subsequent Reflection which may lead to further Understanding as a basis for revised action (see Fig 1). Of course inputs of knowledge, ideas, concepts and techniques can assist in the speed and direction of this learning process but the key distinction compared with traditional methods is that theory may follow rather than precede practice. Theory and practice are therefore seen as part of a continuous learning process. Although there are inherent dangers in generalizing about either the small firm population or the new starter (23) given the wide variations in products, markets, competitive environments, technologies, organizational forms and not least the owner manager in terms of values, experiences and objectives there may be merit in seeking to explore a number of underlying determinants of new starter training needs.

FIGURE 1
THE KOLB - RUBIN - McINTYRE EXPERIENTIAL LEARNING MODEL
AND CORRESPONDING TRAINING ACTIVITIES



While it could be argued that all organizations face environmental uncertainty there are various information gathering strategies and learned responses (24,25) that may reduce its overall impact. However new starters, often with limited resources to gather information and perhaps with little prior experience of environmental influence are likely to face a period of extreme uncertainty and unpredictability during the start-up process. It has been argued that the owner manager's ability to learn and respond to new experiences is critical to the success of the fledgling business (26). The environment facing the new starter need not be dynamic in terms of rapidity of change, indeed many often enter relatively stable, mature areas; it may be the sheer complexity, interrelatedness and pace of thinking required that represents the significant challenge. Often the market related areas pose the major need for rapid learning. Product Innovation, New Market Opportunities, Competitive Actions and resultant strategic responses may require radical departures from the original plan. There is little substitute for market testing and experience in assessing business viability so the first business plan may give a rationale and direction, but the ability to respond and adapt may strongly influence eventual outcomes. In such an uncertain environment the premiums may well be on flexibility, modification and changing to situations unperceived at the time of starting. Ravens (27) argues that it is the ability to ask discriminating questions that forms the basis for an individual to cope with the unexpected. Programs that offer an approach based on knowledge acquisition rather than on developing a questioning/ reflective style may not adequately prepare the new starter for subsequent problem solving. Action learning does offer the opportunity to facilitate a more effective use and re-interpretation of previous experience through a process of reflection and peer group involvement.

Managing Complexity

Whereas the tendency of traditional models of management education is to compartmentalize a range of inputs into discrete areas for detailed analysis, the world of the manager often reflects the need for a holistic, multi-disciplinary perspective (28). This is particularly true in the start-up situation where the owner manager needs to perform a non specialist, multifunctional role. Many of the problems facing the new starter often appear overwhelmingly complex. Effective decisions are likely to encompass a

knowledge of the business markets, sources of information, a gathering and analysis of information, identification of alternative directions and finally, but not least, the implementation of findings. This process may require the owner manager to develop iconic thought processes, linking patterns, across a range of functional areas and is in marked contrast to the more mechanistic skills demanded of specialist technique based disciplines.

Given such complexity, especially when faced with limited time, resources and expertise (29), again the question must be asked if traditional models are encouraging a capacity to handle multi-dimensional problem solving. Action learning does encourage 'learning by doing' and whilst accepting that 'mistakes' or 'suboptimal' decisions may be made, does allow a focus on the multifaceted nature of problem solving in the start up process and so with the additional support of the peer group network better handling of complex decision making may be facilitated.

Managing Networking

Social networking has emerged as a fundamental explanation of entrepreneurship and as a successful initiation into an entrepreneurial role (30,31). Granoveten (32) suggested that the diversity of social ties is linked to the scope of opportunities open to that person. The new starter with only a limited background in business may only have developed weak ties in the local community. This may seriously impede information flow about potential sources of capital, premises, business procedures, suppliers, new innovations and of course potential new product - market areas. Therefore, an ability to effectively network may speed up the establishment of business relationships and to expand the customer base.

But can networking be taught? Clearly a simple provision of lists of potential sources of help may assist the new starter develop contact patterns above the narrow range of personal contacts often found. However perhaps the problem goes deeper. It is often reported that owner managers tend to ignore sources of external support despite being aware of their existence (33). This may reflect an unwillingness, a lack of trust or perceived incapability of being assisted by 'an outsider'. The very processes that encouraged the entrepreneur to seek an independent career may exacerbate networking effectiveness. Action learning, through its emphasis on group learning, sharing and exchange may enhance the new starter's desire and ability to develop stronger tie networks.

It has primarily been argued in this section that new starter training focusing primarily on system and technique rather than on more fundamental learning skills may reduce the effectiveness of the overall launch plan. The discussion has concentrated on preparing the new starter for the unknown in order that appropriate, flexible responses may be realized for problems unperceived at the time of initial training. The theme has evolved around the skills of learning as a basis for ongoing problem solving. Mumford (35) has proposed a number of critical skills associated with setting performance standards, identifying learning needs and opportunities, analyzing personal learning preferences and blockages.

The development of critical learning skills of Listening, Taking Risks, Sharing, Accepting Help and Monitoring Achievement rarely stems from passive learning. Only through action based experiences can process rather than just task based skills be developed. Action learning provides an opportunity for such a combination in a format highly relevant to the prime issue – the business launch.

THE ACTION LEARNING MODEL

Boddy (36) suggested that there is 'no universally appropriate way of designing an action learning program' and that the strength of the approach was in its flexibility to cater for the needs of a variety of managers in different organizations. However he went on to argue that action learning was not a soft option compared with designing a formal program and that attention must be placed on the complex processes and components of a program. These key components and processes of the action learning model are described in this section with reference to new starter training.

Individual Development Projects

The project is the main vehicle to facilitate learning activity. Without a Project that involves working with and on an unprogrammed situation there is likely to be less opportunity for action, reflection and modified behavior. Although it is impossible to be prescriptive about the nature of projects, a key characteristic appears to be the type of learning it generates. In a large company context the project may be a topic involving strategic, functional or organizational issues where ownership and responsibility for implementation are clearly defined. In a small firm context, the start up process involving planning and implementation can parallel the large company situation. The process of starting a business is a complex, turbulent and iterative affair involving high degree's of personal risk and uncertainty. Rarely do expected and actual outcomes match, reflecting the need to adapt and change to evolving circumstances.

In reality the start up process is not one discrete activity but a series of sequential or complementary decisions involving products, premises, legal forms, markets, etc. Therefore the project is in fact likely to be a series of 'mini projects' that transforms the idea into a business form over time. Each problem area faced is likely to demand action if progress is to be maintained, although of course some are likely to pose more serious obstacles than others and may at times result in the abandonment of the overall start-up project.

Although not all action need be developmental, some managers are often seen to 'do a lot of things, but to learn very little', the process of learning by reflection and questioning of actions is crucial to effective management development. Given the high degree of risk associated with start up, both financial and psychological, new starters may be less prepared to submit their business idea to critical appraisal and to take on board criticism which could be seen as personal rather than organizational. However overall many of the qualities of a 'good' action learning project seem to be found in the start up process 'project'.

The Action Learning Set

The group meeting or project 'set' of fellow learners is another dimension of the action learning model. It has been argued by Ravens (37) and Leavitt (38) that the environment of 'mutual self help' created by a group of participants working on their respective projects and sharing problems, experiences and values, can actually reinforce both task and behavioral learning. Members of a set involved with start up are likely to be in different stages of development and experience which may provide a source of expertise and encouragement to less advanced members. Regular meetings of the five or six participants does allow an individual to outline progress on the project and to be exposed to alternative, perhaps unconsidered perspectives.

A number of issues concerning structuring and operating action learning sets are worthy of examination.

(a) Composition of the Action Learning Set

The full benefit of 'mutual self-help' and group interaction is unlikely to be achieved unless careful thought is given by the trainer to group composition. Casey (39) suggested that a group benefits from having a rich mixture of personal qualities and skills rather than have a concentration of experience and ability in one group. MacNamara and Weekes (40) also refer to the importance of properly formed groups within which diverse perceptions of situation by different members contributes to the learning process. Gibb (41) in the small firm context suggested that owner managers at different stages of development may assist each other and help overcome problems that had already been tackled by the experienced members. At this stage it would be premature to speculate on the 'ideal' learning set profile given the wide range of personal and environmental profiles to be found with new starters. However there may be merit in considering owner manager learning styles and identifying whether some combinations are better for effective action learning sets (42). Similarly the mix of business types, products, markets etc are also worth considering in the search for the ideally 'balanced' group.

(b) Group Processes

A number of activities take place during set meetings and the set advisor needs to be cognizant of these activities and to ensure a reasonable balance between them during the program. The activities are briefly considered below:

- Task Assistance with the Start Up Project

Regular meetings of fellow new starters creates a forum from which members can learn from each other and to seek direct help from the group. Rather than create tutor or set advisor dependency, the peer group becomes the first line of assistance for the new starter. If new starters are at different stages in their intellectual or business development, a rich source of combined experience is available to the group. The exchange of assistance may accelerate learning through the start up process by identifying problem issues earlier and highlighting a wider range of visible solutions (44). This could be

particularly true when blockages are experienced in networking, financial support, premises, or market contacts.

- A Source of Peer Group Pressure and Support

Blockages and unforeseen diversions from the original business idea may be extreme sources of frustration for the new starter. Such frustrations may reduce motivation and commitment as well as potentially impairing the rate of resource flow from the market place (45). The group may act as a source of encouragement and support to sustain momentum and to propose new ideas, as suggested in the previous section, to alleviate the problem area. The role of the peer group as a source of pressure on the new starter to report developments may be more problematic for the small firms trainer. Although there is merit in identifying at an early stage the 'doers from the dreamers', there may be a danger in over-stimulation of a project that may not merit further investment of time or resources. However it can also be argued that some pressure may prompt some momentum during a more difficult period.

- A Forum for Progress Review

In the process of discussing individual developments associated with the start up project, progress since the previous meeting can be reviewed. Whereas managers in large organizations are familiar with the need to regularly review progress, such a discipline is less prevalent in new start situations given the absence of external sources of pressure. This discipline however needs to be accepted and the progress review undertaken in the set may facilitate broader reflective learning on tasks, skills and in how to interact with fellow learners in an unthreatening environment.

- The Role of Formal Inputs

Set meetings provide an opportunity for formal inputs to be presented to the group. Action learning in its 'purest' sense may have little time for knowledge based inputs but there are obvious dangers with new starters having no conceptual frameworks to guide their business development (46). The contrasting experiences of the group can assist in the building of such a framework but formal inputs may speed up the process. Action learning programs for new starters are likely to vary considerably in the nature and extent of formal introduction to business skills, techniques etc. For example one program might adopt a problem rather than subject orientated approach with a focus on such issues as finding appropriate markets, formulating and implementing growth strategies, building a team and managing change. Meanwhile Lessom (47) reported on the URBED new starter program that a four day intensive program of business techniques was introduced to the action learning activities.

(c) The Role of the Set Advisor

Harries (48) states that the set advisor's role is to help members benefit fully from the learning opportunities generated from the action and in the set meetings. Being an

outsider, without a project is, he suggests, a strength that enables the set advisor to more easily take a detached perspective that those more closely involved with the process cannot have. The justification for the advisor's presence is that of the calm focus of a coaching referee and the objective is to facilitate the learning process.

Again Casey (49), along with his view that the peer group is the prime source of help in Action Learning, emphasizes the need for a set advisor as a special member of the set whose role is to facilitate learning. Both he and Harries (50) comment on the semantic problem of the title 'set advisor' and make clear the point that the advisor does not have project expertise. He construes a duality within the roles: facilitating giving and facilitating receiving. This reflects the need to help members give to each other by asking questions - "generous questioning" aimed to help the person being questioned rather than to score debating points and also to help members give out their opinions in a frank and open manner. Another aspect of 'giving' is to encourage members to give emotional support and backing to others in an unselfish manner. Facilitating receiving is more difficult than facilitating giving. The task is to try and reduce the defensive barriers of resentment and rejection that quickly develop in a member when doubts are expressed by others. It is unlikely that new starters would adopt the giving and receiving roles without the guidance of the set advisor unless they have developed interpersonal skills.

The role of the set advisor is crucial to the satisfactory establishment and operation of action learning programs. Tutors more familiar with traditional approaches to management education may be uneasy with a role that does not draw upon their business expertise and skills. It may well be that tutors trained in group dynamics and interpersonal skills are more appropriate as set advisors for action learning sets and that the business specialist should be left to perform a counseling or formal input role. However some contextual understanding of business by the set advisor will be necessary in order to identify critical blockages of a task rather than a behavioral dimension and to exercise a facilitating role to enable the group to overcome these. A degree of business expertise is also required to support the group in its process of helping individuals to deal with external network relations such as liaison with potential financial sponsors, support agencies or trade contacts.

There is not one prescribed way to work as a Set Advisor for small firm. Some may contribute to the business aspects of the start up project, others may act only as a prompt when considered necessary. As more centers experiment with action learning so there will be more opportunities to share experiences on the type and extent of intervention. Having considered the general background to action learning for the new starter and in describing the key components and processes of the model, attention will now turn to the direct experience gained at Teesside Polytechnic with Action Learning programs over a four year period.

THE TEESSIDE EXPERIENCE

The Small Business Action Learning Programs

The Teesside initiative was to obtain approval to implement their own design of a Small Business program to be based fundamentally on Action Learning and outlined as follows.

Twelve selected new business starters are split into two groups or Action Learning 'sets' with a tutor as 'set advisor' or leader for each group of six. For the 3-month period of the program they meet as separate discussion groups for one and a half days each week and join together for approximately half a day per week to hear various tutors and small business experts give talks and presentations about the knowledge and skills required to start and run a business. For the rest of the week the participants are taking individual action to get their own small business start up projects off the ground. The set or group discussion is concerned essentially with generating behavior to this end. This paper now reviews our experience in operating 8 such Action Learning Small Business Programs over a period of approximately four years between 1983 and 1986.

Recruitment and Selection

Recruitment and selection of participants is by advertising, explanatory presentations, application forms and an activity based selection process. Typically advertising would yield 120 initial responses with 45 of these going on to complete an application form. Approximately 16 of these applicants would be selected for interview on the criteria of good potential business viability and potential for employing other people. The remainder would probably qualify for a Self Employment Program. These candidates for the Small Business Program would then participate in a one-day group selection process which may raise doubts about some of the business proposals or perhaps about the applicants themselves and which enables the final 12 participants to be selected.

The selection day comprised a series of tasks and group discussions associated with product and customer issues of marketing, assessing business viability, personal issues and learning needs. Observations were noted by staff tutors attached to the groups who met later on to discuss marginal cases. The main reasons for rejecting candidates as a result of these personal interaction processes were doubtful market or business viability, low employment potential, or lack of real intent to start a business. More rarely candidates appeared who had had their earning needs already fulfilled by other means or who seemed to lack learning ability.

Composition of the Action Learning Set

How were the issues of structuring the Action Learning set that we have already referred to handled in the Teesside programs? The process of forming the 12 selected participants into two sets or groups was a combination of self determination by participants with some influence by tutors. The participants were encouraged to move into the mode of group dynamics by taking some action for themselves. On the other hand by suggesting a nucleus of perhaps two people around which the set could be formed and by negotiating a rounding off of the final decision the tutors or set leaders hoped to finish up with some balance in personal and environmental profiles within each group. Rarely is it possible to generate ideally balanced groups so how did this application of social engineering work out?

Our groups had an age distribution which avoided either predominantly young groups on the one hand or older groups on the other and each group was likely to have 1 - 3 females. The age distribution was often allied with a useful spread of experience. Too much

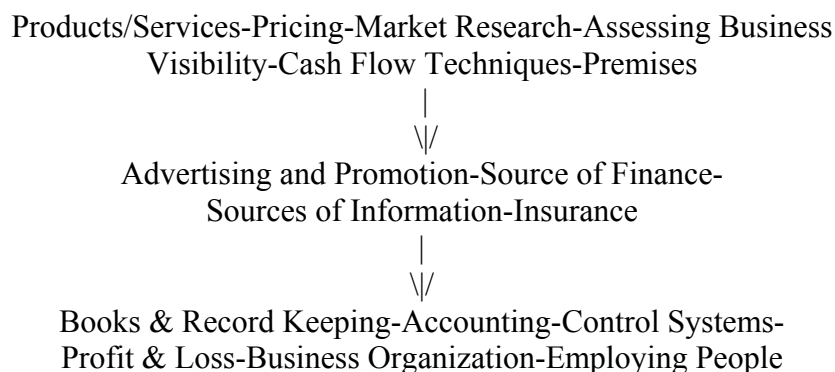
concentration of experience of business, whether large or small, was to be avoided and difficulties could arise if two or three such people were located in one set. These difficulties were more associated with closed minds and an over confident unquestionable offering of advice in the one group rather than the consequent lack of mature opinion in the other group. Given our avoidance of groups that were all potential retailers or all setting up as manufacturers there was merit in having pairs or triads of businesses of similar type, products offered, or markets served. Sometimes an abrasive or even idiosyncratic participant prompted the need to implant in the group a person with good social skills in handling people as a suitable counterbalance.

PROGRAM CONTENT

Formal Inputs

A number of general questions have been raised in this paper about the role of formal inputs and their structuring within the action learning model. How then were these issues resolved in the Teesside Program? The early pilot programs were inclined towards a purist approach and no formal inputs were offered during the first few weeks. The idea was that the sets themselves would through their analysis and reflection of progress in their start up projects and arising from encounters with those parts of the complex and turbulent environment that affected them individually, discover and evolve a pattern of formal inputs to meet the learning needs of the two sets. These needs might vary of course from program to program and hence would only be planned as they emerged from set discussions. Essentially there were two main problems with this approach. It was difficult to plan inputs by outside experts at very short notice and the perceived needs of participants were of a short term horizon taking no account of the medium term future. In the event the formulation and sequence of presentations that was distilled to match the most typical pattern of action stages that had emerged experientially from our start up clients are summarized in Fig 2.

FIGURE 2



Group Processes

During the implementation of the programs what variety of activities actually took place during set meetings? The overall structure of set activity comprised two sets of 6 participants and a set leader who met each week for a day and a half. Each participant had his own 'air time' exclusively devoted to discussion of his situation. This air time varied

between one and four hours according to the needs of individuals and their situations which changed over the life of the program. The variety of activities, topics, situations which were executed or discussed are considered below.

(a) Task Activity

The prime interest of the group was obviously the start-up project of each participant. The activities and steps necessary to further the project which were taken week by week out in the field comprised the vital action component of Action Learning. This range of individual practical tasks and activities included of course investigation, research, analysis and review, decision making and planning activities.

The working process of the set in relation to these action areas started with a presentation review by the individual whose turn it is for air time. This was followed by analysis and questioning by set members, generation of ideas and suggestions and a consensus plan for the participants' next action steps. Thus in the first week or so of the program initial stances or proposals of the range of products/services offered and the customer groups to be targeted were presented and examined, possible problems identified and alternative solutions offered before resources were committed. Later on the set typically assisted in the interpretation and reflection process as feedback was obtained from a basic market research or from a search for appropriate retail premises.

As the project action widened in its scope, set activity was likely to be concerned with the complexity of interrelated factors and the relative uncertainty of external events and decisions. These factors included, sales revenue, capacity of equipment or of people in response to varied and uncertain patterns of customer orders, cash flow, or amount of finance required. The group constantly sought to prevent the individual being overcome by what he saw as a tangled web of complexity and helped him calmly plot out the pattern and its key cross influences.

(b) Behavioral Processes in the Set and Participants' Development

Throughout each program several behavioral processes were taking place within the Action Learning mode and particularly within the set activity which encouraged and enlarged learning behavior in different ways. Participants learned how to organize their thoughts so as to start their allocation of air time with an articulate verbal statement of the current state of their project. We found they were prepared to risk exposing their position and its weaknesses and admitting their doubts and problems to fellow set members. Be they optimistically confident in their expectations of customers banging on their door to buy their services or coy and guarded about their real level of technical or trade skills they responded to challenging questioning and analysis by the set and learned to adapt and modify their thinking. In contrast to a passive learning situation other set members did not simply remain interested in their own business project but assumed the mantle of analytical investigator of the problems and situations outlined by means of good questioning. They then accepted responsibility for thinking out and generating solutions

be they suitable alternative sources of finance, additional suppliers or modifications to product range or market segments.

The value systems acquired by some participants from within their employee culture background produced negative attitudes to such factors as price and profit or to aggressive business practice and these attitudes were challenged by the groups. Again both personal and business objectives and the degree of motivation to achieve them were put under the microscope with the consequence that potential owner managers increased their self-understanding of their personal motives.

Both peer group pressures and peer group support were strongly manifest behavioral processes in the sets. The pressure was on from day one as participants took up their air time, made their presentation to an audience of their peers and then endured their critical response. Whereas managers in large organizations may have grown up in such a climate for most of our potential owner managers, coming from a much wider cross section of the population, this pressure was a formidable and often uncomfortable experience. Although as employees they had achieved targets or levels of performance, they still experienced difficulties and frustrations in coping with the complex and uncertain world of starting a small business. An essential corollary to this pressure was of course peer group support. From the beginning problems and doubts were shared with others and set members were no longer "The lonely entrepreneurs" as suggestions and ideas were offered by the group alongside help and encouragement to improve limited skills or abilities in say cash flow forecasts or market investigation. The groups often sustained momentum when frustration with set backs or ambiguities were rampant or restored confidence when initial market response was poor. Groups also gave moral and personal support when as a result of the set processes and the overall action learning methodology a participant decided to terminate his start-up project.

REVIEW OF PERCEPTION OF PARTICIPANTS

A number of variables of the Action Learning process and its outputs as perceived by small business participants were appraised. The survey strategy was to mail a questionnaire in late 1986 to those people who had participated in the four programs completed in 1985/86. From the 44 available to be contacted 30 questionnaires were completed. The results of this survey together with interpretive comment are outlined below.

The Questioning Process

Pedler (53) and Casey (54) both emphasize that Action Learning attempts to tackle problems of uncertain outcome by asking good questions. Managers should ask discriminating questions about plans and situations as a means of reflecting on and evaluating action. A probing review increases the ability to tackle future problems. The survey results showed that 80% of respondents agreed with the statement that "Everyone in the group joined in questioning other members of the group and their situations", whereas 19% disagreed and 1% remained neutral. The overall average recorded by participants was that less than 1 person per group asked comparatively few

questions. There was clear indication of extensive cross questioning between set members about their respective situations as these changed and developed through the course.

The Listening Process

A complimentary process to questioning is that of listening not only to questions but to opinions. The degree to which individuals enjoyed listening and to which they were not very interested in listening to others were the instruments used to measure the listening process. 76% of respondents agreed 16% were neutral and 8% disagreed with the statement "I enjoyed listening to the questions and opinions of others". 80% disagreed, 14% were neutral and 6% agreed with "Listening to the questions and opinions around the group was not very interesting". These results were better than we had expected given the expressed views of set advisors that it was easier to facilitate the giving than the receiving process. Even the groups themselves became frustrated with certain members who were unresponsive to questions and ignored opinions.

Generation and Acceptance of Ideas

Measurement of the process of generation and acceptance of ideas gives some indication of the sharing of experience and of the learning from and with fellow learners. 76% of respondents perceived that a range of useful suggestions and opinions was generated in the set to a considerable or greater extent, 20% to some extent and 4% to a little or low extent. 66% perceived that the Action Learning process was useful to a considerable extent in getting members to accept different suggestions and opinions, 34% to some extent and 0% to little or low extent.

There was then a high degree of ingenuity and spontaneity within the groups and a good level of acceptance. This part of the Action Learning process was mostly concerned with expanding the thinking about product range, with problems of finding and reaching customers, and difficulties with suppliers or resources in the business.

Development of Confidence

It is suggested that when faced with ambiguous and turbulent situations Action Learning develops indigenous forms of self help such as self reliance and confidence. In the survey 76% agreed, 20% were neutral and 4% disagreed with the statement "The Action Learning process improved my self confidence". 56 % disagreed, 14% were neutral and 30% agreed with "The Action Learning process did not change my lever of self assurance". As some participants were self reliant when they started the program it seems that many of the others were helped emotionally to cope with ambiguity and uncertainty.

The self reliant starters tended to be males with either extensive knowledge or experience of their product/service and also perhaps with marketing it from within a large company. Many females were initially less confident about whether their product/service would sell. They were hesitant in facing up to people, confused by the ambiguity surrounding such matters as premises or sources of finance and nervous in coping with the pressures of their new turbulent existence.

Independence and Action

According to Casey (55) the Action Learning process should lead to independent thought and action as distinct from prescriptions, or edicts from trainers and counselors and that it should catalyze action within the work situation. 70% of respondents agreed, 15% were neutral and 15% disagreed with the statement that "The Action Learning process helped members decide for themselves rather than rely on others". Furthermore 86% agreed, 14% were neutral and 0% disagreed with "The Action Learning process chivied members along into taking action for themselves rather than depending on other people.

Having drawn out the strengths and weaknesses in a situation comments would arise from the set such as "The choice is yours only you can decide" with reference to marketing plans, business location or business organization. Again members of the program were in practice inclined to be slow in taking the essential steps towards getting their businesses off the ground having a preference for assimilating knowledge rather than taking action. Accordingly the process going on in the set was frequently concerned with prodding people into action. Following the premise that managers learn from doing then an outcome of the process was that both action and learning were accelerated and became less dependent on others. New starters had realized that they owned the problems.

Self Understanding

Casey (56) also raises the issue of "ownership" of objectives and differentiates between the duty or requirement of a job and the personal and emotional commitment to getting something done. Our set advisors from a behavioral science background emphasized the importance of participants understanding their personal motives. 80% of respondents agreed, 10% were neutral and 10% disagreed with the statement "The Action Learning process helped me to sort out my own personal reasons for wanting to do certain things". 70% of respondents agreed, 15% were neutral and 15% disagreed with the statement "The Action Learning process helped me to sort out my own personal reasons for not wanting to do certain things". Clearly a large majority of new starters had increased their understanding of their own reasons for and emotional commitment to either action or no action.

In terms of action this was manifest in personal influences affecting product/service choice or where the business was to be located - it was action they felt happy or comfortable with. In contrast a few participants recognized their reasons for starting a business came close to desperation given high levels of unemployment. Being afraid of making a fool of oneself or a lack of confidence constrained the actions of many, a few had an adverse view of profit. At the end of the day some members clarified their motives for not taking the final action steps to launch the business as having no commitment, no "fire in the belly" or having a preference for a more settled less turbulent life style.

Analysis and Reflection

Intellectual development of managers in terms of analytical and reflective skills is an expectation from engaging in Action Learning as a process based on scientific inquiry. In the case of our new start owner managers 80% of respondents agreed 10% were neutral

and 10% disagreed with the statement that "The Action Learning process improved my ability to weigh up and assess situations more thoroughly than before". Clearly journeys through the reiterative cycle had achieved a marked step forward in their development. They improved their abilities to analyze the feedback and reaction from customers to products or services offered. They were able to sort out and cope with the ambiguities of officials, policies or attitudes they encountered. Reaction to rapid change became calmer and more reflective and owner managers were able to assess carefully the consequences of sudden success in the market place, of an overwhelming response from customers.

Challenge and Support

Faced with complex turbulent situations in a stressful environment managers need not only challenge and critical comment but also emotional support and encouragement all of which are expected outcomes of the Action Learning process. The combined response to the statements "There was little attempt made by the group to rigorously examine my ideas and activities" and "To what extent did the group challenge or question your actions or plans" indicated that 65% of respondents had experienced challenge or rigorous examination of their various proposals and actions, 25% were neutral on this matter and 10% had not experienced challenge. The combined result of responses to the statements "The group encouraged me in my efforts towards starting a business" and "I received very little support and encouragement from the group during the action learning process" indicated that 70% felt they had received support and encouragement from other members of the group, 15% were neutral and 15% had not experienced support.

CONCLUSIONS AND RECOMMENDATIONS

This paper has sought to establish a rationale for the transfer of action learning methodologies from its origins in large organizations to the context of new start up programs. Although the contribution of traditional teaching methods is recognized, especially in developing frameworks and concepts to guide the entrepreneur through the start up process, action learning may offer a 'richer' experience to the participants. If the benefits claimed for action learning can be realized in the start-up situation the entrepreneur may be better prepared to cope with the complexity, ambiguity and turbulence they are likely to face through the pre and immediate post launch period.

A limitation which must qualify the survey data is that completion of the Action Learning experience of the four programs surveyed was spread over a twelve month period giving rise to possible degradation in perceptions. As a check the data for the 1985 groups was compared with the 1986 groups and there were no consistent differences from question to question. Given this qualification it is suggested that the findings from the survey when integrated and combined with the experience of faculty members experience support the following hypothesis as being worthy of more detailed and scientific investigation by researchers concerned with small business training methodology.

1. The owner manager initial start up plan is equivalent to a typical management development action learning project in its demand for realization of ownership, personal risk and commitment.

2. Owner managers are prepared to share their own experiences and problems with fellow new starters in the supportive environment of the set.
3. Owner managers learn well from and with fellow owner managers.
4. Owner managers can improve their ability to reflect on and analyze the feedback from task based experience as a result of the process.
5. The action learning experience can accelerate learning and generate action associated with starting the business.
6. That owner managers can develop confidence to cope with ambiguity, uncertainty and personal risk associated with their business project and with the action learning environment itself.

Action learning is no panacea for small business trainers. First, it requires careful structuring and management to ensure a high degree of group determination within the program while encouraging the use of external facilities in order that overall training objectives can be achieved. This requires 'learning by doing' not only for participants but also trainers and organizers who need to operate in an unprogrammed manner within essentially programmed institutions (timetables, budgets, etc). Secondly, action learning is resource intensive. There are clear differences between working with an action learning set of 6 participants for 2 hours and presenting to a class of 20 or 30 new starters for a similar period. In a period of apparently increasing supply of prospective entrepreneurs and paradoxically resource constraints within academic institutions, additional funding for a more resource intensive process may be problematic. Finally the trainer skills required to successfully operate action learning may not be readily available within the faculty. This may be due to differences in background, interest and aptitude of staff in dealing with the conventional kinds of intervention typically associated with lectures, seminars, etc.

Perhaps one final question remains. Is action learning right for new starters given the variety of profiles and environmental situations that participants bring to a program? The findings presented in this paper suggest that there is a role for action learning and that the experiences generated are perceived as being worthwhile by the participants. Whether action learning is more appropriate than traditional approaches still needs further investigation. It could be argued that the solution depends upon objectives. If short bursts of training are required to develop quickly business understanding among large groups of entrepreneurs, traditional methods may be highly appropriate. But if deeper, or substantive learning is required on the basis for ongoing management development there may well be a future role for action learning at the outset of an entrepreneurial career.

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