

Senior leader influence on organisational learning:  
The employees' perspective.

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## Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

*Alex Waddell*

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## Acknowledgements

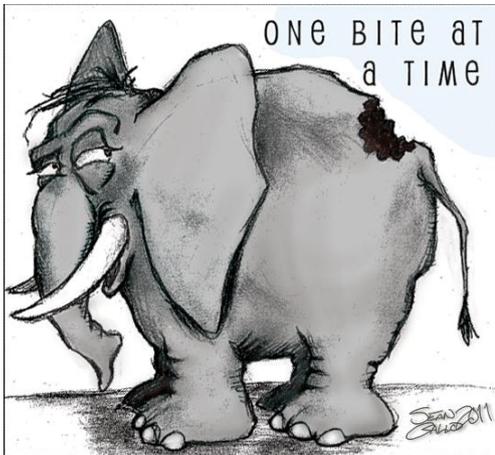


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Writing this thesis was like eating an elephant. It looked so daunting at the outset, but as I ‘chomped’ away at each chapter, I eventually got to the end. I feel fortunate being able to write this acknowledgements section because it is like having eaten the elephant, my vegetables, and now being allowed to eat dessert. I can finally release my belt buckle, give a sigh of relief, and take stock of what the past year has meant for myself and those around me.

As I look outside my window, I have literally seen the four seasons come and go. Some of the days I was happy to be inside because of the wind and rain, and other days when the sun was shining, I would have done anything to pull myself outside. But undertaking this research was a choice, a choice knowing that I would have to make sacrifices with family, friends, and work commitments. I now find myself in a precarious position in that this research has been a selfish journey, a journey where I could indulge myself in acts of self-benefit. Not only have I been able to learn professionally, but through many of the struggles, I have been able to learn a lot about myself. While writing this thesis, I felt like a contestant on the show American Idol. I was surrounded by the judges Simon Cowell, Paula Abdul, and Randy Jackson; and Ryan Seacrest as the host of the show. This is where I feel privileged to acknowledge and sincerely thank my judges, host, and fellow contestants.

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Being a thesis involving the IT industry, I find it acceptable to associate Google™ and YouTube™ as my host Ryan Seacrest. While there being a small amount of show time (e.g., viewing YouTube clips and Google sites with my family, supervisor, and manager), the real bond was built away from the spotlight. In addition to being a fantastic enabler for my procrastination efforts, it was the ability to ask any question, and to get a response which grew a sense of trust and reliance. It was an intimate bond that grew as the sites started to intuitively help me by saying 'others have found this useful' and 'you may be interested in this video.'

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## Abstract

Today, the world is changing at an ever increasing rate. Not only is change “happening faster, it is more dramatic and dynamic than ever before” (Adcroft, Willis, & Hurst, 2008, p. 40). For many organisations, there is only now an awakening to the future which consists of seismic changes in business operating environments, workforce demographics, and levels of employee mobility (Herstatt, Schwarz, & Verworn, 2009). Therefore, if organisations are to remain relevant and viable in the marketplace, they must be able to learn and adapt internally (e.g., by improving systems and processes), and externally (e.g., learning about competitors, and market demands and trends) (Grobler, Grubner, & Milling, 2006). Based upon the premise of organisations needing to learn and adapt to remain viable in the marketplace, the purpose of this thesis was to explore what influence senior leaders have on organisational learning. The link between senior leaders and organisational learning is of growing importance because it is the senior leaders who are typically viewed as accountable for the short and long-term success of an organisation (Vera & Crossan, 2004).

This thesis was based upon a case study of one New Zealand owned Information Technology company. Data were collected from employee interviews and secondary sources. The employees selected to participate in the interviews were the direct reports of at least one senior leader within the organisation’s senior leadership team. The questions employed during the interview process were primarily based upon Lichtenthaler’s (2009) organisational learning themes of explorative, applicative, and transformative learning. To supplement Lichtenthaler’s transformative learning theme, the concepts of ‘looped’ learning (e.g., single, double, and triple loop learning) and mental models were included. In conjunction with the three themes of organisational learning, Bass & Riggio’s (2006) transactional and transformational leadership model was also utilised. Upon completion of the interviews, participant comments were categorised through a thematic analysis. To complement participant responses, secondary sources such as company documents, media releases, newspaper articles, and blog comments were also analysed.

The findings of the thesis demonstrated how senior leaders influenced organisational learning. This influence was primarily through personnel attributes such as relationships, communication, and organisational culture. Another way senior leaders influenced organisational learning was through operational practices such as systems, tools, and organisational processes. In relation to leadership styles, senior leaders' transformational leadership was primarily associated with explorative and transformative learning, while the senior leaders' transactional leadership styles were largely associated with applicative learning. What was interesting was that both the transactional and transformational leadership styles had a direct influence on participants' attitudes and behaviours toward all three learning themes.

The findings from this study have contributed to the existing knowledge under the broad umbrella of organisational learning. It has outlined a set of implications for academia and management practitioners. These implications included implementing certain organisational systems and processes only if they enhance employees' ability to learn, to view learning as an interconnected system, and to employ leadership styles based upon specific situations and environments. Possible avenues for future research have also been provided.



# Chapter one: Introduction

*“Learning is not compulsory... neither is survival.”*

W. Edwards Deming

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## 1.1 Introduction

This thesis investigates the role of senior leaders on organisational learning. This topic is of particular significance because organisations are in a precarious position where if they do not learn and adapt, the likelihood of failure is almost guaranteed. Moreover, the notion of senior leaders having an influence on organisational learning is of utmost importance. This is because senior leaders are the ones who are viewed as having the ultimate accountability of an organisation’s success or failure. Based upon an extensive review of literature, an interesting finding is that the relationship between the two (i.e., organisational learning and senior leaders) has been largely absent from the research field. As a result, this thesis will investigate the influence of senior leaders on organisational learning. Specifically, for the purpose of this thesis, the concept of organisational learning will be viewed as the activities and/or processes which represent learning in an organisation (Ortenblad, 2001).

This chapter will provide the overarching context and structure as the basis for this thesis, and will provide an overall understanding and perspective to the research topic. To begin, the chapter will first outline the topic background relating to organisational learning, and organisational senior leaders. Next, the thesis problem statement and significance will be outlined. This will be followed by establishing the research question and clarifying the thesis scope. To conclude, the chapter will outline the structure of the thesis.

## 1.2 Background

Today, the world is changing at an ever increasing rate. Not only is change “happening faster, it is more dramatic and dynamic than ever before” (Adcroft, et al., 2008, p. 40). For organisations, many are only now awakening to the future

which consists of seismic changes in business operating environments, workforce demographics, and levels of employee mobility (Herstatt, et al., 2009). Furthermore, as we live in an increasingly globally intertwined world (Barbu & Nastase, 2010), changes people and organisations face are often influenced by others (e.g., companies, industries, regulations) from different countries. At the time of writing this thesis, the global financial sector is, and continues to experience unprecedented, unpredictable, and potentially catastrophic changes (Waddell, 2012). These current and future changes will continue to influence the way in which governments and businesses operate throughout the world (Agarwal, Barney, Foss, & Klein, 2009). Therefore, if organisations wish to effectively compete and stay relevant in the market place, they need to be able to learn and adapt both internally (e.g., by improving systems and processes) and externally (e.g., learning about competitors, and market demands and trends) (Grobler, et al., 2006).

Based upon the concept of organisational learning, both academics and practitioners have been discussing, theorising, and implementing programmes around the concept for over forty years (Casey, 2005). However, with the vast number of ways to view learning (see table1), one of the issues regarding the field of organisational learning is that there is no singular or universally accepted definition associated with the concept (Foil & Lyles, 1985; Lipshitz, Popper, & Friedman, 2002; Tsang, 1997). The sense of ambiguity associated with organisational learning tends to be the result of researchers' applying different lenses to the concept, and because researchers are inclined to seek out different aspects of organisational learning based upon their interests or areas of expertise (Yukl, 2009). Although there is a great variance in what may constitute organisational learning, there are two components which are regularly cited as fundamental to organisational learning. The first relates to the need for learning to be continual (i.e., not just a 'one-off' event), and the second is that learning should be integrated (e.g., within the organisation's systems, structures, and processes) (Preskill, 1994).

<p>“Organizational learning is a process of detecting and correcting error.”</p> <p style="text-align: right;">(Argyris, 1977, p. 116)</p>
<p>“Organisational learning means the process of improving actions through better knowledge and understanding.”</p> <p style="text-align: right;">(Foil &amp; Lyles, 1985, p. 803)</p>
<p>“Organisational learning occurs through shared insights, knowledge, and mental models..., and builds on past knowledge and experience – that is, on memory.”</p> <p style="text-align: right;">(Stata, 1989, p. 64)</p>
<p>“An entity learns if, through its processing of information, the range of its potential behaviours is changed.”</p> <p style="text-align: right;">(Huber, 1991, p. 89)</p>

**Table 1:** Select definitions of organisational learning.

As part of the growing literature on organisational learning, the ‘drivers’ of organisational learning have also come under greater scrutiny (Caloghirou, Kastelli, & Tsakanikas, 2004; Ganasekaran & Law, 2009; Levitt & March, 1988). This is because drivers such as the “individual willingness to learn... group/team supportiveness of learning... and organisational readiness to learn” (Pokharel & Hult, 2010, p. 252) can influence (e.g., facilitate or impede) the level of learning achieved in an organisation. Based upon an in-depth analysis of the existing academic literature, it seems evident that senior leaders are in a position to influence the learning ‘drivers,’ and act as ‘champions’ for organisational learning (Hannah & Lester, 2009; Jansen, Vera, & Crossan, 2009; Law & Gunasekaran, 2009). This is because it is the senior leaders within the organisation who set the direction of the company, who can influence the organisational culture, and are ultimately the ones who are accountable for a firm’s performance (Kurland, Peretz, & Hertz-Lazarowitz, 2010). While authors in the field of organisational learning may advocate the importance of senior leaders for an organisation’s success, a review of the literature has highlighted that information on how senior leaders influence learning within organisations is sparse (Vera & Crossan, 2004).

Although information on senior leader influence on organisational learning remains limited, it does appear that there has been a growing interest and

attention toward the relationship between the two concepts. With the increased attention, it appears that the general approach of data collection is through numerical rating scales and statistics (Lichtenthaler, 2009). As the majority of research on organisational learning is represented from numerical and statistical data, there is a dearth of studies with a qualitative focus. Therefore, this thesis will focus on a qualitative approach in order to identify and describe 'how' senior leaders influence organisational learning (Bryman & Bell, 2007).

### **1.3 Statement of problem**

Research into organisational learning has often focussed on what learning is, and the possible ways to embed learning into organisations. Based upon an in-depth review of the academic literature within the fields of management and organisational learning, information relating to the identification of who actually has an impact on learning within organisations is sparse. In particular, there is a lack of research on the role senior leaders' play in influencing organisational learning (Vera & Crossan, 2004). The lack of information is surprising given the reality that organisational senior leaders are often regarded as accountable for setting the strategic direction of the company, and the ones who determine how the organisation operates (e.g., the systems, processes and culture) (Vera & Crossan, 2004). In addition, a high proportion of the current literature on leader/manager influence on organisational learning is based upon either an analysis of the existing literature, and/or a numerical (quantitative) style of research methodology. While quantitative approaches provide valuable information, it is difficult to generate the 'how' answers which underpin participants responses – which qualitative methods are able to delve into.

### **1.4 Significance of the study**

Within the substantial body of research on organisation learning, it has clearly and consistently been highlighted that the ability for organisations to learn and adapt are two fundamental components to their short and long-term viability (Achterbergh, Beeres, & Vriens, 2003). Thus, learning and adaptation is becoming increasingly pertinent as the 'world' continues to change in an increasingly unpredictable manner. In addition, the notion of short and long-term

organisational viability is often linked to senior leaders' ability to implement systems (e.g., rewards and recognition), and to create an organisational environment (e.g., a safe cultural and psychological atmosphere) which allows the organisation to operate and remain sustainable (Popper & Lipshitz, 2000).

While many organisations may espouse the importance of learning and adaptability to their success, often, initiatives to promote organisational learning (e.g., the exploration, application, and transformation of knowledge) are poorly implemented and maintained (Yukl, 2009). This struggle to execute and manage learning and adaptation is frequently attributed to reasons such as peoples' misunderstanding of what organisational learning is, who influences it (e.g., do senior leaders influence learning?) (Vera & Crossan, 2004), and peoples' focus (e.g., a tendency to gravitate around quick 'wins' rather than remedying systemic issues) (Manfred & Balazs, 1998). As a result, organisational learning can be viewed as somewhat 'mystical' (Garvin, 1993). That is, organisations may strive to learn and adapt, but often they do not know how to achieve it.

Based upon the premise that organisations have to continually learn and adapt, and that senior leaders have a strong influence on how organisations operate, this thesis builds upon the field of organisational learning in two ways.

The first will be in relation to academia. That is, this thesis seeks to contribute to the limited body of literature on the influence of senior leaders on organisational learning. Furthermore, as this study is taking a qualitative approach, it will assist in providing a deeper understanding around the 'how' components of organisational learning.

The second way in which this study will enhance the field of organisational learning is by its practical orientation. As this research targets senior leaders and their influence on organisational learning, the findings have the potential to provide 'real-world' insights which can be used by management practitioners.

## **1.5 Research question**

What influence do senior leaders have on organisational learning?

## 1.6 Overview of methodology

The following section is a brief overview of the methodology used for this thesis. A further and detailed explanation is given under the research methodology section in chapter three.

As the underlying philosophical base, this thesis employs an interpretive approach. The interpretive approach has been selected as the researcher aligns with the belief that there is no singular ‘truth,’ and that any findings and/or generalisations made are done so in the context in which they were sourced (e.g., in a particular organisation or industry) (Myers, 2009).

Based upon an interpretive research approach, a case study methodology was employed to investigate the perceptions of participants with regards to how they viewed their senior leaders influencing organisational learning. This approach was chosen because it typically focuses on capturing the stories of an individual (Giddings & Grant, 2002) – whether it be an individual person, group, or organisation – in an attempt to “describe details, offer explanations, and make connections (e.g., early experience and current functioning)” (Kazdin, 2011, p. 4).

To provide a framework for organisational learning, the participant interview questions used in this thesis were adapted from Lichtenthaler’s (2009) quantitative study, and pertained to the themes of explorative, applicative, and transformative learning. In addition, as part of the transformative learning theme, the theories of action by Argyris & Schon (1974), Argyris’s (1976) single and double-loop learning, the recent academic attention to triple-loop learning (Arevalo, Ljung, & Sriskandarajah, 2010; Rowley, 2006), and mental models were also integrated. In regards to leadership styles employed by senior leaders, the framework used in this thesis was based upon the original work of Bass (1985), and the further refinements by Bass & Riggio (2006) on transactional and transformational leadership.

Data for this thesis were collected through primary and secondary sources. Primary sources consisted of participant interviews. Four participants who were interviewed were the direct reports of one or more senior leaders within one New Zealand IT organisation, and represented 40 percent of the total number of senior leader direct reports. Using a semi-structured interview process,

participants were asked open-ended questions relating to their views on how their manager (a senior leader) influences organisational learning. The use of open-ended questions gave participants a degree of freedom in which they could choose how they answered questions, and also allowed for an in-depth understanding into participant responses. Participant interviews were complemented with secondary data sources consisting of company documents, media releases, news articles, and blog comments.

After the data had been collected, participant responses were summarised and themed to allow for patterns and concepts to emerge. Data analysis was undertaken in a theoretical/deductive style, and was based upon existing literature. This approach was selected so a thorough analysis of themes could be achieved within the context of existing theory (Braun & Clarke, 2006). Throughout the analysis process, patterns and concepts were added, removed, clustered, and renamed to allow for an accurate representation of the data collected.

## **1.7 Limitations of the study**

As a result of significant changes within the New Zealand IT industry, the target organisation used for this thesis has undergone a significant number of restructures. This has meant that many of the senior leaders have changed – either by changing roles within the organisation, or by being new hires – and has resulted in a high level of disruption within the organisation. While the data collection for this thesis took place immediately after the restructure, it is possible that the restructure influenced the participants' responses. In terms of impact on this research, participants needed to discuss both past and present leaders from within the organisation. Moreover, as some senior leaders have only recently moved into their current role (from another position within the organisation), one participant needed to speculate – based upon his/her prior working knowledge – to how their manager would influence some of the aspects of organisational learning.

While the four participants represented 40 percent of senior leader direct reports, there still remains a possibility that one or more of those individuals are not representative or typical of their peers within the organisation. However, to

overcome this issue, publically available secondary sources such as company documents, media releases, news articles and blogs were used to provide context to participant responses. In addition, because of the sample selection and size, the findings may not be generalizable to all IT organisations, and to organisations in other industry sectors.

## 1.8 Thesis outline

The following section briefly outlines the five chapters of this thesis:

### CHAPTER ONE

Chapter one (this chapter) provides an introduction to the thesis. It outlines the background information to the research problem, and highlights the significance of the thesis. This is followed by the thesis question, an overview of the thesis methodology, and an outline of the thesis limitations.

### CHAPTER TWO

Chapter two reviews the existing literature pertaining to the concepts of information and knowledge, and highlights the differences between the two concepts. The chapter then proceeds to give clarity to the term 'organisation' by defining and briefly detailing some of an organisation's key elements. This is followed by a discussion relating to the concept of learning, and a brief analysis of the similarities and differences between learning at the individual and organisational level. Next, the chapter specifically identifies and discusses three themes of organisational learning – explorative, applicative, and transformative learning. The chapter concludes by discussing the potential influence of senior leaders on organisational learning. This is achieved by identifying 'who' a senior leader is, their role within an organisation, and by discussing the transactional and transformational leadership styles which can be employed by a leader/manager.

### CHAPTER THREE

Chapter three outlines the thesis design and methodology. As the underlying philosophical base, this thesis took an interpretivist approach where it is accepted that there is no 'one truth.' Rather, meanings of findings are given in the context in which they were generated. Based upon the interpretivist approach, the qualitative case study research methodology is outlined. Next, the chapter describes the data collection techniques and sample selection process. The chapter then concludes with a

description of the approach and method of data analysis, and an acknowledgement of the thesis limitations.

#### **CHAPTER FOUR**

Chapter four presents the findings of the thesis. This is achieved firstly by providing an analysis of secondary data sources in relation to the organisation's business operations, culture, and financial performance. Next, participant interviews are analysed in order to explore the influence of senior leaders on organisational learning. Grounded within the thesis objectives and methodology, comments from participant interviews are aggregated and categorised within the three broad learning themes of explorative, applicative, and transformative learning. To determine senior leader influence on organisational learning, Bass & Riggio's (2006) transactional and transformational leadership model is employed.

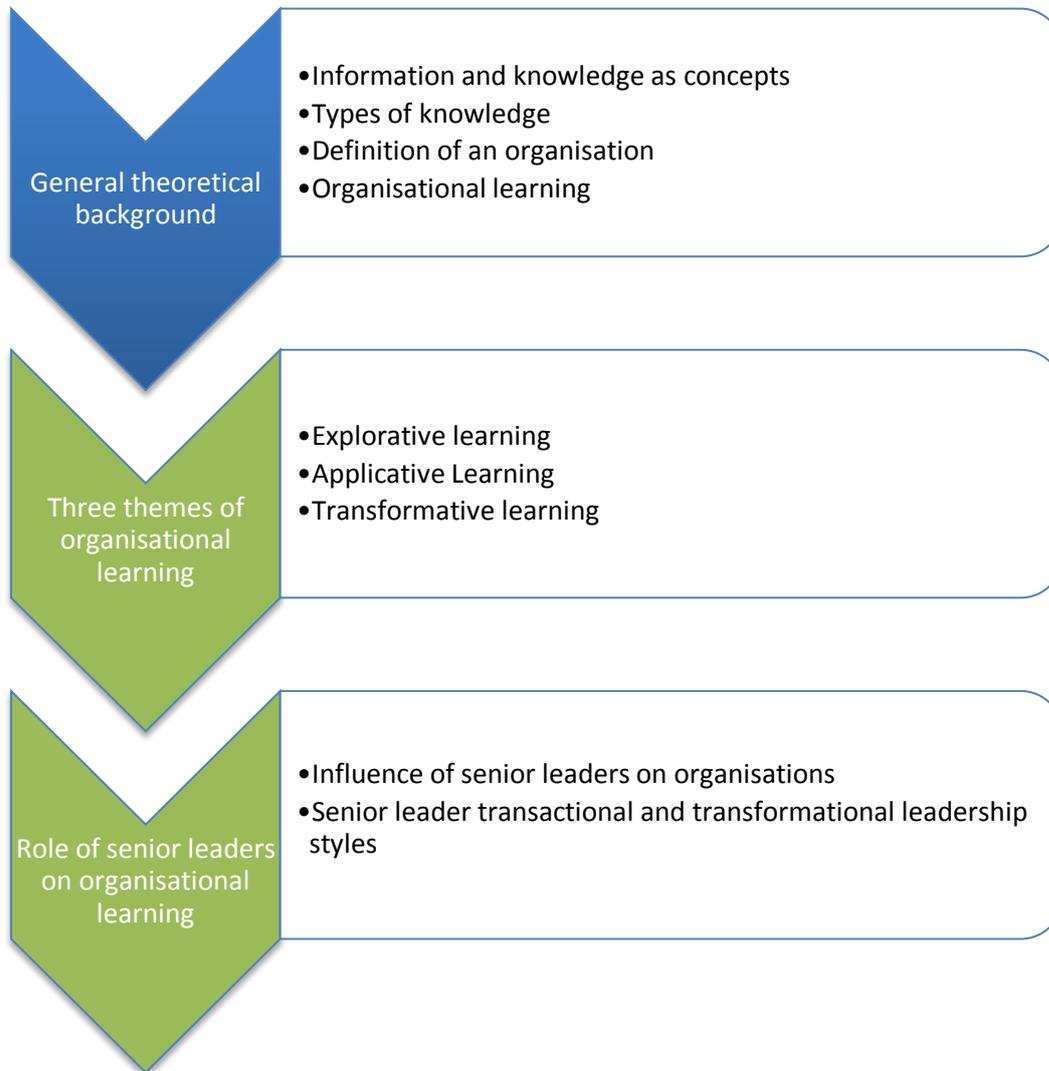
#### **CHAPTER FIVE**

Chapter five discusses the thesis findings and offers the concluding remarks. This is achieved by briefly summarising the thesis background and significance. Next, a discussion between the existing academic literature and current findings is presented. The closing remarks include various implications for academia and management practitioners, a provision of the thesis limitations, and suggestions for future research avenues.

### **1.8 Chapter summary**

This introductory chapter established the foundation on which this thesis is based by outlining the background information, the significance, and the research context. It specified that the senior leaders of one New Zealand IT company are the focus of this thesis, and that their direct reports were the research participants. A brief overview and explanation of the research methodology was given, and was supplemented with the limitations of the study. The chapter then concluded by outlining the thesis structure.

The next chapter will provide a detailed review of the existing literature pertaining to the areas of information and knowledge, organisational learning, and the influence of senior leaders on organisational learning.



## **Chapter two: Literature review and theoretical framework**

This chapter will provide an outline of the existing literature pertaining to the concept of organisational learning, and the influence senior leaders may have on the concept. This will be achieved by dividing the review into three sections. The first section will provide a background to the concepts of information and knowledge (explicit and tacit), and will define the term organisation. This will be followed by analysis of the components of behavioural and cognitive learning, a brief explanation of learning at the individual and organisational levels, and an outline of the organisational learning concept. The second section of the chapter will then go on to critically analyse the explorative, applicative, and transformative learning themes which underpin organisational learning. The third section will then focus on the role and influence of senior leaders within an organisation, and the possible influence of their transactional and transformational leadership styles on organisational learning.

### **2.1 General theoretical background: Concepts of information and knowledge, organisations, and learning**

#### ***2.1.1 Information and knowledge as concepts***

Information as a concept can be defined as “facts told or heard or discovered..., facts fed into a computer..., [and] the process of information” (Hawkins, 1988, p. 16). In this sense, information can be thought of as individual pieces of data which add up to the formation of knowledge. Furthermore, a critical component of information relates to how it is processed (Ellis, 1992). This is because the information process relates to the way “humans think and learn through the acquisition, organisation, storage, retrieval and evaluation of information, concepts and reasoning skills” (Ashman & Conway, 1993, p. 33). After individual pieces of data have been formed and processed, then the sum of information can be termed as knowledge.

As the concept of knowledge is incredibly vast, for the purpose of this thesis, a generalist lens will be applied for analysis. In taking a generalist approach, knowledge will be defined as:

*“1. a) awareness of familiarity gained by experience (of a person, fact or thing) b) a person’s range of information. 2.a) a theoretical or practical understanding of a subject, language, ect. b) the sum of what is known. 3. true justified belief; certain understanding, as opposed to opinion” (Thomson, 1998, as cited in Biggam, 2001, p. 2).*

While providing a clear description of knowledge, one of the other important aspects to this definition is that it illustrates that knowledge is different to information and that “information is a flow of messages or meanings which may add up to, restructure or change knowledge” (Machlup, 1983, as cited in Nonaka, 1994, p. 15). Put differently, “information is a flow of messages, while knowledge is created and organised by the very flow of information” (Nonaka, 1994, p. 15). This process of knowledge creation, therefore, “involves the manipulation of information being presented to us in such a way that it is integrated into our existing knowledge base” (Ashman & Conway, 1993, p. 33).

#### *2.1.1.a Tacit and explicit knowledge*

Based upon the individual concepts of information and knowledge, it is important to distinguish between the two components which make up knowledge. While there are many types of knowledge (Grant, 1996b), the two of most prominence in the academic literature relate to tacit and explicit knowledge (W. R. King, 2009).

Tacit knowledge can be defined as knowledge that is “implied or understood without being put into words” (Hawkins, 1988, p. 832). Tacit knowledge is crucial in organisations because it tends to be ‘local.’ That is, tacit knowledge “is not found in manuals, books, data bases, or files” (Smith, 2001, p. 314). Rather, “tacit knowledge is... cognitive and is made up of mental models, values, beliefs, perceptions, insights and assumptions” (Smith, 2001, p. 314). As Spender eloquently puts it, tacit knowledge can simply be regarded as “the way things are done around here” (1996, p. 68). As tacit knowledge has inherently intangible characteristics, it can manifest itself in many ways. For example, in a study with one of the largest product design firms in the United States, Hargadon & Sutton (1997) illustrated that tacit knowledge was gained and built

upon as a result of collaborative and integrative brainstorming sessions. In the sessions people felt open, and their opinions valued. In Hargadon & Sutton's study, tacit knowledge was not created by making records or note taking, but rather, it was the result of the organisational values of openness and inclusion. These values, in turn, assisted in distinguishing the organisation from others in the marketplace.

The second component of knowledge relates to explicit knowledge. Explicit knowledge can be defined as "technical or academic data or written information that is described in formal language like manuals, mathematical expressions, copyright and patents" (Smith, 2001, p. 315). Put differently, explicit knowledge can be referred to as existing "in the form of words, sentences, documents, organised data and computer programmes" (W. R. King, 2009, p. 4).

Despite tacit and explicit knowledge being regularly identified and regarded in the academic literature as two distinct components, Polanyi (1966) argues that while explicit knowledge can be documented and processed, it will always contain a level of 'tacitness.' In addition, there is also a general consensus that organisations – consciously or unconsciously – continually try to transform tacit knowledge into explicit knowledge. A key reason for transforming is to embed the necessary skills and practices within an organisation in an attempt to develop a sense of competitive advantage over others in the industry (Bierly, Damanpour, & Santoro, 2009).

### **2.1.2 Defining an organisation**

The concept of an organisation, while not changing dramatically over time, appears to have experienced subtle emphasis shifts to reflect different theories and management practices over the years (Lounsbury & Ventresca, 2003). While there are many variations in definitions, for the purpose of this thesis, an organisation will be defined as:

*"a social entity brought into existence and sustained in an ongoing way by humans to serve some purpose, from which it follows, [and] are normally structured and coordinated towards achieving some purpose or goals"* (Rollinson, 2005, p. 4).

The use of this particular definition is because it reflects the ideas that an organisation has purpose, it has (at some level) a structure to achieve the purpose, and that it is a social entity.

While reflecting the sentiments of Rollinson (2005) in regards to the social and shared working of people within an organisation, B. G. King & Whetten (2008) also highlights the importance of the concept of 'identification.' The use of identification relates to where both the organisation's members (e.g., employees) and outsiders (e.g., external stakeholders) are able to identify themselves with the organisation they interact and/or work with. This is an important realisation as it acknowledges that while an organisation is an entity in its own right, it interacts with, and influences the communities and societies in which it operates.

### **2.1.3 Learning**

#### *2.1.3.a The concept of learning*

Despite a general acknowledgement that "a universally accepted definition of learning does not exist" (Domjan, 2009, p. 17), the concept of learning continues to be defined in ways that are specialised to particular fields of interest. For example, Shrivastava (1983), while taking a more theoretical approach, defines learning as "the acquisition of associations, conditioned reflexes, and stimulus-response bonds" (1983, p. 8). With a slightly different account of learning, Domjan expresses learning as "an enduring change in the mechanisms of behaviour involving specific stimuli and/or response that results from prior experience with those or similar stimuli and responses" (2009, p. 17).

While it is acknowledged that there are a plethora of definitions related to learning, this thesis defines learning as:

*"1. to gain knowledge of or skill in (a subject ect.) by study or experience or by being taught; learn it by heart, memorise it thoroughly so that one can repeat it. 2. to become aware by information or from observation" (Hawkins, 1988, p. 462).*

Although this definition of learning is not necessarily based upon the latest research, theories, or practices, it does include two critical components viewed by academic researchers as necessary for learning. The two components relate

to the cognitive and behavioural aspects of learning (Leroy & Ramanantsoa, 1997; Lumpkin & Lichtenstein, 2005).

### *2.1.3.b Behavioural and cognitive learning*

Based upon the overarching concept of learning, numerous authors proceed to distinguish between behavioural and cognitive learning (Leroy & Ramanantsoa, 1997). It is important to note here that while there is often a clear distinction made between the two components (Munro, Lewin, Swart, & Volmink, 2007), there is also an acknowledgement of interaction and interdependence between the two (Akbar, 2003; Dowed, Clen, & Arnold, 2010; Leroy & Ramanantsoa, 1997). Therefore, the following section will both identify and analyse the behavioural and cognitive elements on an individual level, and then proceed to briefly analyse the possible interactions between the two.

Behavioural learning originated within the field of experimental science (Dowed, et al., 2010), and relates to the causal mechanisms which induce changes in behaviour (Domjan, 2009). Behavioural learning theory tends to focus on the environment in which people and/or organisations operate in order to manage the way people behave. It focuses on the antecedents and consequences of behaviour, “either internal (thoughts) or external (environmental cues) [and] consequences [such as] punishments or rewards” (Munro, et al., 2007, pp. 3-4). While there is a substantial amount of literature on behavioural learning, the attention tends to be on individuals. However, behavioural learning is also becoming increasingly applied to organisations (Foil & Lyles, 1985). For example, in studies where corporate structures and environmental changes are analysed, organisations are “regarded as an open system whose successive transformations are dependent on changes in the environment” (Leroy & Ramanantsoa, 1997, p. 872). An interesting note here is offered by Levitt & March (1988) where these adaptations to change can paradoxically create routines. These routines, in turn, may then actually limit the number and breadth of responses employed by an organisation to deal with the external environment (Weick, 1991). While it is often noted that behavioural learning can result in observable behaviours (Leroy & Ramanantsoa, 1997), the second widely cited attribute of learning relates to the cognitive, or invisible side of learning (Leroy & Ramanantsoa, 1997).

While behavioural learning is based upon the causal mechanisms which induce behaviour, cognitive learning focuses on the 'mental states' of people and organisations (Leroy & Ramanantsoa, 1997). The term cognition "involves perceiving, reasoning, conceiving and judging" (Wolman, 1988, p. 63). Moreover, cognitive learning "influences how people scan their environment for information, how they organise and interpret this information, and how they integrate their interpretations [which, in turn,] guide their actions" (Hayes & Allinson, 1998, p. 850). In this sense, authors advocate that cognitive learning is where the 'real' learning takes place (Leroy & Ramanantsoa, 1997). This is because the cognitive approach to learning is based upon the requirement for people and/or organisations to question their underlying assumptions and ways of working (Leroy & Ramanantsoa, 1997). As an additional note, unlike behavioural learning, cognitive learning takes into account the "internal complexity of the learning subject" (Leroy & Ramanantsoa, 1997, p. 873). That is, rather than solely focusing on the creation of knowledge, there is also attention paid to the manner in which information is processed (Nonaka, 1994).

While it can be contended that the elements of cognitive and behavioural learning are distinct from each other, authors largely agree that learning which utilises both elements is more beneficial than focusing on one area (Shrivastava, 1983). For example, in an empirical study, Leroy & Ramanantsoa (1997) highlight that simply changing the cognitive aspect (way of thinking) in a person's learning could result in a deficiency in the learning process if it was not supplemented by a change in behaviour. This view is endorsed by Huber (1991) who notes that cognitive changes do not necessarily imply that one's behaviours have also changed. In addition, evidence within the learning field warns that behavioural changes should not be seen as a 'silver bullet' for making long-term fixes. This is seen to be because behavioural changes have the potential to be made at a superficial level without necessarily being understood or accepted (Ford and Kraiger, 1995, as cited in Leroy & Ramanantsoa, 1997).

### *2.1.3.c The concept of learning at the individual and organisational levels*

The concept of learning at an individual and organisational level has, and remains, a highly debatable topic within the academic literature (Fenwick, 2008; Foil & Lyles, 1985). The majority of the debate appears to have centred around the need to separate the individual and organisational components of learning,

and then to look at them separately (Spender, 1996). Without going into complex detail surrounding the differences of individual and organisational learning, a review of literature by Spender (1996) clearly communicates the idea that individuals and organisations are functionally different. That is, “organisations are artefacts that have been constructed for a purpose. Individuals are not” (Spender, 1996, p. 68). Moreover, Spender goes on to say that people cannot infer ‘individualistic’ concepts and theories (e.g., psychological) to the organisational level.

While the two elements can be viewed as separate, it is also important to recognise that there are linkages between individual and organisational learning, and that they can have an influence on each other (Hayes & Allinson, 1998). For example, Starkey, Tempest, & McKinlay notes that the link and “importance of individual learning for organisational learning is at once obvious and subtle – obvious because all organisations are composed of individuals, subtle because organisations can learn dependent of any specific individual but not independent of all individuals” (2004, p. 29). However, while Spender (1996) views individuals and organisations to be functionally different, there is also an acknowledgement “that much of an individual’s knowledge is embedded in systems of social... practice” (1996, p. 68). While taking a holistic look at this argument, other authors within the learning field maintain that organisations learn through their employees (D. H. Kim, 1993). For example, in a paper on organisational knowledge creation, Nonaka (1994) contends that the ideas emanating in an organisation originate from the minds of individuals. In addition, Nonaka also advocates that the sharing of knowledge and interaction of individuals does in fact play a vital part in the development of ideas and concepts within organisations.

#### *2.1.3.d The concept of organisational learning*

Research surrounding the concept of organisational learning has taken place for over 30 years (Foil & Lyles, 1985; Lopez, Peon, & Ordas, 2005). During this period of time, a mass of literature has been written on organisational learning and the necessity for organisations to be able to ‘learn.’ Yet, while the concept of organisational learning has been generally accepted, there is little agreement within the literature regarding what organisational learning actually is (Foil & Lyles, 1985; Lipshitz, et al., 2002). This lack of consensus is seen to be because

many researchers target different areas of learning and tend to define organisational learning differently (Yukl, 2009). For example, one of the first organisational learning definitions was stated as “the growing insights and successful restructuring of organisational problems by individuals reflected in the structural elements and outcomes of the organisation itself” (Simon, 1969, as cited in Foil & Lyles, 1985, p. 803). While identifying the need for new insights and some type of restructure, the issue with this definition – as with many of the early definitions – is that it is quite ambiguous. As research on the topic of organisational learning has progressed, there remains a wide variety of definitions, and varying levels of detail surrounding them. An example of this is provided by Alegre & Chiva where organisational learning is viewed as “the process by which organisations learn” (2008, p. 315).

After an extensive review of the existing literature, and for the purpose of this thesis, organisational learning will be defined as:

*“one that has embedded a continuous learning process and has an enhanced capacity to change or transform. This means that learning is a continuous, strategically – used – process – integrated with, and running parallel to, work – that yields changes in perceptions thinking, behaviours, attitudes, values, beliefs. Learning is sought by individuals and shared among employees at various levels, functions, or units. As a result, learning is embedded in an organisations memory of past wisdom, current repertoire of beliefs and actions, and future thinking processes (Watkins & Marsick, 1992, p. 128).*

This definition is particularly powerful because it emphasises the importance of learning as being continual and integrated (e.g., between systems, structures, and processes) (Preskill, 1994). Furthermore, the definition also addresses the specifics of what learning is, and acknowledges the significance for organisations to adapt to the environment in which they operate (both internally and externally) (Victor J Garcia-Morales, Verdu-Jover, & Llorens, 2009; Grant, 1996a; Yukl, 2009).

The ability and capability for organisations to learn and adapt is of particular importance today because of the constantly changing environment in which they operate (Grobler, et al., 2006). Moreover, academic literature regularly advocates that the ability for an organisation to learn can lead to a source of competitive advantage (Lopez, et al., 2005). As with the myriad of organisational learning definitions, there are also a vast number of aspects which make up

organisational learning (Argyris & Schon, 1974; Foil & Lyles, 1985; Lichtenthaler, 2009; Shrivastava, 1983; Singe, 1990). This being said, the two themes of most prominence relate to explorative and exploitive learning (Jansen, George, Van den Bosch, & Volberda, 2008; Kang, Morris, & Snell, 2007; March, 1991). In addition, while not being as widely acknowledged as explorative and exploitive learning, a third, but no less important theme relates to transformative learning (Argyris, 1977; Argyris & Schon, 1974; Lichtenthaler, 2009). The following section will proceed to outline these three organisational learning themes in detail.

## **2.2 The three themes of organisational learning: Explorative, applicative, and transformative learning**

### ***2.2.1 Explorative learning***

Explorative learning refers to the ability to recognise and acquire external information (e.g., through scanning the environment for new technologies, market trends, and industry information), and to assimilate the information back into the organisation (Lichtenthaler, 2009; March, 1991).

#### ***2.2.1.a Search of the external environment***

Explorative learning is critical for organisations as it can determine the ability to seek and “find innovative new products, services, processes and technolog[ies]” (Yukl, 2009, p. 51). Common terms within the literature relating to explorative learning include “search, variation, risk taking, experimentation, play, flexibility, discovery, and innovation” (March, 1991, p. 71). These terms are pertinent because they highlight an organisation’s ability to be proactive about learning. In a review of the existing literature on the topic, March (1991) notes that in highly complex and changing environments, it is necessary for organisations to be able to search the external environment. Having this ability can, in turn, assist in the development of new innovations, products and services (Luo & Peng, 1999). An important caveat to this particular view is that having the ability to search is only one component for searching in the external environment. A second component is the willingness to be open to new information through the process of the exploration and acquisition of information (Flores, Zheng, Rau, & Thomas, 2012). For example, in a study by Flores et al.

of 631 managerial participants, their findings illustrated that “organisational openness was significantly related to information acquisition” (2012, p. 660).

In addition to the external environment having a large impact on organisational learning, being able to explore and innovate allows organisations to build the capacity to adapt and become flexible, and to develop an awareness of the changing environment (Kang, et al., 2007). In a thought provoking comment, Shrivastava (1983) noted that while organisations typically do attend to the changes in the external environment, the attention is often selective. That is, “organisations learn to attend some parts of the environment and ignore others” (Shrivastava, 1983, p. 9). This targeted attention was seen to be because organisations ‘select’ certain criteria to assist in deciding which aspects of the environment to attend. This view is endorsed by Amitay, Popper & Lipshitz (2005) in a study of leadership styles and organisational learning in 44 community health clinics. Their findings illustrated that the general consensus among participants (i.e., managers, researchers, and consultants) was that “due to globalisation, intensified competition, and rapid changes in technologies, customers’ priorities, [and] social norms..., the ability for organisations to learn quickly is crucial for... adaptability... survival... and... success” (Amitay, et al., 2005, pp. 66-67). This is a significant finding as it demonstrates that organisations are generally realising how critical it is to stay abreast of developments in the external environment.

While it is necessary to understand the influence of the external environment on an organisation, another aspect of explorative learning relates to the ability for organisations to interact and actually influence the external environment (Alegre & Chiva, 2008). As Nonaka (1994) argues, the organisation has as much part to play in the influence of the external environment as it has to be influenced by it. This realisation is of significance as it can then influence the way in which organisations approach and interpret “certain aspects of organisational activities” (Nonaka, 1994, p. 14). Moreover, research linking organisational learning with the external environment often illustrates that organisations which learn to connect with the environment are in a better position to evolve with the environment than those who do not (Alegre & Chiva, 2008).

Although a large proportion of the literature emphasises the importance of 'exploring,' authors such as Szulanski (1996) and Lopez *et al.* (2005) postulate that in order to successfully acquire external knowledge, organisations need to have both prior knowledge of what is being sought (e.g., a type of technology) and existing market knowledge. This view is supported by Park & Ghauri (2011) with their research into the acquisition of Korean firms from multi-national enterprises, and the influence on the acquisition of technological abilities. Their study illustrated that prior knowledge is beneficial for explorative learning because organisations need to know what they are looking for (e.g., a new piece of technology), where it can be sourced from, the availability, and how it could potentially suit their needs. In addition, having past experience and knowledge about the external environment also allows organisations to anticipate changes and trends, and to adapt to the changes more efficiently (Shrivastava, 1983).

While it can be argued that explorative learning is necessary for competitive advantage, there is also a general agreement that organisations must have a strategic awareness of the environment and context in which they operate. Having a strategic understanding of the external environment is necessary because it allows organisations to then determine the level of exploring necessary to operate and remain viable in the market (McGrath, 2001). For example, in a theoretical paper, March (1991) argues that organisations which rely too heavily on the exploration (e.g., market trends or latest technologies) have the potential to adversely affect other areas or functions of their business. That is, organisations which place a large emphasis on scanning the environment may potentially run the risk of learning only at a superficial level. One reason given for this view is because of the potential significant reduction of speed in which existing systems, practices, and technologies are changed as a result of the high levels of environmental exploration (March, 1991).

Furthermore, an over-emphasis on exploratory learning may foster an organisational environment where the experimentation and innovation of existing products or processes is not viewed as attractive (March, 1991). This being said, research from Y. Li, Vanhaverbeke, & Schoenmakers (2008) relating to the building of exploitation and exploration for technological innovation showed that the two components are not necessarily mutually exclusive (e.g., while exploiting knowledge, there may also be radical innovation).

Therefore, it is necessary that organisations have an awareness of their own strategies and future plans in order to anticipate the level of exploring they may need to undertake. Although a key component of an organisations' explorative leaning is centred around the search of the external environment, the second widely recognised aspect relates to the assimilation of information and knowledge back into the organisation (Chen, Lin, & Chang, 2009; Lichtenthaler, 2009).

#### *2.2.1.b Assimilation of information and knowledge back into the organisation*

The assimilation process relates to an organisation's ability to integrate new information and knowledge back into their existing knowledge base (Lenox & King, 2004). Put differently, assimilation "refers to the process within organisations' stretching from initial awareness of the innovation, to potentially, formal adoption and full-scale deployment" (Fichman, 1999).

Despite it being noted that there is little known about the process of assimilating new information back into an organisation (Lopez, et al., 2005; Nevis, Dibella, & Gould, 1995), there is evidence suggesting that existing knowledge is useful in the assimilation process (Ulrich, Von Glinow, & Jick, 1993). The benefits of existing knowledge relates to the ability for allowing people within the organisation to draw off past assimilation experiences and problem solving methods (Eva, 2011). When organisations do manage to assimilate information back into the organisation, this relates to an organisation's 'absorptive capacity' (Datta, 2011). Absorptive capacity, for the purpose of this thesis, relates to the "ability to recognise the value of new information, assimilate it, and apply it to commercial ends" (Cohen & Levinthal, 1990, p. 128).

As part of absorptive capacity, Flores, et al. (2012) emphasize that the type of industry in which an organisation operates also plays a role in integration for organisational learning. That is, industries such as services and manufacturing often lag behind industries such as finance and technology for integration in organisational learning. This was accredited to the "higher integration in the financial industry as compared to manufacturing and services [which] may reflect the greater degree of change that financial organisations need to undergo

in order to benefit from an integration of diverse opinions” (Flores, et al., 2012, p. 661).

Once an organisation has gone through the process of assimilating ‘new knowledge,’ the next step is the application of knowledge.

### **2.2.2 *Applicative Learning***

The second theme of organisational learning relates to applicative learning (also referred to as exploitive learning). Applicative learning refers to ability for organisations to apply and transform the assimilated knowledge into new products, services, and organisational systems and procedures (Lichtenthaler, 2009; March, 1991). Although applicative learning has been widely referred to as exploitive learning in the academic literature (March, 1991), for the purpose of this thesis, the word ‘exploitive’ will be substituted with ‘applicative.’ This change in terminology is warranted because of the differing and potentially negative connotations associated with the term ‘exploit’ (e.g., to abuse, or to mistreat someone). It is important to note here that after identifying the potential application of the acquired knowledge, an organisation does not simply assimilate and integrate the “newly acquired knowledge, but also... [creates] new knowledge as a function of combining different resources and capabilities” (Lane, Koka, & Pathak, 2006, p. 853).

Another caveat to applicative learning relates to the distinction between how different authors conceptualise and apply the term ‘applicative’ to learning (Gupta, Shalley, & Smith, 2006). For example, some authors regard applicative learning as the application of newly acquired knowledge (X. Li, Liu, & Zhang, 2009), while others use it in the context of “the refinement and extension of existing competencies, technologies and paradigms” (March, 1991, p. 85). Not contesting the accuracy of the various definitions, for the purpose of this thesis, the focus will be based upon the premise of the application of ‘newly acquired knowledge.’ Grounded upon the premise of applicative learning being from newly acquired knowledge, this thesis will adopt Lichtenthaler’s (2009) two stage process. The two stage process relates firstly to the conversion of assimilated knowledge, and secondly, the application of the new knowledge within the organisation.

### 2.2.2.a Conversion of knowledge

While there is a call for the conversion of information in order for organisational learning to take place, there appears to be a dearth of literature relating to the practical steps on how to make the transition. For the most part, the 'call to action' appears to be based upon the belief that for organisations to survive, it is critical that they know how to change and convert what they have learnt into something of value (Marsh & Stock, 2006). This being said, it appears that references to the conversion process tend to be written as prophetic, story like, or high level accounts of how to convert knowledge, and what it may mean for organisations. For example, Adelstein (2007) imparts to readers the importance of converting knowledge for the organisations by commenting:

*“the strategy is to attach the knowledge firmly to the organisation so that its substance becomes an object that is owned by the organisation as an organisational asset. In effect, knowledge is being transformed from an object of creation by a human being that is inextricably linked to humanity, to becoming a product to be owned by another, thus [converting] it into organisational knowledge” (2007, p. 862).*

While there appears to be only a limited amount of information regarding the conversion process, Nonaka & Takeuchi (1995) stipulate that if anything of value were to be created (e.g., through human action), there needs to be at least two enablers present. The first enabler is a context to which knowledge can exist, and the second is the active effort by the organisation to convert (e.g., concepts, ideas, information and knowledge) from the unknown to the known. While not specifically answering the question of how to go about the conversion process, Sharif raises a pertinent question. That is, “where and when does information [convert] into knowledge, and what... supports it?” (2008, p. 10).

### 2.2.2.b Application of new knowledge

Following the conversion process, the second critical aspect of applicative learning relates to the actual application of new knowledge. This is because organisations which are able to apply the converted knowledge are then in a better position to achieve superior innovation, production, processes, and outputs (i.e., products and services) (Zahra & George, 2002). Although the concept of application may sound logical, often organisations fail to apply new found knowledge (Yukl, 2009). For example, a study by Ulrich, et al. (1993) found that while an Australian division of a multinational firm applied a new

programme – which allowed for a 25 percent market share increase – the other divisions (in Europe and the U.S.) did not apply that specific programme. This was even though it would have potentially been more effective in those divisions, as they had larger markets. As this study highlights, it is necessary for organisations to both learn how to convert new knowledge into something of value, and also to take the critical step of applying the new acquired knowledge.

As discussed earlier with explorative learning, it is also important to note that organisations need to weigh the necessary level of application. That is, organisations which unduly rely on applying new knowledge – to the detriment of exploring – can also jeopardise the organisation's viability (Yukl, 2009). For example, if a technology organisation were to constantly apply new knowledge without exploring for new trends and market opportunities, the organisation could potentially suffer (e.g., by not keeping up to date with consumer preferences, or having existing knowledge becoming obsolete) as a consequence (Uotila, Maula, Keil, & Zahra, 2009). Therefore, organisations need to assess not only the external environment in which they operate, but also the strategic direction of the company in order to find the right mix between exploring and applying knowledge (Eisenhardt & Martin, 2000). While being a potential risk, authors such as He & Wong (2004) and Lichtenthaler (2009) advocate that “most firms balance the development of exploratory and [applicative] learning” (Lichtenthaler, 2009, p. 839). Another fundamental component to organisational learning relates to the ability to retain the newly acquired and applied knowledge (Lichtenthaler, 2009), and to transform the way organisations think and learn (Argyris & Schon, 1974; Edwards, 2009).

### **2.2.3 Transformative Learning**

The third theme of organisational learning this thesis will focus on relates to transformational learning. Transformational learning acts as a conduit between the explorative and applicative components of learning, and refers to the retention of knowledge over time (Lichtenthaler, 2009). This aspect of organisational learning is important for organisations because it acknowledges the idea that in order to reduce the risk of losing learnt skills and routines, organisations need to actively manage how knowledge is retained and made available for future use (Lichtenthaler, 2009). In addition to the retention of

knowledge, the transformation process in organisational learning also relates to how organisations change the way they think (e.g., their assumptions) and the way they view learning as a whole. Therefore, the following section will discuss transformative learning by applying Lichtenthaler's (2009) lenses of knowledge maintenance and reactivation. Additionally, the ability to challenge organisational practices will also be discussed in relation to the concepts of 'looped' learning and mental models.

### *2.2.3.a Knowledge maintenance*

The first component of transformative learning relates to knowledge maintenance, and pertains to how firms store knowledge. This is a fundamental aspect for organisational learning because knowledge serves as an element of competitive advantage, and assists with the ongoing function of an organisation (Schiuma, 2011). For example, Spender (1996) acknowledges that while an organisation may have knowledge existing and stored on memory chips and/or libraries, the crucial element is how organisations go about ensuring that "knowledge can become reattached to and embedded in the ongoing processes of the organisation" (1996, p. 64). This view is reiterated in a study by Marsh & Stock (2006) using staff focusing on education for corporate practitioners and new product development. Their results highlighted that knowledge management and retention not only assisted the organisation in developing new and innovative products (the outcome), but it also influenced the way the firm was able to "apply knowledge developed in prior new product development projects" (the process) (Marsh & Stock, 2006, p. 431).

While the idea of managing and retaining information may sound encouraging, and at the surface level reasonably easy, this is not always the case. In fact, the way in which an organisation elects to store and make available information, can then have a major impact on whether employees decide to engage in the process of knowledge maintenance (Franco & Mariano, 2007). For example, in an empirical case study of a global pharmaceutical company, Currie & Kerrin (2004) stressed caution in regards to the implementation and use of an information and communication technology system. The findings of their study illustrated that while the management's aim of setting up the system was well intentioned, it was based upon some flawed assumptions – two of which were that everyone could have access to

information, and that all “knowledge is an object and can be codified and distributed” (Currie & Kerrin, 2004, p. 10).

While the findings from Currie & Kerrin’s (2004) study are based upon one pharmaceutical company, they are not entirely new in the fact that the process of knowledge maintenance is not necessarily easy, and that simply archiving peoples’ (the collective) memory – rather than reshaping the way work is carried out – does not automatically help the organisation. In this particular case, the reason for a low success rate was that people felt pressured into learning a new system, and that entering information – which added to their existing workload – for other employees, was seen as a waste of time. This was because the information entered had limited or no use for others. Moreover, this result revealed that the information and communication system did not take into account the context in which it was generated. That is, there was minimal consideration of the organisational culture or political power of individuals or groups which could have influenced the way the system was adopted and utilised. In addition, another compelling finding was that when trying to make a technical fix, organisational “memory hardens existing practices and routines, rather than open up new directions” (Currie & Kerrin, 2004, p. 25). While not focusing on knowledge management and retention with Information Technology, Grant (1996a) offers a remedy to the problem. S/he suggests that organisations should maintain knowledge in such a way that it is integrated with various organisational structures and cultures, rather than knowledge being thought of as independent or separate.

### *2.2.3.b Reactivation of knowledge*

The second component of transformative learning relates to the reactivation of knowledge (Garud & Nayyar, 1994). Marsh & Stock (2006) suggest that the process of knowledge reactivation is a critical factor in that organisations need to be able to reactivate knowledge which has been assimilated. This is because knowledge, in its many forms, has the potential of not being used for a number of years (Marsh & Stock, 2006). Therefore, organisations should be able to maintain their newly acquired knowledge until it is needed for the development and use in new products or services (Lichtenthaler, 2009). Assimilated knowledge, also referred to as ‘knowledge stocks’ (Dierickx & Cool, 1989), should also be easily reactivated because it can expedite the speed of collection

and reactivation of existing knowledge. This high speed can, in turn, increase organisational processes and efficiencies (Muscio, 2007). A poignant example of this comes from a case of the car manufacturing company Toyota. In their study, Dyer & Nobeoka (2000) found that the ability to retain and reactivate knowledge gave Toyota a level of competitive advantage over others in the car manufacturing industry. This was seen to be because they were able to create strong alliances (both internally and externally) as they could reactivate and share valuable information across channels (e.g., departments, functions and suppliers) in a quick and efficient manner.

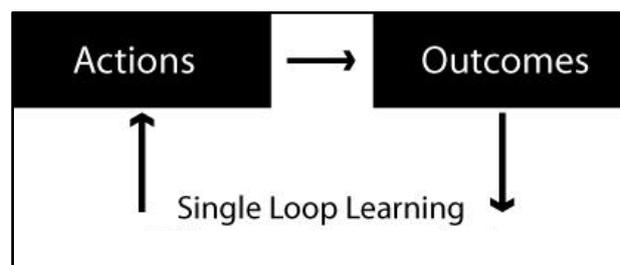
A further component to the idea of knowledge 'reactivation' for gaining a competitive advantage is based around the organisational environment and network relationships. For example, within a university setting, Miller, McAdam, Moffett & Brennan (2011) highlighted the role of stakeholders on the retention and maintenance of knowledge. Their study found that people in networks (e.g., teams or functions) tended to be 'like-minded,' and that knowledge reactivation was aided because people wanted to help others. A central component to their findings was that the prior retention of information by individuals and/or groups was needed to be able to reactivate and share knowledge with others. In addition, Cabera & Cabera (2005) support this assertion by advocating that the relational aspects such as trust, shared norms, and having a sense of identification with others in the network/organisation plays a critical role in the knowledge reactivation process. While the reactivation of knowledge is a critical component in the transformation process, transformation also encompasses the need to assess the organisation's underlying operating assumptions, and the reconceptualization of learning the concept.

#### *2.2.3.c 'Looped' learning, and mental models*

The following section will analyse the concepts of single, double, and triple-loop learning, and the concept of mental models. Despite single-loop learning not generally being viewed by authors as 'transformational,' it does assist in creating the context for double-loop learning. Therefore, while the primary focus of the following section will be on double-loop and triple-loop learning (before proceeding to mental models), there will also be a brief discussion on the concept and potential influence of single-loop learning on organisations.

## Single-loop learning

Single-loop learning is often regarded as the most basic or elementary level of learning an organisation can undertake (Armitage, Marschke, & Plummer, 2008). The main emphasis of single-loop learning is based upon the need to “fix errors from routines” (Armitage, et al., 2008, p. 88). As figure 1 illustrates, single-loop learning, at the most elementary level, relates to the process loop between actions and outcomes.



**Figure 1:** Single-loop learning process (adapted from Armitage, et al., 2008, p. 89).

To explain an ‘actions-outcomes’ view of single-loop learning, Argyris (2002) uses an example of a thermostat. That is, in order to maintain a user’s predetermined temperature, a thermostat is programmed to either switch on or off depending on the current temperature. This action/outcome between switching on or off is carried out in a way that does not examine the reasoning behind why the particular temperature was chosen, or deemed the most optimal. When applied to an organisation, single-loop learning can be thought of as “keeping the organisational performance at acceptable levels, within a given set of organisational goals and constraints” (Shrivastava, 1983, p. 12).

Because of the underlying assumptions associated with an action/outcome approach, authors tend to have a slightly negative view on organisations who rely on single-loop learning (Arevalo, et al., 2010). This is because single-loop learning tends to create an environment where the status quo is accepted or rarely challenged, and “the goals, values and strategies [of an organisation] are taken for granted” (Arevalo, et al., 2010, p. 32). Furthermore, a discussion paper by Freeman & Knight (2008) into the exposure of learning with business students concurs, and further notes that actions – either individually or as a collective – which endorse organisational policies and procedures tend to be replicated and reinforced. This was attributed to the idea that certain actions

were reinforced because of a sense of familiarity, and based upon the generation of past successes.

This is a significant realisation in that organisations operating in a single-loop environment can often develop sets of behaviours which can become reinforcing on themselves. These behaviours can then potentially create “a culture of competition and win/lose dynamics in which individuals avoid confrontation because they fear losing control over situations” (Mazutis & Slawinski, 2008, p. 439). Moreover, a single-loop learning environment can create an atmosphere where individuals do not publically speak out (because of the potential for causing conflict), but rather have conversations that are likely to be easily agreed upon (Nielsen, 1993). These types of environments where the ‘real’ conversations are avoided may, in turn, have the potential to create an atmosphere where values and opinions are espoused, but not necessarily accepted or actioned (Mazutis & Slawinski, 2008).

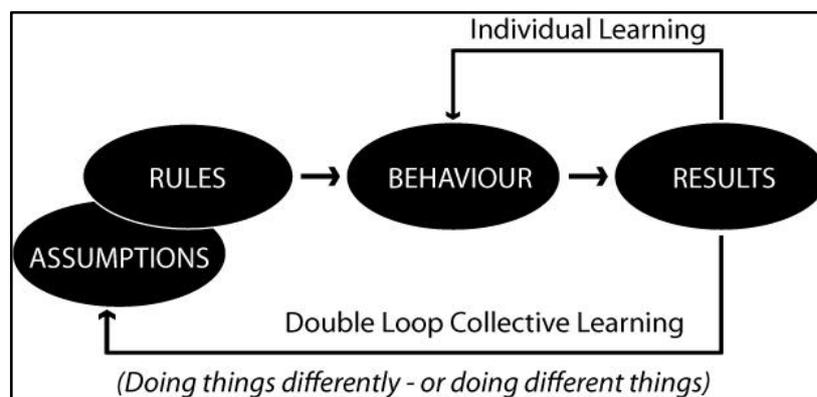
The seemingly surface level approach to single-loop learning and the avoidance of deeper understandings can potentially lead to catastrophic events. For example, in an action research paper, Waddell (2012) demonstrated the pitfalls of single-loop thinking with the example of the 2008 global financial crisis. In the paper, it was shown that after the initial 2008 global financial crisis (GFC), banks and other financial institutions had to be ‘bailed out’ by countries to remain solvent. Even after the huge bailouts, only minor financial reforms had been enacted to help ensure the situation would not happen again. Furthermore, what was more worrisome was the remaining lack of support for any real transformation in the financial sector. In an unsettling, but poignant remark, Waddell conceded that because only a sense of single-loop learning had taken place following the crisis, it is suggested “to use our time well is to organise in preparation for the next global [financial] crisis” (2012, p. 57).

While it would be easy to view single-loop learning in a negative light, authors such as Freeman & Knight (2008) raise a valid argument in that there is a time and place for single-loop learning, and that an action/outcome approach should not necessarily be dismissed. Using university undergraduates as their research focus, Freeman & Knight (2008) illustrated that the students typically began their education journey by learning theories and concepts. These learnt theories and concepts would then be subsequently tested – a process akin to single-loop

learning. As a result of this process, students were deemed to pose a base level of knowledge before proceeding further in their chosen discipline. Freeman & Knight (2008) proceed to then highlight that it is often not until students become higher level undergraduates or lower level graduates that they think about, and conceptualise what is needed to achieve their course. Furthermore, Freeman & Knight (2008) also note that it is typically at this stage that students develop a greater awareness of the relationship between their actions and overall learning outcomes. While not providing an explanation to this rationale, the finding does illustrate that when in a new environment, it may be more important for individuals or teams to settle in and understand the 'basics' before embarking on the reasoning behind actions, assumptions, or beliefs.

### Double-loop learning

While single-loop learning is primarily focused on the action/outcome process, double-learning, in contrast, provides for a deeper level of learning and understanding (Freeman & Knight, 2008). The concept of double-loop learning was first brought into prominence by Argyris & Schon (1974) (Freeman & Knight, 2008). The underlying premise behind double-loop learning is that it “occurs when existing world views and underlying values are challenged [which result] in fundamental changes in stakeholder behaviour” (Armitage, et al., 2008, p. 88).



**Figure 2:** The double-loop learning process (adapted from Hayes & Allinson, 1998, p. 849).

As shown in figure 2, double-loop learning sets to challenge and explore the underlying assumptions behind single-loop learning (Ameli & Kayes, 2011;

Hayes & Allinson, 1998), and any of the resulting cause and effect relationships (Pahl-Wostl, 2009).

While many authors describe the concept of double-loop learning, Wang (2008) outlines the practical steps to achieve the double-loop learning process. The steps include unfreezing and analysing the current situation (e.g., practices, underlying behaviours and norms), changing to the desired outcome, and then refreezing again (Wang, 2008). While not specifically detailing how to carry out the three step model, the concept does imply that working together (i.e., individuals, groups, and departments) is in the best interest of the collective whole (i.e., the organisation). In a conceptual framework paper, Pahl-Wostl (2009) highlight the importance of informal networks in supporting social learning within an organisation. These informal networks were seen as a necessary component in double-loop learning because they enabled individuals and groups to prepare for change, and provided an opportunity for people to offer their ideas for what the future may hold.

Another positive aspect relating to double-loop learning relates to the necessity to probe deeper into issues rather than only looking for a solution to a problem. This is an important realisation because problem solving can often be thought as simply learning how to mitigate the chance of an issue happening again. The problem with this way of thinking is that it focuses people on learning how to 'react' and to 'anticipate' future events (Luthans, Rubach, & Marsnik, 1995). In contrast, double-loop learning helps organisations to delve into the underlying norms, and to question why things are done in a particular way. These actions can then result in creating an organisational culture which is open, engaging, creative, and encouraging of discovery (Argyris, 1990). Moreover, based upon the premise of double-loop learning (being to test and challenge underlying assumptions), individuals largely feel free to "speak honestly and act with fewer defences [which] can transform an organisation's ability to innovate and excel" (Lumpkin & Lichtenstein, 2005, p. 464).

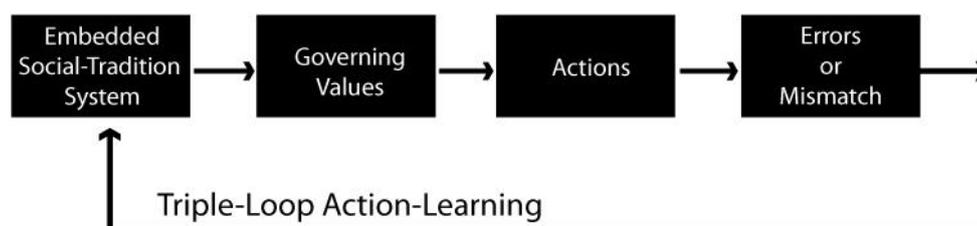
Despite a general agreement in the literature acknowledging that double-loop learning is positive and advantageous for organisations (Victor J Garcia-Morales, et al., 2009; Shrivastava, 1983), there is a realisation that double-loop learning is not a common practice (McAvoy & Butler, 2007). It seems that typically, a type of 'crisis' is necessary for organisations to be shocked into a

higher level of learning (Foil & Lyles, 1985). These shocks could include actions such as the hire of a new leader, or dramatic changes in the market or industry (Hayes & Allinson, 1998).

In addition to 'shocks' being used to initiate change, another issue facing double-loop learning is that the concept is not well understood (Crossan, 2003). One potential ramification leading from a limited understanding of double-loop learning relates to the potential opposition when undergoing the double-loop learning process (Thollander, Svensson, & Trygg, 2010). This resistance to double-loop learning can often be attributed to defensive mechanisms such as protectionism (Ford, W, & Angelo, 2008). Thus, while individuals and groups may feel comfortable in the way they operate, anything that could have the potential to disrupt that 'calm state' may be seen as something to be avoided (Kotter & Schlesinger, 2008).

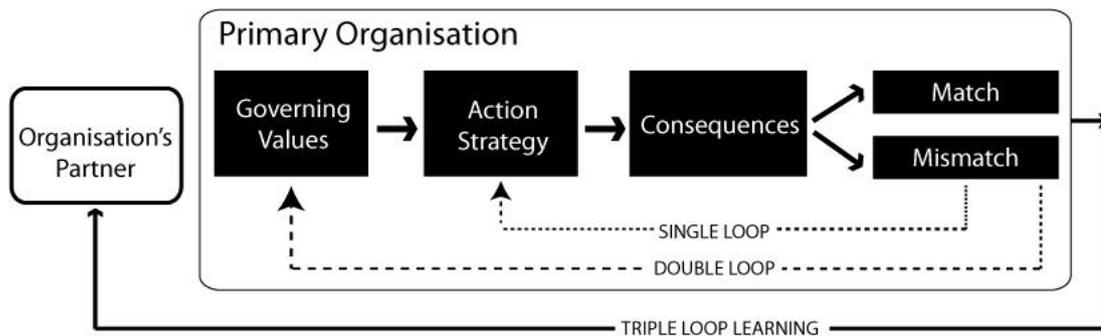
### Triple-loop learning

In spite of single-loop and double-loop learning having a generally well defined base for understanding, triple-loop learning appears to be associated with a slightly increased level of ambiguity. This being said, a review of the literature has two generally acknowledged and accepted premises for the triple-loop learning concept. (Armitage, et al., 2008). The first premise categorises triple-loop learning as a component of social learning (Reed et al., 2010) where "the governing values that drive actions can be nested within embedded social traditions" (Nielsen, 1993, p. 121). As illustrated in figure 3, triple-loop learning is about "correcting errors by designing governance norms and protocols" (Armitage, et al., 2008, p. 89).



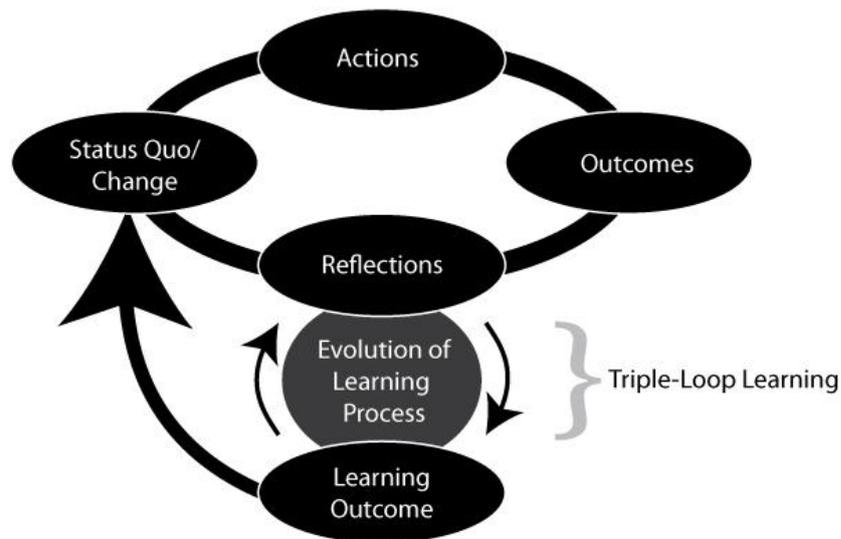
**Figure 3:** Triple-loop action-learning (adapted from Nielsen, 1993, p. 120).

Based upon a ‘governance’ theme, Ameli & Kayes illustrate (see figure 4) that triple-loop learning needs to consider the “external partners’ values and strategies...[which] are external to the existing structure” (2011, p. 176).



**Figure 4:** Triple-loop learning with outside partners (Ameli & Kayes, 2011, p. 177).

The second underlying premise associated with triple-loop learning relates to the concept of ‘learning how to learn’ (Romme & Witteloostuijn, 1999). More specifically, as figure 5 illustrates, triple-loop learning with a ‘learning how to learn’ vantage relates to “understanding and engaging with the processes that change the learning process” (Rowley, 2006, p. 1253). This idea is of importance because it gives licence for individuals to build an understanding on how they or others in the organisation either foster or inhibit learning. This understanding can then allow for “new structures and strategies [to be put in place] for learning” (Romme & Witteloostuijn, 1999, p. 440). As with the ambiguity around the concept of triple-loop learning, there is also discussion around terminology of the concept. In this sense, authors sometimes relate the process of ‘learning how to learn’ as ‘deutro-learning’ (Ameli & Kayes, 2011) rather than triple-loop learning. For this thesis though, this argument is only a ‘play on words.’ Therefore, triple-loop learning will relate to ‘learning to learn.’ In addition, a further justification for viewing triple-loop learning as ‘learning how to learn,’ relates to the earlier definition of double-loop learning as being a transformation process. In following this rationale, double-loop learning rather than triple-loop learning would lend itself to changes of structures and governance.



**Figure 5:** Evolution process of Triple-loop learning.

Source: developed by MBus thesis student Alex Waddell

In a summation of learning how to learn, Arevalo et al. (2010) qualified the triple-loop learning term as “learning how to learn intrinsically, [that is,] the organisation itself should critically look at the way it learns during the extrinsic single and double-loop learning process” (Arevalo, et al., 2010, p. 43). Equally important, Arevalo et al. also made a thought provoking comment that organisations “must learn and become ‘re-born’ in order to handle the changing environment” (2010, p. 43).

### Mental models

The underlying assumptions and values people and organisations hold can be referred to as ‘mental models.’ Mental models are the cognitive components in which individuals form ideas and concepts of how the world works (Johnson-Laird, 2010). In particular, ‘mental models’ “include schemata, paradigms, beliefs, and viewpoints that provide “perspectives” that help individuals to perceive and define [the environment around them]” (Nonaka, 1994, p. 16).

Similar to the relationship and influences between individuals and organisations on learning, so too can organisations and individuals have an influence on each other’s beliefs (Halm, 2011; Nonaka, 1994). In a study by Daft & Weick (1984) relating to interpretation systems in organisations, it was noted that the process of interpretation (i.e., the way the world can be viewed) of an organisation is greater than just the individuals. Moreover, organisations – in

addition to individuals – can create and “preserve knowledge, behaviours, mental maps [knowledge], norms, and values” (1984, p. 285). This sentiment is endorsed by March (1991) who suggests that mental models are based upon the coming together of the beliefs between individuals and organisations, and where an organisation accumulates knowledge from the learning of its individuals. This ‘learning,’ in turn, generates a perception of reality and truth within the organisation (i.e., the way things are done around here). However, while mental models can be modified by the individuals within the organisation, the opposite can also occur. That is, the individuals within an organisation can also be ‘socialised’ into the collective ‘mental models’ (e.g., the values, beliefs, and truths) within the organisation they work (Hayes & Allinson, 1998).

While it is necessary to have an understanding of the basic relationship of individuals and organisations in relation to mental models, it is also important to clarify the specific impact individuals have on an organisation’s mental models. For example, a case study by Anderson & Sun (2011) identified that the top and middle management staff had a significant and positive impact on organisational learning and overall performance. The case – based upon one of the largest apparel manufactures in South East Asia – illustrated that the management’s dedication and encouragement to having staff challenge assumptions and operating practices, then allowed them to develop new sewing techniques and training methods. While it is often noted that the identification of underlying mental models can be a difficult process (Tao, Kaber, & Hsiang, 2010), in the sewing company case, “Ravin [head of operations] used metaphors to challenge subordinate thinking” (Anderson & Sun, 2011, p. 11). For example, Ravin used an illustration of training a bull fighter to challenge an existing assumption relating to training new machinists at a slow speed. After challenging the training speed assumption, the study found that trainees learnt better at the higher sewing speeds (Anderson & Sun, 2011).

While Anderson & Sun (2011) illustrated the use of actions to influence peoples’ mental models, a study by Bill Torbert and Associates (2004) looked at the underlying thought processes of people. The study was based upon a start-up software company needing to achieve higher sales targets to obtain future capital funding – in order to remain solvent. The case began by illustrating a misalignment in what the founders espoused (equality) and their actual day-to-

day actions (relating to power struggles). During a two-day intervention, the underlying mental models of the founders (e.g., the values placed on the way each other worked) were exposed and challenged. As a result of the intervention, communication was improved, and power struggles were reduced. This improved relationship then reflected itself in both a more positive overall organisational climate, and the injection of the required capital funding from investors.

## **2.3 The role of senior leaders on organisational learning**

### ***2.3.1 Influence of senior leaders within organisations***

Although it can generally be agreed that all employees of a firm are valuable and contribute to the overall success of a company, it can also be argued that the senior leaders within a company have the most impact of how the firm operates (Jansen, et al., 2009; Kurland, et al., 2010). This is because it is typically the senior leaders who set the direction, and are seen to have the ultimate accountability of the success or failure of the company (Kurland, et al., 2010). While not specifically outlining titles, articles refer to management at the CEO level, top executives, and top level managers (e.g., General Managers) as 'senior leaders' (Vera & Crossan, 2004). Based upon the premise of senior leaders providing the most influence on an organisation, the following section will use the framework outlined by Jansen, George, Van den Bosch, & Volberda (2008) to analyse how senior leaders influence organisational learning. This framework is based upon identifying how senior leaders influence the creation and maintenance of an environment with a shared vision, one which is socially integrated, and their influence on providing group contingency rewards.

In a study by Kurland, Peretz & Hertz-Lazarowitz (2010) of 1474 Israeli elementary teachers, their findings highlighted that the principal's ability to embed a sense of common vision within the schools lead to a positive influence the organisation's (school's) learning. While study did not identify how the common vision increased the schools learning, the literature review by Kurland, et al. (2010) found that in order to be motivated to act, followers (in this case teachers) need to have a strong sense of purpose. Similarly, there is evidence that the relationship between shared vision and organisational learning

increases when shared visions act as a conduit to many of the organisation's initiatives (Senge, 1990).

In addition to having a sense of a shared vision, creating an organisation that is socially integrated is also seen as very important for organisational learning (Jansen, et al., 2008). Social integration “reflects the attraction to the group, satisfaction with other members of the group, and social interaction among the group members” (Jansen, et al., 2008, p. 987). One aspect of social integration relates to how senior leaders create a safe environment for the exchange of knowledge, ideas, and skills (Taylor, Templeton, & Baker, 2010). In this sense, a safe environment is about psychological safety and “the state in which people perceive it is safe to make errors and honestly discuss what they think and how they feel” (Taylor, et al., 2010, p. 355). The overall impact of a safe environment on organisational learning cannot be understated. This is because having a ‘safe’ environment can affect the firm’s learning performance by determining how comfortable a person or group is to share information (Taylor, et al., 2010).

Another area in which senior leaders can have an impact on learning within an organisation is by the creation and maintenance of organisational structures, cultures, and climates (Berson, Nemanich, Waldman, Galvin, & Keller, 2006). For example, Popper & Lipshitz (2000) note that it is the role of leaders to implement systems (e.g. rewards and recognition), to play an active role in maintaining a safe cultural and psychological environment for learning, and to embed the structural foundations (e.g., learning teams, and improvement teams). These structural foundations, in turn, can assist in enabling the transfer of “individual learning into organisational learning” (Popper & Lipshitz, 2000, p. 142).

Based upon the understanding that senior leaders have a significant influence within organisations, the following section will focus on the possible leadership styles employed by a senior leader with his/her employees.

### **2.3.2 Leadership styles**

Based upon research evidence within the leadership field, the different leadership style(s) employed by a senior leader can potentially have a large impact on organisational learning. The two leadership styles often cited in the

academic literature relate to transactional and transformational leadership (Zagorsek, Dimovski, & Skerlavaj, 2009).

### *2.3.2.a Transactional leadership*

The first widely acknowledged style of leadership relates to transactional leadership. As shown in table 2, Transactional leadership typically “focuses on promoting the individual interests of the leaders and their followers... by establishing objectives and monitoring and controlling the results” (V́ctor Jeśs Garcia-Morales, Jimenez-Barrionuevo, & Gutierrez-Gutierrez, 2011, p. 1). Furthermore, transactional leaders are often viewed as those who set about to reinforce and refine pre-existing institutional knowledge and learning’s (Vera & Crossan, 2004). While it can be argued that transactional leaders (through their monitor and control approach) can potentially reduce levels of innovation and organisational learning (Lee, 2008), the results of Vaccaro, Jansen, Van Den Bosch & Volberda (2012) found that this assumption was not necessarily the case. Rather, their study highlighted that transactional leadership, through traditional management methods (i.e., setting targets and rewarding contingent on outcomes), actually helped their efforts in achieving particular goals and objectives (e.g., learning). Moreover, in a study of 209 leader-follower dyads, Whittington, Coker, Goodwin, Ickes & Murray (2009) found that having a common set of agreements and expectations between the leader and follower resulted in positive organisational outcomes. This was highlighted by the positive evaluations of ‘followers’ in regards to trust and commitment. In an interesting, but semi-expected result, the leaders’ evaluation of the followers was also positive in relation to organisational citizenship behaviour.

Although Bommer, Shore, & Wayn (2002) concur with this view by commenting that a transactional leadership style (e.g., using contingent rewards) was a strong antecedent in the quality of a relationship with employees, Battencourt (2004) provides a caveat to this position. S/he notes that these exchanges (between employer and employee) can often be influenced by an employee’s performance goal orientation (i.e., high performers versus low performers), and their intention to reciprocate the rewards offered by employees with their work.

Transactional leadership	
Contingent Reward Leadership	Contingent reward leadership “involves the leader assigning or obtaining follower agreement on what needs to be done with promised or actual rewards offered in exchange for satisfactorily carrying out the assignment” (Bass & Riggio, 2006, p. 8).
Active Management by Exception ( <i>corrective action</i> )	<b>ACTIVE</b> Active management by exception relates to the active monitoring of “deviances from standards, mistakes, and errors in the followers assignments and to take corrective action as necessary” (Bass & Riggio, 2006, p. 8).
	<b>PASSIVE</b> Passive management by exception relates to “waiting passively for deviances, mistakes or errors to occur and then taking corrective action” (Bass & Riggio, 2006, p. 8). Said differently, the leader does not set about to look for mistakes or problems. Rather, no action is taken until an issue arrives or a complaint is made (Bass & Riggio, 2006).
Passive avoidant or Laissez-Faire leadership	Laissez-faire leadership “is the avoidance or absence of leadership” (Bass & Riggio, 2006, p. 8).

**Table 2:** Categories of transactional leadership (adapted from Bass & Riggio, 2006).

In addition to employees’ intentions to perform, a leader’s personality can also have an influence on the way transactional leadership is implemented. In an analysis of 75 Major League Baseball Chief Executive Officers (CEO’s) over a 100 year period, the findings showed that the personality of the CEO’s had a major influence on aspects of transactional leadership (e.g., contingent rewards) (Hiller, Resick, Weingarden, & Whitman, 2009). The findings of the study illustrated that CEO’s who had narcissistic dispositions were generally less likely to be concerned “about developing equitable exchange relationships with members of their organisation... [and] less likely to provide special recognition to others for their efforts or accomplishments” (Hiller, et al., 2009, p. 1374). While not necessarily outlining the reason behind this specific attitude, an earlier description provided by Hiller et al. (2009) described narcissistic personalities as ones of fantasies of power, success, self-importance and admiration (Hiller, et al., 2009). Furthermore, people with narcissistic tendencies typically have a

preoccupation with having those views reinforced by either themselves or others (Chatterjee & Hambrick, 2007).

While some may view narcissistic behaviours in a negative light, the lines needing to be crossed in order to produce a positive organisational outcome can often become blurred by leaders. For example, while narcissistic tendencies may be viewed negatively, leaders who display characteristics related to extroversion can be seen in a positive light – these people may even be thought of as ‘charismatic’ (Bateman & Crant, 2000). This is interesting because a number of the traits associated with extraversion, are also the ones that underpin narcissism (Veselka, Schermer, Martin, & Vernon, 2010). Having this understanding is important because it can endorse a view that transactional leaders who are ‘pushy’ or direct can actually encourage people, and are able to gain their followers’ buy-in for things such as organisational learning and change (Alkahtani, Abu-Jarad, Sulaiman, & Nikbin, 2011). For example, a study of 105 Malaysian managers related to various dimensions of personality found that “managers who are extroverted, are assertive, energetic and dominant... are important... [as they can] bring about change” (Alkahtani, et al., 2011, p. 93). This finding was seen to be because having those characteristics assisted in providing leaders with the ‘drive’ to lead and motivate people, and to acquire the buy-in needed from their followers to complete various organisational activities.

As organisations do not operate in a vacuum, and are far from immune to what happens in the external environment, an important aspect relating to transactional leadership is the level of ‘turbulence’ (i.e., amount of change and level of uncertainty) in the external environment. This is because the external turbulence can potentially influence the relationship between the leadership style leaders employ and organisational learning (Vera & Crossan, 2004). For example, if a transactional leader was operating in a turbulent environment (e.g., in the technology or communications sector), they may not be as efficient in creating and developing a culture of learning and adaptation because of the sense of ‘rigidness’ associated with transactional leadership. In contrast, if a transactional leader was operating in a stable environment (e.g., in the manufacturing sector), they could create learning around the improvement and application of existing competencies (Victor J Garcia-Morales, et al., 2009).

### 2.3.2.b Transformational leadership

Transformational leadership is “the style of leadership that heightens consciousness of collective interest among the organisation’s members [which] help them to achieve their collective goals” (V́ctor Jeśs Garcia-Morales, et al., 2011, p. 1). As illustrated in table 3, this style of leadership is of particular importance for organisational learning because it provides people within the organisation a sense of “direction, energy, and support for processes of change and organisational learning” (V́ctor Jeśs Garcia-Morales, et al., 2011). While there is limited research on the link between transformative leadership and organisational learning, the existing literature on the topic does indicate a positive relationship between the two components (Zagorsek, et al., 2009). This relationship is supported by the findings of Amitay, Poppter, & Lipshitz (2005) who studied the relationship between organisational learning and leadership styles within 44 community health clinics. Their findings showed that organisations with senior leaders who applied a transformational leadership style had heightened levels of employee aspiration and interest. These heightened levels of aspiration and interest in employees, in turn, lead to an organisational culture which was supportive and embraced the concept of continual learning and adaptation.

The view from Amitay et al. (2005) is endorsed by Kurland et al. (2010) who studied 1474 teachers at 104 public primary schools in relation to the evaluation of their principals. The findings demonstrated that teachers appreciated the principals who gave them “personal attention, encourage[ed] them to look at problems and issues in a new way and shared responsibility with the team” (Marzano, Waters, & McNulty, 2005, as cited in Kurland, et al., 2010, p. 20). As a result, the transformational approach to leadership was shown to enhance teachers’ teaching styles and improved the overall school performance.

<b>Transformational Leadership</b>	
<b>Charismatic/ inspirational</b>	Transformational leaders provide their followers with inspirational motivation. They generally “behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers’ work. [As a result,] team spirit is aroused [and] enthusiasm and optimism are displayed” (Bass & Riggio, 2006, p. 6).

	They also project a compelling vision for their followers (Bass & Riggio, 2006).
<b>Idealised influence</b>	Transformational leaders “behave in ways that allow them to serve as role models for their followers. The leaders are admired, respected, and trusted. Followers identify with the leaders and want to emulate them; leaders are endowed by their followers as having extraordinary capabilities, persistence and determination” (Bass & Riggio, 2006, p. 6).
<b>Intellectual stimulation</b>	Transformational leaders “stimulate their followers’ efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. Creativity is encouraged. There is no public criticism of individual members’ mistakes. New ideas and creative problem solutions are solicited from followers, who are included in the process of addressing problems and finding solutions. Followers are encouraged to try new approaches, and their ideas are not criticised because they differ from the leaders’ ideas” (Bass & Riggio, 2006, p. 7)
<b>Individualised consideration</b>	Transformational leaders demonstrate individualised consideration toward followers. They pay “special attention to each individual follower’s needs for achievement and growth by acting as a coach or mentor” (Bass & Riggio, 2006, p. 7). Transformational leaders are also able to recognise, accept, and adapt to the individual needs of their followers. For example, “some employees [may need to] receive more encouragement, some more autonomy, others firmer standards, and still others more task structure” (Bass & Riggio, 2006, p. 7)

**Table 3:** Categories of transformational leadership (adapted from Bass & Riggio, 2006).

As noted earlier with transactional leadership, transformational leaders need to be aware of the external environment, the level of turbulence, and the particular industry in which they operate (Vera & Crossan, 2004). This is because the external environment can play a large role in the way a transformational leader operates, and the influence they may have on their followers. For example, in a study by Waldman & Yammarino (1999), it was shown that transformational leaders operating in uncertain and turbulent environments had support from their employees because they were aware of the necessity to learn and adapt. This being said, in a conceptual framework article, Vera & Crossan (2004) argue that if senior leaders employ a transformational style in a stable environment, the leader’s charisma and vision may potentially

work against themselves. This negative attribution was because the employees who work in a stable environment may not actually see the need to adapt and change. The inability to see the need for change could mean that any attempt to disrupt the stable environment could cause a decrease in satisfaction and commitment toward any learning initiative.

Despite the potential adverse reactions from employees, a study of top management staff from a wide variety of Dutch firms argues that such adverse reactions are not necessarily the rule. The study showed that senior leaders who employed a transformational leadership style were able to “promote organisational members to rethink existing structures and task specialisation and reconsider new ways for the organisation to get things done” (Vaccaro, et al., 2012, p. 17). This was because transformational leaders were seen to have already fostered a relationship with the followers which was based upon mutual trust and respect (Vaccaro, et al., 2012). One interesting finding emanating from the study was that transformational leadership appeared to play a significant part in reducing the effects of hierarchies and bureaucracies in the larger firms. In addition, transformational leaders in larger organisations were noted to “complement an organisation’s increasing rigidity and bureaucracy by maintaining a sense of meaningfulness in members of the organisation” (Vaccaro, et al., 2012, p. 45).

The finding by Vaccaro *et al.* (2012) is interesting because it contradicts research from Koene, Vogelaar & Soeters (2002) relating to the organisational climate of 50 supermarket stores in the Netherlands. Their research found that the impact of a leader on organisational learning reduces as the size of a firm increases. An explanation given for this result was that in larger stores, managers could take advantage of pre-existing “structures, systems, and procedures” (Koene, et al., 2002, p. 221), and therefore, reduce the potential to make any transformational changes.

Another aspect pertaining to transformational leadership relates to vision – a vision for the future. Although there are a number of ways in which one can provide and share a vision for the future, one way is through the use of storytelling (Kalid & Mahmood, 2009). While there are numerous definitions and conceptualisations surrounding storytelling (Haigh & Hardy, 2011; Kalid & Mahmood, 2009), one definition offered by Haigh & Hardy is “the effort to

communicate events using words (prose or poetry), images, and sounds often including improvisation or embellishment” (2011, p. 408). Based upon this definition, stories can be shared through a wide range of mediums, and encompass a variety of messages from organisational mission and vision statements, to informal ‘water cooler’ conversations with peers (Kalid & Mahmood, 2009).

For leaders, it is viewed as imperative to foster and encourage the act of storytelling within their organisations. This is because they can illustrate organisational cultural beliefs, help navigate people through difficulties, discuss undiscussables, increase motivation (Abratt, Christie, & Mittins, 2011), and promote knowledge exchanges (Kalid & Mahmood, 2009). Moreover, storytelling also allows people to “explain events, understand difficult changes, present other perspectives, make connections and communicate experience” (Kalid & Mahmood, 2009, p. 53). While there are these potential advantages, the authors of a case study into storytelling and knowledge sharing practices in the government sector also provided a warning. It was noted that unlike success or positive stories, ‘failure’ stories needed to be treated carefully as peoples’ reputation and image could be jeopardised (Kalid & Mahmood, 2009). As noted throughout this literature review, the industry plays a key part in transformational leadership – and storytelling is no exception. For example, a study of 58 stories “from 33 different high tech companies in Northern California’s Silicon Valley” (Kelly, 1985, p. 49) illustrated that manager leadership styles had an impact on the development and innovation within an organisation. More specifically, organisations who were market leaders in innovation and development were also known to have had leaders with a bias toward action and intellectual stimulation.

Interestingly an additional facet of transformational leadership relates to the individual stages of organisational learning (i.e., explorative, applicative, transformative). For example, a study by Flores et al. found that participative decision making (intellectual stimulation) was “significantly related to information interpretation and integration but not for information acquisition” (2012, p. 658). One explanation for this finding was that having people involved in decision making is seen to relate to the process of ‘decisions’ rather than being involved and participating in the search.

### *2.3.2.c Integration of transactional and transformational leadership*

Despite there being a substantial amount of literature highlighting the difference between transformational and transactional leadership, it can also be suggested that transformational leadership is built upon a base of transactional leadership (Avolio, 1999). In fact, some authors strongly advocate that the two leadership styles complement each other (Tsai & Su, 2011), and that one style of leadership in the absence of the other would prove to be ineffective (Ismail, Mohamad, Mohamed, Rafiuddin, & Zhen, 2010).

Based upon the assumption that two leadership styles are better than one, there is also a growing sentiment that the two styles do in fact share some core elements, and that they cannot be entirely separated (Judge & Piccolo, 2004). For example, there is substantial evidence contending that the traditional transactional leadership based upon contingency rewards has also been associated with transformational leadership (Allen, Bycio, & Hackett, 1995; Wofford, Goodwin, & Whittington, 1998). This sentiment is endorsed by Bettencourt (2004) who surveyed 183 employees of a national retail sales organisation in relation to change oriented organisational citizenship behaviour. The findings of the study illustrated that contingent rewards applied by both transactional and transformational leaders assisted in developing positive social exchanges and, had a constructive influence on shaping the work environment. The positive outcomes, in turn, influenced other aspects of performance, organisational learning, and change. While sharing the common element of contingent rewards based upon outcomes, the key difference between the two leadership styles is that the decisions of transformational leaders are generally based on values of fairness and trust, whereas decisions and actions of transactional leaders are typically based upon monitoring and control, and the exchanges of agreements (Goodwin, Wofford, & Whittington, 2001).

The concept of positive social exchanges is endorsed by a study from Vaccaro et al. (2012) which drew on 1000 Dutch firms from a variety of industries in regards to their top management teams. Their findings showed that “leaders who inspire team success and develop trusting and respecting relationships [do so with common goals and through] management practices, processes [and] structures” (2012, p. 44).

Another important aspect for both transactional and transformational leadership, and for learning, is emotions. While the area of emotions (relating to organisational learning) is generally neglected in the literature (Antonacopoulou & Yiannis, 2001), it is still of importance. Although not specifically targeting senior leaders, findings from Antonacopoulou & Yiannis (2001) illustrated that emotions can be both positive or harmful for an organisation. For example, positive emotions can elicit feelings of “hope, love, and solidarity as well as desires for a better social order” (Antonacopoulou & Yiannis, 2001, p. 445). In contrast, negative emotions “can stand in the way of change [and learning] especially when they become entangled in the organisation and psychic dynamics of resistance, cynicism or indifference” (Antonacopoulou & Yiannis, 2001, p. 447).

### **Model based on the literature review**

Based upon the general themes from the literature review, a model of the context in which learning resides has been developed (see figure 6). The model illustrates how organisations are like a human body. The organisation is what people see (e.g., the name and building). Lying in the centre of the organisation is its ‘vitals,’ the aspects integral to the success of the organisation. These include the individuals, the collective (i.e., teams, functions, and departments), information and knowledge, and the ability to learn. Surrounding the vitals, the first ring pertains to leadership styles. In a sense, the leadership styles influences how the vitals function. The second ring is associated with organisational learning. Organisational learning is strategically placed between the leadership styles and ‘the organisation.’ This is because the literature has shown how senior leaders can influence organisational learning, and that organisational learning has an influence on the overall success of an organisation. A key aspect illustrated in this model is that the organisational learning ring touches all sides of ‘the organisation’ box. This represents the idea that organisational learning touches all facets of the organisation (e.g., finance, operations, marketing, and human resources). The final aspect of this model is that the organisation (and all its contents) is placed inside a larger box called ‘the environment.’ This is important because it illustrates the reality that

organisations do not operate in a vacuum, and therefore, can influence and be influenced by the environment in which it operates.



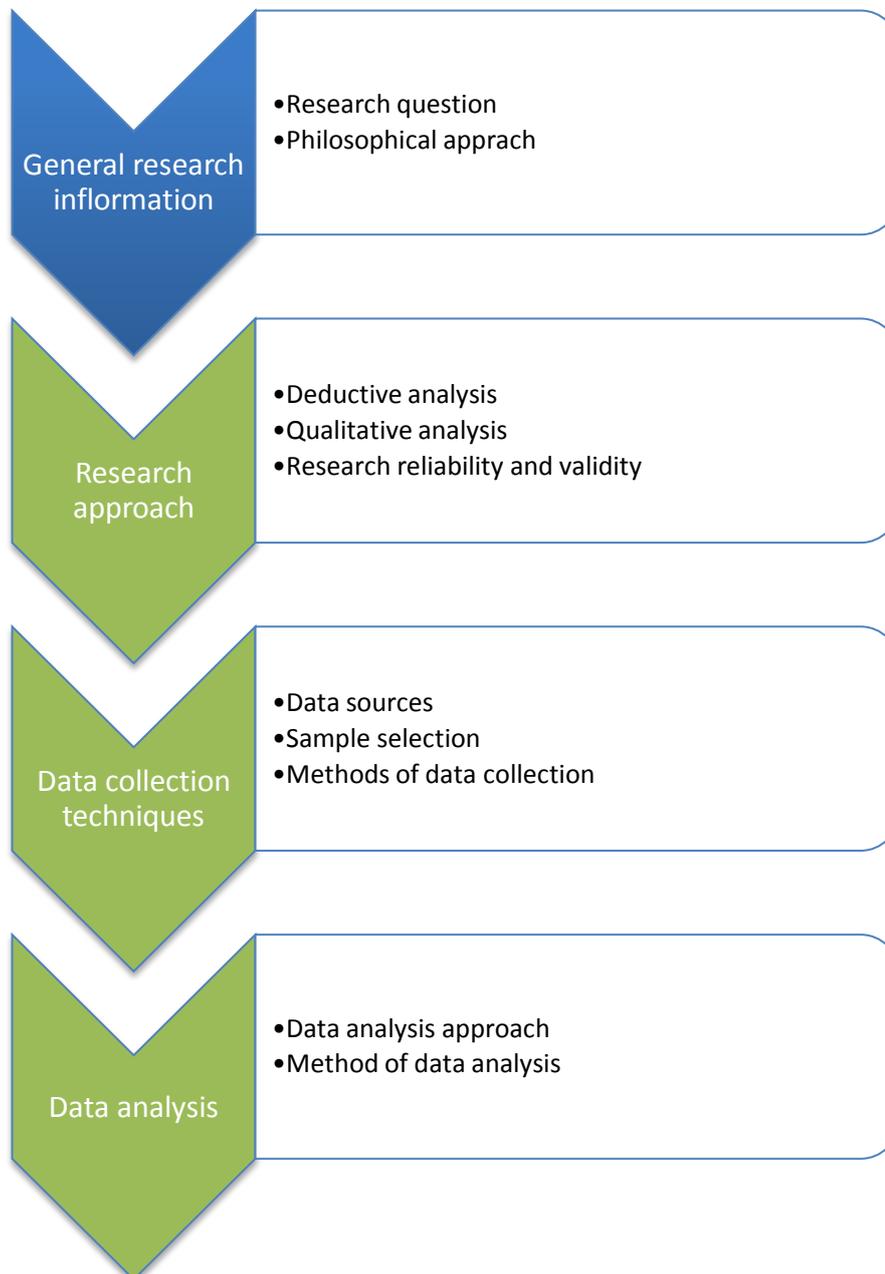
**Figure 6:** The context in which organisational learning resides.

Source: Developed by MBus thesis student Alex Waddell

## 2.4 Chapter Summary

The purpose of this chapter was to provide a review of the existing literature pertaining to the concept of organisational learning, and the influence senior leaders may have on learning within an organisation. This was achieved firstly by providing a background to the concepts of information and knowledge, and by defining the term ‘organisation.’ Next, the components of learning were outlined, followed by a brief description of individual and organisational learning.

This was followed by a critical analysis of the explorative, applicative, and transformative themes of organisational learning. The chapter then went onto focus on the role of senior leaders within organisations, and the possible influence of transformational and transactional leadership styles on organisational learning. Finally, a model developed from the general themes of the literature review was presented. Using the ideas and concepts expressed throughout this literature review as a general framework, the ensuing chapter will discuss the overall design and methodology employed for this thesis.



## **Chapter three: Research methodology**

### **3.1 Introduction**

This chapter discusses the design and methodology employed for this thesis. To begin, an outline of the overarching research paradigm in terms of an interpretive approach, the ontology, and epistemology is outlined. Next, a description of the qualitative methods selected is presented. As research trustworthiness was an important aspect of this thesis, the criteria and ‘action plan’ to achieve trustworthy research is discussed. Following on, the chapter outlines the data sources (e.g., company documents, news articles, blogs, and interviews) used for this thesis. Next, the thesis sample selection, participant recruitment process, and data analysis methods are described.

### **3.2 Research question**

What influence do senior leaders have on organisational learning?

### **3.3 Research paradigm**

The term ‘research paradigm’ can be defined as “a general theory that informs most scholarship on the operation and outcomes of any particular system of thought and action” (Entman, 1993, p. 56). Building an awareness of the research paradigm is an important inclusion to this thesis because there can potentially be issues around “the lack of accountability and transparency about the research process [which can] present the researcher as ‘powerful/knowing,’ as the issues and justification surrounding ‘fitness for purpose’ are left unquestioned” (Phillimore & Goodson, 2004, p. 12). Therefore, in documenting these research approaches, this chapter will present how this “research was constructed, how the findings were generated, analysed and interpreted, and how conclusions were drawn” (Phillimore & Goodson, 2004, p. 12).

#### **3.3.1 Interpretive approach**

This thesis took an interpretive approach as the underlying philosophical base. An interpretive approach was taken because there is no ‘singular’ truth, and any findings or generalisations made, are based within the context they

were sourced (e.g., in a particular organisation or industry) (Myers, 2009). While undertaking research in an ‘interpretive’ manner, another key component to the approach relates to the concept of ‘double hermeneutics.’ That is, “researchers are ‘subjects’ and are just as much interpreters of social situation as the people being studied” (Myers, 2009, p. 30). Therefore, based upon this philosophical approach, any attempt to make meaning of how senior leaders’ influence organisational learning was with the understanding that the data was set in the context of one company, and based, in part, on the researcher’s interpretation of participant’s responses.

### 3.3.2 *Ontological approach*

The term ontology relates to “the study of being, and raises questions about the nature of reality while referring to the claims or assumptions that a particular approach to social enquiry makes about the nature of social reality” (Phillimore & Goodson, 2004, p. 34). While there are many perspectives associated with ontology, at the core, ontology relates to “what exists” (Huff, 2009, p. 108). To illustrate two distinct perspectives, table 4 illustrates the rationalist/formalist and social constructivist/constructionist ontological positions.

<b>Ontology</b>	
Rationalist/formalist	The world is intelligible and orderly (constructed realities)
Social constructivist/ social constructionist	Individuals and groups interact and are involved in the creation of their perceived reality

**Table 4:** Two views of ontology (adapted from Huff, 2009, pp. 112-113).

For this thesis, a social constructivist approach (in relation to ontology) is taken because the researcher believes that the world is not intelligible and orderly, but rather, involves individuals and groups who participate in the creation of their perceived reality.

### 3.3.3 *Epistemological approach*

Building on from ontology, the term epistemology relates to “the theory of knowledge, and is interested in the origins and nature of knowing and the

construction of knowledge” (Phillimore & Goodson, 2004, p. 34). In particular, “epistemology focuses on what human beings can know about what exists” (Huff, 2009, p. 108). To illustrate two distinct epistemological perspectives, table 5 illustrates the rationalist/formalist and social constructivist/constructionist ontological positions.

<b>Epistemology</b>	
Rationalist/formalist	Logic and objectivity are sources of knowledge, and are independent of intuition and deduction
Social constructivist/ Social constructionist	All knowledge – including knowledge taken for granted – is created by, and maintained by social interactions

**Table 5:** Two views of epistemology (adapted from Huff, 2009, pp. 112-113).

As related to the ontological framework, knowledge is derived from social interactions. In particular, the interactions between the researcher and participants. Therefore, rather than the researcher focusing on the “motivation or individual psychologies..., [there is instead a focus on theorising] the sociocultural contexts, and structural conditions, that enable the individual accounts... [to be] provided” (Braun & Clarke, 2006, p. 85).

### **3.4 Research approach**

#### ***3.4.1 Qualitative research***

Based upon the interpretive approach, data was obtained in a qualitative manner. A qualitative approach was taken because it enabled the creation of a record of what people had said (either written and/or spoken), and in such a way that assisted in the understanding of the social and cultural phenomena (Myers, 2009). In using a qualitative approach, secondary source documents and participant interview responses enabled a detailed explanation to ‘how’ senior leaders have had an impact on organisational learning (Myers, 2009).

#### ***3.4.2 Deductive approach***

For this thesis, a deductive approach was chosen to analyse the organisation within the context of a pre-determined theoretical base. While the ‘theoretical’ approach can be thought to offer a less ‘rich’ account of the data, it can also be

argued that it can allow for a more in-depth analysis of themes within the context of existing theory (Braun & Clarke, 2006).

### **3.4.3 Qualitative research through case studies**

The role of case studies in research has gained in popularity throughout the years (Kazdin, 2011; Yin, 1994). Research through the use of case studies has touched many professions such as “psychology, medicine, education, rehabilitation, social work... and other disciplines” (Kazdin, 2011, p. 1). The advantages associated with case studies are related to the ability to “illustrate a particular point” (Kazdin, 2011, p. 6). Moreover, as Kazdin notes, “there is nothing like a case study to convey the points, to provoke thought, to motivate others, and to move to action” (2011, p. 6). Although it acknowledged that a case study may not necessarily invoke these feelings, often because of the ‘story’ like nature to cases, the chances are higher when compared to a study with a large sample size or great controls (Kazdin, 2011).

Based upon a review of case study literature, there appears to be a multitude of definitions, uses, and analysis techniques. Table 6 outlines the various characteristics of a case study research design.

<b>Key characteristics of case studies</b>
The intensive study of the individual. However, this could be an individual person, family, group, institution, state, country, or at the level that can be conceived as a unit;
The information is richly detailed, usually narrative form rather than scores on dependent measures;
Efforts are made to convey the complexity and nuances of the case (e.g., contexts, influence of other people) special or unique features that may apply just to this case; and
Information often as retrospective; past influences they use to account for some current situation, but one begins with the current situation.

**Table 6:** Key characteristics of case studies (Kazdin, 2011, p. 4).

### **3.4.4 Single case study use and justification**

Grounded in the case study approach, and using Gerring’s (2007) outline of case study approaches (see table 7), a ‘single’ case approach was deemed to be the most suitable for the following reasons:

### *1) Hypothesis/theory generating vs. testing*

As the objectives of this thesis were to identify what influence senior leaders have on organisational learning, the research can be viewed as 'generating' the hypothesis. This is in contrast to specifically setting out to see if senior leaders influence learning on a set of predetermined values (testing). Furthermore, as the focus of this thesis is relatively untested, the aim was to generate new ideas and perspectives which could then potentially be "subjected to more rigorous (and refutable) analysis" (Gerring, 2007, p. 39) in the future.

### *2) Validity: internal versus external*

Validity is akin to theoretical generalizability, and can be divided into internal and external validity. With internal validity (e.g., to the organisation or department), findings are typically representative of the context in which they were generated (Gerring, 2007). In regards to external validity, findings are typically applied to "a broader-unstudied-population" (Gerring, 2007, p. 43). While the findings of this research may be utilised by other practitioners within the management and learning and development fields, it was not the aim of this research to produce findings that are generalizable to the whole population. Rather, the purpose was to analyse how senior leaders influence organisational learning in this particular Information Technology (IT) organisation. Moreover, as this case study was largely based upon the 'critical incidents' of interviewees' interpretations of past history and experiences, it would be difficult – if not impossible – to recreate and generalise the findings to other populations (Bryman & Buchanan, 2009).

### *3) The population of cases: heterogeneous vs. homogeneous*

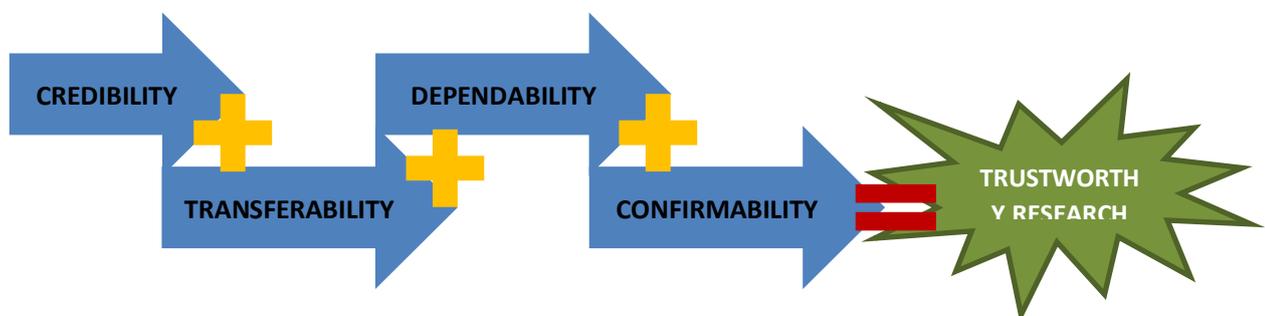
The concept of heterogeneous vs. homogeneous can be compared to – at an elementary level – the distinction of people from one organisation, or people from multiple organisations. For this thesis, a homogeneous group was viewed as suitable for this particular research. One key justification for this decision relates to the fact that "the underlying factors of interest mean different things in different contexts" (Gerring, 2007, p. 50). That is, because this thesis specifically focused on the IT industry, was not necessary to understand and to gather data from other populations (i.e., data from other industries) (Gerring, 2007).

	Affinity	
	Case study	Cross-Case study
<b>Research goals</b>		
1. Hypothesis	Generating	Testing
2. Validity	Internal	External
<b>Empirical fact is</b>		
3. Population of cases	Heterogeneous	Homogenous

**Table 7:** Case study and cross-case study research designs (Adapted from Gerring, 2007, p. 38).

### 3.5 Criteria for research trustworthiness

A four point criteria developed by Guba (1998, as cited in Shenton, 2004) was applied throughout the data collection and analysis stages. The four point criteria (see figure 7) included the components of credibility, transferability, dependability, and confirmability. In addition to the four point criteria, this thesis also included ethics as a component of trustworthiness.



**Figure 7:** Steps in establishing research trustworthiness (Brown & Schmidt, 2012).

#### 3.5.1 Credibility

When applied to qualitative research, credibility is viewed in a similar way as validity in quantitative research (Brown & Schmidt, 2012). The basic premise behind credibility is that the “research must be shown to be authentic and truthful..., [and that] the results should make sense and be believable” (Brown & Schmidt, 2012, p. 354). Following Shenton’s (2004) outline of credible research,

this thesis applied the following eleven provisions to build credibility in the findings.

**1) *The adoption of research methods well established in qualitative investigation***

This provision was achieved by way of a thorough review of the existing literature pertaining to management and learning and development. While this qualitative research presents a different vantage from that of quantitative studies in the learning and development field, it was based upon Lichtenthaler's (2009) quantitative study utilising likert scales to determine participants' perceptions. For this thesis, interviews were employed as the primary method of data collection. Data analysis was then undertaken after all interviews had been transcribed. It has been advocated that the benefit in analysing data after interviews relates to the premise that ideas from each participant are not as likely to be imposed on the subsequent interviews (Seidman, 2006).

**2) *Becoming familiar with the organisation before the first data collection takes place***

Prior to starting the interview process, the researcher met with the General Manager of Human Resources (GMHR) to evaluate the suitability of conducting research in this specific organisation. During the conversation with the GMHR, the company culture, history, mode of operation, and possible future was outlined.

**3) *Triangulation***

Triangulation relates to the different methods in which research data is collected. This is an important aspect because in having additional data sources, the researcher does not have to rely solely on participants responses for information (Shenton, 2004). Furthermore, it has also been specifically noted that in business research, interviews are often complemented by other data sources (Eriksson & Kovalainen, 2008). For this thesis, empirical evidence was sourced from participant interviews. Participant interviews were also

complemented with secondary sources such as company documents, media releases, news articles, and blog comments (associated with newspaper articles). While 'blog' comments can add value by offering differing insights and personal opinions, they were used with the knowledge that they are the opinions of individuals, and that the value of their inclusion was to assist in providing context for the other sources of information (Eriksson & Kovalainen, 2008).

#### **4) *Tactics to ensure honesty from interview participants***

To assist in ensuring honest responses, potential participants for this thesis were all given the opportunity to choose whether to participate or decline the offer of participation. Additionally, during the interview, participants had the freedom to not answer questions if they felt uncomfortable. In taking these precautionary measures, it was envisaged that only those who genuinely wanted to participate in the research would agree to being interviewed. To further enhance honesty and candid answers, prior to starting each interview, the researcher emphasised that he was independent of the participants' company.

#### **5) *Iterative questioning***

During each interview, an iterative process of questioning was used. This iterative approach assisted in reducing misunderstandings, and helped to ensure that what had been said was appropriately interpreted. Moreover, the use of repeated or similar questions allowed the researcher to gain a more in-depth understanding of peoples' recollections (Shenton, 2004).

#### **6) *The frequent debriefing sessions between the researcher and his/her supervisor***

Throughout the data collection and analysis stages, regular communication was maintained between the researcher and supervisor. This allowed feedback and assistance to be given in regards to interview styles and techniques, and to discuss any issues encountered. Through the contact with the supervisor, issues relating to the research process were resolved and ideas shared. Having the opportunity to communicate also created a 'sounding board' for the researcher

where any thoughts, biases, and preconceptions could be discussed (Shenton, 2004).

### **7) *Peer scrutiny of the research project***

During the data categorisation and theming process, three members of the researcher's family (ranging in age from 23 to 75) were involved in reviewing the various categories and themes. The use of family members was beneficial as they had little or no knowledge of the research topic. As a result, they were able to make objective evaluations on whether a code was appropriately named and made sense. Furthermore, as the family members were 'fresh' to the data, they were also in a position to then challenge the researcher's thoughts and assumptions – which may have resulted from being close to the project (Shenton, 2004). In addition to family members, the researcher had his workplace manager (the Managing Director of a Human Resource consultancy firm) assist during the theming process. The manager's assistance provided valuable insights because of his professional experience in the learning and development field (Bryman & Buchanan, 2009).

### **8) *The researcher's reflective commentary***

Throughout the analysis process, the researcher recorded notes (see appendix 9) of initial thoughts and impressions of the data. This not only 'tracked' the themes and patterns emerging from the data, but it also brought to light any of the researcher's potential biases or issues which may have influenced the overall findings (Shenton, 2004).

### **9) *Background, qualifications and experiences of the researcher***

The background of a researcher is seen to be an important aspect of the interview process. This is because having prior knowledge of the research topic can have an influence on the research outcomes. One reason for this is because an interviewer without prior insights or knowledge "may not have a grasp of the theoretical foundation or the research questions underpinning the study" (Bryman & Buchanan, 2009, p. 504). Prior to undertaking this thesis, the

researcher had completed a Bachelor of Sport and Recreation, a Bachelor of Business, and a Master of Professional Business Studies. While studying at university, the researcher worked in a specialised human resource consultancy firm which predominantly focused on organisational learning, and organisational change.

#### **10) Member checks**

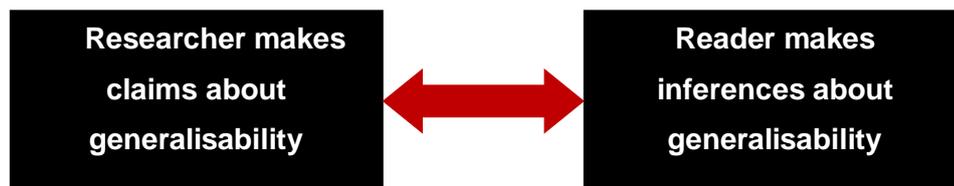
Often noted as “the single most important action inquirers can take” (Guba, 1981, p. 85) to ensure trustworthiness of data (Guba, 1981; Shenton, 2004), member checks are the verification and testing of data (during and/or post-collection). During all interviews, the researcher routinely asked participants to clarify any comments and points made. This assisted in both providing detailed explanations to responses, as well as ensuring that the full meaning was shared and accurately recorded.

#### **11) Thick description of the phenomenon under scrutiny**

In order to illustrate situations and the various contexts surrounding them, the researcher included verbatim comments made from participants in the findings. In providing these comments, a link between participants’ responses (data), and ensuring codes and themes could be made visible for readers (Shenton, 2004).

### **3.5.2 Transferability**

Transferability relates to the “extent to which the findings of one study can be applied to other situations” (Merriam, 2009, p. 223). While authors discuss whether findings could or should be generalised and transferred (i.e., to other populations) (Denscombe, 2007), there is a general agreement that while each ‘case’ is unique, it is an example within a larger group (Stake, 1994, as cited in Shenton, 2004). As figure 8 illustrates, it is also advocated that readers take an active role in determining whether the findings match and can be applied to their own situations (Bassegy, 1981).



**Figure 8:** Continuum of inferences (adapted from Arksey & Knight, 1999, p. 57).

An important aspect, as advocated by Firestone (1993), is that the reader must be provided with sufficient context and information around the study to make an informed decision about the transfer themselves. In order to make the transfer possible, Shenton (2004) suggests that researchers offer the following information (see table 8).

Key thesis information		
1	Number of organisations	One IT Organisation based in Auckland, New Zealand.
2	Restrictions	Participants were the direct reports of the senior leaders within the organisation.
3	Number of participants	Four participants were interviewed. Each participant was interviewed once, and interview times lasted for between 35 minutes and one and a half hours.
4	Data collection method	Data was collected from semi-structured interviews. Data was also collected from secondary sources such as company documents, media releases, news articles, and 'blog' comments.
5	Time period	Interviews were conducted in December 2011. Documents were sourced between October and December 2011.

**Table 8:** Information on data set.

### 3.5.3 Dependability

Dependability relates to the notion that if a particular piece of research were to be repeated, similar findings would be evident – if given the same context, methods, and participants (Shenton, 2004). While it can be argued that the very nature of qualitative research means this is not possible (Cook & Giacomini, 2000), some authors advocate that dependability can be based upon a well-documented and in-depth description of the research methodology and implementation. To achieve this goal, Shenton (2004) outlines three areas

central to the in-depth description of research. The three areas include the research design and its implementation, the operational detail of gathering data, and the reflective appraisal of the project.

While the research design, implementation, and operational information of data collection are outlined in detail throughout this chapter, the reflection appraisal will be given in the concluding chapter.

#### **3.5.4 Conformability**

The term conformability in qualitative research is akin to objectivity in quantitative research (Shenton, 2004). To achieve conformability, it is necessary for the findings from participant interviews to be representative of their ideas and thoughts; this being rather than based on the preconceptions or ideas of the researcher (Shenton, 2004). Areas concerning conformability relate to triangulation, and an awareness of the researcher's biases (Gibson, Dollarhide, & Moss, 2010). In addition, a detailed methodological description is recommended as it provides an 'audit trail' to which specific methods are justified and made visible for the reader (Shenton, 2004).

#### **3.5.5 Ethical considerations**

Ethical considerations for this research were largely based upon the three principles of the Treaty of Waitangi. The three principles include partnership, participation, and protection.

##### **1) Partnership**

The design of this research encouraged mutual respect by first allowing participants to read and sign an interview consent form (see appendix 3). Before signing the consent form, participants were encouraged to ask questions, and to seek any necessary clarifications relating to the research project and its process. The consent process was the first step in building mutual respect. The second aspect for building mutual respect was in regard to the interview process and the specific questions being asked. That is, interviews took place at the participants workplace (at their request) where disruption (e.g., time away from their duties) to their work was minimised.

The researcher acted honourably toward participants by fully disclosing information relating to the research. In return, it was expected that participants would inform the researcher if they were in a position that may unduly influence their responses to questions (e.g., conflict of interest). This mutual understanding assisted in ensuring that both parties acted in good faith toward each other.

### **2) Participation**

The role of participants was to provide their insights and personal experiences on how their senior leaders influence organisational learning.

### **3) Protection**

Participants were actively protected against deceit, harm, and coercion through the participant information and consent forms (see appendix 2 and 3). These forms allowed participants to ask questions, clarify any uncertainties, and ultimately withdraw from the interview process without any repercussions.

Participants' privacy was protected by ensuring that names or other personal information was not recorded. While it was necessary to use quotes in the research output, most of the findings are in the form of aggregated responses. Using aggregated responses also assisted in maintaining participants' privacy.

## **Ethics Approval**

Ethics approval was granted by Auckland University of Technology Ethics Committee (AUTEC) on 25/10/2011. AUTEC reference number 11/233 (see appendix 1).

### 3.6 Data sources

For this research, both primary and secondary data were utilised. The primary data was sourced from participant interviews, and secondary data sources included company documents, media releases, news articles, and blog comments. As with any data collection method, there is no ‘perfect’ approach. As a result, the researcher sought to seek the various strengths and weaknesses associated with interviews and documents. This exploration (see table 9) for the strengths and weaknesses of both approaches) assisted in the planning, collection, and data analysis of this research.

Source of evidence	Strengths	Weaknesses
<b>Interviews</b>	<ul style="list-style-type: none"> <li>• Targeted – focuses directly on case study topic</li> <li>• Insightful – provides perceived causal inferences</li> </ul>	<ul style="list-style-type: none"> <li>• Bias due to poorly constructed questions</li> <li>• Response bias</li> <li>• Inaccuracies due to poor recall</li> <li>• Reflexivity – interviewee gives what interviewer wants to hear</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• Stable – can be reviewed repeatedly</li> <li>• Unobtrusive – not created as a result of the case study</li> <li>• Exact – contains exact names, references, and details of an event</li> <li>• Broad coverage – long span of time, many events, and many settings</li> </ul>	<ul style="list-style-type: none"> <li>• Retrieveability – can be low</li> <li>• Biased selectivity, if collection is incomplete</li> <li>• Reporting bias – reflects (unknown) bias of author</li> <li>• Access – may be deliberately blocked</li> </ul>

**Table 9:** Sources of evidence: strengths and weaknesses (adapted from Yin, 1994, p. 80).

#### 3.6.1 Interviews

*“At the very heart of what it means to be human is the ability of people to symbolise their experience through language.... Interviewing then, is a basic mode of inquiry. Recounting narratives of experience has been the major way throughout recorded history that humans have made sense of their experience” (Seidman, 2006, p. 8).*

While there are multiple ways in which to gather data from participants, interviews are often viewed as one of “the most important sources of case study information” (Yin, 1994, p. 84). One reason for this belief is because interviews can afford the researcher with intimate data; data which may have been difficult to source with other data collection methods. Although not employed, other data collection methods such as observation, focus groups, and questionnaires were considered (Yin, 1994).

Participant interviews were undertaken by asking open-ended questions within a semi-structured framework. A semi-structured interview approach is one in which there are a “list of questions on fairly specific topics to be covered..., but the interviewee has a great deal of leeway in how to reply” (Bryman & Bell, 2007, p. 474). The primary justification for using semi-structured interviews over structured interviews relates to the information sought. That is, structured interviews are typically where questions are developed in advance, and require interviewers to stick to those predetermined questions (Arksey & Knight, 1999). On the opposite end of the spectrum, unstructured interviews are where the interviewer may have broad topics which may be covered, but the interview direction is largely dictated by the interviewee (Arksey & Knight, 1999). As the aim of this research was to explore meanings and themes, it was elected that employing a semi-structured interview process with pre-existing questions would allow for both structure and flexibility during the interview process.

Another key advantage of using semi-structured interviews was that all interviewees had the same fundamental set and sequencing of questions to which other (unplanned/prompting) questions could be based upon. Using a semi-structured approach also assisted in ensuring that a common set of meanings to terminology were given to all participants. This approach, in turn, is seen to assist in the production of credible and defensible results (Johnson, 1997).

### **3.6.2 Documentation**

Throughout the research period, the researcher sourced company information through various publicly available sources. These secondary data

sources were then analysed by drawing out information pertaining to the organisation’s operations, culture, and financial performance (see table 10). The findings from the secondary data sources were then used to complement participant interview responses.

The information collected from secondary sources were incorporated into the findings, and then linked to the existing academic literature within the thesis discussion. This, in turn, allowed the researcher to collaborate and substantiate emerging themes provided from participant interviews.

Information sought	Sources
General information about the organisation	Newspapers and ‘blog’ comments
Number of employees	Company media releases
Company financials	Company reports
Organisational culture	Company media releases

**Table 10:** Information sought and their sources.

### 3.7 Interview procedure

#### 3.7.1 Interview protocol design

The design of the interview questions was based upon Lichtenthaler’s (2009) study of an organisation’s absorptive capacity – as related to organisational learning. The study was quantitative in nature, and included scale items under the three broad themes of exploratory, exploitive, and transformative learning. The justification for using Lichtenthaler’s (2009) broad questions and themes was based upon an extensive literature review where it became evident that the three themes of learning were central to many research projects. Furthermore, in Lichtenthaler’s concluding remarks, it was acknowledged that the “study [had] focused on the consequences of absorptive capacity..., and additional studies into the antecedents of the complimentary learning processes are needed” (2009, p. 842). Moreover, the adaption of Lichtenthaler’s questionnaire also allowed the researcher the flexibility to include additional components under the transformational learning theme.

### **3.7.2 Interview pre-testing and piloting**

Prior to any interview taking place, a three stage process was introduced by the researcher to develop and refine the interview questions. The three sources included the researcher's supervisor, workplace manager, and family members.

#### *1) Researcher's supervisor*

The first stage related to the initial question formulation and refinement. This was achieved with the researcher's supervisor over a number of weeks. The advantage of collaborating with the researcher's supervisor was the ability to 'bounce' ideas, and to create a forum where honest feedback could be given. Furthermore, as the supervisor has an intimate working knowledge relating to the broad topic of organisational learning, recommendations could be made as to whether the questions were suitable to achieve the overall aims of the research project.

#### *2) Researcher's workplace manager*

The second stage of questionnaire development was undertaken with the researcher's workplace manager. As the researcher works in a human resource consultancy firm (focusing on organisational learning and organisational change), the manager was able to assist in suggesting ideas and themes which were pertinent to the industry.

#### *3) Researcher's family*

The final stage of questionnaire development was a pilot of the questionnaire with the researcher's family (interviews were conducted on an individual basis). The primary reason for using family members related to the fact that they had no prior knowledge of the topic (unlike the supervisor and the researcher's workplace manager). While some authors suggest "test[ing] the questions with a sub-sample of the intended study population" (Arksey & Knight, 1999, p. 95), the researcher, having chosen family, meant that it was expected that any structure issues, jargon, or ambiguous questions would be identified and removed. As a result, the pilot interviews also identified potential issues regarding interview techniques and skills. Issues included being able to clearly articulate questions, and bringing people back to the topic. As a result of the interview pilot, the researcher was able to improve on those aspects (Arksey & Knight, 1999; Gillham, 2000).

### **3.7.3 Interview questions and structure with participants**

The interview questions were largely based upon Lichtenthaler's (2009) study, and were developed in such a way that it would prompt detailed responses from participants. There were five stages in the interview process. The five stages included an introduction, questions based around the explorative, applicative, and transformational learning components, and then a conclusion.

#### *1) Introduction*

The first section of the interview was designed to be a short two minute introduction between the researcher and participant, and to outline the interview process. This was necessary because participants often did not read the information sheet prior to the interview – participants openly acknowledged this to the researcher without any prompting. In addition, the introduction section was necessary to allow the researcher an opportunity to build a sense of rapport with the participants. Following on, the researcher also used this introduction time to provide participants with a general context to learning and why it is important. The context was given through the example of Kodak (see appendix 4) being the 'poster child' of film and cameras, and how they have recently filed for bankruptcy as a result of not learning and adapting. Giving the example of Kodak was viewed as necessary after piloting the interview with family members. This was because it allowed them (the family members) to understand the premise behind learning and the interview. It was also during the introduction that the researcher gave participants a copy of the interview questions (which they referred to throughout the interview period). Providing participants with the interview questions at the start of the interview, in turn, gave them the option to refer back to the questions if they needed.

## 2) *Explorative learning*

The second stage of the interview questioned participants on their perceptions of how they viewed their manager's influence on scanning the environment, and bringing information back into the organisation (see table 11 for the explorative learning questions).

- 1) How does your manager influence the way you scan the environment for new information (e.g., for new technologies, market trends, and industry information)?
- 2) How does your manager influence and/or manage the way new knowledge is sourced and brought back into the organisation for future use?

**Table 11:** Explorative learning questions asked to participants.

## 3) *Applicative learning*

The third stage of the interview addressed participants' views on how their manager influences the way knowledge is applied and shared within the organisation (see table 12 for the applicative learning questions).

- 1) What influence does your manager have on the application of new knowledge into the organisation?
- 2) How does your manager influence the conversion of newly acquired knowledge into something of value (e.g., products, services, systems, processes)?
- 3) In what ways does your manager influence the sharing of knowledge and the collaborative development of ideas between individuals and/or groups?

**Table 12:** Applicative learning questions asked to participants.

## 4) *Transformative learning*

The fourth stage of the interview related to the participants' views on how their manager influences the transformation of learning within the organisation and/or department (see table 13 for the transformative learning questions).

- 1) How does your manager influence the way knowledge is embedded into the organisation (e.g., into organisational structures, routines, practices, values, beliefs)?
- 2) Can you give an example of when your manager encouraged you or your peers to question traditional methods of doing things and to look for new approaches that could potentially be more effective? This could include a time when your manager challenged you or your peers to think differently about something that may have worked in the past, but now may be working against business success?
- 3) Can you give an example of when your manager has used existing knowledge to take advantage of potential business opportunities?
- 4) Can you give me an example of when your manager has influenced the way you or your peers approach learning?

**Table 13:** Transformative learning questions asked to participants.

## *5) Conclusion*

After the 'semi-structured' interview questions were completed, each interview ended with an opportunity for participants to share any concluding comments. In doing so, participants were afforded time to cover any things they may have missed or had just thought of. Furthermore, this additional opportunity was given so any emerging ideas or concepts could be further developed or enhanced.

### **3.7.4 Sample selection criteria**

Research participants were selected from Renaissance, a New Zealand owned and operated IT organisation (permission to use the company name was granted by the CEO). One reason for selecting this particular organisation for this case study related to the researcher's access to potential participants. The relationship with Renaissance had been fostered by the researcher's workplace Managing Director (MD). This relationship between Renaissance and the researcher's workplace had been based upon various professional working engagements (with the MD) such as executive coaching and employee development programmes (run in collaboration with the Group Human Resource Manager). It is important to note here that while the researcher's MD had worked closely with these individuals/groups, the researcher had no prior contact or working relationship with Renaissance and/or any of the potential participants. It was the relationship between the researcher's workplace MD and the individuals within Renaissance that had, in turn, resulted in permission to conduct the research with the employees of Renaissance.

Participants for this research were purposefully selected from Renaissance. The purposive sample method was chosen because "the researcher is only required to go to the people who in his/her opinion are likely to have the required information and be willing to share it" (Kumar, 2005, p. 179). Moreover, it is viewed that this type of non-probability sampling would enhance the likelihood of desired phenomenon's and concepts to be represented in the data (Maykut & Morehouse, 1994). The sole criterion for selection was that potential participants must be a direct report of a senior leader (a senior leader being a member of the senior leadership team) within the organisation. Because of the

participant selection criteria, other participant demographics such as age, gender, and ethnicity were not viewed as factors in the recruitment and selection process.

In practical terms, this research analysed responses from direct reports at level three (see appendix 13 for an organisational structure chart) in order to understand the influence of senior leaders (on organisational learning) at level two. While scarce in the academic literature, practitioner references categorise direct reports at level three as 'middle-level managers' who hold management positions such as General manager, Regional manager, and Division manager (Simmering, n.d.). In terms of Renaissance, middle-level managers hold roles such as Group Finance Manager, National Sales Manager, General Manager of Shared Business, and Operations Manager.

Within Renaissance, many of the senior leaders had recently been recruited during the year 2011. This was because of the organisation's ongoing transformation and change in strategic direction. Therefore, at the time of the research, senior leaders within the organisation were deemed to have a proven track record of success, and strong leadership skills. In interviewing the direct reports of the current senior leaders, it was hoped that participants would be able to provide rich data in regards to how they viewed senior leaders influencing organisational learning.

### ***3.7.5 Participant recruitment process***

To initiate the recruitment process, the researcher contacted the GMHR of Renaissance to confirm the research process was ready to proceed. After the initial call, a follow-up e-mail (see appendix 7) was sent to the GMHR outlining the research objectives and, to provide the participant information sheet. Using the organisations contact database, the GMHR proceeded to send an invitation e-mail (see appendix 8) to a pool of ten eligible participants – this represented the total number of senior leader direct reports. Specifically, the eligible pool of participants included the direct reports of senior leaders within the organisation. Included in the invitational letter was the researcher's contact details and participant information sheet (please see appendix 2 for the participant information sheet).

By creating a pool of participants and removing any involvement of Renaissance's senior leaders in the recruitment process, it was certain that organisation's management did not specifically know who was being invited to participate in the interview process. This, in turn, assured confidentiality and voluntariness, and minimised the possibility of conflict of interest.

Through the use of e-mail, five potential participants responded directly to the researcher with their intention to participate. The researcher then sent a confirmation email to the five potential participants, and proceeded to organise meeting times and locations at their convenience (see appendix 6 for the recruitment process). While four participants responded and scheduled interview times with the researcher, for unknown reasons, the fifth 'potential' participant did not respond.

In order to maintain ethical integrity, a period of one week after the initial invitation e-mail was sent before a final reminder e-mail was given to the initial pool of potential participants (excluding the four that had been arranged). After a three-week time period (from the initial e-mail), the total number of actionable responses totalled four. While the researcher wanted to individually follow-up with the fifth 'potential' participant who had responded to the first invitation, ethical guidelines set by AUTEK for this thesis prohibited any further communication beyond the two invitation emails. For this thesis, the total number of four actionable responses represented 40 percent of senior leader direct reports within Renaissance.

### ***3.7.6 Sample size based upon the recruitment process***

Sample size (see table 14) was heavily influenced by having an overall number of ten senior leader direct reports within the organisation. The total of four interview participants was seen to be sufficient for this thesis as "the optimum sample size depends upon the parameters of the phenomenon under study, for example the rarity of the event or the expected size of differences in outcome" (Marshall, 1996, p. 522). As the expected variances in outcomes from interview responses were not predicted to be large, and that the selected participants represented 40 percent of the target audience, the sample selection size for this thesis was seen to be sufficient. In addition to the predicted

variances in expected outcomes, it is also noted that “while there is no ideal number of cases [interviewees], a number between 4 and 10 cases usually works well” (Eisenhardt, 1989, p. 545) to provide data with a level of detail and complexity to draw meaning.

Participant	Department	Reporting to
F	Finance	Chief Financial Officer
S	Sales	Sales and Product Strategy Manager
O	Operations	Logistics Manager
T	Technology	General Manager Support Services

**Table 14:** Sample size and profile.

### ***3.7.7 Interview process with participants***

Prior to any interview taking place, each participant was informed (via a participant information sheet and verbally before starting the interview) that anything they may have potentially said during the interview would not be able to be tracked back to them personally – as responses would be aggregated with those of others, and that there are no personal details recorded. This was emphasised to both ‘protect’ participants – as related to the principles of the Treaty of Waitangi – and to “encourage people to disclose facts, experiences, feelings or attitudes that they would not disclose to another person” (Gillham, 2000, p. 15). When participants had been assured that their comments could not be traced back to them personally, the interview process then proceeded.

During the interview, participants were asked open-ended questions which required them to express their views relating to how their manager influences the exploration, application, and transformation of knowledge within the organisation. The use of open-ended questions was necessary for this research because of the need to answer ‘how’ senior leaders influenced organisational learning (Bryman & Bell, 2007).

While there were many advantages relating to open-ended questions, there are also potential issues relating to participants ability to understand and answer questions (Bryman & Bell, 2007; Gillham, 2000). Therefore, specific

questions (see appendix 5 for the interview protocol sheet) were used as the initial questions to which further questioning and probing were based upon. While it can be argued that probing or asking further in depth questions could influence the direction of an answer (Bryman & Bell, 2007), the ability to have participants expand and clarify their responses was seen to outweigh the effect of a change in answer direction (Gillham, 2000).

While proceeding through the interview process, two methods of recording were employed. The first form of data recording was through the use of a digital audio recorder. This method of data collection was used because it assisted in mitigating against the natural limitation of memory (i.e., the researcher's ability to remember certain things) when writing the post-interview notes (Bryman & Bell, 2007). Audio recording also allowed for the interview to be conducted in a seamless manner. That is, participants did not need to stop talking in order for the researcher to take notes (Bryman & Bell, 2007). Moreover, while analysing the data, having an audio record of the interviews allowed for an accurate and thorough recount of what had been said by participants (Bryman & Bell, 2007). The second method was through note taking. The notes generally related to aspects such as prior thoughts to an interview (e.g., questions I may want to ask), and any key points or themes made by participants.

As illustrated in table 15, all interviews were completed within a two week timeframe during the month of December 2011. This interview timeframe was as a result of accommodating to the schedules and availabilities of participants. Also outlined in table 11 is the duration of interviews. While there is a substantial difference between the interview times, this was solely due to the way in which participants answered the interview questions. That is, whereas the first two participants tended to go off on tangents and talk about themselves, the second two participants were succinct and focused their answers on their managers.

Within a period of 36 hours of conducting each interview, the interviews were transcribed into Microsoft Word in preparation for the data analysis. This period of time was deemed necessary as it helped to ensure that the data was collected, stored, and secured (e.g., on the researcher's computer) in a timely manner. Furthermore, the process of transcription was carried out by the researcher. This is an important component in the data analysis stage as it

assisted the researcher in becoming ‘familiar’ with the data (Arksey & Knight, 1999).

Participant	Date and time	Duration of interview	Interview transcript word count
F	12/12/2011 (2.30pm)	1 hour 25 min	10,642
S	14/12/2011 (2.17pm)	1 hour 5 min	8,778
O	19/12/2012 (1.00pm)	38 min	5,112
T	20/12/2012 (8.10am)	46 min	5,750

**Table 15:** Participant interview details.

### **3.7.8 Potential interview issues and remedies**

While there are many advantages associated with interviews, there are also numerous potential issues associated with the interview process (Alvesson, 2001). As a result, the following section will briefly outline the potential interview issues, and the strategies employed to mitigate them.

#### *a) Willingness to share information*

From the outset, building rapport between the researcher and participant was paramount. Having a rapport and building trust is viewed as a critical if interviewees were to feel relaxed (Bryman & Buchanan, 2009), and to offer open and candid answers (Arksey & Knight, 1999). This was achieved by the researcher applying Arksey & Knight’s (1999) interview framework (see appendix 10) of fostering an environment of trust.

#### *b) Interviewee may have trouble expressing their ideas*

In order to obtain accurate information, it was paramount to have participants recount past events. Having participants recount past events could have potentially posed a number of issues. For example, participants may have found it difficult to translate events, or experiences into the interview environment. Another potential issue was that participants may have wanted to tell the researcher what he/she wanted to hear (Alvesson, 2001). In an effort to alleviate these issues, the researcher reiterated throughout the interview that it was important to be honest (as related to trust and participant anonymity), and that as much time could be taken to answer questions. In addition, having the

interviews take place at the participants' office was also a factor in allowing people to express their ideas. This is because having a familiar location/setting (for participants) is acknowledged to assist in making ideas, thoughts, and experiences more salient (Bryman & Buchanan, 2009). While it is acknowledged that all effort had been made to assist people to express and translate their ideas, it is also important to acknowledge that "someone can only tell you what that person thinks or feels or values about what they think is real. [They] can never tell you what is actually real now or what was actually real in the past" (Wengraf, 2001, p. 57).

**c) Ensuring participants know what is being asked**

Ambiguity was another potential issue surrounding participants' understanding of questions. That is, the researcher could have potentially asked questions in a way that was open to different interpretations (Seidman, 2006). In order to assist in minimising this issue, the interview protocol sheet was visible to participants throughout the interview. Having the questions available allowed participants to re-read the questions, and to ask for clarifications if it was necessary.

**d) Leading and/or biasing responses**

One of the inherent issues related to semi-structured interviews is the ability for the researcher to lead or direct participants in answering their questions (Seidman, 2006). To assist in minimising this issue, the use probes were primarily used to gain further clarification on a point made. Typical probes included:

- Can you tell me more about that?
- Just to clarify, what you're saying is...? Is that what you are saying?

### **3.8 Data analysis**

The process of data analysis used in this research was based upon:

*"observing patterns in the data, asking questions of those patterns, constructing conjectures deliberately collecting data from specifically selected individuals on targeted topics, confirming or refuting those conjectures, then continuing analysis, asking additional questions, seeking more data, furthering the analysis by sorting, questioning, thinking, constructing and testing conjectures, and so forth"* (Morse, 1999, p. 573).

### **3.8.1 Approach to data analysis**

As a guiding principal, this research took a thematic approach to analysing participants' responses to interview questions. A "thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data" (Braun & Clarke, 2006, p. 79). As related to interviews, "the analyst looks for themes which are present in the whole set of interviews and creates a framework of these for making comparisons and contrasts between the different respondents" (Gomm, 2004, p. 189). This type of analysis was selected because of the need to draw meaning from themes, rather than creating theories and/or calculating frequencies of what had been said. Furthermore, the level of data analysis was be carried out at a semantic level. That is, themes were "identified with the explicit or surface meanings of the data" (Braun & Clarke, 2006, p. 84) rather than looking beyond what an interviewee had said. This approach was taken because the objective of the thesis was to gain an understanding of how senior leaders influence organisational learning. This is in contrast to finding the underlying ideas and assumptions to why the direct reports may have commented on a question in a particular way.

### **3.8.2 Method of data analysis**

Within the thematic approach, and based upon Braun & Clarke's (2006) thematic process (see table 16), the interview transcript analysis was divided into the following six phases:

<b>Phase</b>	<b>Action</b>	<b>Description of the process</b>
1	Familiarising yourself with your data	Transcribing data, reading and rereading the data, noting down initial ideas.
2	Generating initial codes	Coding interesting features of the data in a systematic fashion across the entire dataset, collating data relevant to each code.
3	Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme.
4	Reviewing themes	Checking if the themes work in relation to the coded extracts (level I) and the entire dataset (level II), generating a thematic map of the analysis.
5	Defining and naming things	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.

6	Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back to the analysis to the research question and literature, producing a scholarly report of the analysis
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**Table16:** Six phase approach to a thematic analysis.

***Phase one: familiarising yourself with your data***

The first stage of familiarisation with the data related to the transcription process. During this process, the researcher listened to each interview, and transcribed participants' responses into Microsoft Word. When each interview had been transcribed, an interview matrix was developed. In creating an interview matrix, the transcripts and notes could be both entered and easily located for future use (Wengraf, 2001).

***Phase two: generating initial codes***

Once the interview matrix had been developed, and interviews transcribed, data was then entered into the matrix. In addition to the interview extracts, basic themes, leadership styles, and passages were added. While this initial stage was 'rough,' it became the first stage of organising the data (Myers, 2009).

Once the four interviews and accompanying information had been entered into their own individual matrix, interview transcripts were then entered into, organised, and managed through the use of a computer programme called NVivo (version 9). This particular data analysis programme was used because it allows for a wide variety of data sources (e.g., audio, text, scanned documents) to be collated, coded, and accessed in an accurate and time efficient manner (Lyn, 1999). Using the interview questions to divide and structure the transcripts within NVivo, the basic codes applied to the data – in the interview matrix – were then transferred and applied in NVivo. Once all the interview data had been entered into NVivo, the document was saved.

After entering and applying the initial/descriptive (open codes), there was a process of checking and rechecking, naming and renaming, collapsing and splitting of themes (Myers, 2009) in order to accurately represent the data collected.

### ***Phase three: searching for themes***

After all the data had been initially coded, the next stage was to “re-focus the analysis at the broader level of themes, rather than codes, [and] involve[d] sorting the different codes into potential themes, and collating all the relevant coded data extracts within the identified themes” (Braun & Clarke, 2006, p. 89). As NVivo has a highly visual display, (see appendix 11 for an NVivo screenshot) the researcher could easily apply names to the themes and sub-themes, and to review and adjust themes or codes as necessary. After axial coding, the themes were then refocused again and to selective codes (SC); which are the further refinements of the axial codes (AC) (Myers, 2009).

### ***Phase four: reviewing themes***

The fourth phase related to the re-examination of codes and themes, and was divided into two stages. The first stage was to review all the data extracts for each theme, and then to make sure that they made sense and were coherent. The second stage involved examining the entire dataset to see if the levels of theming worked with each other. During this process, handwritten notes of the codes and themes were made as a reference of the theming process.

It was at this stage that the researcher expressed concerns with his supervisor that while the ‘open codes’ may be too lengthy, any attempt to reduce the word count could potentially result in a loss of context and meaning to participant responses. This concern is similar to Gomm who expresses that “the themes in a thematic analysis are not merely convenient headings for use in writing up the results of an interview study, but actually stand for something about the way the minds of interviewees are organised” (2004, p. 196). Furthermore, Roberts notes that “some people will complain that a thematic analysis violates the text, especially if it does not fully consider the context from which the text was generated” (1997, p. 37).

Moreover, as part of the naming of themes, Braun & Clarke also discuss the ‘grey’ area surrounding the volume of data necessary to go into a theme. That is, “there is no hard-and-fast answer to the question of what proportion of your data set needs to display evidence of the theme for it to be considered a theme” (2006, p. 82). What Braun & Clarke (2006) advocate is that it is to the discretion

of the researcher to determine what a theme is, rather than distinguish (in a quantitative way) whether one, two, or more sentences are needed.

To assist in the analysis process, the researcher also received counsel from an external advisor who specialises in qualitative research, and facilitates workshops on using the NVivo programme. The independent advisor assisted in both reviewing the researcher's coding, and also the way data were organised and structured. Based upon the external advisor's comments, the researcher felt comfortable with the progress made with the analysis.

The process of evaluation and refining progressed until the researcher felt that if to proceed any further, there would be little additional and relevant gains. While often noted as theoretical saturation (Birks & Mills, 2011; Glaser, 1965), for this thesis, categories were generated and reviewed until they were 'suggestive' or 'sufficient' (Dey, 1999). This meant that the reviewing process continued until the categories appeared to handle and/or cope with new data without making ongoing updates or changes (Dey, 1999).

#### ***Phase five: defining and naming themes***

Phase five of the analysis related to defining and refining what each theme was about (Braun & Clarke, 2006). During this process, the researcher printed each theme (at that axial coding level) with the individual (open coded) themes. In doing so, the researcher was then able to determine "what aspect[s] of the data each theme captured" (Braun & Clarke, 2006, p. 92). At this point, emerging ideas and themes were identified, analysed, and summarised. This process was then repeated for all the other themes. This stage also provided the researcher an opportunity to further refine the themes and groupings. In doing so, this assisted in ensuring that ideas and concepts were distinct from each other, and that they also worked to create an overall story (Braun & Clarke, 2006). This was then followed by coding the data in NVivo under three broad themes – these being explorative, applicative, and transformative learning.

#### ***Phase six: producing the report***

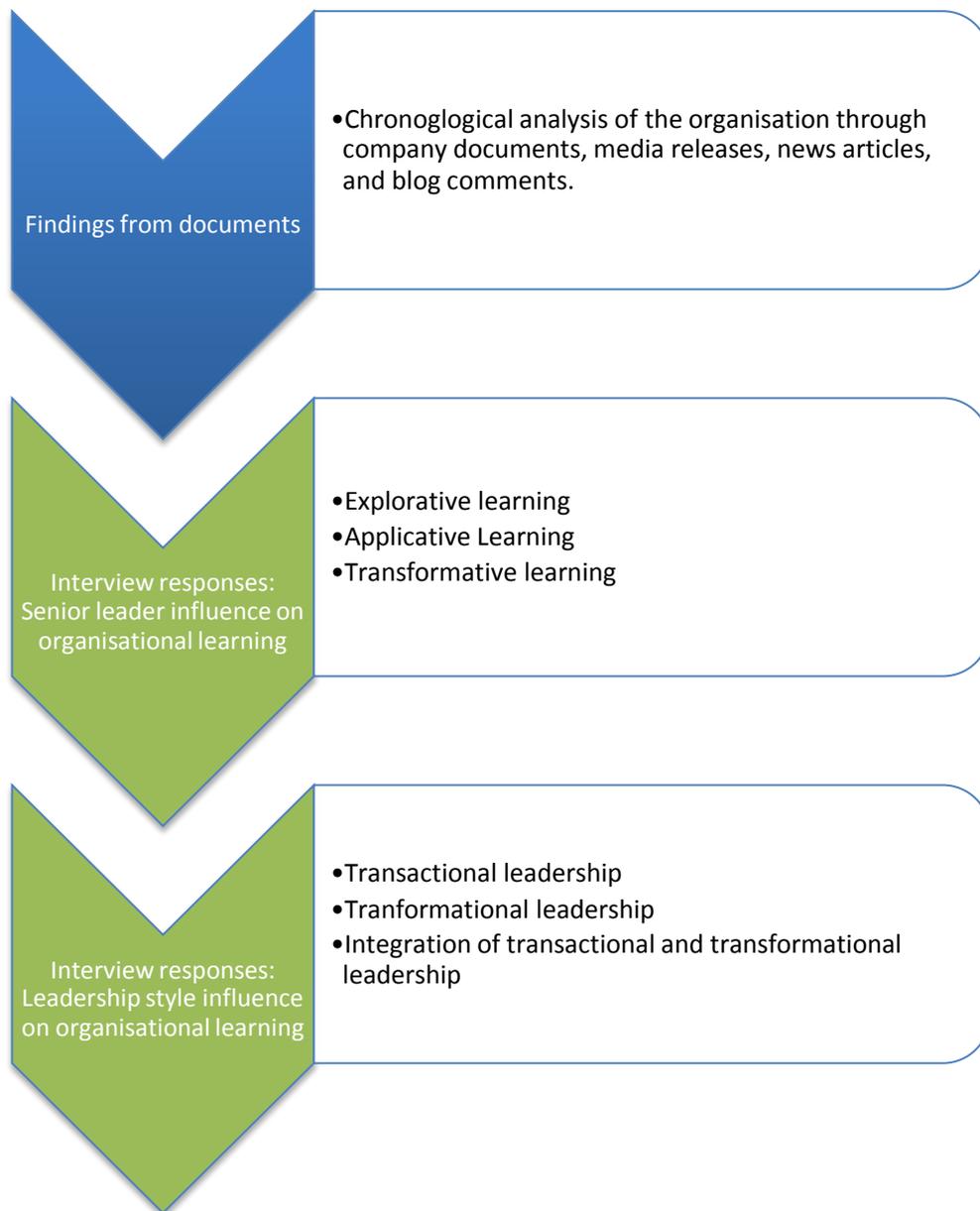
Phase six involved writing up the research and findings. In addition to the overall themes and codes, verbatim interview transcripts were also added. This ensured that 'thick evidence' was provided (Shenton, 2004), and to help

illustrate the story around the data (Braun & Clarke, 2006). To complement participant responses, secondary documents were included in the research findings in an effort to corroborate with, and provide context to participant responses. While the primary focus of this phase was directed toward the 'write-up,' it also provided an opportunity for another review of the themes and codes. As part of the 'write-up,' it was at this stage that the names of participants' managers were changed to 'the manager' in order to protect their identities.

### **3.9 Chapter Summary**

The purpose of this chapter was to describe the thesis methodology and process. This was achieved by first outlining the research paradigm which underpinned the thesis design. In particular, this thesis took an interpretivist and social constructivist approach. These approaches are based upon a belief that there is no 'singular' truth, and that the researcher is also involved in the process of making meaning out of knowledge. The chapter then proceeded to discuss credibility, dependability, conformability, and ethical considerations as part of maintaining research trustworthiness. Following on, the chapter then outlined and discussed interviews and secondary data (documents) as the two data sources for the current case study design. In particular, the strengths and weaknesses of the two approaches were identified, as well as a full description of the interview design and structure. The chapter then proceeded to provide the sample selection criteria, and the participant recruitment process for the thesis. As no data collection method is 'perfect,' the potential interview issues and remedies were also outlined. To conclude, the chapter discussed the six phase thematic analysis approach taken for the data analysis. Based upon the research methodology outlined in this chapter, the following chapter will provide the thesis findings from both secondary document sources and participant interview responses.

## Chapter four: Findings



## Chapter four: Findings

### 4.1 Introduction

This chapter begins with an analysis of the secondary documents in relation to the Renaissance's business operations, culture, and financial performance, and are complemented by an analysis of participant interviews. The findings seek to investigate the influence of senior leaders on organisational learning. Grounded within the thesis research objectives and methodology, participant interview responses are categorised within three broad learning themes. The themes are based upon Lichtenthaler's (2009) three themes of explorative, applicative, and transformational learning. To determine the senior leader influence on organisational learning, Bass & Riggio's (2006) model of transactional and transformational leadership is employed. Throughout the chapter, findings are detailed from the aggregated interview responses and supplemented with verbatim participant comments. The chapter will then conclude with a brief findings summary.

To assist in maintaining organisational confidentiality, business partner names, and suppliers have been altered.

### 4.2 Findings from documents

The following documents section will provide a brief overview of the organisation, and will outline some of the recent events which have shaped the organisation's history and future direction. The secondary data sources used in this thesis were obtained from company documents, media releases, news articles (see appendix 12), and 'blog' comments (see appendix 14). These secondary data sources will then be incorporated within the discussion section to assist in providing context to participant interview responses.

**1968-2008**

Renaissance, a New Zealand owned company, was first traded on the New Zealand Stock Exchange in 1968, and operates as an IT distribution business (Renaissance Corporation Limited, n.d.). From 1968 to 2006, the main business focus has related solely to distribution. In

this period, Renaissance has been financially successful. One reason for this success has been because of the 'luxurious' position they have held as being the sole distributor for one of their main suppliers. More recently, in 2007, Renaissance expanded their business by entering into the education and retail sectors (the latter through their retail stores). This was seen by many as a positive step toward diversification. The following year (2008), Renaissance lost their distribution exclusivity rights for one of their major distribution product lines.

## 2009

In 2009, Renaissance's ten retail sale stores collectively lost a total of 1.3 million dollars (Renaissance Corporation Limited, 2009). The year was also volatile for staff as a new senior leadership team completed a major restructure of the business. The restructure was part of an effort to align the organisation's focus toward the needs of their customers rather than a focus on product lines. While the restructure may have been necessary, one blog comment noted that there was no real company strategy or assistance to guide people through the restructure transition period (The National Business Review, 2011a).

The year of 2009 also saw the announcement of a new Chief Executive Officer (CEO) and a new Chief Financial Officer (Renaissance Corporation Limited, 2009).

	(\$000)							
	2006	2007	2008	2009	2010	2011	2011	2012 (current half year)
					(9 mths)		(half year)	
<b>Revenue</b>	163,143	187,209	189,63	194,76	154,142	181,849	102,099	77,333
		(+15%)	(+1.3%)	(2.7%)	(-21%)	(+18%)		(-24.3%)
<b>Profit/ (Loss)</b>	6,213	3,326	1,035	1,565	301	(4,347)	(856)	1960*
		(-46%)	(-69%)	(+51%)	(-88%)	(-1544%)		(+329%)

\*Total current half year profit was 1,960 with earthquake insurance payment included.

**Table17:** Financial performance of Renaissance from the year 2006 to 2012.

**2010**

In 2010, a new CEO was officially appointed. The new CEO reignited the drive away from distribution, and toward entering the education and sales sectors. After losing the exclusive distribution rights from their primary supplier in 2008, a new company entered the distribution market and started competing directly with Renaissance in 2010. The effects of a second competitor are then exacerbated with the tightening of distribution margins from their supplier. As a result of the changes in market demands and the new competitor, Renaissance's underlying business assumptions were also tested. As one blog comment stated, "[Renaissance], a distribution business which chose not to change for over 20+ years then [it's] too late to realise the world had passed them by" (The National Business Review, 2011b). In addition to not having to change and adapt in the past, the appearance of being comfortable about not needing to change was also becoming a problematic issue for the company. As another blog comment (from a customer) noted, Renaissance always felt 'smug' to deal with when they had their exclusive distribution rights [for their most popular product] (The National Business Review, 2011b). These internal assumptions and external market developments appear to have had a negative impact on the company's profits (see table 17).

In an effort to expand the business from solely being a distributor, and as part of the Renaissance's focus toward education and sales, the education and sales divisions of the company are re-branded toward customers as YooBee. While there was a high level of excitement from the organisation for this shift toward YooBee (Renaissance Corporation Limited, 2010), numerous blog comments noted that it was at this point, that the company had lost its way, had no real strategic direction, and seemed to be detached from reality (The National Business Review, 2011a).

As a result of the growing demand for their supplier's products, Renaissance, by association, also experiences growth. While still recording a profit, Renaissance's revenue and profit was down by 21% and 88% respectively. Because of the vast number of changes, there have been a number of resignations within the senior management team (Renaissance Corporation Limited, 2011a).

**2010  
through  
2011**

As part of the company refocus and change in strategic direction, starting in November 2010 and continuing through 2011, there was a significant reduction in the organisation's headcount. As shown in table 18, while there were reductions across all sectors of the business, the sales and distribution businesses experienced losses of 49 and 27 people respectively. In a letter to the shareholders, it was noted that "it has been a tough time on staff. The relentless external pressure and compensating changes have affected morale in the company as employees have wondered when it would stop" (Renaissance Corporation Limited, 2011b, p. 4). In addition to the letter to shareholders outlining the reduction in staff, one blog comment offers a differing view of the staffing situation. The blog comment states that people in the past left because "the company became a horrible place to work, [and] the poor treatment of staff was obvious to anyone close to the company." As a result, "almost all the experienced... staff left, [and] often to the competition" (The National Business Review, 2011a). What is interesting is that the people who left the organisation (either voluntarily or involuntary) appeared to be the ones who contributed to previous successes of Renaissance. As various blog comments noted, "staff and success going to [external competitor]" and that the "[external competitor] sure seems to be doing pretty well with their ex-Ren staff!" (TechDay, 2012)

Month	Retail	Education	NZ Sales	Distribution	Other	Total
November 2010	101	91	60	69	46	367
September 2011	92	86	11	42	37	268
<b>TOTAL REDUCTION</b>	<b>-9</b>	<b>-5</b>	<b>-49</b>	<b>-27</b>	<b>-9</b>	<b>-99</b>

**Table18:** Organisational headcount by division (Renaissance Corporation Limited, 2011b).

**2011**

2011 was a year fraught with problems, and was acknowledged as a year of the 'perfect storm.' One of the major disruptions was the Christchurch earthquake in February. This caused operating issues and required the closure and re-location of the Christchurch education facility (Renaissance Corporation Limited, 2011a). In addition, Renaissance was struggling with the removal of the exclusive distribution

contract and the introduction of a new competitor. In November, the recently appointed CEO resigned to 'pursue other interests.' The resignation of the CEO also capped a number of other executive resignations within the company. In terms of performance, the company sales were below forecast by 13%, but reports highlighted that the new leaders should help re-focus the organisation toward the future. Positive signs from Renaissance from 2011 show there is an increased transparency and co-ordination between functions and departments in order to assist in increasing organisational performance and efficiencies. Furthermore, the company signed with a data centre to assist in providing the necessary server capacity so customers could build an 'online community' where ideas can be shared (Hedquist, 2011). While there appears to be positive signs for Renaissance, there still remains an element of scepticism about the future of the company. As blog comments highlighted, the decision to change their name to YooBee took away much of their brand positioning and awareness in the market place, and that "[it's very hard to change the culture of a company that's had a historic monopoly position" (The National Business Review, 2011b).

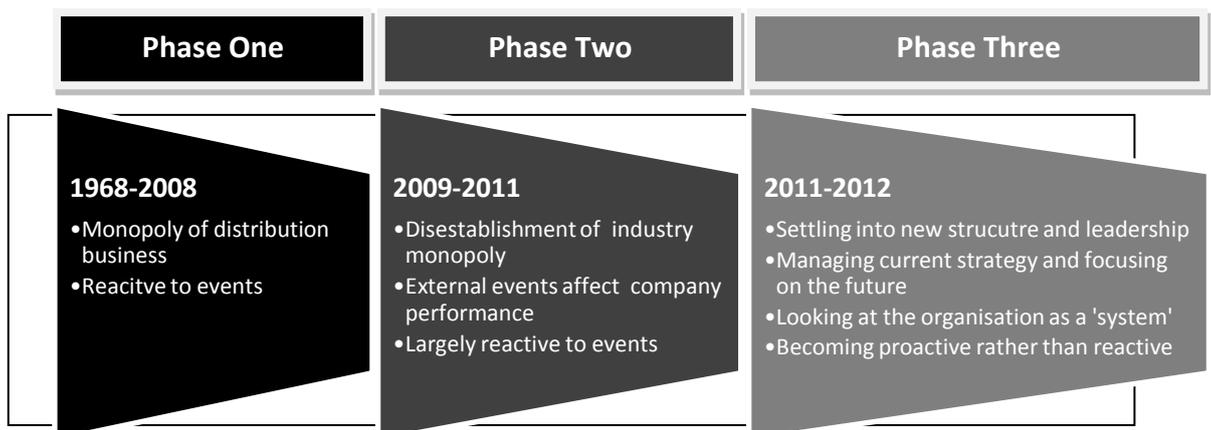
#### **2012/Current**

Despite the performance of Renaissance's sales division coming under budget, the education division was noted to be performing above expectations. In a reaffirming article by The National Business Review, it was noted that the retail division (despite the troubles in the past) now has a clear vision under the new leadership (The National Business Review, 2012). Another positive move for Renaissance is the recent confirmation of being the government supplier of choice. This means that Renaissance now has business opportunities within governmental agencies, schools, and councils.

### **Summary of the transition from 1968 to 2012**

Based upon the evidence obtained from secondary sources, Renaissance has, and will continue to transition the way it operates. As illustrated in figure 9, Renaissance appears to have gone through three organisational phases. Please note the phase durations, as they appear to have had a large influence

on where the company is today. That is, the first phase took forty years, while the second two phases have occurred in four years. To begin, the first phase shows that there had been a sense of complacency which had been fostered within the organisation. This could largely be due to the 'luxury' of being the sole distributor for one of their major suppliers. The second phase emerged as a consequence of substantial disruptions in the market place and the Christchurch earthquake in 2011. As a result, Renaissance had to make dramatic changes in their operating business model. While the value of some of those decisions has been questioned (by various stakeholders), the changes have forced people to rethink how the business will operate going into the future. For the third phase, Renaissance is currently shifting towards a new business strategy and leadership approach. The senior leaders now appear to view the organisation as an interconnected 'system,' and are becoming more proactive than reactive in their thinking.



**Figure 9:** Organisational phases from 1968 to 2012 at Renaissance.

### **4.3 Interview responses from participants**

The following interview responses section will provide the findings from participant responses, and will be divided into two parts. The first part will categorise participant responses under Lichtenthaler's (2009) three themes of explorative, applicative, and transformative learning. The specific coding for participant responses will be through an approach outlined by Myers (2009). The approach consists of generating the initial codes (open coding), refocusing the codes (axial coding), and the further refinement of the codes (selective coding). Following on, the second part of the interview response section will categorise participant responses through the use of Bass & Riggio's (2006) transactional and transformational leadership model. These two parts will be integrated in the discussion, and a model based on the dataset will be presented.

To ensure participant confidentiality, names of the participants' managers (both male and female) have been changed to 'the manager.' To differentiate between participants and their verbatim comments, letters have been assigned to each participant (e.g., F, S, O, and T). Every participant had a different manager/senior leader – from those of the other participants – and represented separate business functions. To assist in maintaining organisational confidentiality, business partner names, and suppliers have also been altered (e.g., to 'external supplier').

#### **Explorative, applicative, and transformative learning**

##### **4.3.1 Explorative learning**

###### **4.3.1.a Senior leader influence on scanning the environment**

The first theme of organisational learning this thesis analysed was explorative learning. Under the broad theme of explorative learning, participants were asked two questions.

The first question relates to senior leader influence on scanning the environment. As illustrated in table 19, participants' responses were divided into five axial coding (AC) categories. Four of the AC categories are within the broad selective coding (SC) category of personnel attributes, and include

communication, emotion, encouragement, and relationships. Under the broad SC category of operational practices, only one AC category relates to technology. Each of the AC and SC categories are shown on the next page with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Creates a void in communication	<b>COMMUNICATION</b>	<b>PERSONNEL ATTRIBUTES</b>	<b>EXPLORATIVE LEARNING</b>
Encourages people to share what they have seen			
Fosters an environment where people can talk openly and candidly			
Maintains regular meetings to discuss things of relevance			
Typically communicates when needing to react to an issue			
Builds resistance toward exploring	<b>EMOTION</b>		
Creates an environment where people are excited to share information			
Fosters a desire for people to contribute information and be part of a team			
Has people feeling like they need to reciprocate the manager's good-will			
Has people use their own personal interests when exploring			
Utilises peoples' talents to explore for information	<b>ENCOURAGEMENT</b>		
Creates objectives for people to find new information			
Encourages exploration and supports people through the process			
Shows no interest and gives no support in encouraging exploration			
Builds personal relationships with employees to understand them better			
Develops and maintains connections with other business functions and departments within the organisation			
Develops and maintains relationships with external companies			
Has people use their own personal connections to find new information			
Uses technology to assist in the communication process	<b>TECHNOLOGY</b>	<b>OPERATIONAL PRACTICES</b>	

**Table 19:** Summary of how senior leaders influence scanning the environment for new information.

## **Communication**

Within the first (AC) category, participant responses highlight a large disparity between when, how, and why senior leaders influence the communication of information. For example, some participants expressed a view that their manager would actively encourage people to share information. This active encouragement was through having regular meetings where people could come together and share what they were doing, any issues they may be encountering, and having discussions about the future. For example:

- S** *I'll tell you about [the manager] who is the Sales and Product Strategy Manager. Um, a couple ways. One is where we would have weekly meetings where he would get the national sales team together and we'll talk about the stuff we are working on. Things like our pipelines, what deals we've got working, and what new sales initiatives were are doing. It's part of that, and we would start talking about new technologies that are out there, and what we could look at selling.*
- S** *Yeah, I think those weekly meetings [the manager] intended having everyone together. That call for an hour just made a massive difference.*

In addition to building opportunities to communicate, it was also noted that managers had influenced the level of candour and openness exhibited during conversations:

- A** *With [the manager], we would talk about everything. Like everything that was going on in the industry. Things that were happening in the different divisions. Um, s/he would let me know if anything has come in. It could even be things like who's looking at doing an acquisition or anything like that – although those things are really confidential. S/he let me know, s/he would say that this is possibly what could happen.*

While most participants generally conveyed a positive message in regards to communication, one participant expressed their belief that communication was not a priority (for their manager); and if communication was made, it was as a result of needing to react to an issue:

- F** *I get very little information from [the manager] about anything. When I do get information, it's typically after I need it.*
- F** *[The manager] doesn't really communicate with me at all, unless something needs doing.*

**F** *[The manager] is usually reactive rather than proactive. I try to be proactive with him/her, but s/he is so busy, and is spread really thin. So a lot of the time s/he fits things in retrospectively.*

### **Emotion**

Within the second (AC) category, participants commented on how their manager created an environment where people felt emotionally connected to scanning the environment for new information. For example, it was noted that their manager evoked feelings of belonging, and being part of a team:

**S** *So when someone found something especially down south, we get this e-mail and it would say "guys look at this I found something. Let's look at doing this and let's look at doing that." And so [the manager] drove that desire to get everyone to talk to each other. You wanted be a part of that team. It was almost if you didn't find something, it almost got to the point that you would be letting the team down.*

**S** *[The manager] was a good source of information and s/he was a person that went out and found a lot information. [The manager] was always constantly looking, and was happy to pass the information on. And I think what that breed is that you almost felt that you had to repay that debt of information.*

In addition to the feeling of being part of a team, participants also indicated that their managers encouraged people to embrace their talents and passions during the process of scanning for new information. For example:

**S** *Everybody had their own different things, like [the manager] was good with new technologies. The guys in the South Island were good with the software. I was good with the new services that could wrap around the hardware. Everyone was keen to share information. What it was, how it could be used, and how we would leverage that to get sales from customers. We are all sales. Everyone had their little bit and everyone was keen to grow their little bit. And [the manager] encouraged this kind of thinking.*

**S** *[The manager] had the belief that you are better off with someone who puts up their hand and wants to do it. Because they are going to want to do it, they going to drive and do it rather than you saying you look after this. [The manager] would say "if you enjoy this, run with it. This is your talent. This is your passion."*

While the majority of comments (in relation to emotion) were positive, one participant provided a contrasting remark in that their manager built resistance towards exploring for new knowledge:

*F [The manager] once gave me an objective which I resisted accepting because it was [pause], it was totally outside my [pause], I just didn't have the bandwidth to do it.*

### **Encouragement**

Within the third AC category, participants noted that their manager encouraged the scanning of new information by both setting tasks to find new information, and by the provision of training:

- We have all been set tasks to find information, and then bring that back to the table.*
- Then professionally, we also have training within the retail department within the company. This training, in a sense, also helps me to understand what is out there, and scan for information based on what I have learnt.*

In contrast to the encouragement expressed by the majority of participants, one participant expressed dismay as they remarked on the little or no support given from their manager:

*F There's not much support from [the manager], I'm pretty much left to my own devices.*

### **Relationships**

Within the fourth AC category, participant responses show that managers' relationships play a central role in the ability to scan the environment for new information. For example, it was expressed that having a mutual understanding between employee and manager allowed the two parties to understand each other, build trust, and gain an understanding about the wider business. For example:

*T And also I guess that with any new manager, you go explore with them a little bit. Like trying to understand the boundaries around how far you can go, how much s/he trusts what's going on, and how much you think they are aware of the wider business. So I think the relationship between [the manager] and myself has matured quite a lot over the last twelve months.*

In addition to manager/employee relationships, participants also highlighted the relationships managers have with different business units and external companies as a positive influence on scanning the environment:

- O Um, actually [the manager] has been quite good with this because. Well firstly, being a distributor we do have access to a certain amount of market information. So from distribution side, s/he obviously works to make those avenues available to us.*
- O [External supplier] is always a good source of education in terms of what's going on in the business; because their business is basically our business. And then other partners like [external partner] because they have cross-platform offerings themselves. Because of this, we can talk to them about what's going on in terms of whether it be different platforms, the marketplace they are in, or different manufacturers that they deal with. What's hot, what is not. These connections are a positive thing that [the manager] has been able to encourage.*
- T The way [the manager] sort of brings it to the table is basically through contacts. So s/he's got a broad level of contacts across the organisation and through the industry. And it's through those contacts that s/he can identify opportunities, and then encourage you to go and look out and find some more opportunities. And kind of raising them through formal meeting forums, or through 'one-on-ones' saying "here is an opportunity to do some of this differently. Go and talk to so and so."*

### **Technology**

Within the fifth AC category, participant responses show that technology only constitutes a small fraction of how scanning the environment is influenced. Furthermore, while participants often expressed how technology was necessary in the communication process, responses appear to show that technology is only an 'enabler' of the environmental scanning process. As illustrated by the use of Skype and email in the extracts below:

- S If anybody gets an e-mail for something new that has come out, [the manager] would forward the email out amongst our team so we can talk about it.*
- S Yeah, it was a Skype call*
- O Like I could give [the manager] a call after hours and say I've just seen this, what do you think?*

#### 4.3.1.b Senior leader influence on sourcing and bringing knowledge back into the organisation

The second question regarding explorative learning relates to senior leader influence on the sourcing of knowledge and bringing it back into the organisation. As illustrated in table 20, participants' responses were divided into four AC categories. Three of the AC categories are within the broad SC category of personnel attributes, and include communication, departmental culture, and relationships. Under the broad SC category of operational practices, the one AC category relates to business processes. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (AC)	Theme
Creates opportunities where peoples' successes can be shared	<b>COMMUNICATION</b>	<b>PERSONNEL ATTRIBUTES</b>	<b>EXPLORATIVE LEARNING</b>
Creates uncertainties related to expectations			
Discusses issues and justifies why things are being done			
Has people use multiple methods to share information			
Information poorly communicated to people			
Sets regular meetings for people to talk about the business			
Shares new information and knowledge			
Builds enthusiasm within the team	<b>DEPARTMENTAL CULTURE</b>		
Challenges the way people think about their surroundings			
Empowers people towards success			
Encourages people and departments to support each other to achieve goals			
Is open and approachable			
Is open for new information to be applied within the organisation	<b>RELATIONSHIPS</b>		
Builds relationships for collaboration			
Places a low priority on relationships			
Trusting of people within their team			
Undermines the work of employees			
Determines physical office location and layout	<b>BUSINESS PROCESSES</b>	<b>OPERATIONAL PRACTICES</b>	
Assesses available information before making decisions			
Reactive to day-to-day issues			

**Table 20:** Summary of senior leader influence on the way knowledge is sourced and brought back into the organisation for future use.

## **Communication**

The first AC category pertaining to senior leader influence on bringing knowledge back into the organisation relates to communication. Within this category, participants were divided in regards to the positive and negative experiences with their manager. The level and quality of communication appears to, in turn, have had an influence on the way in which information is sourced and brought back into the organisation. In terms of a positive impact, participants expressed that their manager was both open and willing to share information, and that their manager explains and justifies why things need to be done. For example:

- S** *And that's the good part about having the communication. That is, you've got one person that drives something, and that everyone else gets on board.*
- O** *[The manager] talked it through with all the team. The underlying reasons why it would be a benefit to the team. Not only that, s/he wanted this to be the shackles that we were freed from. So basically, what had happened was that s/he wanted everyone to get into the mood.*

While appearing that managers have a positive influence on sourcing and bringing information back into the organisation, it is also noted that poor communication can actually hinder the process. For example, one participant commented that their manager caused confusion based upon uncertainties around expectations:

- F** *[The manager] doesn't necessarily say this is important because it relates to this and that. S/he pretty much just pops in. But I don't have a rapier like memory and s/he is like "I told you about this." So it's very um... Ad-lib communication. I don't get that much in the way of e-mails saying that this is going to happen, which I can then revert back to, to remind me of whatever. And so if I don't take notes, when we do have conversations – I just came back from conversation with this post-it, and that was it. And that was just a random meeting, and if I hadn't taken notes, I would have come our way not knowing anything really. I would come away thinking "should I do that or not?"*

In addition, poor communication also had an adverse affect on the way information was sourced and brought back into the organisation:

*F Because there have been times, especially in regards to audit, that orders from providers were communicated through an assistant and then directly to [the manager]. And then they wonder why stuff wasn't getting done. So I said that "if you want stuff done, don't talk to [the manager] because s/he doesn't necessarily communicate with me."*

### **Departmental culture**

The second AC category relates to departmental culture. Participant responses illustrate that their manager plays a pivotal role in fostering a culture where people can feel free to share information. For example, managers were accredited with being open, approachable, and able to foster a supportive climate. For example:

- S Now we've got training in terms of [a product and service]. This is a perfect example where the network team would say that we need some [product and service] training for a day. So come in and have a look at it, this may be good for your customers. They would give us the information that we could then take to our customers. This is why this product is good to you. This is what you can do with it.*
- O [The manager] has also seen the amount of collaboration that we can have with each other rather than just e-mails. So it's been really positive for all divisions.*
- T And what [the manager] has been doing has been listening to myself and my peers struggling with some things and struggling to reconnect. Struggling to do our day job, as things have changed substantially around us. And s/he has been open to these conversations.*

Another area in which participants' managers had an influence on departmental culture was in the ability to build – in employees – a level of enthusiasm and ownership toward their work. For example:

- O I think [the manager] is quite receptive that this is the process that we need to take out of our day-to-day business and give people time to go out and get new learning, and new experiences.*
- O And [the manager] is quiet happy for you to take ownership for that kind of thing as well. And to drive it forward.*

### **Relationships**

The third AC category relates to relationships. The relationship category unearthed interesting and varying responses from participants. For example, it was noted that managers were able to build and foster relationships within the organisation through collaboration and trust.

- *Going forward it's all about relationships and how we build those with them, the company, and how we use those relationships to ensure we have got things going on. And of course, moving to Onehunga was a good example that.... One of the things that [the manager] said, and rightly so, "one of the advantages of moving to Onehunga is that we sit there with every other department and now will we no longer have to send an e-mail to talk to someone."*

In contrast, a differing view was expressed in that managers can reduce both the level and quality of relationships with employees through the undermining of peoples' work, and by placing a low priority on relationships.

- F *[The manager] has reworked budgets and things, and then won't tell us and then say to us that "the budget that you put on the board pack is wrong." Then we would say that "this is the latest budget" and then s/he will say "I revised the budget." I would then say "it will say it will be nice if you told us." So this kind of thing goes on quite a lot.*
- *Yeah, and I think traditionally, you know, prior to [the manager], I don't think relationships have taken too much priority.*

### **Business processes**

The fourth AC category pertains to business processes. In terms of sourcing and bringing information back into the organisation, there were contrasting views relating to structure and business planning. For example, while one manager was observed to be calm and structured, a different manager was seen to create an environment that was very reactive.

- *But of course we need to look at what journey we are on at the time. And then look at the information and look at what's relevant for the journey. So what's going to get us from A to B. And what other bits would be relevant to get us from B to C and so on and so forth. [The manager] is very calm and very structured. So [the manager] doesn't jump into anything with both feet and say "right well do this." ...[The manager] is very much, 'right, how is the business looking? Here is a long-term plan. What pieces can we use today, and what pieces will we be using in three month's time."*

- *We kinda work in an environment where there's a scramble of 'what do we do day-to-day?'*

### **Explorative learning summary**

Participant responses overwhelmingly indicate that 'personnel attributes' are the primary way in which senior leaders influence explorative learning. This was through the creation of an environment where people felt emotionally connected to both their tasks and to those around them. 'Operational practices' also influenced explorative learning, but primarily in a manner that allowed participants to carry out their duties.

### 4.3.2 *Applicative Learning*

After explorative learning, the second theme of organisational learning this thesis analysed was applicative learning. Under the broad theme of applicative learning, participants were asked three questions.

#### 4.3.2.a *Senior leader influence on the application of new knowledge into the organisation*

The first question regarding applicative learning relates to senior leader influence on the application of new knowledge into the organisation. As illustrated in table 21, participants' responses were divided into five AC categories. Four of the AC categories are within the broad SC category of personnel attributes, and include collaboration, communication, manager control, and people development. The one AC category of performance outcomes is placed within the broad SC category of operational practices. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Creates an environment where people work together	COLLABORATION	PERSONNEL ATTRIBUTES	APPLICATIVE LEARNING
Has people take the journey together			
Continual communication to ensure free-flowing information	COMMUNICATION		
Creates employee conflict due to poorly communicating information			
Fosters an environment where people can have open and candid discussions			
Has people understand the relevance tasks and projects			
Uses company hierarchy to determine how and what information is communicated	MANAGER CONTROL		
Builds employee opposition for having to undertake unnecessary tasks			
Encourages people to take ownership of tasks			
Has people rely on them to make decisions			
Rarely reinforces employee accountability	PEOPLE DEVELOPMENT		
Has people undertake training and development			
Links the application of knowledge with employee career paths			

Being clear on what makes a difference and is important for the business	PERFORMANCE OUTCOMES	OPERATIONAL PRACTICES	
Establishes clear expectations and monitors performance goals			
Reinforces performance and work objectives			

**Table 21:** Summary of senior leader influence on the application of new knowledge into the organisation.

### **Collaboration**

Within the first AC category, participants expressed a view that their manager fosters an environment where people both work and take ‘journeys’ together:

- *We need to try to try new things, and have a bit of trust in where we are in the world... One of the positive things that you are going to see from [the manager] is the, it won't be half this department can do this and half that department can do that. It will be a singular look at it.*
- *[The manager] will have us take the journey as a company and as a team; rather than we will take two or three people here and take two or three people there.*

### **Communication**

The second AC category relates to communication. In an interesting finding, there were contrasting views on how their manager communicated and/or influenced communication within the organisation. For example, participants expressed that their managers positively influenced communication by encouraging regular discussions, and the promotion of open and candid conversations.

- T And [the manager] communicates what we've done in the last month, and where we were in the last quarter. So [the manager] regularly brings that information to the teams.*
- F If I'm asked to do something that I think is unreasonable or of no value, I would tell [the manager]. I would say, 'explain the value dilemma,' and if they can come up with good reason to do it, I will. But if they can't, I won't.*

In contrast to the regular and open dialogue, one participant expressed a view that their manager fostered an environment where poor communication created conflicts and allowed disconnects to be made between organisational hierarchies. For example:

*F When this guy in charge of IT heard about my objective [from the manager] and what I had to do, he became really upset and came to me and said “how dear you even consider this new ERP system without talking to me.” I replied by saying that I had no intention of doing it, but if I'm forced to do it, I will involve you.*

*F So there was this Exec Team, and they would have the Ops Review. And everything was about the Exec Team, and then there was everyone else. So then no one really got a mention unless you're an Exec Team member. Which I thought was a bit... I think that was just the mentality. I don't think the Exec Team knew who the little people were.*

### **Manager control**

The second AC category relates to manager control. From participant responses, the findings generally highlight a negative theme in regards to how managers control employees, and the resulting effects from the types of control exhibited. These negative effects include building opposition towards applying new knowledge, creating employee dependency, and showing a lack of accountability. For example, as one participant commented:

*F Then [the manager] said, “that's your objective. If you don't accept it, then you won't have any objectives this year. If you're meeting your objectives, there is a financial incentive to do that.” And I said to [the manager] “that objective is not doable.”*

*F So sometimes I would go to [the manager] and say ‘this is what I have got on my plate at the moment. You tell me what the priorities are.’ And then [the manager] would tell me what is more important.*

*F And even if I didn't do it [a task], [the manager] would say “why didn't you do it?” And I'd give him/her a reason. [The manager] would say “if you haven't done it, you haven't done it.”*

In contrast to the negative views of one participant, a different participant noted that their manager had a positive influence in that they encouraged them to take ownership of their tasks.

**S** *[The manager] is always encouraging and tends to look at new processes differently and how we could change them. [The manager] would give us that process and we would own that process.*

### **People development**

The fourth AC category pertains to people development. It was noted that developing and training people was a key way in which participants' managers encouraged the application of new knowledge within the organisation. For example:

**S** *It was necessary that these guys got trained on how to fix [a particular brand] products. They got trained annually for any new products that came out. They needed to know how to fix the new products such as an [a brand] computer that came out or any other product. And [the manager] drove that requirement because it was not necessarily there in the past.*

In addition to 'training,' an interesting comment was made in relation to career development. That is, it was seen that training was not encouraged 'just to do a job,' but was also seen as part of an employee's future growth.

**S** *So part of the career path was having the guys in the depot, then deciding that they had to be social and have them go into the big wide world. And I think [the manager] helps to drive that belief that working here is not just a job, but it's a career.*

### **Performance outcomes**

The fifth AC category (under the systems SC category) relates to performance outcomes. Participants commented on the importance and influence their manager had when expressing the 'mission critical' tasks and objectives that make the most difference for the organisation. For example:

**T** *For [the manager], it's absolutely about the customer. That is the most important outcome. And then shareholder value, and team value is secondary sitting behind that. They are all important, but for [the*

*manager] it's how do we get it right for our customer. And as soon as s/he has built that link, then comes let's come on and get it done.*

**T** *Being clear about things that make a difference. [The manager] knows it's quite important not just for us, but also for the visibility of our teams as well.*

In addition to building clarity around the things which will potentially make the most difference for the organisation, participants also mentioned that their manager would establish, monitor, and reinforce tasks and objectives.

**T** *Yeah, so I guess it's about reinforcement. So [the manager] would talk about reinforcing something in lots of different places. Like it will come up in your one on ones, and they will come up in your overall plans and goals. And if there is team, they will come up in the comm's.... And so it's quite visible. You don't have a "we talked about it but I decided that I wasn't going to do it." So there is no escape.*

**T** *[The manager] would say "here is an outcome we want to achieve. It is in your performance goals and you're KPI's." And [the manager] will drive us to make ensure that we will deliver our outcomes.*

#### 4.3.2.b Senior leader influence on the conversion of newly acquired knowledge into something of value

The second question regarding applicative learning relates to senior leader influence on the conversion of newly acquired knowledge into something of value. As illustrated in table 22, participants' responses were divided into four AC categories. All four of the AC categories are represented in the broad SC category of personnel attributes, and includes information, involvement, manager control, and support. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Allows people see the relevance in what they are doing (or about to do)	INFORMATION	PERSONNEL ATTRIBUTES	APPLICATIVE LEARNING
Works with people to provide the necessary information			
Fosters a collaborative environment	INVOLVEMENT		
Personally works with people toward goals			
Restricts people from being involved in knowledge sharing forums			
Demands unreasonable requests	MANAGER CONTROL		
Encourages people to take ownership of their work			
Insists on doing things themselves rather than delegating tasks			
Open to new ways of approaching tasks			
Provides people the freedom to take their own journey towards a goal	SUPPORT		
Displays passion and encourages others to continually improve			
Supports personal development opportunities which can be applied back to peoples' job			

**Table 22:** Summary of senior leader influence on the conversion of newly acquired knowledge into something of value.

#### Information

The first AC category relates to information. Participants indicated that their managers' ability and willingness to disclose information and justify decisions, in turn, assisted in converting newly acquired knowledge into something of value. For example:

**S** So [the manager] would explain it. So [the manager] was very good at working with you in terms of providing information.

- O The thing that [the manager] does is to try to make things relevant for people. That is, his audience really. So in trying to give ownership of the implementation, [the manager] firstly tries to make things relevant for people.*
- S I believe [the manager] was very consultative in order to get buy-in from people. This would allow us to see the benefit in it.*

### **Involvement**

The second AC category relates to involvement. Participants noted that their managers' involvement within the team had a profound impact on having people working together and solving problems:

- T Because this part is done by one business unit and another part is done by another business unit. And so it was like this is all too hard. And then [the manager] had us look at issues from a different mind-set. After that, we could then say well actually, if we work together we can actually drive a better outcome.... And so for [the manager], his/her influence was also about getting all of those different partners in a room.*
- O I think one of the things is that there is quite a lot of communication since [the manager] has come in. On our side of the team, one of the biggest things is that [the manager] brings us altogether. And bringing everyone down and talking about the things that we can do, the pros and cons, how can we best implement it in our division, and how we can work it and make it successful.*

While manager involvement was largely viewed as a positive influence, one participant conceded that their manager had actually restricted the involvement of others in participating in knowledge sharing forums:

- F At one point, there were 17 direct reports. So there were 17 updates. And that's where people dropped. I know there were 17 and then they [the senior leadership team] said they have to drop it down to 9. So all of the people just got dropped. Like one week they were in the Ops review, then the next minute they were out.*

### **Manager control**

The third AC category pertains to manager control. This aspect was interesting because while most responses illustrated an effort by managers to allow people to take ownership of their work, one participant noted that control was taken away from them:

- O** *[The manager] is really good in the sense that you take ownership in modifying what can happen. Or what the particular action is, or how something should actually work in your field, and so on.*
- O** *[The manager] is not one of those types of people who tries to tell you how to get from A to B. If you can meet the objectives and create the same result safely, [the manager] is fine with that.*
- F** *So basically [the manager] ordered that happen because s/he worked out that, it was a much more productive way for me to work.*

### **Support**

The fourth AC category relates to support. One participant commented that their manager's support encouraged them to continually improve work outcomes, and to devote time in developing their own professional capabilities.

- T** *[The manager] hasn't lost that passion about why are we doing this. And so s/he would be good about talking about we did this really well here, we can do it better too.*
- T** *[The manager] recognises that some people may want to step away from their day-to-day job to do some of the [learning] stuff. And while they are doing it, they can learn some new skills that they can apply back to their day-to-day job.*

*4.3.2.c Senior leader influence on sharing and collaboration of ideas between individuals and groups*

The third and final question regarding applicative learning relates to senior leader influence on the sharing of knowledge and the collaborative development of ideas between individuals and/or groups. As illustrated in table 23, participants' responses were divided into two areas. The first AC category of organisational culture is based within the broad SC category of personnel attributes. The second AC category of organisational processes is based within the broad SC category of operational practices. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Allows for communication conflicts due to organisational hierarchy	ORGANISATIONAL CULTURE	PERSONNEL ATTRIBUTES	APPLICATIVE LEARNING
Creates forums where people can come together and share information			
Does not clarify expectations			
Employees impact the way in which knowledge is shared			
Encourages collaboration between team members			
Fosters an environment where people can have open and candid discussions			
Does not prioritise having a formal induction programme for new employees	ORGANISATIONAL PROCESSES	OPERATIONAL PRACTICES	
Does not prioritise the sharing of knowledge from exiting employees			
Is open and flexible to how outcomes are achieved			
Makes sharing of information as part of performance objectives			

**Table 23:** Summary of senior leader influence on sharing and collaboration of ideas between individuals and groups.

**Organisational culture**

The first AC category relates to organisational culture. Based upon participant responses, there appears to be a differing view on how effective their

managers are in fostering an organisational culture where information can be shared. For example, the majority of participants expressed praise for their managers as they viewed them as promoting an environment where people can have open and candid conversations, and to be able to collaborate with their peers. For example:

- S As a group we work very close. Once again it was the communication. When we had ideas, we would at our weekly meeting discuss them, and everyone would give input. When everyone gave their input and opinions, we did have some discussions, some arguments, about that stuff. And ultimately, that was good for us.*
- S What was great was our meeting on Tuesday morning. It was like a free for all.... The inputs are great. So from that perspective, [the manager] was just bringing everyone together and having everyone talk and feel comfortable about, this is my idea, and this is what I think.*
- O You know [the manager] would pull someone even from a different team that [the manager] would know that has had a similar issue. And so talking to them about how things work. Or someone else in the team that may have... reasons as to why things have happened.*

While most participants were positive about their managers' ability to foster an open environment, one participant expressed condemnation toward their manager as they believed their manager allows organisational hierarchy to create communication conflicts. For example:

- F We used to have a monthly finance review which was supposed to be before the Ops (operations) review. But we found that because the requirements were changing from month to month, often we would be told those requirements after we already finished our monthly report. To top it off, we would then be told that we have to change it because now we are doing it a different way.... So now, a guy that is doing our finance PowerPoint slides, he goes to the Ops review meeting. I don't. None of the finance team goes the Ops review meeting. Then he would come back from it and he would give me list of things that need to be done.... And I said, "hang on, I don't report into you. You don't tell me what to do. [The manager] tells me what to do. If s/he wants it done s/he will tell me."*

### **Organisational processes**

The second AC category pertains to organisational processes. Participants' responses were generally positive and illustrated their managers' ability to

situate the 'enforcing' of organisational processes based upon individual circumstances. For example:

- O Yeah there are no real barriers. There is a solution, or there is the outcome. And when I think about the way [the manager] does things, I think s/he visualises things. And [the manager] enables you to walk freely to that solution rather than going around a maze.*
- O Because there are protocols and things and [the manager] doesn't really believe in those.*
- F With [the manager], one of my objectives was to have by-annual meetings where s/he will get the accountants together in some location and go through things that were just topical stuff.*

While responses were generally positive, one participant expressed frustration toward their manager as they felt the sharing of knowledge (in relation to employee induction and exits) was severally lacking:

- F A lot of these people that have come to this company have come with no induction and don't know what the rules are.... They have no idea. They wouldn't even know how to do a staff purchase, or even get onto our Intranet.*
- F Nobody has given any thought to leavers. Like who could pick up the slack, who's going to take the hand-over, who can find out what they're working on, who could take their phone? This is all expected [by the manager], but no one does it.*

### **Applicative learning summary**

Participant responses illustrate that their senior leaders' influence of applicative learning is through a combination of 'personnel attributes' and 'operational practices.' This finding is interesting because it illustrates that while there remains a high level of focus on communication and people involvement, the application of newly acquired knowledge is also driven by systems and processes. What is also evident is the presence of manager control (positive and negative) to achieve certain organisational outcomes.

### 4.3.3 Transformative Learning

The third theme of organisational learning to be analysed was transformative learning. Under the transformative theme, participants were asked four questions. Responses to each question are analysed below.

#### 4.3.3.a Senior leader influence on embedding knowledge into the organisation

The first question relates to senior leader influence on embedding knowledge into the organisation. As illustrated in table 24, participants' responses were divided into four AC categories. All four of the AC categories are represented in the SC category of personnel attributes, and include communication, stories, support, and holistic approach. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Fosters a free flow of communication between people and functions	COMMUNICATION	PERSONNEL ATTRIBUTES	TRANSFORMATIVE LEARNING
Makes sure people feel involved and valued			
Reinforces and communicates any necessary organisational changes			
Using past stories (journeys) to inspire people towards the future	STORIES		
Using stories to direct people towards a goal and outline the future journey			
Ensures people are provided with the necessary support and resources	SUPPORT		
Is willing to stand up and advocate for others			
Fosters inter-departmental coordination	HOLISTIC APPROACH		
Understands the business (as a whole) and shares information throughout the organisation			

**Table 24:** Summary of senior leader influence on embedding knowledge into the organisation.

#### Communication

The first AC category relates to communication. Participant responses illustrate a relatively diverse set of ways in which their manager influences

communication. For example, participants mentioned that their manager fosters the free flow of communication between people and functions.

- T I think for my manager, it's about probably the linkage back to what are we trying to do, and how do we make sure that we have good clear goals for our people; and how that shows up. And it's about regularly communicating that.*
- O I think one of the things, with [the manager] so far is that s/he doesn't believe in surprises.*

In addition to free flowing communication, it was also noted that the reinforcement of systems and processes was an aspect their manager used in embedding of learning. For example:

- F [The manager] painstakingly had to reinforce that restructure to the whole finance team. S/he did that verbally. Like [the manager] would go through and ask what's this here? Why is this like that? Over time s/he was able to simplify it. S/he streamlined it.*

The third component participants expressed as important for embedding knowledge was based upon their managers' ability to have people feeling involved and their contributions valued.

- S [The manager] is very much focused on making sure everyone was all right and he would constantly call people outside the weekly meetings and ask "what you think about this." [As a result], everyone had buy-in.*
- S And people want to do it. It's like you don't want to please [the manager], but you will work with them and everyone get results, because you know ultimately those results would be used. There is nothing worse than spending all this time doing something that will just get shelved.*

### **Stories**

The second AC category pertains to stories. Participants commented on how their manager used stories to both provide a compelling vision for the future, and to give direction toward goals and objectives. As one participant stated:

- T It's about the constant telling of the story that they did this and that, and this is the outcome and how it showed up for the customer. And*

*constantly reminding people of that this is an example of how else we could work differently.*

- S** *For [the manager], It's about here is a story of what has gone well, and here is an opportunity to use this kind of thing to apply for the future. S/he was also very good at being able to make the story relevant for us and what we do day-to-day.*

### **Support**

The third AC category relates to support. Based upon responses, participants experienced their managers as a key component in providing support in regards to trust, the provision of skills and resources, and as an advocate for those around them (employees). For example:

- S** *If [the manager] was going to do something, s/he would always come through for you.*
- S** *[The manager] was important in terms of helping to resource and assigning jobs in order to help make sure things are done.*
- S** *And then having the manager go into bat for you. If you have an idea that's is going to cost money, and know that it's a good idea, but you don't have a boss that will go to management and say 'we need the money and this is why we need to spend money,' this can be a bit of an issue. But if you know that if they [the manager] fail while still having argued their arses off, that's okay.*

The fourth AC category relates to a holistic approach. Comments made by participants illustrated that their managers were able to assist the embedding of knowledge in the organisation as a result of understanding the business as a whole, and through inter-departmental coordination. For example:

- S** *[The manager] was very good in terms of having a chat. S/he will go, "right, I know you can do this for this person and that person can do this for you." And so that can be useful as well. Having someone know how everything fits together is very beneficial.*

#### 4.3.3.b Senior leader encouragement of questioning of traditional methods of doing things

The second question regarding transformational learning relates to senior leader encouragement of the questioning of traditional methods of doing things. As illustrated in table 25, participants' responses were divided into four AC categories. Two of the AC categories, involvement and testing, are based within the broader SC category of personnel attributes. The second two AC categories, organisational processes and reactive, are based within the broader SC category of operational practices. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Has people become involved in questioning traditional methods and future planning	INVOLVEMENT	PERSONNEL ATTRIBUTES	TRANSFORMATIVE LEARNING
Outlines the 'big picture' and has people understand the need for change			
Willing to stand up and advocate for what is important			
Actively challenges old 'myths and legends'	TESTING		
Challenges peoples' underlying beliefs and assumptions			
Relies on what worked well in the past to also work well in the future			
Uses mistakes as an opportunity to learn			
Constantly monitors and refines practices	ORGANISATIONAL PROCESSES	OPERATIONAL PRACTICES	
Uses Key Performance Indicators (KPIs) to improve processes			
Reactive to issues and problems	REACTIVE		
Uses financial reporting data to justify change			

**Table 25:** Summary of the ways in which senior leaders encourage questioning of traditional methods of doing things.

#### **Involvement**

The first AC category relates to involvement. Participants expressed a strong view that the involvement of their manager (e.g., for processes, and support) was central in being able to question traditional methods of doing things. For

example, participants illustrated how their manager was able to outline the broader picture of the current situation in an effort to create a vision of the future.

- T So I think that [the manager] set the big picture. But s/he didn't say that explicitly. What s/he did say was that in order to embrace the new model, we could spend all of our time in the next six months talking about the projects already here, or we could talk about how we would influence the [future] model.*
- O And you know a lot of these assumptions have been altered. And [the manager] has been able to get results and change them. That being one of the positives, purely because s/he has said this is not how we can do it anymore.*

In addition, a further component to involvement was the managers' willingness to have people become involved in discussions and problem solving. For example:

- S When someone says this is the process, the first thing [the manager] would do is look and see if there is a better way. If there's a problem, s/he would sit down with people and then talk about the issue and ask "how do we fix this? Because I can give you all the processes, but you are the guys at the coalface. You're the ones talking to the customer. You tell me what you think the best way is and then we'll get together and do it."*

### **Testing**

The second AC category relating to senior leaders questioning traditional methods and looking for new approaches of doing things pertains to testing. From participant responses, the ability for their managers to 'test' peoples' ideas and assumptions has, in turn, played a profound role in people questioning current processes. One way this was achieved, was through managers actively challenging old organisational 'myths and legends.' For example:

- O So I have had a lot of this traditional work, and have been aware of this is how the mechanics work of what we do. And [the manager] has been great to say "well no lets challenge that. Let's challenge this, let's challenge that. And lets challenge the things that have been sacred to the business.... Let's see if we can change the guidelines to see if we can change the boundaries that were all working within." Because I think in some cases, that happens with traditions and legends. It's like what [the manager] says with the myths. 'We create more or new ones,*

*and they are added to down the line. So what you actually find is that you are working with something [traditions, myths, legends] that we hadn't really considered before.'*

**O** *Sticking to traditions sometimes is such a safe thing to do, rather than to challenge them.*

**T** *Yes, very much so. Um, you know it's funny. I suppose is that thing where, like the world is flat. But in reality its round. So yeah, [the manager] has been good for that [having people come out of their comfort zones].*

In addition to the organisational 'myths and legends,' participants also noted that their managers were instrumental in challenging the assumptions which underpinned the way they work. For example:

**S** *When you have been here for a while, you just do processes because that's what has worked well in the past. Then someone would come in and say why do you do that? And we would say well that's the way we've always done it. And so for [the manager], s/he would say well it's not the right way necessarily. Often it takes someone from the outside to say, why do you do that? Because that doesn't make sense.*

In an interesting, but very valid comment, one participant commented on how their manager used mistakes as an opportunity to learn from.

**S** *If ultimately it's a wrong decision and you've made a mistake, that's not a problem. Let's look at it, why did it go wrong? So [the manager] has always said to people. "If you make a mistake, that's not a problem. Just don't do it again." For [the manager] it's not just a case of don't do it again, it's also a question of what happened?*

While the majority of responses related to the participants' managers ability to test assumptions, one participant expressed a belief that their manager appeared to hold an assumption that that what had worked well in the past would continue to work well in the future:

**F** *[The manager] definitely didn't because the way we do things now, are the ways we have always done things. And [the manager] had been around for a good five years before I started..., so s/he knows what to do.*

### **Organisational processes**

The third AC category pertains to organisational processes. It was noted that participants' managers used organisational processes such as the constant monitoring and refinement of practices to assist in questioning traditional practices. For example:

**S** *And that's the constant monitoring of it as well. It's a constant involvement because you get to the point where the next month's monthly figures may have gotten stung for another two parts. So one day [the manager] would then go and say this worked, this didn't, let's find out what the hell went wrong.*

### **Reactive**

The fourth AC category relates to being reactive. Based upon participant comments, it appears that it was not until an issue or problem became apparent, or financial justifications made, that their manager questioned existing practices:

**T** *And gradually [the manager] started to see us getting more and more frustrated. No one seemed to want to listen, people were not engaging, and we couldn't get the outcomes we needed. That's when s/he started asking questions.*

**F** *[The manager] is quite good at challenging the status quo, especially if it is a cost-cutting situation.*

**S** *Yeah, the only thing that [the manager] could help with was to say again [that] "you're always driven are margins and the bottom-line." And so, what s/he would say is "are there other ways that we can make margins? Is there something we could look at to reduce the number of person hours?"*

#### 4.3.3.c Senior leader influence on learning to learn

The third question regarding transformational learning relates to how senior leaders influence peoples' approach to learning. As illustrated in table 26, participants' responses were divided into two AC categories. The two AC categories, challenge and communication, are represented in the broad SC category of personnel attributes. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Constantly challenging current practices and assumptions	CHALLENGE	PERSONNEL ATTRIBUTES	TRANSFORMATIVE LEARNING
Creates an open and safe environment where people can become involved in the discussion process	COMMUNICATION		
Encourages the collaboration and sharing of information			

**Table 26:** Summary of senior leader influence on learning to learn.

#### **Challenge**

The first AC category relating to senior leader influence on approaching learning pertains to challenge. It was noted that the managers' ability to challenge the way people think was a key influence on participants learning how to learn and ability to adapt for the future. For example:

- *Rather than just okay, well last time we did this and were all caught on fire. You know the solution isn't let's buy a fire extinguisher; which is pretty much what used to happen. So we would chase and spend all our time fighting fires rather than making sure that we don't have all those substances in the same building and at the same time. So [the manager] has been good at changing the way we think about things like that.*

#### **Communication**

The second AC category of learning how to learn relates to communication. Participants commented on how their manager was instrumental in fostering a safe environment where people could discuss, collaborate, and become involved in the decision making and learning process. For example:

- O** *Everything with [the manager] is very calm. You don't feel like you can't go to him/her for something. So you kind of feel safe and in an environment where you can make decisions and give ideas, but also to evaluate why you have made those decisions.*
- S** *It's a constant communication of information. Like I heard this information from somebody. And it's [the manager] leading by example, and [saying] there are other avenues of information that you can get from other people. That is, the other people who could wade through the crap and find the good points for us and bring it to the table.*
- S** *For [the manager], it's about letting people know that these are the things that we could possibly be looking for. It's not about telling people that this is what you've got to do, and it's not about saving all your ideas that you have every week and that you can only give to us on Tuesday at our meetings. It was never like that. There was always just flick an e-mail when you have found something like new products.... [Having] those pieces of information was invaluable, and to be able to take part was great.*

#### 4.3.3.d Senior leader use of existing knowledge to take advantage of business opportunities

The fourth and final question regarding transformational learning relates to how senior leaders used existing knowledge to take advantage of potential business opportunities. As illustrated in table 27, participants' responses were divided into two AC categories. The two AC categories, connections, and knowledge and experience, are represented in the broader SC category of personnel attributes. Each of the AC and SC categories are shown below with illustrative participant extracts.

Open Coding (OC)	Axial Coding (AC)	Selective Coding (SC)	Theme
Uses industry connections (both internal and external to the organisation)	CONNECTIONS	PERSONNEL ATTRIBUTES	TRANSFORMATIVE LEARNING
Uses experience in other industries to create opportunities in the current business	KNOWLEDGE & EXPERIENCE		
Uses existing knowledge and skills for future business requirements			
Uses general industry and market knowledge for business acquisitions			

**Table 27:** Summary of senior leader use of existing knowledge to take advantage of potential business opportunities.

#### Connections

The first AC category pertains to connections. Participants noted that their managers' connections are a large asset in taking advantage of potential business opportunities. In particular, these connections assisted in reducing processing times, and increased the ability to complete tasks. For example:

**S** *[The manager] came from government and so had been around the Wellington scene for many years. And when the company went through a whole heap of changes..., people had left because we had to restructure.... And so [the manager] came and said "right, we would need to re-build our relationships. Because I have been in government, I know these people." So s/he went to the Ministry of Education and talked to them.... Actually, [the manager] got us further into the Ministry and with these people. More further than the other guys would have ever got us.... So his/her experience makes a hell of a lot of difference.*

**S** *[A co-worker] and I said to [the manager] what do we do? And s/he said to me, "I've come across this problem before." s/he said "here are the contact details for the guys at [another supplier]. I've dealt with them before. So withdraw your order from [the original supplier] and go to these guys directly. They will supply you within six weeks." So it was that connection that got us the deal in which we could have lost the 50K. This was all because of who s/he knew before.*

### **Knowledge and experience**

The second AC category pertains to managers' knowledge and experience. It was noted that the use of general industry and market information was key for managers when taking advantage of potential business opportunities. For example:

**F** *[The manager] always did a lot of research and always knew everything about the industry. S/he was very knowledgeable about the resellers around the campus stores within the country. We were the only ones that sold [a brand of computer] because we were the only ones allowed to. We didn't have a presence in the Wellington campus when we targeted the campus store and bought it. [The manager] had known them and known that he could get the store for cheap. I don't know how, but s/he always knew what was going on. [The manager] knew everything. S/he has a large network of people that s/he communicated with.*

In addition to general industry knowledge and experience, another component seen by participants as key for their manager in taking advantage of business opportunities was in relation to an understanding of the specific organisation they were in:

**T** *Um, I think on this one, it's probably more about spotting synergies of what is going on in one area, and looking at how you can reuse that in other areas. And I think that for [the manager], s/he is aware of some of the stuff [improvement initiatives] that was going on within different parts of the business. So that has led [the manager] to go 'ohhh here is a big opportunity for a customer.'*

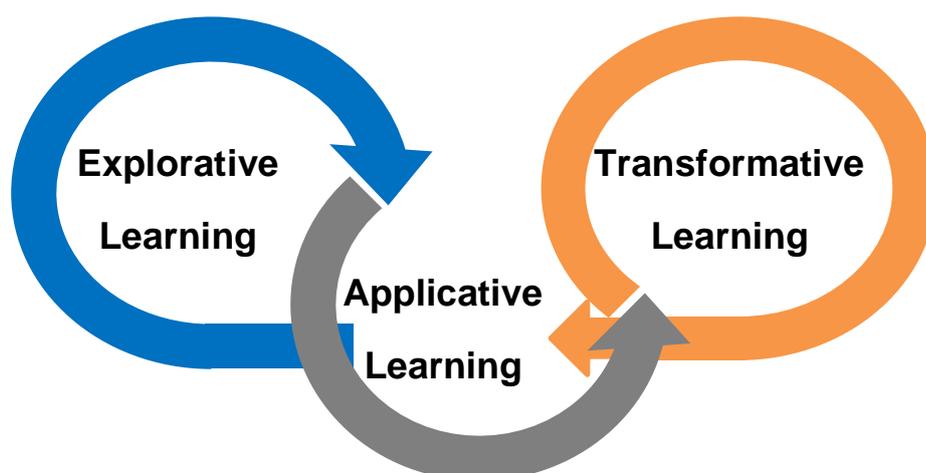
### **Transformative learning summary**

Participant responses overwhelmingly illustrate that 'personnel attributes' are a major way in which senior leaders influenced transformative learning. This was through fostering a supportive environment where people could both

communicate and become involved in the transformative process, and to test and challenge assumptions and existing organisational practices. Moreover, the senior leaders' connections and knowledge/experiences are an important factor in taking advantage of business opportunities. In contrast to 'personnel attributes,' 'operational practices' only represented a small fraction of participant responses, and pertained to senior leaders being reactive to problems, and using monitor and control practices in an effort to improve processes.

### **Explorative, applicative, and transformative learning summary**

Throughout the explorative, applicative, and transformative learning themes, participant responses show that personnel attributes are the primary way in which senior leaders influence organisational learning. What is interesting is that operational practices were used most throughout the applicative learning theme. Another thought provoking finding from participant responses were the emotional connections throughout the three themes of organisational learning. That is, senior leader influence on participants' emotions either encouraged or discouraged participants' views and behaviours toward organisational learning. Finally, as figure 10 illustrates, responses from participants demonstrated that organisational learning is a continuous, 'looped,' and interconnected 'system.' This is in contrast to viewing organisational learning as a linear process.



**Figure10:** The EAT model.

Source: developed by MBus thesis student Alex Waddell

#### 4.3.4 Senior leader leadership styles

As part of participant responses on how their senior leaders influenced explorative, applicative, and transformative learning, this thesis specifically sought information on how the leadership styles exhibited by senior leaders may also have an impact on organisational learning. Therefore, the following part of the interview findings will complement Lichtenthaler's (2009) organisational learning themes, by employing Bass & Riggio's (2006) leadership model. Please note, Bass & Riggio's (2006) model of leadership already includes the transactional and transformational leadership style themes, and the individual style categories. Therefore participant responses will be allocated within those predefined themes and categories. The following section will provide an account of participant responses in regards to the transactional and transformational leadership styles exhibited by their managers.

##### 4.3.4.a Senior leader use of transactional leadership

Leadership Style Exhibited	Style Category	Leadership Style
Constant monitoring and controlling (positive)	Active management by exception (active)	TRANSACTIONAL LEADERSHIP
Hands on correcting of errors		
Manages through the use of threats		
Monitors against pre-determined goals and objectives (positive)		
Creates dependency from employees to the manager	Active management by exception (passive)	
Reactive to issues and events		
Use of coercion	Contingent reward leadership	
Neglects people	Passive avoidant - Laissez faire leadership	

**Table 28:** Summary of participant comments on their managers' transactional leadership style.

Based upon Bass & Riggio's (2006) transactional leadership model, participant responses were divided into four categories (see table 28). The four transactional leadership style categories include active management by

exception (active), active management by exception (passive), contingent reward leadership, and passive avoidant leadership.

**a) Active management by exception (active)**

The first category of transactional leadership was based under the category of active management by exception (active). Participants commented that their manager would continually monitor tasks and projects in order to remedy issues in a timely manner:

**S** *And that's the constant monitoring of it as well... So one day, [the manager] would then go and say "this worked, this didn't, let's find out what the hell went wrong." And then people would come back and say this is what happened... This is a little chink in the process, and this is what is needed to fix it.*

In addition to the monitoring of tasks and projects, participants also noted that their manager would monitor the way people work against pre-determined goals and objectives. Based upon participant comments, the 'monitoring' by their managers was not for discipline, but rather, was used to maintain a level of accountability and provide a sense of direction:

**T** *[The manager] gets very passionate about how we bring that into the way that we work. Um, and primarily by setting us goals. Here is an outcome. It is in your performance goals, or you're KPI's. And s/he will drive us to make ensure that we will deliver outcomes.*

**T** *But [the manager] is also very keen about keeping momentum. So [the manager] is about keeping that vision and brings a monitor progress against a goal approach.*

**T** *I think for [the manager], it's probably about the linkage back to what we are trying to do and how we make sure that we have good clear goals for our people, and how that shows up. And for [the manager], it's about regularly communicating that.*

While participants gave a generally positive account of their managers' leadership style, one participant offered a starkly different account of their manager's leadership approach. What appears worrisome is that the recounted experiences of threats and intimidation. For example:

**F** *...you couldn't say that it's just not working because [the manager] just wouldn't accept it. So I would be here at 11 o'clock on Friday night*

*trying to get slides formatted in the way that s/he liked... It was absolutely pathetic.*

**F** *“If you don't get on the YooBee train you'll get left at the station.” It was one of [the manager's] famous quotes. And that meant that if you didn't work for YooBee, you were history and that there will be no future for you at the company.*

**b) Active management by exception (passive)**

The second category of transactional leadership was based under the category of active management by exception (passive). Based upon participant responses, managers are generally viewed in a negative light. For example, for one participant, it was evident that s/he actively sought to relegate decision making to their manager. For example:

**F** *So sometimes I would go to [the manager] and say “this is what I have got on my plate at the moment. You tell me what the priorities are.” And then s/he would tell me what is more important.*

Another component of active management by exception (passive) outlined by participants was that their managers appeared to be reactive, and that communication was largely based on ‘needing’ something rather than building mutual camaraderie:

**F** *[The manager] doesn't really communicate with me at all, unless something needs doing.*

**F** *[The manager] just assumes that the stuff will happen, and at the end when it doesn't happen, he goes “orrororr why isn't it happening?”*

**O** *Yeah, and I think traditionally, you know, prior to [The manager], I don't think relationships have taken too much priority.*

**c) Contingent reward leadership**

The third category of transactional leadership relates to contingent reward leadership. Throughout the interview process, there was only one mention of being rewarded (extrinsic reward) for work undertaken. The one participant noted that their manager took a coercive approach to undertake tasks. For example:

*F Then [The manager] said, “that's your objective. If you don't accept it, then you won't have any objectives this year. If you're meeting your objectives, there is a financial incentive to do that.”*

**d) *Passive avoidant - Laissez faire leadership***

The fourth category of transactional leadership pertains to passive avoidant/laissez faire leadership. As the category name would infer, one participant commented on how their manager would neglect them, and the work they were undertaking. For example:

*F When I say that [the manager] doesn't, I get very little information from [the manager] about anything.*

*F I'm pretty much left to my own devices.*

*F So when things don't happen, [the manager] just leaves me to tidy up.*

**Transactional leadership summary**

Participant responses pertaining to their managers' transactional leadership were divided. While there was a view that their managers' setting, monitoring, and controlling of tasks was positive to give people direction and motivation, there was also a sentiment this approach can potentially generate employee complacency, resistance, and feelings of neglect.

#### 4.3.4.b Senior leader use of transformational leadership

Leadership Style	Style Categories	Leadership Style
Empowers people to take control	<b>Charismatic - inspirational</b>	<b>TRANSFORMATIONAL LEADERSHIP</b>
Encourages people to do their best		
Fosters feelings of being and belonging to part of a team		
Provides a compelling vision		
Provides a sense of meaning for people and their work		
Acts as a mentor for others	<b>Idealised influence</b>	
Creates trusting relationships		
Earns the respect from those around them		
Provides the necessary support for people	<b>Individualised consideration</b>	
Recognises the individual needs of others		
Allows people the freedom to take their own journey to achieve an outcome	<b>Intellectual stimulation</b>	
Challenges peoples' ideas and assumptions to make improvements		
Embraces mistakes for future learning		
Encourages people to be creative		
Fosters an environment with open and candid discussions		
Has people address issues and find solutions		

**Table 29:** Summary of participant responses on their manager's transformational leadership style.

Based upon Bass & Riggio's (2006) transformational leadership model, participant responses were divided into four categories (see table 29). The four transformational leadership style categories include charismatic/inspirational, idealised influence, individualised consideration, and intellectual stimulation.

##### **a) Charismatic/inspirational leadership**

The first category of transformational leadership relates to charismatic/inspirational leadership. Participants' responses reflect a wide range of ways their manager displays charismatic/inspirational leadership. For

example, participants noted that their manager encourages and empowers people to do their best, and creates feelings of being part of a team:

- S** *And [the manager] would encourage people to give their best and so they would.*
- O** *So it is really been quite a lot of empowerment from [the manager]; which has been good.*
- S** *...you wanted to be a part of that team.*
- O** *[The manager] will have us take the journey as a company and as a team; rather than we will take two or three people here and take two or three people there.*

Further to the encouragement and creating feelings of 'belonging,' participants also commented on how their manager provides meaning to peoples' work, and assists in creating a compelling vision for the future:

- O** *The thing that [the manager] does is to try to make things relevant for people. That is, his/her audience really. So in trying to give ownership of the implementation, [the manager] firstly tries to make things relevant for people.*
- O** *To be honest, [the manager] talked it through with all the team. The underlying reasons why it would be a benefit to the team. Not only that, s/he wanted this to be the shackles that we were freed from. So basically, what had happened was that s/he wanted everyone to get into the mood. Of course one of the moves was that s/he said, "let's get out of this office mentality were we are not just about the office."*

#### **b) Idealised influence**

The second category of transformational leadership relates to idealised influence. From participant responses, it appears that their managers interact with others in ways that build trust and respect. For example:

- T** *We had half an hour of really good - just asking [the manager] questions. In terms of things we were struggling with.... So it's that kind of facilitator role.*
- F** *With [the manager], we would talk about everything. Like everything that was going on in the industry. Things that were happening in the different divisions. Um, s/he would let me know if anything has come in. It could even be things like who's looking at doing an acquisition or anything like that – although those things are really confidential.*

**O** *As a side note, [the manager] is very sound technically. S/he is able to mix between the spectrum of collaborative and kind of telling us what needs to be done. And s/he is able to do that in a way that is based on the situation at hand. So in that sense, I find him/her very sound technically too. I just wanted to say that it was in addition to his/her people skills.*

**c) Individualised consideration**

The third category of transformational leadership pertains to individualised consideration. Participant responses illustrated that they felt that their managers provide a level of support by giving the necessary resources they need, and a personal level of comfort to which they could rely on their manager.

**S** *And for the guys working down in the South Island, [the manager] would say “do we need to give them some more support around marketing?”*

**T** *Yeah, [the manager] is very much a relationships type person. There's a whole kind of way of working based around, if I don't understand something, I will talk to people. If it doesn't work, I'll get a number of people to work together to help.*

Another aspect of individualised consideration relates to the manager recognising the needs of individuals. In particular, participants commented on how their manager was actively involved in taking time to make sure people were okay, and learning about people and their business. For example:

**S** *[The manager] is very much focused on making sure everyone was all right and s/he would constantly call people outside the weekly meetings.*

**T** *[The manager] and I are quite different in terms of some of our styles. So it's about [the manager] listening to me, it's about me listening to what s/he is saying.*

**T** *Over the last year, [the manager] has been learning about my business. So we are kind of building that relationship at a personal level, and building relationship at a business level.*

**d) Intellectual stimulation**

The fourth category of transformational leadership relates to intellectual stimulation. Based upon participants' responses, they felt their managers act

and behave in a number of ways which encourage intellectual stimulation. For example, one way participants thought their managers encouraged intellectual stimulation was through allowing people the freedom to take their own journey:

- T [The manager] is not actually wedded to it must look like this. S/he is kind of that big picture person saying “here is the idea, go away and make something happen with it. And if it happens to end up there or there, it doesn't matter”*
- O Yeah, so we have quite a lot of freedom. [The manager] is not one of those types of people who tries to tell you how to get from A to B. If you can meet the objectives and create the same result safely, s/he is fine with that.*

Another way in which participants thought their managers provided intellectual stimulation was through the challenging of ideas, and the ability to assist people in addressing issues and problems for themselves:

- O [The manager] has been great to say “well no lets challenge that. Let's challenge this, let's challenge that. And let's challenge the things that have been sacred to the business.... Let's see if we can change the guidelines to see if we can change the boundaries that were all working within.”*
- T I guess the knowledge that we have got is that, for 3 or 4 years we have thought there was no way we can change this process. Because this part is done by one business unit and another part is done by another business unit. And so it was like this is all too hard. And then [the manager] had us look at issues from a different mind-set. After that, we could then say well actually, if we work together we can actually drive a better outcome.*

Fostering an environment of candid discussions was another way managers were seen to promote intellectual stimulation. Participants felt that their managers promote creativity by encouraging the communication and collaboration within both teams and departments. For example:

- T If [the manager] sees some something as an opportunity, and s/he sees that there are a number of different parties involved, s/he will bring them together. Not always in a particularly structured way, but s/he will bring them together and go “here is an idea, what could we do with it?” And sometimes that does go around in circles for a while, and sometimes it is quite clear and then we get on with it.*
- O Yeah, I say the working environment we have with [the manager] is that s/he encourages us to have those kinds of conversations to find out what you have learned. So you know, it could be something like ‘I've*

*seen this today,' 'we should try this,' 'we should look into this a little further.'*

Based upon the concepts of journey freedom, problem solving, and creativity, one participant noted that their manager promoted intellectual stimulation through the embracing of mistakes for learning opportunities:

**S** *[The manager] would always say to somebody, "I don't mind if you make a mistake because it's a new way of doing something, or it's an unusual place that you haven't been before, and you are required to make a decision that you need to make. Make the decision that you think is right. If ultimately it's a wrong decision, and you've made a mistake, that's not a problem. Let's look at it, why did it go wrong?"*

### **Transformational leadership summary**

Participant responses in relation to their managers' transformational leadership were very positive. Participants commented that they felt encouraged and empowered by their managers to apply themselves, and to take ownership of their work. Another notable finding was the inclusive network fostered by their manager where trust and support were central to the workplace.

## **4.4 Chapter summary**

The purpose of this chapter was to outline the thesis findings. These findings were in relation to how senior leaders influence explorative, applicative, and transformative learning. The first part of the findings used secondary source documents to provide context to aspects such as Renaissance's operations, organisational culture, and financial performance. Through the use of company documents, media releases, news articles, and blog comments, it was demonstrated that the senior leaders had a profound effect on not only the organisation's financial performance and culture, but also the ability for the organisation (as a whole) to learn and adapt. The secondary documents also illustrated how the organisation has gone through three organisational phases. To complement the document findings, the second part of the chapter presented the participant interview responses.

Based upon participant responses, senior leaders and their leadership styles have a major influence on organisational learning. The primary way senior leaders either fostered or inhibited learning was through personnel attributes such as communication, relationships, and organisational culture. The other way in which managers influenced learning was through the use of organisational practices such as systems, tools, and processes. In terms of leadership styles employed by senior leaders, transactional leadership was primarily associated with applicative learning, while transformational leadership was prominent throughout all three of the explorative, applicative, and transformative learning themes. Utilising the results outlined in this chapter, the following chapter will discuss the current findings with those provided in the existing academic literature. The discussion will then be supplemented with concluding remarks. The concluding remarks include the implications for academia and management practitioners, an outline of the study's limitations, and possible directions for future research.



## **Chapter five: Discussion and conclusions**

### **5.1 Introduction**

This chapter provides a summary and discussion of the thesis's findings. In order to provide context to the discussion, a brief overview of the thesis's background will be given. Next, the existing academic literature will be discussed with regards to the current findings. The discussion will then be followed with the thesis's concluding remarks. To finish, the implications for academia and management practitioners will be presented, the thesis limitations will be outlined, and possible directions for future research will be provided.

### **5.2 Discussion and interpretation of findings**

This thesis began with a warning call related to the need for organisations to be able to learn and adapt. This is because the world is continually changing, and not being able to adapt to those changes would most likely jeopardise an organisations ability to remain relevant in the market place. Based upon an in-depth review of the academic literature within the fields of management and organisational learning, it became evident that there was minimal research on the role senior leaders play in influencing organisational learning (Vera & Crossan, 2004). This was surprising given the reality that organisational senior leaders are widely regarded as accountable for setting the strategic direction of the organisation, and the ones who determine how an organisation operates (Vera & Crossan, 2004). In addition, a high proportion of literature on organisational learning was based upon either an analysis of existing literature, or a numerical (quantitative) style of research. While it is acknowledged that these approaches provide valuable information, it can be difficult to generate the 'how' answers which underpin participants' responses.

The topic of organisational learning is of importance because organisational learning underpins an organisation's short and long-term viability (Achterbergh, et al., 2003). The primary drivers behind this thesis were to build upon the existing body of literature pertaining to organisational learning, and to provide practical insights for management practitioners – which could then be applied into the workplace. It is hoped that through the combination of Lichtenthaler's

(2009) explorative, applicative, and transformative learning themes, and Bass & Riggio's (2006) transactional and transformational leadership model, the goal of identifying how senior leaders influence organisational learning would be achieved.

The following section will discuss the various linkages between participant responses, secondary documents, and the existing academic literature pertaining to organisational learning. The discussion will be achieved by using Bass & Riggio's (2006) transactional and transformational leadership model as the framework to discuss how senior leader leadership styles influence organisational learning across the explorative, applicative, and transformative learning themes. As part of the discussion, Renaissance's three organisational phases (see figure 15, page 92) will also be mentioned throughout.

### ***5.2.1 Influence of senior leader transactional leadership on organisational learning***

Transactional leadership typically "focuses on promoting the individual interests of the leaders and their followers... by establishing objectives and monitoring and controlling results" (V́ctor Jeśs Garcia-Morales, et al., 2011, p. 1). Based upon Bass & Riggio's (2006) transactional leadership model, the following section will discuss the four transactional leadership style categories. The four categories include active management by exception (active), active management by exception (passive), contingent reward leadership, and passive avoidant leadership.

#### ***5.2.1.a Active management by exception (active)***

Active management by exception (active) relates to the active monitoring of "deviances from standards, mistakes, and errors in the followers assignments and to take corrective action as necessary" (Bass & Riggio, 2006, p. 8).

All participants acknowledged that their managers' active monitoring of tasks and processes assisted primarily during the applicative and transformative learning stages. In particular, participants made comments that their manager influenced organisational learning through the setting, monitoring, and

reinforcement of performance outcomes (e.g., through KPIs). In a sense, participant managers used explicit forms of knowledge as the basis of the manage and control process. As a result of the active monitoring, participants commented that they were then able to have a clear vision of the future, and an awareness of the goals and objectives needed to meet that 'vision.' These comments challenge the views of Morhart (2009) who advocates that actively managing people can result in 'compliant' employees, rather than employees being actively drawn to a vision of the future themselves. One reason for this finding could relate to the active participation employees had in the creation of their goals and objectives. Another reason could be that as part of the organisation's third phase, the senior leaders have now set a 'direction' for the organisation to which employees can be directed. These findings would support the results of J.-G. Kim & Lee (2011) who notes that employees are more likely to be driven toward goals if they have been set and clearly defined, and that they were mutually agreed upon.

Another notable finding relating to active management by exception (active) and organisational learning pertains to innovation. While it can be suggested that 'pushy' leaders are able to drive their followers to learn and adapt (Alkahtani, et al., 2011), the opposite occurred for one participant. In his/her opinion, the pressure and additional workload meant that they decided to hand-over various decisions for their manager to make. This decision, on the surface, appears to illustrate that the manager had inadvertently reduced the desire or willingness for the participant to 'think' for themselves. This finding supports the results of Lee (2008) who argues that a monitor and control approach to transactional leadership can potentially reduce levels of innovation and organisational learning.

In addition to manager control, another interesting aspect of active management by exception (active) relates to senior leader influence on accountability. Further to the definition of active management by exception (active) (active monitoring of deviance and then correcting when needed), most participants noted that the level of accountability placed on them from the managers was important to the learning process. This was because they felt that as well as the accountability placed by their manager, they also had accountability from their peers. As one participant noted, "it's [the objective]

quite visible. You don't have a 'we talked about it but I decided that I wasn't going to do it.' So there is no escape."

While accountability can be seen as positive for learning, one participant challenged this assumption. It was noted that while accountability was discussed and seemingly valued, the reality was that if s/he had not met an objective, their manager did not hold him/her accountable to their promise. As a result, complacency in work objectives grew, and candid conversations about underlying issues were not discussed. This situation supports the findings of Nielsen (1993) who asserts that single-loop environments are ones in which real conversations are avoided. What is interesting about this current finding is that while there was no denying that objectives were not met, there seemed little interest (from the manager) in understanding why the participant was not accountable. This lack of holding people accountable would also appear to have been a systemic issue within the organisation. As a customer blog comment suggested, Renaissance – as an organisation – were 'smug' to deal with. This customer reaction, in a sense, could illustrate a level of organisational complacency. These findings relating to accountability and complacency support Mazutis & Slawinski (2008) who argued that senior leaders are in a position to both influence the way organisational values are espoused and the way they are achieved.

#### *5.2.1.b Active management by exception (passive)*

Active management by exception (passive) relates to "waiting passively for deviances, mistakes, or errors to occur and then taking corrective action" (Bass & Riggio, 2006, p. 8).

Transactional leaders exhibiting active management by exception (passive) highlighted some very interesting participant comments relating to personnel and task deviances. The first relates to the particular learning stage that active management by exception (passive) was associated with. Participant comments illustrated that active management by exception (passive) was related to transformational learning. More specifically, active management by exception (passive) pertained to participants' managers being reactive to personnel deviances. For example, participants noted that it was not until they (and their

peers) became frustrated with their current situation that changes were sought and questions asked by their manager. While this could have potentially been negative, what was intriguing was that although these managers were (at times) viewed as reactive, participants still talked highly of their manager. Although this result may seem counter intuitive, they do reflect the findings of Marzano, Waters & McNulty (2005, as cited in Kurland, et al., 2010) who found that teachers appreciated the principles who gave them personal attention. In a sense, the fact that their manager was willing to listen to employees would appear to have induced some levels of appreciation.

Another aspect of active management by exception (passive) was in relation to task deviances. These deviances related to managers' inappropriate questioning of uncompleted tasks and conversations around finances such as how to reduce costs and increasing margins. This was an interesting finding because – as with active management by exception (active) – it highlighted an environment of single-loop learning. As with the findings of Mazutis & Slawinski (2008), participants noted that single-loop behaviours exhibited by their manager created a win-lose culture in which people avoided confrontation. While one of the participants did not use the word 'narcissistic,' they did describe their manager in a way which showed that their manager was not interested in creating equitable relationships. This finding would support blog comments stating that employees were treated poorly, and company documents outlining how morale within the company had been declining – primarily during the organisation's second phase. This situation is similar to the findings of Hiller *et al.* (2009) where narcissistic managers see that relationships are not viewed as a priority, and recognition for work is not forthcoming.

Moreover, this finding is important because it is centred on organisational learning and the ability to adapt. As Victor J Garcia-Morales *et al.* (2009) notes, if a transactional leader operates in a turbulent environment (as Renaissance is in), it could stifle the promotion and development of a culture underpinned by learning and adaptation. This conclusion outlined by Victor J Garcia-Morales *et al.* (2009) supports one of the participant's comments regarding the limited ability to learn and adapt. As it was stated, their manager had a mind-set of "the way we do things now, are the ways we have always done things." This is a critical point because as one blog comment stated, "[the organisation is] a distribution

business which chose not to change for over 20+ years then [it's] too late to realise the world had passed them by." This particular comment is interesting because it supports other blog comments stating that the organisation had lost its way, had no strategic direction, and seemed to be detached from reality. What is compelling about these comments is that they represent the significant changes associated with the organisation's transition from phase one to two (e.g., the organisational restructures and re-branding to YooBee), but without having any real sense of direction.

Furthermore, the seemingly misconceived way in which the organisation reacted to changes in the external environment support Levitt & March's (1988) idea of routines. That is, the adaptations (or lack of) of Renaissance and the senior leaders to change, may have paradoxically created routines. Those routines may, in turn, have actually limited the ability for the organisation to appropriately respond to changes in the external market – as seen in the organisation's second phase. In terms of financial performance, comments such as these would assist in explaining that while things have significantly changed in Renaissance over the past year (i.e., from 2011 to 2012), this type of thinking (not having to change) did have an adverse effect on the organisation's economic viability in the past.

#### *5.2.1.c Contingent reward leadership*

Contingent reward leadership "involves the leader assigning or obtaining follower agreement on what needs to be done with promised or actual rewards offered in exchange for satisfactorily carrying out the assignment" (Bass & Riggio, 2006, p. 8).

Participant responses, or the lack thereof, relating to contingent rewards raises some interesting questions and thoughts. One question is that, while participants may have commented on KPIs and objectives, only one participant commented on contingent (financial) rewards in relation to the applicative learning stage. One reason for this may relate to the fact that interview questions were centred upon organisational learning rather than remuneration. A further question relates to the influence of contingent (financial) rewards on applicative learning. That is, the participant's answer regarded their manager's

influence on the application of new knowledge into the organisation, and that even with financial gains tied to objectives, s/he was still not willing to meet those objectives. This finding supports Battencourt (2004) who notes that the exchanges between employees and their employer/s are often influenced by the employee's performance goal orientation (i.e., high performers versus low performers) and intention to reciprocate the rewards offered by employers. Therefore, it can be assumed that the goal orientation for this particular participant was not high, and they had little intention to reciprocate the specific rewards offered by their manager.

Another concerning aspect pertaining to contingent rewards relates to the adverse link between financial outcomes and relationships. That is, the financial rewards linked to objectives appeared to negatively affect the relationship between the participant and his/her manager. While it was out of the scope of this study to understand the surrounding relationship details between the manager and participant, the finding supports a study by Bommer et al. (2002) in regards to senior leaders and contingent rewards. In their study, it was found that the contingent rewards applied by senior leaders are a strong antecedent in influencing the quality of relationships with their employee's

#### *5.2.1.d Passive avoidant/laissez faire leadership*

Passive avoidant leadership is the "avoidance or absence of leadership" (Bass & Riggio, 2006, p. 8).

Participant managers who exhibited passive avoidant leadership had a mixed affect on participants. For example, while three of the four participants did not mention that their manager avoided leadership, they did say that if they were left alone, their manager would provide them with support mechanisms and networks if needed. In contrast, one participant commented that it was primarily through the explorative and applicative learning stages that they felt abandoned. For example, it was noted that they would receive very little information from their manager, that they were left to their own devices, and that they were expected to correct things themselves if something went wrong. As a result, this particular participant expressed that they felt alone and that the current situation was a drain on his/her energy. Although the drain on his/her

energy could potentially be associated with the troubles of the Christchurch earthquake, their comments do illustrate a lack of guidance and support from his/her manager. Despite some authors arguing that leaving people to learn new things on their own and to become independent can potentially empower and 'stretch' people (Goodnight, 2004), this was not the experience of this participant. In fact, the negative effect highlighted by the participant confirms the findings of Aasland, Einarsen, Hetland, Skogstad & Torsheim (2007) who argues that the passive avoidant leadership style creates a negative working climate. In their study of 2273 Norwegian employees (randomly selected from the Official Employee Norwegian Register), they found that "laissez-faire leadership was positively correlated with role conflict, [and] role ambiguity" (Aasland, et al., 2007, p. 80).

Further to the individual passive avoidant leadership (as outlined by participants), it appeared that 'passive avoidant leadership' was a highly systemic issue throughout the organisation's restructure between 2009 and 2010. This could be attributed to the reality that not even the senior leaders of the organisation knew where the organisation was going, and that the lack of clarity about the Renaissance's future cascaded further down into the organisation. This is because during the organisation's second phase, not only did blog comments (see appendix 14) note that there was no real company strategy to be guided from, but company media publications also acknowledged how morale in the company had been adversely affected.

As a result of the turbulence within the company, many staff members left the organisation. While having people leave can be difficult on a personal level (e.g., having to find a new job), the implications for the organisation were also substantial. One reason relates to the fact that as people left the organisation, they also took their 'tacit' knowledge with them. This is important because as Polanyi (1966) argued, while explicit knowledge can be documented and processed, it will always contain a level of 'tacitness.' Therefore, this level of 'tacitness,' as Bierly, et al. (2009) contends, would have provided an element of competitive advantage for Renaissance. This is a compelling proposition because as one blog commented, the "[external competitor] sure seems to be doing pretty well with their ex-Ren staff!"

### **5.2.2 Influence of senior leader transformational leadership on organisational learning**

Transformational leadership is “the style of leadership that heightens consciousness of collective interest among the organisation’s members [which] help them to achieve their collective goals” (V́ctor Jeśs Garcia-Morales, et al., 2011, p. 1). Based upon Bass & Riggio’s (2006) transformational leadership model, the following section will discuss the findings in relation to the four transformational leadership style categories. The four transformational leadership style categories include charismatic/inspirational, idealised influence, individualised consideration, and intellectual stimulation.

#### **5.2.2.a Charismatic/inspirational**

Charismatic/inspirational leaders “behave in ways that motivate and inspire those around them by providing meaning to their followers’ work. [As a result,] team spirit is aroused [and] enthusiasm and optimism are displayed” (Bass & Riggio, 2006, p. 6).

Charismatic/inspirational leadership can be linked with the organisation’s third phase, and has three of the four participants being very positive about how their manager influenced organisational learning. For example, participants expressed how their manager encouraged people to do their best and to take control of their work. What was particularly interesting was that these views were expressed throughout all three themes of explorative, applicative, transformative learning. This finding is similar to those of Amitay et al. (2005) where organisations with transformative leaders had heightened levels of employee aspiration and interest. Similarly, the findings of this study add to those of Amitay et al. (2005) in the way that participants also made comment that their managers foster positive feelings of belonging to a team. As one participant noted, “so it’s really been quite a lot of empowerment from [the manager]; which has been good... you wanted to be part of that team.”

Another component of charismatic/inspirational leadership relates to ‘stories.’ It was commented that the managers’ use of stories was a particularly useful in being able to inspire people toward the future and to provide a sense of direction. The inspiration and direction was due mostly to the fact that

participants could relate what had happened (in the story) to their personal work situation. It was also mentioned that their manager was instrumental in providing commentary around stories in order to illustrate the relevance and potential application to participants. This finding supplements the conclusions of Abratt, Christie & Mittins (2011) and Kalid & Mahmood (2009) who advocates that stories can help people to discuss things which may be hard in regular conversations, to understand difficult changes, and to present other perspectives.

Moreover, the use of stories by participant managers also support Nonaka's (1994) assertion that it is important to look at the different ways in which information is processed. This is a significant finding because it demonstrates that the senior leaders within Renaissance recognise that learning takes place in different ways for people. When the use of stories is coupled with the significant changes in which the organisation has had to learn and adapt (during the organisation's phase two and three), it appears that the organisation has undergone triple-loop learning. That is, the senior leaders have had to actually understand and engage with the learning process in order to change the way they adapt to the market. This is a compelling finding because it supports Romme & Witteloostuijn (1999) who advocates that people need to first understand how they can either foster or inhibit learning before they can implement new strategies structures to promote learning.

Having a sense of 'meaning' was another area of importance for participants. For example, participants regularly communicated that their manager fostered an environment where there was meaning pertaining to their job, and the tasks they were engaged in. One way this was achieved was by their manager allowing people to take their own journey, and not to engage in organisational 'red-tape.' As one participant commented, "you know ultimately those results would be used. There is nothing worse than spending all this time doing something that will just get shelved." As a result, participants expressed their opinion that they felt connected to the learning process and journey. This supports the findings of Vaccaro et al. (2012) who asserts that members' feelings of meaningfulness is maintained by transformational leaders who help off-set the potential bureaucracy of a larger organisation. Furthermore, the participants' comments are compelling because they align with news articles

and company documents which note that there is now more alignment and strategic direction within the organisation.

Another encouraging finding relates to the high level of influence of senior leaders within Renaissance. This is because it contradicts the findings of Koene et al. (2002) who advocates that the impact of a leader on organisational learning decreases as an organisation's size increases. This is said to be because the senior leaders in a large organisation can "take advantage of pre-existing structures, systems, and procedures" (Koene, et al., 2002, p. 221). While not knowing the specific systems, structures, and processes of their study, a possible explanation for the difference in findings relates to the industry of the organisation. That is, it can be argued that Renaissance, being an IT organisation, may operate in a faster changing industry than the supermarket industry.

#### *5.2.2.b Idealised influence*

Transformational leaders who exhibit idealised influence "behave in ways that allow them to serve as role models for their followers. The leaders are admired, respected, and trusted" (Bass & Riggio, 2006, p. 6).

Overall, participant responses illustrated that their managers displayed idealised influence throughout all three themes of explorative, applicative, and transformational learning. One of the main aspects of idealised influence relates to relationships. Participants noted that their manager created an environment where relationships assisted the learning process. One notable point was that it was a culmination of relationships between both participants and their manager, and also the relationships between participants and others throughout the organisation. These relationships (encouraged by their manager), in turn, allowed people to have conversations about exploring for information, the application of knowledge within the organisation, and the transformation of knowledge throughout the organisation. This finding supports the assertion by Nonaka (1994) that the sharing of knowledge and interaction of individuals does in fact play a significant role in the development of ideas and concepts within organisations.

In addition to relationships, the current findings also support the findings of Jansen et al. (2008) who advocates for 'social integration' within groups. This is because social integration has the potential to create a sense of attraction and satisfaction within the members of an organisation. As one participant commented, "[the manager] drove that desire to get everyone to talk to each other." Moreover, the findings of this thesis endorses the work of Taylor et al. (2010) who asserts that social integration is largely a function of how senior leaders create a safe environment for the exchange of knowledge, ideas, and skills. What is interesting is that as part of the organisations third phase, the senior leader influence on 'social integration' through increased transparency is (at the time of writing) also paying dividends with improved organisational performance and efficiencies.

Another aspect of idealised influence on organisational learning relates to senior leaders earning trust and respect from those around them. Without specifically using the word 'respect,' participants implied the meaning by talking about how their manager would 'go in and bat for you;' and that their manager was going to do something, they would always come through for you. This finding was encouraging because it reflects the change in the organisation's phases from two to three. That is, it was acknowledged that during phase two, trust and respect were not typically associated with the senior leaders' attitudes and behaviours. Furthermore, it would also suggest that the change in behaviours have also affected the mental models of both participants and their managers in regards to the behaviours, norms, and values of the organisation. This would support March (1991) in that mental models can generate a perception of reality and truth within an organisation (the way things are done around here). It also endorses Hayes & Allinson (1998) in their contention that individuals within an organisation can be socialised into the collective mental models of the organisation.

### *5.2.2.c Individualised consideration*

Leaders who display individualised consideration pay "special attention to each individual follower's needs for achievement and growth by acting as a coach or mentor" (Bass & Riggio, 2006, p. 7).

Based upon participant responses, their managers' individualised consideration had a large impact on organisational learning throughout all three of the explorative, applicative and transformative learning themes. What is particularly interesting is that individualised consideration touched many facets of participants' work tasks and relationships. Some of these facets included individualised training and development (e.g., career development), the individualised sharing of information, and individualised support. For example, in one instance, a manager was able to use their past and current connections in order to coach one of the participants through a negotiation process. In doing so, the participant could then not only make the 'deal,' but was then prepared with the specific knowledge and connections to deal with similar situations in the future. This supports the findings of Farh, Gong & Huang (2009) in their literature review on employee learning and transformational leadership. In their article, they note that "individualised consideration [of] transformational leaders show empathy, consideration, and support for employees, which [can] help overcome the fear of challenging the status quo [and] lead to higher creativity" (2009, pp. 767-768).

Along with achieving specific goals and objectives, this example also endorses Freeman & Knight's (2008) view on the importance of single-loop learning in new situations/environments. That is, because the participant was in a new situation, it was more important for them to learn the 'basics' (i.e., how to negotiate and who to talk to) rather than embarking on the reasoning behind why they needed to undergo the negotiation process. What is also encouraging about this type of single-loop learning is that it opposes Mazutis & Slawinski's (2008) contention that single loop environments typically foster win/lose dynamics and create fears over losing control over situations. One reason for this could be related to fact that the participant's manager was taking a supportive role in guiding the participant through to a desired outcome.

#### *5.2.2.d Intellectual stimulation*

Transformational leaders who display intellectual stimulation "stimulate their followers' efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old solutions in new ways.... There is no

public criticism of individual member's mistakes.... [and] solutions are solicited from followers who are included in the process of addressing problems" (Bass & Riggio, 2006, p. 7).

From participant responses, it is clear that senior leaders have a large influence on participant intellectual stimulation. While having a presence in all three themes of organisational learning, intellectual stimulation was especially prevalent in transformational learning. This result could be because of the underlying premise of transformational learning which is to challenge and question assumptions. This is in contrast to explorative and applicative learning which are primarily focused on exploring for information and applying new found knowledge. The current findings support Waldman & Yammarino (1999) assertions where transformational leaders who encourage intellectual stimulation in an uncertain and turbulent environment, have the support and encouragement of employees to challenge the status quo. In an interesting addition to the existing literature, this current study found that participants were also compelled by their manager to question traditional assumptions and methods. One reason for this particular finding emanates from participant comments in which managers were also actively involved in the challenging process. In particular, participants noted that their managers became facilitators in guiding people through the challenge process. This result challenges many assumptions that people have about change being 'forced' upon others (Cable & Furst, 2008), and that change is often inherently feared (Cao, Han, Hirshleifer, & Zhang, 2011).

Moreover, the findings are also compelling because they show that the major disruptions faced by the organisation in phase two have provided an opportunity to change peoples' mental models (i.e., the way people think, and perceive and define the environment around them). This is important for learning within Renaissance because as Huber (1991) advocates, behavioural changes should not be seen as a 'silver bullet' for making long term fixes. Therefore, it appears that a number of the underlying issues are being confronted within the organisation. This would support the finds of Foil & Lyles (1985) who notes that often, a type of 'crisis' is necessary for organisations to be shocked into a higher level of learning.

Another aspect of the challenging process was the value placed on mistakes. For example, participants noted that their manager used mistakes as a learning opportunity (for participants) to both gain a better understanding of what went wrong, and to also learn and develop from. This was a positive finding as participants came across genuinely appreciative that their managers have taken this approach. Consequently, it was also expressed that because mistakes were generally accepted, they then had the freedom to challenge the status quo and take risks. This supports the findings of Taylor et al. (2010) who discusses the importance of a safe environment to make errors, and how it can positively influence the organisations learning performance.

### ***5.2.3 Integration of transactional and transformational leadership on organisational learning***

Based upon the overall findings, while there are some subtle differences between transactional and transformational leadership, they are also in varying degrees linked to each other. This supports the claims by Tsai & Su (2011) that the two leadership styles complement each other, and the assertion from Ismail et al. (2010) that one leadership style in the absence of the other would prove to be ineffective. Furthermore, the current findings also support the idea from Avolio (1999) who advocates that transformational leadership is built upon a base of transactional leadership. However, participant responses demonstrated that while transactional leadership assisted in 'getting things done,' it was the transformational leadership style that promoted the personal 'drive' to both achieve personal and organisational goals and objectives. In a sense, transformational leadership is shown to have more 'leverage' than transactional leadership – where a small amount of effort (e.g., providing support) can achieve the vast organisational gains.

After an analysis of participant comments, there are three key areas in which transactional and transformational leadership work well in unison for the fostering of organisational learning.

The first combination is between active management by exception, and inspiration and trust. For example, participants regularly noted that their manager would take an active and supporting role in processes and outcomes.

This supporting note not only gave guidance, but also allowed trust to be built. This is similar to the findings by Vaccaro et al. (2012) which illustrated that in the setting of goals and maintenance of management practices, leaders were able to provide inspiration and to develop relationships built upon trust and respect.

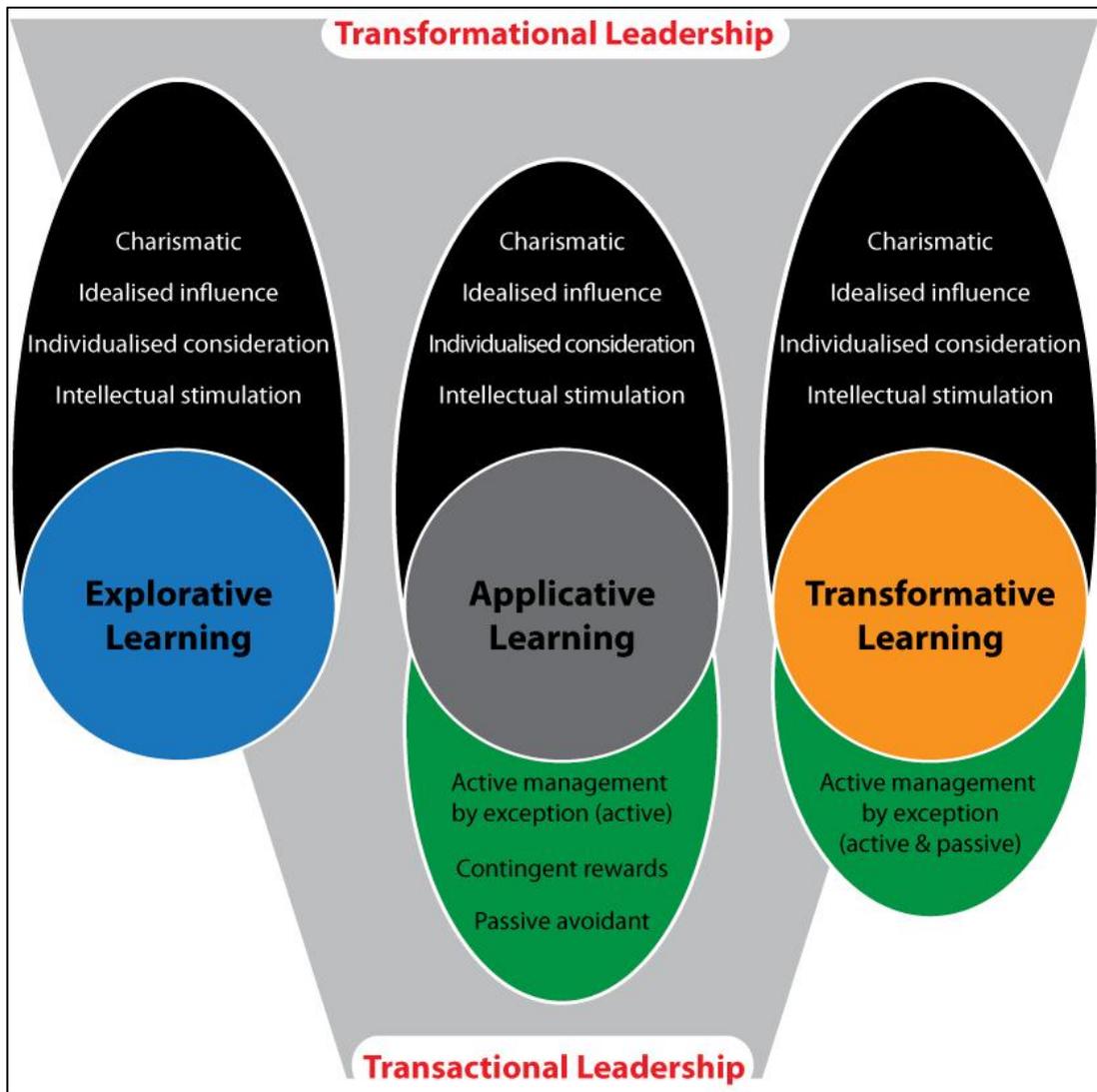
The second key aspect of transactional and transformational leadership relates to emotional connections. While emotions connections played a role in organisational learning throughout the three learning themes, the use of emotions was a key factor in explorative learning. For example, a number of participants commented on how their manager encouraged people to use their talents and passions when exploring for new information. As one participant commented, their manager would say “if you enjoy this, run with it. This is your talent. This is your passion.” Another emotional connection was the feeling of belonging and being part of a team, feelings of not wanting to let the team down, and feelings of repaying debts of information (to the manager). While most participants were generally positive, one participant had a contrasting view and noted that their manager actually built resistance to explorative learning. This was because the participant viewed the manager’s request as out of their job description and bandwidth. These positive and negative feelings from participants are similar to the analysis study from Antonacopoulou & Yiannis (2001). In their study, it was noted that emotional connections can either be a positive or negative influence on organisational learning. This is because emotions can either bring about hope and a desire for a better social order, or they can stand in the way of learning and change.

What appears interesting is that if people are encouraged and emotionally connected to learning at the explorative stage, there is more of a desire for learning in the applicative and transformative learning stages too. In contrast, it appears that building resistance toward learning at the explorative stage could potentially create a flow-on effect throughout the following two applicative and transformative learning stages.

### **Summary of organisational learning**

Participant responses and secondary documents illustrated that the transactional leadership style exhibited by senior leaders had the largest impact on applicative learning by providing them (the participants) with the drive and direction necessary to achieve goals. While the drive and direction had been lacking in the organisation's phase one and phase two, there now appears to be the necessary capability and commitment by senior leaders to drive the organisation forward. While the transformational leadership styles exhibited by senior leaders had an impact across all three learning themes, it was the explorative and transformative learning themes which were the most heavily influenced. As with transactional leadership, transformational leadership was the most visible throughout the organisation's third phase. This was consistently highlighted throughout participant responses with comments relating to inspiration, stimulation, and support.

Based upon the findings, a model of leadership and organisational learning has been developed (see figure 11). While the model is specific to Renaissance, it demonstrates several important findings. The first is the level of integration with both the transactional and transformational leadership styles on the organisational learning themes. While the levels of each style of leadership vary depending on the theme (as depicted by the size of each leadership style), there is an overall representation of the two leadership styles throughout. The second interesting finding relates to the biases of leadership styles toward the individual themes of explorative, applicative, and transformative learning. In particular, explorative and transformative learning were heavily influenced by transformational leadership, while transactional leadership had a prominent role during applicative learning. The third compelling finding is illustrated by the inverse pyramid and the relation between transformational and transactional leadership. That is, while transactional leadership provides the base for 'getting things 'done,' it is the transformational leadership style which offers more 'leverage' for senior leaders to drive their employees to success.



**Figure 11:** Model of leadership and organisational learning based upon the case study company (Renaissance).

Source: Developed by MBus thesis student Alex Waddell.

Grounded upon the thesis findings and discussion, the next section will outline the thesis's academic and managerial practitioner implications, study limitations, and possible directions for future research. To finish, the concluding remarks will be provided.

### 5.3 Thesis contribution

Firstly, this thesis investigated the influence of senior leaders on organisational learning. By specifically focusing on senior leaders, this thesis has sought to add to the knowledge on organisational learning by identifying

how senior leaders influence learning within an organisation. This was necessary because a significant body of literature relating to learning has typically focused on what learning is, and the possible ways to embed information into organisations; while bypassing who influences the process. This thesis has illustrated how senior leaders can influence – positively or negatively – peoples’ attitudes and behaviours toward organisational learning.

Secondly, this thesis has illustrated the significant influence of senior leaders on influencing personnel attributes such as relationships, communication, and organisational culture, within the context of organisational learning. Because of the high representation of personnel attributes, the findings also accentuate the minor role of operational practices such as systems, tools, and organisational processes in participant responses. Having this knowledge is valuable because as the world is changing at an ever increasing rate (Adcroft, et al., 2008), there appears to be tendency to promote efficiency (e.g., through e-learning and information systems); while seeming to down-play the importance and influence on people (Erdogmus & Esen, 2011). Although it is acknowledged that continual change is necessary, these findings advocate that employees are still the primary drivers of organisational learning; and therefore, the operational practices should be employed only when they enhance employees’ ability to learn – rather than being based primarily on cost and time saving measures.

Thirdly, ‘systems thinking’ was found to be another key aspect for organisational learning. In Senge’s book *The Fifth Discipline*, it is noted that “systems thinking is a discipline for seeing wholes. It is a framework for seeing interrelationships rather than things, for seeing patterns of change rather than static snapshots” (1990, p. 68). When related to the present thesis, participant comments illustrated that senior leaders who influence one area of learning can, in turn, potentially affect other areas also. For example, participants commented that if they were engaged in the explorative and applicative stages of learning, they would then be engaged in the transformative stage. In contrast, while it was not overtly expressed, it appeared (through general interview comments) that when exploring was not encouraged by their manager, the chances of being engaged in the application and transformative stages of learning would be minimised.

Based upon the thesis findings, and the premise of a systems approach toward organisational learning, an 'EAT' model has been developed (see figure 10, page 123). The EAT model consists of explorative, applicative, and transformative learning, and as with systems thinking, this model recommends to management practitioners that organisational learning should be viewed as a continual, and inter-connected 'system.'

Fourthly, this thesis advocates the importance of a contingent leadership style approach dependent on specific situations and environments. This is because there is no 'single' best leadership style, and that transactional and transformational leadership are not mutually exclusive. Therefore, it is recommended that leaders not only gauge the current situation and environment, but to also determine the individual and collective needs of employees. As part of employing a contingent leadership approach, it is also recommended that management practitioners take a proactive approach to identifying what styles of leadership are best for their particular organisation. That is, as the thesis findings have demonstrated, Renaissance has recently found success with employing transformational leadership with explorative and transformative learning, and transactional leadership with applicative learning.

## **5.4 Study limitations**

While this thesis sought to add to the body of knowledge pertaining to senior leader influence on organisational learning, it is also necessary to outline the thesis's limitations. The limitations include aspects such as the methodological approach taken, sample selection and size, and participant and researcher interpretations.

Firstly, this thesis employed Lichtenthaler's (2009) three themes of organisational learning, and Bass & Riggio's (2006) transactional and transformational leadership model. As a result of employing these two frameworks, it was possible that these models influenced the categorisation of participant responses. Furthermore, as a literature review was undertaken prior to participant interviews, the newfound knowledge could have made certain comments made by participants more salient than others. Therefore, some comments and ideas from responses may have had a higher representation in

the findings than others. However, as the researcher was aware of these two issues, the researcher kept reviewing the literature throughout the research project. This assisted in ensuring the participants' responses would be identified and accurately reflected in the thesis.

Secondly, another potential limitation of this study relates to the sample selection and size. The sample selection for this thesis focused on Renaissance, a New Zealand owned IT organisation. While the justification for this decision was based upon the recent hiring of senior leaders (who were viewed as having strong leadership attributes), it did focus the study to one organisation, and to a single industry. In addition to sample selection, the sample size for interviews totalled four participants. While this number did represent 40 percent of senior leader direct reports, the linkages between senior leaders and organisational learning may have not been as pronounced as if there was a larger sample size. However, to overcome this potential issue, secondary documents (e.g., company documents, media releases, news articles, and blog comments) were used to complement and provide context to participant responses. Based upon the sample selection and size, the findings represented in this study are only representative of one organisation, and may not be generalizable to all IT organisations, and to organisations in other industry sectors.

Thirdly, an inherent limitation to the interview process relates to participant recall. This is because participants can only express what they think is real and true (Wengraf, 2001). As a result, the responses given by each participant are assumed to be specific to the individual, and based upon the interpretations of their experiences. Similarly, as with participants' interpretations of events and experiences, the researcher may have also added a level of interpretation to participant responses. However, this issue was mitigated against by including verbatim comments from participants, and the use of secondary documents throughout the findings and discussion sections.

## **5.5 Directions for future research**

This study has provided valuable insights for research regarding senior leader influence on organisational learning. This being said, there remain a

number of areas in which future research can explore and further develop the field of organisational learning.

Future research could expand upon the single Information Technology case study to include multiple IT companies and other industry sectors. For example, comparing organisations from the relatively stable sectors (e.g., manufacturing), with those from the rapidly changing sectors (e.g., communication and technology). In taking a comparative approach, findings could compare how individual organisations and industry sectors influence organisational learning. Moreover, this approach would also build upon research from Vera & Crossan (2004) who suggest that specific industries can play a role in leadership approaches and organisational learning.

Another potential research focus could relate to an organisation's brand and image with organisational learning. Based upon an earlier research avenue outlined by Yukl (2009), a comparative analysis study could be undertaken to compare various organisations which have either a strong reputation (e.g., through awards) for leadership and innovation, compared to those who are not publicly known for those attributes.

With the economic and environmental instabilities affecting much of the world today, another timely research direction could examine senior leader influence on organisational learning prior, during, and after a major crisis. For example, in New Zealand recently, there have been the devastating effects of the Christchurch earthquake. On a global level, the world continues to feel the aftermath of the 2008 global financial crisis. The recency and significance of events such as these could provide interesting and timely information on how senior leaders influence organisational learning within turbulent environments. Having a major crisis as a backdrop, there is also a potential to build upon the existing literature which often views turbulence as a continual phenomenon (e.g., technology will continue to develop faster over time), rather than 'shocks' to countries and global economies.

## **5.6 Concluding statement**

The topic of organisational learning has been studied for over 30 years (Foil & Lyles, 1985), and due to the rapidly increasing speed of change in the

marketplace, interest in the topic will likely remain for many years to come. Previous research within the management and learning fields has typically addressed what learning is, and how to embed learning into organisations. This thesis has built upon previous findings and moved to fill a void in the literature pertaining to 'how' senior leaders influence organisational learning. In particular, what influence do senior leaders have on organisational learning? The recognition of senior leaders influencing organisational learning is important for research because senior leaders are regarded by many as the ones who are accountable for setting the strategic direction of the organisation, and the ones who can influence an organisation's short and long-term viability (Vera & Crossan, 2004).

This thesis identified and illustrated how senior leaders influence organisational learning. This was achieved by employing Lichtenhaler's (2009) three themes of organisational learning, and Bass & Riggio's (2006) transactional and transformational leadership model as frameworks to analyse participant responses and secondary documents. The findings of the study illustrated a significant influence from senior leaders on organisational learning. From participant responses, senior leader influence is primarily through personnel attributes. That is, through aspects such as relationships, communication, and organisational culture, senior leaders can either promote or discourage peoples' willingness to engage in organisational learning. What was interesting was that the personnel attributes were associated with the senior leaders' transformational leadership styles primarily throughout the explorative and transformative learning themes. The other way in which senior leaders influenced organisational learning was through operational practices. Operational practices comprised of elements such as systems, tools, and organisational processes, and were largely associated with the senior leaders' transactional leadership style within the applicative learning theme. Senior leader influence on the operational practices was also shown to positively or negatively alter peoples' attitudes and behaviours toward organisational learning.

To complement participant responses, secondary source documents were employed to provide context to the organisation (e.g., financial performance, and organisational culture). These documents illustrated three organisational

phases. The first two phases demonstrated how the inability and/or unwillingness of senior leaders to learn and adapt, in turn, had negative ramifications on both the financial performance and organisational culture of Renaissance. The third phase showed how the senior leaders now appear to view the organisation as an interconnected 'system,' and are becoming more proactive than reactive in their thinking. This new approach has resulted in improved operational efficiencies and financial performance.

The findings of this thesis have important implications for academia and management practitioners within the field of organisational learning. One implication pertains to the fact that while there is a growing tendency to promote efficiencies within organisations (e.g., the use of e-learning and information systems), implementing such systems and processes should only be when they enhance employees' ability to learn. In addition, this thesis advocates the need for organisational learning to be viewed as a continuous and interconnected system. Finally, it is contended that there is no single 'best' leadership style, and that the decision to apply a certain style of leadership should be based upon specific situations and environments.

This thesis has presented a timely reminder for organisations to continually learn and adapt. The world is changing at unprecedented rates, and it can no longer be accepted that 'what worked well in the past will work well in the future.' It seems ironic that the issues we face today are similar to those experienced by generations before us. As Hoffer, a famous American social writer commented over thirty years ago, "in a time of drastic change, it is the learners who inherit the future. The learned usually find themselves equipped to live in a world that no longer exists" (1973, p. 22). What is different today is that the 'world that no longer exists' is being encountered by organisations at an ever increasing rate.

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## Appendix 1: Ethics approval



# MEMORANDUM

## Auckland University of Technology Ethics Committee (AUTEC)

To: Edwina Pio  
From: **Dr Rosemary Godbold** Executive Secretary, AUTEC  
Date: 25 October 2011  
Subject: Ethics Application Number 11/233 **The influence of senior leaders on organisational learning.**

Dear Edwina

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 12 September 2011 and I have approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 14 November 2011.

Your ethics application is approved for a period of three years until 25 October 2014.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/research/research-ethics/ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 25 October 2014;

A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/research/research-ethics/ethics>. This report is to be submitted either when the approval expires on 25 October 2014 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact me by email at [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz) or by telephone on 921 9999 at extension 6902.

On behalf of AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Dr Rosemary Godbold  
**Executive Secretary**  
**Auckland University of Technology Ethics Committee**  
Cc: Alex Waddell [alex@sigmoidcurve.com](mailto:alex@sigmoidcurve.com)

## **Appendix 2: Participant information sheet**



# **Participant Information Sheet**

### **Date Information Sheet Produced:**

3/7/2011

### **Project Title**

Senior leader influence on organisational learning: The employees' perspective.

### **An Invitation**

Hello, my name is Alex Waddell. I am a Master's student in the faculty of Business and Law at AUT University. I am also an Associate with the Sigmoid Curve Consulting Group. I would like to invite you to take part in my research which aims to analyse the influence of senior leaders on organisational learning. The findings from your responses will then become the basis of my master's thesis.

Your participation is voluntary, and if necessary, you may withdraw at any time prior to the completion of the interview without any adverse consequences.

### **What is the purpose of this research?**

The purpose of this study is to investigate the influence of senior leaders on organisational learning. The findings of this study will become the basis of my Master's thesis, and may be presented at conferences and written as journal articles.

### **How was I identified and why am I being invited to participate in this research?**

You have been identified from a pool of potential participants for this research because of your position within the organisation as someone who reports into a manager from the executive leadership team.

### **What will happen in this research?**

If you choose to participate in this research, you will be invited to take part in an interview. The interview will likely take up to 30 minutes, and will include questions which relate to how you view your manager's influence on the exploration, application, and transformation of knowledge within the organisation. In order to ensure the information you provide is accurately documented, a voice recording of the interview will be made. After your views have been collected, they will be combined with those of your peers to identify themes. In the unlikely event, you may freely withdraw from the interview process at any stage without any repercussions. Your consent will be acknowledged by signing the consent form.

### **Are there any discomforts and risks?**

A potential discomfort could arise when talking about your manager or any commercially sensitive information.

### **How will discomforts be alleviated?**

If for any reason you do experience any type of discomfort, you may decide not to answer a particular question and/or withdraw from the interview process. Consideration of your valuable time has also been taken into account. As a result, the interview will work toward a 30 minute timeframe.

### **What are the benefits?**

The ability for organisations to learn and adapt to the rapidly changing environment is becoming an increasingly critical component to being able to remain competitive, and to ultimately survive in the marketplace. Your contribution to this research will help in providing an insight into the role senior leaders' play in influencing organisational learning.

### **How will my privacy be protected?**

To protect your privacy, the findings of this research will not include any information (e.g., personal details) which could potentially be used to identify you as the source of your response.

### **What are the costs of participating in this research?**

The interview will likely take up to 30 minutes of your time.

What opportunity do I have to consider this invitation?

You will have three weeks to decide whether you would like to participate in this research. In weeks two and three a follow-up email may be sent to ensure that those who wish to participate, have the opportunity to do so. While there is a three week window to consider this invitation, early responses will be greatly appreciated.

### **How do I agree to participate in this research?**

To take part, or if you have any questions relating to this research, please feel free to email me on [alex@sigmoidcurve.com](mailto:alex@sigmoidcurve.com) Prior to the interview, you will be provided with a consent form which will need to be signed. The consent form will acknowledge your willingness to participate in the research.

### **Will I receive feedback on the results of this research?**

Yes. Please remember to tick the box on the consent form requesting a copy of the final report.

### **What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Edwina Pio [edwina.pio@aut.ac.nz](mailto:edwina.pio@aut.ac.nz) 921 9999 ext 5130

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Dr Rosemary Godbold, [rosemary.godbold@aut.ac.nz](mailto:rosemary.godbold@aut.ac.nz), 921 9999 ext 6902.

### **Whom do I contact for further information about this research?**

*Researcher Contact Details:*

Alex Waddell [alex@sigmoidcurve.com](mailto:alex@sigmoidcurve.com)

*Project Supervisor Contact Details:*

Associate professor Edwina Pio [edwina.pio@aut.ac.nz](mailto:edwina.pio@aut.ac.nz) 921 9999 ext 5130

*Approved by the Auckland University of Technology Ethics Committee on 25/10/2011, AUTEK Reference number 11/233.*

### **Appendix 3: Participant consent form**



#### **Consent Form**

**Project title:** *Senior leader influence on organisational learning: The employees' perspective*

**Project Supervisor:** *Associate Professor Edwina Pio*

**Researcher:** *Alex Waddell*

- I have read and understood the information provided about this research project in the Information Sheet dated 03 July 2011.
- I have had an opportunity to ask questions and to have them answered.
- I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the report from the research (please tick one): Yes  No

Participant's signature:

.....  
.....

Participant's name:

.....  
.....

Participant's Contact Details (if appropriate):

.....  
.....  
.....

Date:

**Approved by the Auckland University of Technology**

**Ethics Committee on 25 / 10 / 2011 Reference number 11 / 233**

*Note: The Participant should retain a copy of this form.*

## ***Appendix 4: Contextual information for interview introduction***

### **Organisational learning: A case of Kodak**

Kodak was the 'poster child' of film and cameras. Recently, one arm of the Kodak 'empire' filed for bankruptcy. This is because the company with thousands of employees were unable to adapt and offer what customers wanted/needed. This is in contrast to a relatively new photo software company called Instagram (with 13 employees and no desk) who recently sold their business to Facebook for one billion US dollars. ***The importance of learning and adapting is clear to see in this small example.***

## **Appendix 5: Interview protocol sheet and questions**

**Participant:**.....

**Department:**.....

**Reporting to:**.....

### **Explorative learning**

*Question 1:* How does your manager influence the way you scan the environment for new information (e.g., for new technologies, market trends, and industry information)?

*Question 2:* How does your manager influence and/or manage the way new knowledge is sourced and brought back into the organisation for future use?

### **Applicative learning**

*Question 1:* What influence does your manager have on the application of new knowledge into the organisation?

*Question 2:* How does your manager influence the conversion of newly acquired knowledge into something of value (e.g., products, services, systems, processes)?

*Question 3:* In what ways does your manager influence the sharing of knowledge and the collaborative development of ideas between individuals and/or groups?

### **Transformative learning**

*Question 1:* How does your manager influence the way knowledge is embedded into the organisation (e.g., into organisational structures, routines, practices, values, beliefs)?

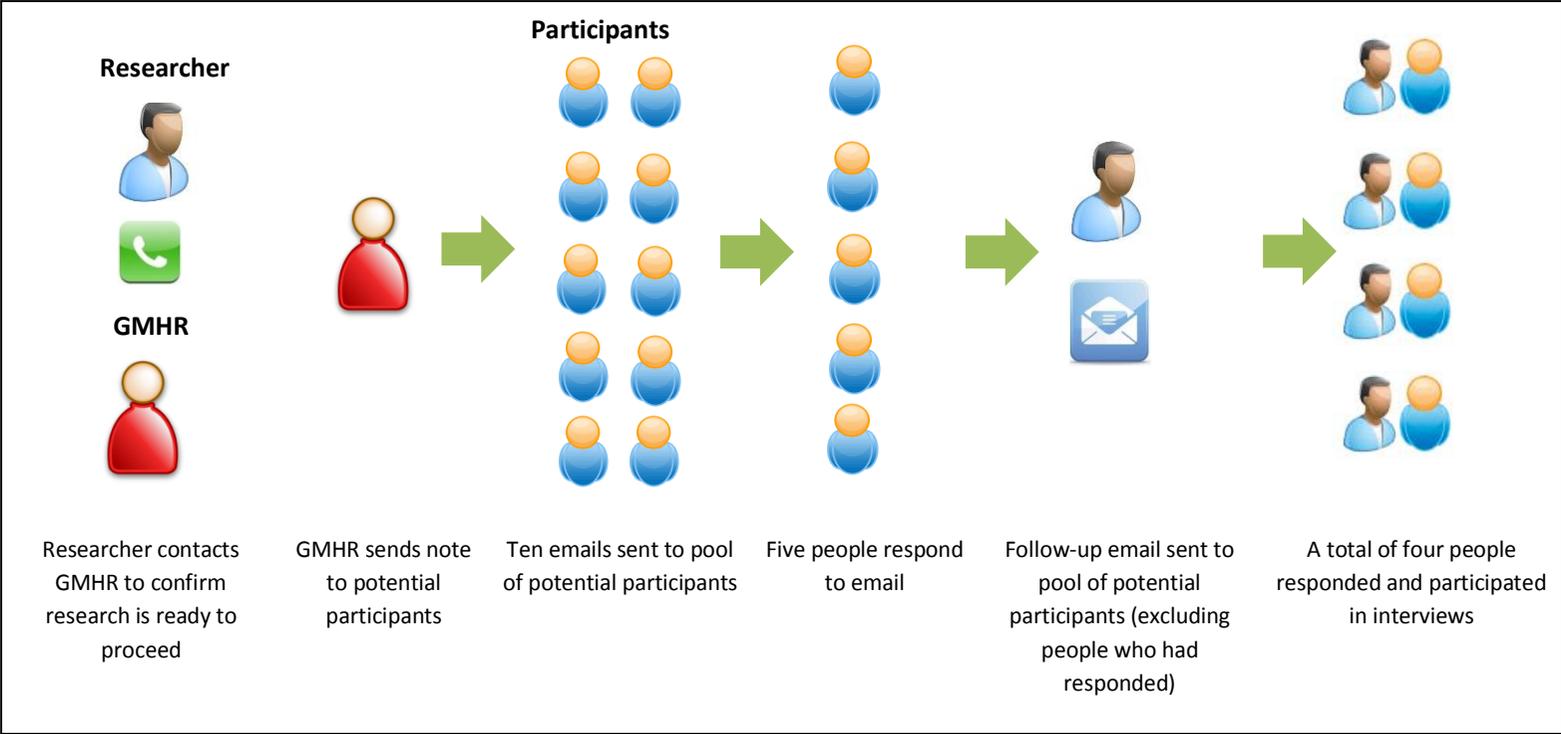
*Question 2:* Can you give an example of when your manager encouraged you or your peers to question traditional methods of doing things and to look for new approaches that could potentially be more effective? This could include a time when your manager challenged you or your peers to think differently about something that may have worked in the past, but now may be working against business success?

*Question 3:* Can you give an example of when your manager has used existing knowledge to take advantage of potential business opportunities?

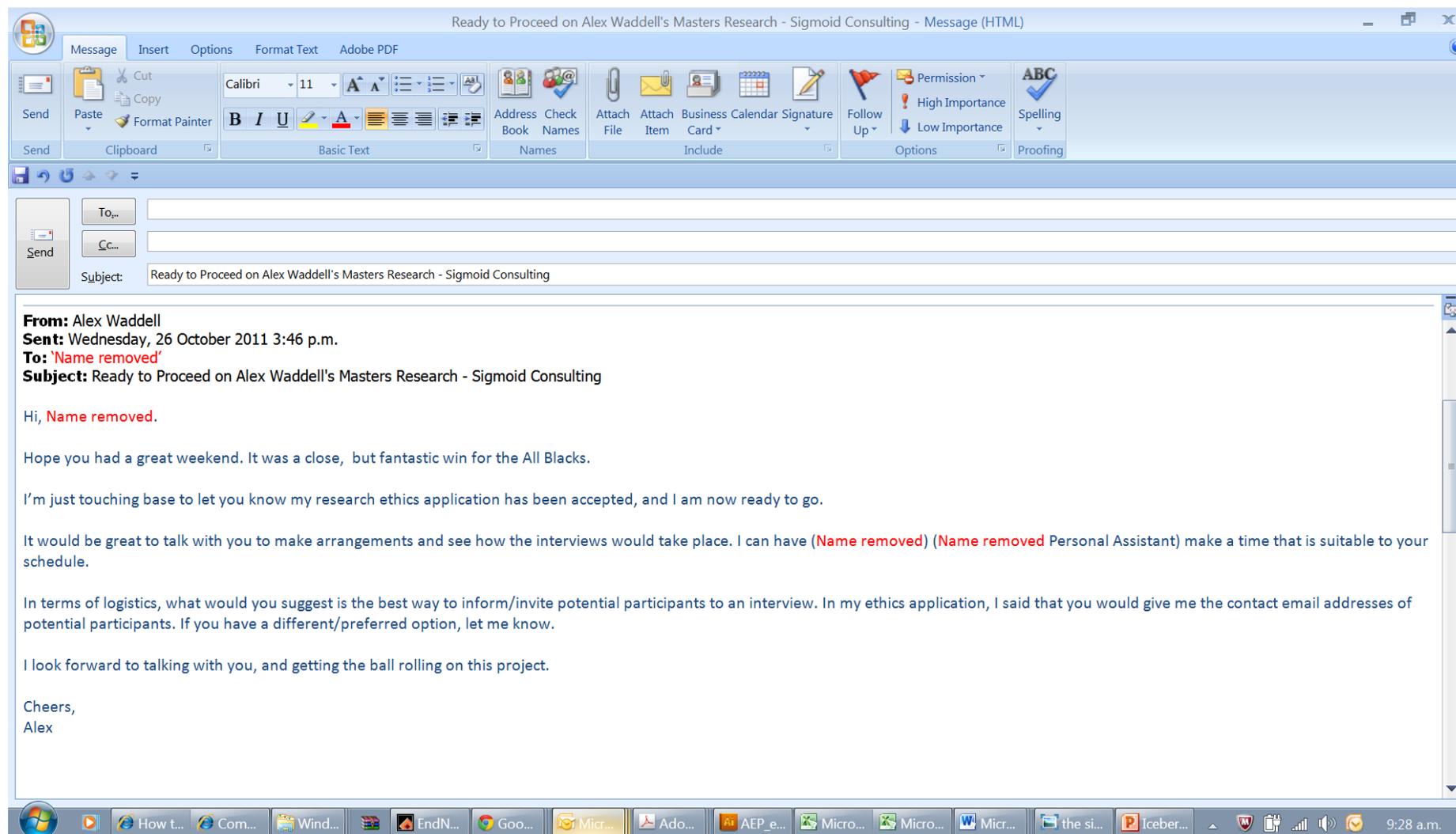
*Question 4:* Can you give me an example of when your manager has influenced the way you or your peers approach learning?

*Adapted from Lichtenthaler's (2009) organisational learning scale.*

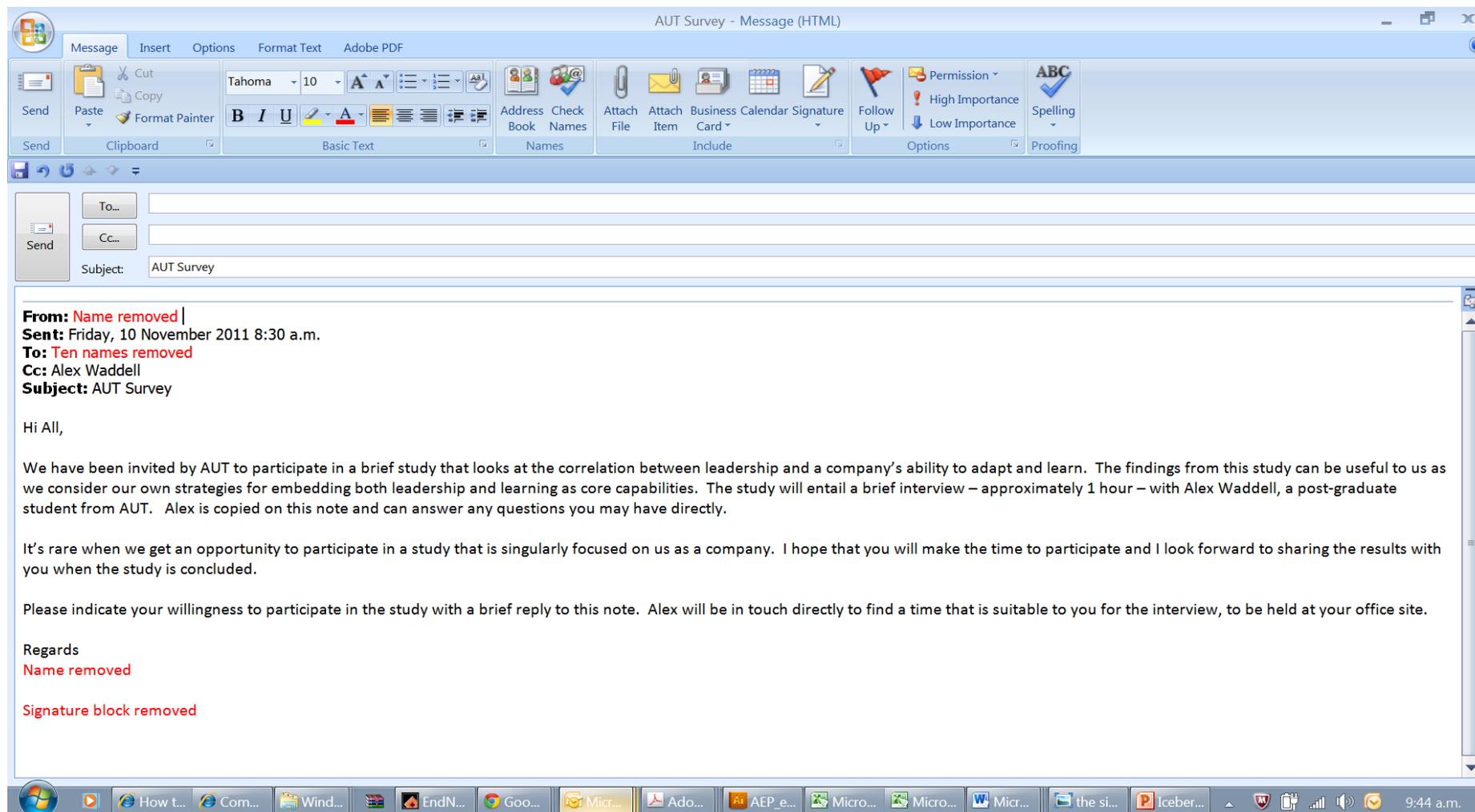
**Appendix 6: Illustration of the participant recruitment process**



## Appendix 7: Email sent to General Manager of Human Resources from researcher



## Appendix 8: Email sent from GMHR to pool of ten potential participants



## Appendix 9: Journal of the data analysis process

Date	Researcher thoughts & comments
25 <sup>th</sup> - 30 <sup>th</sup> Jan 2012	<ul style="list-style-type: none"> <li>As I'm writing and analysing data, I realise that I'm putting meaning to people's answers. They may have not meant something in a particular way. Just a thought... Now I realise how doing a literature review before analysing the data can make certain comments more salient.</li> </ul>
1 <sup>st</sup> Feb 2012	<ul style="list-style-type: none"> <li>When doing line by line, it can be easy to take each individual sentence or idea out of context. I realise I need a way to accurately represent people's ideas in the individual codes and themes.</li> </ul>
2 <sup>nd</sup> Feb	<ul style="list-style-type: none"> <li>Codes (line by line quotes) can go in multiple codes or themes; but that's okay.</li> <li>Some codes are from single lines, many need the whole paragraph to provide context to the quote.</li> </ul>
4 <sup>th</sup> Feb	<ul style="list-style-type: none"> <li>Going back over the transcripts and checking if I have missed anything – using the coding stripes in NVivo to assist in the process.</li> <li>Going over stuff again, I'm now more familiar with my text. A man missed a few things before, but now I've caught them.</li> <li>Continual struggle to keep context of what the participants had said. For example, with one word, and the code or theme can have a different meaning</li> <li>Feeling positive about the objectivity part of the research design and analysis. This is because the participants had said stuff that I would have never thought. I think this encouraged me to be open to new ideas.</li> </ul>
Overall	<ul style="list-style-type: none"> <li>I realise as I was doing the transcripts, that people like to talk about themselves a lot, rather than the manager. But that's okay</li> <li>I'm writing some of the categories on paper. This helps me clear my mind. I then put these categories and NVivo – this seems to work for me.</li> </ul>
5 <sup>th</sup> Feb	<ul style="list-style-type: none"> <li>I realise that it is my interpretation of data and remembering the interviews that help my judgement while coding and theming. I realise that in transcribing my own interviews, I am much closer to the data than if I was to have an external party transcribed them. In one aspect, I can relate to participants and feel I can give meaning to the responses far better than if someone else transcribed the interviews.</li> </ul>
8 <sup>th</sup> Feb	<ul style="list-style-type: none"> <li>Disaster! My NVivo file just crashed, and now my data file is corrupted. I tried calling IT services, but to no avail. I try opening backup documents, but for some reason they were not saved. I'm resigned to having to start the analysis process again.</li> </ul>

9 <sup>th</sup> -18 <sup>th</sup> Feb	<ul style="list-style-type: none"> <li>• I decide not to look at the handwritten notes that I have made in relation to different codes, themes, and categories. While I realise I have a fresh memory of some of these things, I want to try to keep an open mind and do the process again. While frustrating, I see this as an opportunity to test of my initial thoughts codes themes and categories were right (or at least similar).</li> <li>• I found some comfort after reaching the same point to where I lost the data that the themes and categories were in fact very similar or the same.</li> <li>• I still come across the thought that while 'one-liners' are fine, I need the whole paragraph to get the story</li> <li>• Some phrases and comments could go into different axial codes, just have to make judgement calls.</li> <li>• While progressing in the analysis, there seems a clear distinction between 'people' and 'systems' or 'tools.' The findings I would not have expected.</li> </ul>
9 <sup>th</sup> Mar	<ul style="list-style-type: none"> <li>• Upon the recommendation of my supervisor I sought assistance for using NVivo. I went to an academic consulting firm and talked about my project. The session was better than I could have expected. While discussing in NVivo is a program, we also discussed how I had set up and coded and themed my project. The consultant was very happy with the progress that I have made. She did offer a few suggestions by continually refining my open codes. She also suggested further steps in order to analyse my data. These included printing out every single quote under each theme in order to gain a sense of what each theme is about. This advice was invaluable because I have not thought of analysing the data in such a way.</li> </ul>
10-15 <sup>th</sup> - Mar	<ul style="list-style-type: none"> <li>• Theming process going well. Kind of like ground hog day. Just rearranging the various comments and themes. I think it was the right choice to use whole participant phrases to be used in the findings. It tells a better story than just a line or sentence. It also maintains the integrity of participant responses.</li> </ul>

## Appendix 10: Ways of fostering a climate of trust in interviews

Interview Stages	Aspects to be aware about during the interview
Opening the interview	<ul style="list-style-type: none"> <li>• Be friendly, polite and open.</li> <li>• Indicate the significance of the study, its potential benefits and that the interviewee's comments will be valuable.</li> <li>• Refer in positive terms to other interviews you may have conducted during the study.</li> <li>• Explain how the interview will be conducted, for example how long it should last, and the general areas to be covered.</li> <li>• Give the interviewee the opportunity to ask questions.</li> <li>• Confirm your commitment to research ethics, make guarantees of confidentiality and anonymity; ask interview wheeze to sign an informed consent form.</li> <li>• Ask them permission to make audio recording, rather than assume agreement.</li> </ul>
During the interview	<ul style="list-style-type: none"> <li>• Listening, making eye contact, and saying encouraging things. All help to make the interview to develop in ways that encourage the informant to disclose more.</li> <li>• Be sensitive to signs of emotional reaction.</li> <li>• Avoid conveying a sense of urgency or impatience.</li> </ul>
Closing the interview	<ul style="list-style-type: none"> <li>• Leave people with a feeling of success, for instance indicate how valuable and insightful observations generated have been.</li> <li>• Confirm what will happen next: how and when the results will be made available.</li> </ul>

Source: (adapted from Arksey & Knight, 1999, p. 102).

## Appendix 11: NVivo screenshot

The screenshot displays the NVivo software interface with a list of nodes and their associated data. The interface includes a menu bar (File, Home, Create, External Data, Analyze, Explore, Layout, View), a toolbar with various editing and search tools, and a main workspace area. On the left, there is a sidebar with navigation options like Nodes, Relationships, and Node Matrices. The main workspace shows a table of nodes with columns for Name, Sources, References, Created On, Created By, Modified On, and Modified By. The nodes are organized into a hierarchical structure, with some nodes expanded to show sub-nodes. The status bar at the bottom indicates 184 items and the current date and time (6:40 p.m., 24/04/2012).

Name	Sources	References	Created On	Created By	Modified On	Modified By
APPLICATIVE LEARNING	0	0	3/02/2012 4:52 p.m.	AJ	3/02/2012 4:52 p.m.	AJ
MANAGER INFLUENCE ON APPLICATION OF NEW KNOWLEDGE	0	0	3/02/2012 4:56 p.m.	AJ	3/02/2012 4:56 p.m.	AJ
COLLABORATION	0	0	6/02/2012 11:34 a.m.	AJ	7/02/2012 9:04 p.m.	AJ
Creates an environment where people work together	2	3	4/02/2012 11:46 a.m.	AJ	21/03/2012 10:50 a.m.	AJ
Has people take the journey together	1	1	4/02/2012 11:51 a.m.	AJ	26/03/2012 1:34 p.m.	AJ
COMMUNICATION	0	0	5/02/2012 11:39 a.m.	AJ	7/02/2012 9:04 p.m.	AJ
Continual communication to ensure free-flowing information	2	2	3/02/2012 7:01 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
Creates employee conflict due to poorly communicating informat	1	1	6/02/2012 11:17 a.m.	AJ	21/03/2012 11:18 a.m.	AJ
Fosters an environment where people can have open and candi	1	2	6/02/2012 11:16 a.m.	AJ	22/03/2012 4:32 p.m.	AJ
Has people understand the relevance tasks and projects	1	1	4/02/2012 9:56 a.m.	AJ	20/03/2012 2:30 p.m.	AJ
Uses company hierarchy to determine how and what information	1	1	3/02/2012 6:03 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
MANAGER CONTROL	0	0	5/02/2012 11:39 a.m.	AJ	18/02/2012 9:35 a.m.	AJ
Builds employee opposition for having to undertake unnecessary	1	1	3/02/2012 6:32 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
Encourages people to take ownership of tasks	1	1	6/02/2012 10:52 a.m.	AJ	20/03/2012 2:30 p.m.	AJ
Has people rely on them to make decisions	1	2	3/02/2012 6:31 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
Rarely reinforces employee accountability	1	1	3/02/2012 6:08 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
PEOPLE DEVELOPMENT	0	0	5/02/2012 11:39 a.m.	AJ	7/02/2012 9:07 p.m.	AJ
Has people undertake training and development	1	1	4/02/2012 9:53 a.m.	AJ	20/03/2012 2:28 p.m.	AJ
Links the application of knowledge with employee career paths	1	1	4/02/2012 9:55 a.m.	AJ	20/03/2012 2:30 p.m.	AJ
PERFORMANCE OUTCOMES	0	0	5/02/2012 11:39 a.m.	AJ	7/02/2012 9:04 p.m.	AJ
Being clear on what makes a difference and is important for the	1	2	4/02/2012 2:09 p.m.	AJ	21/03/2012 9:27 a.m.	AJ
Establishes clear expectations and monitors performance goals	1	5	6/02/2012 10:56 a.m.	AJ	21/03/2012 10:56 a.m.	AJ
Reinforces performance and work objectives	1	2	6/02/2012 10:54 a.m.	AJ	21/03/2012 9:27 a.m.	AJ
MANAGER INFLUENCE ON CONVERSION OF NEW KNOWLEDGE I	0	0	3/02/2012 4:57 p.m.	AJ	3/02/2012 4:57 p.m.	AJ
INFORMATION	0	0	6/02/2012 12:45 p.m.	AJ	20/03/2012 3:08 p.m.	AJ
Allows people see the relevance in what they are doing (or abou	2	3	4/02/2012 11:51 a.m.	AJ	20/03/2012 3:00 p.m.	AJ
Works with people to provide the necessary information	1	1	4/02/2012 10:03 a.m.	AJ	20/03/2012 3:01 p.m.	AJ
INVOLVEMENT	0	0	6/02/2012 12:28 p.m.	AJ	20/03/2012 3:08 p.m.	AJ
Fosters a collaborative environment	2	2	4/02/2012 11:54 a.m.	AJ	21/03/2012 9:27 a.m.	AJ
Personally works with people toward goals	3	3	4/02/2012 9:58 a.m.	AJ	26/03/2012 1:34 p.m.	AJ
Restricts people from being involved in knowledge sharing foru	1	1	3/02/2012 6:19 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
MANAGER CONTROL	0	0	6/02/2012 12:30 p.m.	AJ	20/03/2012 3:08 p.m.	AJ
Demands unreasonable requests	1	1	3/02/2012 7:05 p.m.	AJ	21/03/2012 11:18 a.m.	AJ
Encourages people to take ownership of their work	1	2	4/02/2012 11:54 a.m.	AJ	21/03/2012 11:04 a.m.	AJ

## Appendix 12: Timeline of recent organisational events

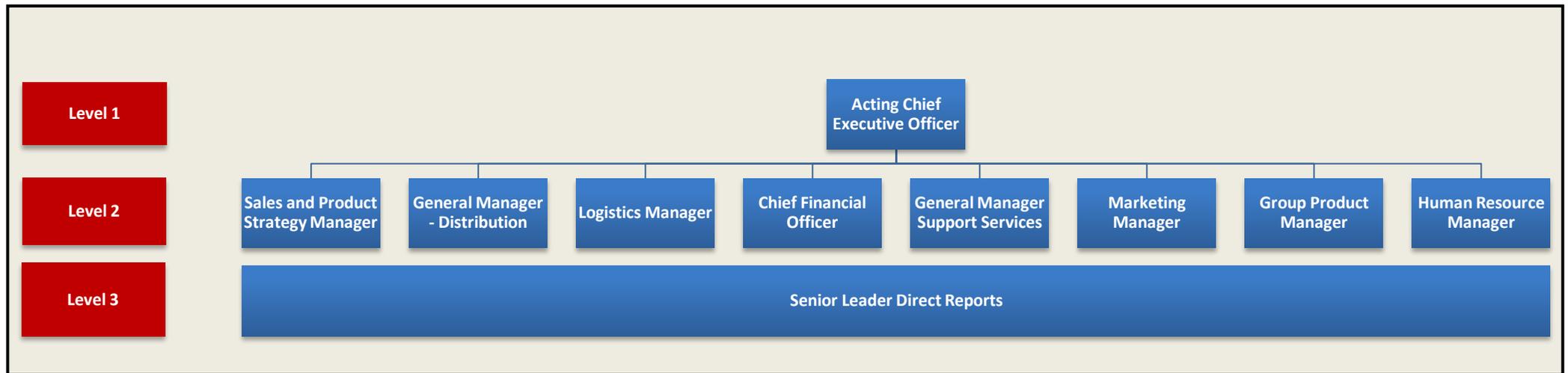
YEAR	Company Focus		
<b>1968</b>			
<ul style="list-style-type: none"> <li>Company first listed on the New Zealand Stock Exchange (NZX Limited, n.d.)</li> <li>For 38 years, the company will primarily be based upon a distribution business model</li> </ul> 	Distribution		
<b>2007</b>			
<ul style="list-style-type: none"> <li>Company diversifies by purchasing an education company and a retail company (Renaissance Corporation Limited, 2007)</li> </ul>	Distribution	Education	Retail Sales
<b>2008</b>			
<ul style="list-style-type: none"> <li>After a period of twenty years, the company loses distribution exclusivity rights (Webster, 2010)</li> </ul>	Distribution	Education	Retail Sales
<b>2009</b>			
<ul style="list-style-type: none"> <li>Sales stores lost 1.6 million from trading and another 0.7 million from stock adjustments and one-off costs (Renaissance Corporation Limited, 2009)</li> <li>New management team completed major restructure of the business. This was to align more to customers and away from a focus on products (Renaissance Corporation Limited, 2009)</li> <li>New CEO and CFO announced (Renaissance Corporation Limited, 2009)</li> </ul>	Distribution	Education	Retail Sales
<b>2010</b>			
<ul style="list-style-type: none"> <li>Appointment of <b>new CEO</b> in January (Mackenzie, 2010)</li> <li><b>Move away from a 'distribution' strategy</b> towards sales and education (Mackenzie, 2010)</li> <li><b>New competitor</b> signs distribution deal with manufacturer. This is the first time there is a new competitor in NZ (Webster, 2010)</li> </ul>	Distribution	Education	Retail Sales

<ul style="list-style-type: none"> <li>• Manufacturer implements <b>tight margins</b> for distributors (Webster, 2010)</li> <li>• <b>Company is rebranded under new name.</b> The new brand is meant to represent a 'one stop shop' for customers by offering new tools, brands, networks, and computers (Renaissance Corporation Limited, 2010)</li> <li>• Successful launch of an iPad 'app' available on Apple iTunes and being in the top ten downloads for two weeks (Mackenzie, 2010)</li> <li>• Continued growth in products marketed and manufactured by manufacturer (Mackenzie, 2010)</li> <li>• Changes at the company have resulted in <b>a number of senior management resignations (Putt, 2010)</b></li> </ul>			
<b>2011</b>			
<ul style="list-style-type: none"> <li>• <b>February Christchurch earthquake</b> causes major disruption and costs for the company (Renaissance Corporation Limited, 2011a)</li> <li>• <b>CEO resigns</b> in November (The National Business Review, 2011a)</li> <li>• CEO resignation caps a <b>number of executive resignations</b> in the company (The National Business Review, 2011b)</li> <li>• <b>Company struggling</b> after the exclusive contract with the manufacturer was removed in 2010 (The National Business Review, 2011b)</li> <li>• <b>Company blames the Christchurch earthquake and poor trading environment</b> for poor financial results (Computer World, 2011)</li> <li>• Reports state that company <b>sales were 13% below forecast, but new leadership should help</b> (The National Business Review, 2011b)</li> <li>• <b>Company signs with an external data centre provider</b> to provide additional server information storage capacity to enhance the relationship they have with customers (e.g., allow customers to upload and share their work projects with others in their community) through the development of an online community (Hedquist, 2011)</li> <li>• Company has <b>increased transparency and has divisions work together and become coordinated</b> to increase performance and efficiencies (Renaissance Corporation Limited, 2011b)</li> </ul>	Distribution	Education	Retail Sales

2012

<ul style="list-style-type: none"><li>• Education arm of business exceeding expectations while sales were lower than budget, <b>the retail division has a clear focus under the new leadership</b> (The National Business Review, 2012)</li><li>• <b>Company confirmed as the government supplier of choice</b> (for their computer products and services). This opens up possibilities within eligible government agencies, schools, and councils (McLean, 2012)</li></ul>	Distribution	Education	Retail Sales
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**Appendix 13: Organisational structure chart (for levels 1, 2, and 3)**



Source: (Renaissance Corporation Limited, 2012)

## **Appendix 14: Blog comments**

**Year:** 2011

**Date:** 18 November

**News article title:** Renaissance boss quits, shares drop sharply.

**Source:** (The National Business Review, 2011a)

**Reader comments in response to article:**

Who is asking questions of the board about the absolute debacle that has been the Renaissance story since [CEO name] came along? The number of staff who have left under bad circumstances, the numerous employee dispute settlements that have been made, the high level of staff turnover, the lack of any real strategy, the dissatisfaction of so many vendors, the forecasts and statements that have borne no resemblance to reality. The Board must be held accountable for the total disaster they have watched over. The chairman [name] should follow the CEO and resign immediately. What a mess.

**Anonymous** | Saturday, November 19, 2011 - 1:41pm

"Yoobee" must be the worst made-up name for a business. I liked MagnumMac, at least it was clear what their core business was.

**Anonymous** | Sunday, November 20, 2011 - 7:27pm

Thank goodness the board have redeemed themselves by making [name] acting CEO. If anyone can turn around the company he can!!!

Good riddance to [outgoing CEO name]!

**Anonymous** | Monday, November 21, 2011 - 12:02pm

The whole company has lost its way. Their retail brand name says it all - Yoobee - it's an undefined 'you be whatever you want to be - blah blah ' - how do you galvanize a team around nebulous outcomes like that? There is no vibe in their stores to differentiate them from everyone else. They are Apple store copies - and nothing more at all - in fact they are weaker propositions because they don't get stock of new products preferentially.

Renaissance who will YooBee?

**Anonymous** | Monday, November 21, 2011 - 3:38pm

[Outgoing CEO name] does it again!

Just as he did for BlueFreeway in Australia, Renaissance followed extremely the same pattern, lavish expenses poor execution and decision making resulting in totally in reducing both these businesses to smithereens.

**Anonymous** | Wednesday, November 23, 2011 - 3:46pm

I worked at Renaissance for almost 6 years but had to leave about a year ago. I started there when [original CEO name] the last CEO ran the company. He did a good job but the problems started when [name] became chairman. Most of the management team felt he never wanted to be in the distribution business. We were shocked and sad when [original CEO name] got pushed out a couple of years ago. We know he made some mistakes, but at least he admitted to them and told us and the shareholders when he did. He drove us hard but always treated us with respect and we respected him. After he was gone and the board hired [outgoing CEO name] the company became a horrible place to work and that is why I left. The poor treatment of staff was obvious to anyone close to the company but was just ignored by the board. The whole IT industry has been amazed at how long the board put up with Webb.

The failure of Renaissance lies with [outgoing CEO name] and [chairman name]. So far only one has gone, [chairman name] should go as well but it might be too late to save the company.

**Anonymous** | Wednesday, November 23, 2011 - 10:23pm

Merry Christmas - more staff going....12 staff disestablished - all of YOOBEE marketing team, the Engage development team and the head of the contact centre.

Seriously do this board have any idea what they are doing?

**Anonymous** | Tuesday, December 13, 2011 - 5:34pm

**Year:** 2011

**Date:** 30 November

**News article title:** Renaissance shares fall 13% on loss, warning.

**Source:** (The National Business Review, 2011b)

***Reader comments in response to article:***

[Director name]

The Directors are supposed to be at the helm

They take the directors fees. Sit in the board room and have a cup of tea and get a cheque

When the coy goes downhill they cut and run.

Have always wondered how a person can be on so many boards and give even one coy justice of their time

[Director name] is just like all the others

**Anonymous .** | Tuesday, November 29, 2011 - 1:23pm

Always found RNS smug to deal with when they had the exclusive Apple contract. Now, thanks to their dismal performance, my new supplier is overworked and I can't get product from THEM either!

**Anonymous** | Tuesday, November 29, 2011 - 3:36pm

Why would you take a well-respected and recognised brand like Renaissance and rename it YooBee?

That was as dumb as getting a shoe store selling comfortable shoes like Kumfs and renaming it Ziera...

**Brand Lover** | Tuesday, November 29, 2011 - 3:40pm

What is even more incredible is the actual value the MagnumMac name has or had. Apple has strict rules about companies using the name Mac in any way. They allow it if the company has been using the name for a long time, but any new reseller business cannot use it. To discard the MagnumMac name was crazy and especially to replace it with a name like YooBee. They also decided against staying with Apple's specific look and feel for Premium Resellers. This means they do not get access to new products, like the iPad, for many months after they are introduced, so another major sales opportunity goes missing. The clowns running Renaissance and that includes the board should get out now.

**Anonymous** | Tuesday, November 29, 2011 - 9:17pm

Replying to RNS being smug:

As a very recent ex employee of Renaissance I can tell you that delivery issues of Apple products were never down to Renaissance, they are down to Apple's own supply policies. Renaissance copped a lot of heat for this but it was NEVER their fault. And in case anyone complains about them screwing the market on pricing, Apple sets the prices, and have done for years. Distributors make a very small margin (under 5%) and that is the lowest margin for any major computer brand distributed in NZ. Apple supply most products out of Australia and if you look at the NZ retail prices you will see the pricing difference between here and the USA is as big now as it ever was.

**Anonymous** | Tuesday, November 29, 2011 - 9:25pm

Very hard to change the culture of a company that's had an historic monopoly position (Apple) AND the same self-interested directors since 1991. The shareholding public should vote with their feet... as they're doing, along with key suppliers. Apple will be next!!

**Informed PR** | Wednesday, November 30, 2011 - 1:48pm

The issues are aplenty in this business. A monopoly for so many years with a distain toward your customers is always going to have a backlash. A distribution business which chose not to change for over 20+ years then too late to realise the world had passed them by. The CEO was an idiot and chewed up buckets of money on an ego driven pipe dream which he sold to the board, shame on them for not seeing this. A lot of good people further down the staff ladder hurt because of this. It says a lot of a business when new people are brought in to help and only last a few months tops. A pretty simple business that should not have failed. You can't rely on Apple low margins and a difficult company to do business with. The damage is down it won't be long before the receivers move in for a fire sale.

**Anonymous** | Tuesday, December 13, 2011 - 11:55am

**Year:** 2012

**Date:** 30 April

**News article title:** Renaissance restoring balance sheet.

**Source:** (TechDay, 2012)

***Reader comments in response to article:***

SteelBlades

So [external competitor name] has taken most of Ren's tertiary customers, and a very healthy share of the most valuable schools. And all but one of Ren's education account managers left between late 2010 and early 2011. Yet somehow we're supposed to believe that Ren's education division is doing okay? On top of that, at least in Dunedin, [external competitor name] has moved into the store vacated by Ren's Yoobee campus shop. Yeah - Ren's fine!

SteelBlades

And the reason Natcoll is still okay is because Rick Webb kept his snout out (mostly). For a company that Rick claimed had hired the wrong people doing a bad job, Cyclone sure seems to be doing pretty well with their ex-Ren staff!

Before Rick, Natcoll and Apple Education we're keeping Ren alive. Now they just have Natcoll. Distribution is gravely ill and retail is little better. Their education team is just a shadow of its former self with too many of the best schools lost. Almost all the experienced Apple staff left, often to the competition. Not only did Rick not save Ren, he took it out to pasture and shot it. The only question remaining is whether the gunshot is mortal.

Doug

Actually, all parts of the company, except the retail business were very profitable 3 years ago, and the only reason the retail had lost money was they had to take two big write-offs on lost stock due to a lack of systems able to show what was going on. That cost them over \$700k. After that was fixed the retail business started to make a profit, until the General Manager left and [outgoing CEO name] changed the focus of the business, and the name. But yes he did stay out of Natcoll for a while and that is why they still do well, you are spot on with that comment, and also the one about staff and success going to [external competitor name].