

ACTION LEARNING METHODOLOGIES AND THE IMP TRADITION: APPLICATION TO CAPABILITY BUILDING IN SMES

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Abstract

The purpose of this paper is to apply a process methodology, action learning, to an SME network capability development study. The authors argue for the compatibility of Action Learning methodologies to both an SME context and the IMP tradition. Yet, the application of action learning methods in both research settings is rare. Action learning is an interactive process primarily concerned with problem identification, problem solving, and change in practice and theory development. It involves a process of re-education, whereby participants will, over time, realise the network capabilities that ensue from their actions further changing their patterns of thinking and action.

A network was created in Ireland by the authors comprising eight individual SMEs with a separate network (learning set) shaped to discuss measures and interventions as set by the authors. Therefore, in applying the method, the authors detail the steps involved in setting up an action learning scenario that can be grounded in academic concepts. The findings are discussed in terms of SME capability development, the suitability of the approach to the IMP tradition and the process involved in the case setting.

Keywords: Action Learning, Marketing, SMEs, Networks

Action Learning Methodologies and the IMP Tradition: Application to Capability Building in SMEs

1. Introduction

The purpose of this paper is to apply a process methodology, action learning, to an SME network capability development study. Although action learning methodologies have been extensively researched (Kolb and Fry, 1975; Kolb, 1976; 1984; Revans, 1983; 1998) they have not been widely applied within the IMP tradition. Action learning is a process methodology, a way of 'learning by doing' developed by Professor Reg Revans. It creates a situation in which experience is challenged by review rather than accepted by unconscious absorption providing more helpful and usable feedback about individuals and their approach to problems as 'real' issues are under review. In light of the fact that the IMP tradition places emphasis on interaction and process in addition to recognising that SME capabilities are different, context specific and embodied in the nature of the owner manager, the aim of this paper is to determine whether an action learning method is suitable for SME network capability development.

This paper, in highlighting the applicability of Action Learning (AL) to the IMP tradition and to SME contexts, will bridge the process gap by detailing how AL can be employed in a network setting. AL, which has been widely utilised in the nursing domain, is concerned with change and development, and hence could be deemed a suitable methodology for research which aims to detail the process of change within an organisation or network of organisations.

This paper is set out as follows. The action learning literature will be reviewed to show its theoretical applicability to both network research and SME marketing. This paper contributes to the literature by developing a methodology for intervention and change within SME networks. The authors detail a longitudinal case study that employed action learning as a core methodology that was conducted between 2006 and 2008. Key findings are presented, discussed and conclusions are drawn.

2. Literature Review

2.1 Action Learning

Action learning is a means of development, intellectual, emotional or physical that requires its subjects, through responsible involvement in some real, complex and stressful problem, to achieve intended change to improve their observable behaviour henceforth in the problem field (Revans, 1982: 626-627). It has been defined as "an approach to education that emphasizes the distinctions between doing things oneself and talking about things getting done by others in general ... to ensure that managers shall learn better to manage with and from one another in the course of tackling the very problems that it is their proper business to tackle" (Newton and Wilkinson, 1995: 9). Action learning is based on the premise that learning emanates from reflection followed by action to solve real problems (McGill and Beaty, 1995) where reflection and discussion occur in small groups facilitated by a set adviser. Action learning has emerged in recent years as a significant methodology for intervention, development

and change within networks. It is now promoted and implemented by many international development agencies incorporating academic institutes and local businesses. Many EU economic development programmes incorporate an action learning element into their design through ‘learning sets’ which are deemed invaluable for the creation of SME capabilities as research suggests owner/managers prefer an action learning style based on ‘learning by doing’ as opposed to traditional teaching methodologies (Moran, Finestra Report). The most beneficial aspect of action learning is in its iterative process of problem diagnosis, action intervention, and reflective learning, by the researcher and participants.

Many proponents of action learning see Kolb’s experiential learning cycle as its theoretical base (Lessem, 1991; McGill and Beaty, 1992; McLaughlin and Thorpe, 1993; Mumford, 1994). Learning can be viewed as a cyclical process involving a combination of experience, reflection, concept formation and experimentation (Kolb and Fry, 1975). Kolb’s (1984) experimental learning cycle, which is depicted in figure 1 below, places the learner in an active problem-solving role, a form of self-learning that encourages the learner to formulate and commit himself to his own learning objectives.

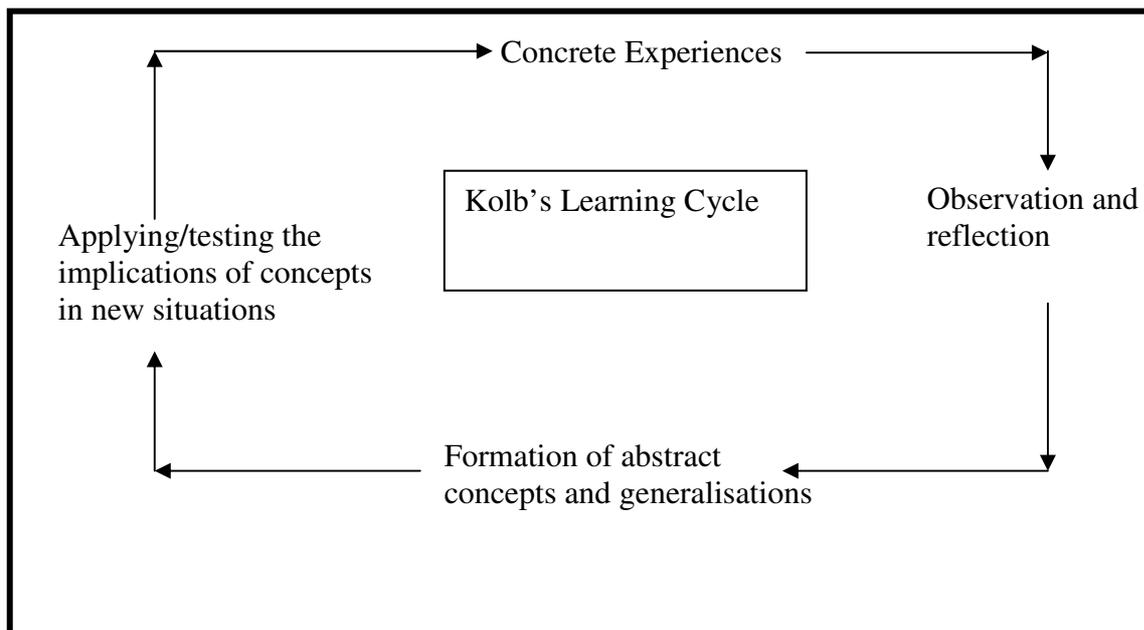


Figure 1 Kolb’s Learning Cycle (1984)

2.2 Action Learning and the IMP tradition

Various scholars have argued that inter-organisational learning is critical to competitive success, noting that organisations often learn by collaborating with other organisations (Powell, et al., 1996). Håkansson’s (1993, 215) essay entitled “Networks as a mechanism to Develop Resources” introduced the concept of “collective learning” which he felt was a possible competitive advantage for the network firm. Håkansson (1993: 217) notes that, within the network approach, “we are looking for a collective business structure where stability and variety can be combined”, since these two factors are crucial for fostering collective learning. The

IMP group views business relationships as comprising three “layers” or “effect parameters” (Håkansson and Snehota, 1995): actor bonds, resource ties and activity links where interaction is key to the process. According to Håkansson and Snehota (1995) actor bonds emerge over time as a result of repeated interactions based on the network actors’ ability to create mutually beneficial situations. Resource ties connect members of a network thus enabling the exchange and integration of knowledge and the synchronisation of operations and opportunities to create mutual value whereas activity links and business processes are the mechanisms through which actor resources are combined exposing capabilities to the market where their ultimate value and the ability to generate competitive advantages are realised. It is therefore a characteristic of the IMP approach in studying business markets that the emphasis is placed upon rich description and efforts to understand the underlying processes behind interaction between organizations in networks (Baraldi et al, 2007:879). However, process methods such as action learning which facilitates learning and interaction have not been widely employed in the IMP tradition. This represents a methodological gap as numerous studies have shown that SMEs participating in networks learn on higher levels to a greater extent than other firms (Chaston and Mangels, 2000; Bessant and Francis, 1999; Hanssen-Bauer and Snow, 1996). Additionally, Ford and Ogilvie (1997) highlight that action learning is particularly appropriate in ambiguous circumstances where interpretations of information are evolving and more qualitative. This is the case for networks which represent interconnected relationships which evolve and change over time rendering them difficult to analyse and measure (Birley et al. 1991). As Håkansson and Snehota (2000: 44) assert, “choices in fact are made in interaction with others” and are dependent on emerging situations.

The IMP tradition recognises that relationships are important to the facilitation of inter-organisational exchange and the interaction between buyer and seller organisations is integral to the formation and maintenance of relationships (Håkansson, 1982). Continuous network change is present due to interaction amongst firms concerning actor bonds, activity links and/or resource ties (Halinen et. al, 1999). Hence, there has been a movement towards analyzing the process of business network change and development among researchers of industrial marketing. However, Halinen et al (1999: 781) note that “we still know very little about how networks change and what the underlying forces behind their change are”. Action Learning, as a process methodology, seems compatible with gaining an understanding of the process and forces behind network change. Though direct involvement and intervention within in the network process, researchers could detail the ‘how’ of evolutionary and planned change within a network setting.

2.3 Action Learning and SMEs

In appreciating that “the small firm is not a ‘scaled-down’ version of a large firm” (Westhead and Storey, 1996: 18) and that SME capabilities tend to be embodied in the nature of the owner/manager the authors argue that action learning fulfils the need to move beyond traditional research methodologies to embrace the contextual capabilities and limitations that characterise small firms. This is in keeping with the small firm marketing literature which asserts that research should try to mirror SME decision-making processes which are in themselves unlikely to be orderly and structured (Grant et. al, 2001). This reflects a movement among researchers towards

conceptualising SME development as a “process” (Cope, 2005) rather than a static input-output model, where development is conceptualised as something given to individuals and assessed by before and after measures (Clarke et. al, .2006). Action learning, as a form of learning through experience, “by doing”, captures this process, where the task environment is the classroom, and the task the vehicle. Revans (1983: 64) argues that “... one must learn by doing the thing. . . for although you think you know it you have no certainty until you try”.

SME owner/managers are responsiveness to change (Wynarczyk et al., 1993), flexible (Van Gils, 2000) and action oriented which would lead to the assumption that much of their learning is context-dependent and experientially based (Rae and Carswell, 2000). Capabilities such as social and communication skills, product knowledge (Hill, 2001), innovation, diversity (Nooteboom, 1994), small scale and personality are compatible with action learning, however a preference for independence (Nooteboom, 1994), a survival mentality and being consumed by their day-to-day activities may mitigate the learning methodology. SMEs may lack the time to dedicate to learning sets, dually in terms of action and reflection. However, SMEs generally follow fewer chains of command enabling immediate decision making which assists to overcome classic action constraints such as getting approval from top management.

3. Method

Action learning was deemed suitable for network research as it borrows the logic of experimentation but applies it to natural settings. Action research combines participative action and critical reflection (Dick, 2001: 21) and claims to dually solve idiosyncratic problems for participants whilst simultaneously adding to the stock of general knowledge about change processes. This is vital as a significant aspect of SME networks is the ability of SMEs to learn from each other. Paulo Freire (in Bell et al., 1990: 98) summarises this strong principle of learning “Without practice, there’s no knowledge”. For SMEs, networks have a central role in learning, knowledge creation and innovation processes (Tell 2000, 308). Therefore, there is value in designing and building networks which offer some form of additional and complementary support for the learning processes that exist in individual firms. Learning within SME networks can be viewed as a cyclical process involving a combination of experience, reflection, concept formation and experimentation (Kolb and Fry, 1975). This methodology focuses on change and learning as organized into iterative phases of action and reflection. Reflection leads to understanding, and understanding shared by the participants is fed back into action. Action learning brings together a small group of learners into an ‘action learning set’. Sets generally meet on a regular basis outside the participants’ normal work environment for the duration of two to three hours. With action research, the participants are expecting positive learning outcomes such as the improvement of their network capabilities as opposed to being passive recipients. However, although this case study aims to apply a process methodology, action learning, to an SME network capability development study, it is hoped that the process employed could be used to develop other SME marketing capabilities.

3.1 Action Learning Steps

Action learning has appeared in many variants but the common formula applied is $L = P + Q$, where L depicts learning, P is programmed knowledge and Q is questioning insights (Beatty et. al, 1997; Chan and Anderson, 1994, Revans, 1980). Within an organisational setting, Mumford (1995) added $L = Q1 + P + Q2$ where Q1 is the managerial problem, P is the acquisition of relevant knowledge and Q2 is the identification of further managerial opportunity. This corresponds to Kolb's learning cycle which places emphasis on concept formation, action, concrete experiences and reflection.

The authors note that each step in the process is critical for SME learning. Within a learning set environment SME owner/managers must discuss a concept pertinent to their business with peers in a network setting. They must question their values, ideas and insights and through analysis decided to take a certain action. This action may involve the acquisition of relevant knowledge from peers and its application in a 'real-life' context. Critical reflection is essential as, as Reynolds notes (1998:189-190) it is concerned with questioning assumptions; its focus is social rather than individual; it pays particular attention to the analysis of power relations; and it is concerned with emancipation, therefore challenging the status quo from a participative perspective.

In appreciating that much valuable research has been conducted in the area of participant learning, the authors argue that a gap exists in the literature whereby detailed steps involved in an AL programme are not explicitly described. In addition, they note that much research places emphasis on participant learning with less attention played to the processes at play from a facilitator/researcher perspective. In detailing the case below, the authors will describe, in detail, the steps involved in the AL study.

3.2 Case Study

Eight Irish SMEs were selected for this study to enhance SME network capability development. Case selection was based on meeting the key criteria such as having less than 50 employees, being managed by the owner/manager, and having current or previous relationships with an academic institute either through past participation in an entrepreneurship programme or EU funded programmes. This is due to the fact that the nature of the intervention based study is learning orientated and past programme participation ensured that the SMEs had an interest in learning coupled with a general knowledge of all the business disciplines. This is in line with Grzybowski (2008) who noted that set members do not need to have prior knowledge of one another or to work in the same area or organisation, but they should be of a broadly similar level and be able to understand one another's worlds. For selection purposes, the authors studied the profiles of more than thirty past participants of an Irish based Entrepreneurship programme and approached ten via telephone and e-mail regarding their willingness and interest in participation on the research programme. In recognising that SME owners are time constrained, the authors provided a short description of the study and the potential value that would ensue through engaging with the authors. It was important for the SMEs to realise exactly what the programme entailed to minimise the risk of any SMEs leaving the research mid-way. Security was an issue for most SMEs whereby they had to be assured of their anonymity, in addition to the assurance

that no fellow participants were either competitors or related to their competitors. Four Irish companies initially agreed and the researcher eventually contacted twenty two in order to attain eight for the purpose of the study.

For the purpose of case participant comfort, it was decided to establish approximate timescales. The SMEs were informed that the study would stretch over a ten month period with network meetings for approximately three hours every month. This was deemed sufficient time considering the time pressures on SME owner/managers and their potential scepticism regarding such meetings. An absence of competitors in the group facilitated the meetings and helped with the agreement of people to join the study whilst ensuring a good mix of business types and SME owner characteristics. The fact that they had previously participated in an entrepreneurial programme was essential as they were more open to and willing to discuss issues pertaining to their businesses as a result.

In keeping with the ethos and structure of action learning and Kolb's learning cycle the authors devised and executed a plan for the implementation of the process based action learning methodology. The authors noted that two action learning cycles were continually at play, one with the authors as participant and one with the SMEs as participants. In recognising that there are four stages at play in Kolb's learning cycle, the authors recognised that their study necessitated a second learning cycle with the authors as participants to effectively implement the study.

3.2.1 Action Learning Set 1

The first action learning set comprised the authors and four other academics from within their respective academic institutes. Each of the participants in the set had experience as facilitators on EU funded programmes and could give valuable insight into what would/would not work in the setting. As can be seen in figure 2 the first step in the AL process was to clarify the research objective. The authors described the study to the participants, sought opinions and discussed its applicability to SMEs and networks. It was decided that the main objective was to enhance the network capabilities of SME given the potential gains to be reaped in marketing through networks. The second step was to analyse the issue. The issue that the authors presented to the set was, given the fact that the concept of network itself has become over-used and tends to be ill-defined (Nohria, 1992; Grandori and Soda, 1996; Araujo and Easton, 1996), when describing networks, it is unclear whether the SME owner/manager is describing personal contact networks based primarily on friendship or kinship ties or relationships as portrayed by the markets-as-networks approach advocated by the International Marketing and Purchasing (IMP) group of researchers. Therefore, the authors were interested in researching SME network perceptions. Once the issue was presented and analysed the next stage of the process involved further analysis of the problem and its components. The main questions that were posed included; what are the components of this issue? How can it be approached? What measures can be applied? It was recognised that setting measures through the use of interventions enhances the replicability of the research and hence its validity as it models how the effect can be reproduced. This is in line with Sobrero (2000) who stated "To evaluate the impact of the embeddedness of individual actors within an identified relational set, one should be able to model how such effect is reproduced,

observe some change on individual outcome, and control for possible alternate rival hypothesis”.

It was decided that to understand SME network perceptions the authors would analyse bonds, that is whether their ties were based on social or structural bonds. Social bonds were measured in terms of density and diversity in addition to mediating variables such as trust, communication and commitment. Structural bonds were measured in terms of shared resources and activities within relationships, reciprocity, embeddedness, knowledge exchange, adaptation and innovation. The next step within the learning set was to develop action strategies, what intervention would be the most suitable to determine SME network perception and enhance it if necessary. Picture tools were deemed an appropriate intervention mechanism, whereby the participant SMEs would be asked to draw their networks to determine the types of connections that they had. In terms of session structure it was decided to discuss networks with the participants at the start of the session, their general benefits including how each member had benefited from them in the past. Towards the end of the session the authors asked the SME participants to discuss their networks in terms of connections with suppliers, customers, competitors, manufacturers, distributors and other key stakeholders in the business and graphically depict them. The intervention stemmed from an examination of the social network analysis literature and network pictures literature (Ford et al, 2002; 2003; Ford and Redwood, 2005) which places a strong focus on network mapping (Scott, 2000; Krackhardt & Krebs, 2008). Although the view of networks comprising intricate webs of relationships and interactions among suppliers, customers, competitors, and non-commercial actors, as supported strongly within the IMP tradition, is the focus of this study (see Anderson et al., 1994; Achrol, 1997; Möller & Halinen, 1999; and Ritter et al., 2002), graphically mapping networks was deemed appropriate by the authors to enhance the SMEs realization capability. The rationale for this exercise was to try to enhance the SMEs realization of networks in an industrial sense exclusive of connections which are based purely on friendship and kinship ties.

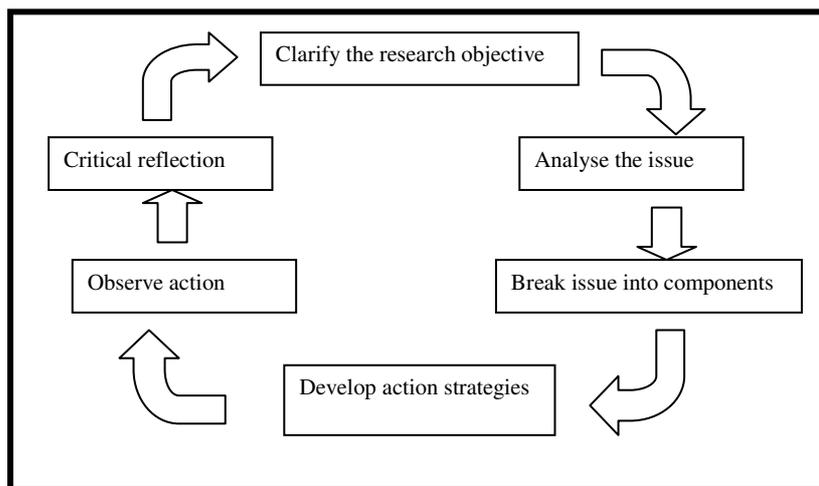


Figure 2 Action Learning Cycle 1

The next stage in the research process is to observe action. During this stage the authors attended the learning set and observed SME participant action. Field notes, author impressions and participant reactions were captured and recorded throughout this research period. This was followed by critical reflection in the group setting

where finding were analysed prior to restarting the cycle with the next research objective.

3.2.2 Action Learning Set 2

On commencement of the session the authors asked the SMEs a series of questions related to the perception measures to determine the owner/managers current level of network perception, the concept discussion stage of the model. The SMEs were asked what they understood the term ‘network’ to mean in addition to detailing who comprised their networks. This was a measure to determine whether the bonds that they forged were personal or industrial in nature. Similarly, questions posed regarding network benefits aimed to reveal why SMEs partake in network action. That is, whether their motivations are in line with Burt’s (1992) ideas concerning referrals and sales or more in sync with the markets-as-networks approach emphasizing reciprocity and the combination of resources. In explaining a network scenario the SMEs verified their level of network perception through telling a story about their network, highlighting whether they perceived networks from a personal contact stance whilst enabling the authors to uncover the interconnectedness or lack of same between the actors involved in the scenario.

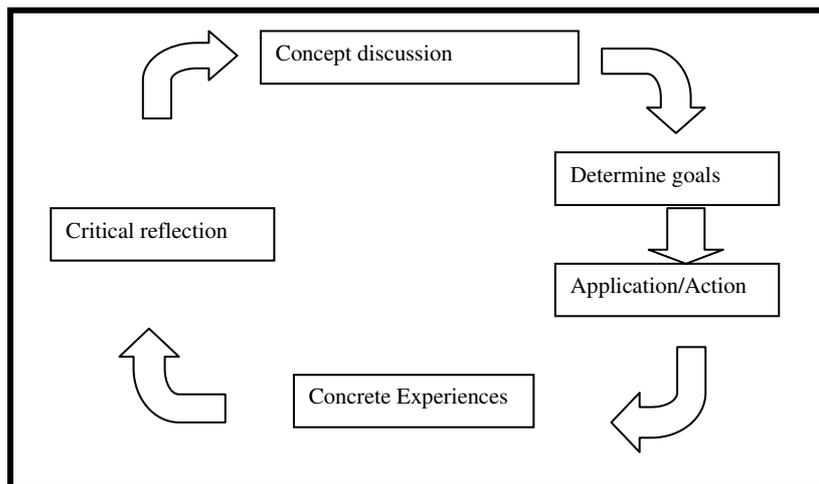


Figure 3 Action Learning Cycle 2

The group had a discussion regarding the key goals for the session. Post clarifying objectives key problems were identified in each organisation which potentially could be facilitated through networks. The achievement of such goals would potentially solve SME problems in the long-term with positive effects. In terms of action, towards the end of the three hour session the participants commenced the mapping of their networks. The authors encouraged the SMEs to think about networks from an IMP perspective and illustrate both their connections and the interconnectedness between them. A follow-up session was held the following month where concrete experiences could be shared amongst group members. In this instance maps could be viewed and the SMEs could discuss their networks and potential areas for network gain and expansion. This was followed by critical reflection where worlds-views and perceptions had the potential to be altered with SMEs looking at the network concept from an alternative IMP view.

3.2.3 Research Validity

As an independent method, interviews were utilised in this study to strengthen the research validity and reliability. All interviews and sessions were conducted with the owner/managers themselves. This was deemed important by the authors as, due to the nature of the exercise, they were the actors who could make immediate decisions within the company and were fully responsible for the organisations network activity. The participants were interviewed on commencement of the programme. This served many purposes. It familiarised the participants with the authors and gave the authors an opportunity to discuss the nature of the study in more detail answering the many questions posed by the participants. It also allowed the authors to discover their perceptions of networks and their current level of network activity. The same protocol was utilised at the end of the research study to show how their perceptions had altered and how their level of network capability had changed. The participants were also interviewed both mid-way through and at the end of the action learning sessions. The aim of these interviews was to gain more in-depth knowledge of issues mentioned in the action learning sessions and similarly clarify issues discussed. Regarding validity, the authors asked the participants to read their interview scripts to ensure that stories had not been misinterpreted or important facts omitted.

In the process of collecting and analysing data, the triangulation technique was used to enhance the credibility of the research findings. Multiple data collection techniques, data sources, procedures and strategies were in place, each yielding consistent results. External validity, or transferability, refers to examining how applicable the research findings are to another setting or group (Lincoln and Guba, 1985). In this case, the application of multiple case studies offered a base for generalising. Although the SME participants differed in their industrial area and length of time in business yet common themes emerged between them. The authors achieved transferability in their research design through an in-depth description of the interventions utilised and through the use of an interview protocol. To ensure reliability, an independent observer followed the trail of evidence established by the authors during the data collection and analysis phases of the research study.

4. Findings and Discussion

This paper argues for the applicability of Action Learning methodologies to SME capability development. The method was deemed compatible with SME research due to the contextual capabilities and limitations that characterise small firms, in addition to their preference towards action oriented learning. Findings from the case study are presented below in terms of the network capability outcomes stemming from participation in the action learning environment. The authors also report findings related to suitability of AL to the IMP tradition. The usefulness of AL as a research method is then examined.

4.1 Action Learning and SME Capability Development

Findings support the applicability of Action Learning methodologies to SME network capability development. The aim of the study was to determine SME network perceptions, that is, to observe whether SMEs viewed networks as a predominantly social phenomenon or more in keeping with the IMP view of interconnected,

embedded industrial ties. Through concept discussion it became evident that the SMEs viewed their relationships through a social lens comprising informal discussions with friends, family members and business people in a social setting. As one SME owner noted “I consider my networks to include just about everybody I have ever met”. Based on friendship and kinship ties, trust, commitment and communication were high, however, business interactions were described as discrete actions, not linked in any way to other interactions and generally on a ‘once-off’ basis thereby not presenting long-term collaborative communication or coordination between the actors. When attributing the importance of network ties to SME marketing, the SMEs, in line with Burt (1992) discussed the attained and desired outputs of network activity as a vehicle for sales, favours, referrals and self promotion more than as a means to conduct or enhance their relationship marketing.

Similarly, in determining goals the SMEs centred on sales and referrals with little emphasis on the problems that typically characterise small firms. Networks as source of knowledge acquisition, a change agent, an adaptation or innovation enhancer were not mentioned as the owner/managers viewed networks from a social stance. The authors discussed the merits of networks from an industrial stance depicting their own networks and the benefits stemming from their participation within them. In taking action the participant were encouraged to include pertinent business affiliations such as suppliers, distributors and customers into their network pictures. In doing so they began to recognise the role that formal networks and distributors played in their business growth. For example, distributors have direct access to the end customer, and hold significant power in their relationships with customers. As a result, one SME organised to visit his core distributors in the UK in order to embark on a ‘road trip’ of current and potential customers. In realising his networks, he decided that it was essential to strengthen ties with existing UK based customers and distributors in addition to creating weak ties with potential future customers. They also realised their affiliation with a third level institute and mentors from the aforementioned institutes emerged as key dyadic network contacts as trust exists in a long-term relationship.

The SMEs at the following session outlined concrete experiences, both regarding who comprised their network pictures and the value of the intervention. They saw the value in reciprocity, the important of embedded ties in addition to the value of weak ties. Close, strong ties (Granovetter, 1985), according to the participants, emerged over time through frequent interactions, similar to Homans’ (1950: 133) idea, that “the more frequently persons interact with one another, the stronger their sentiments of friendship for one another are apt to be”. Strong ties were preferred as trust exists due to the fact that long term relations are already in place. One SME owner/manager commented that “knowledge gained is superior as close contacts have a more fine-tuned understanding of each other’s businesses and close connections are more likely to give the time necessary to discuss and/or work on core business issues”. However, another stated that it is essential to commence with weak ties in order to develop dense connections, for business expansion and growth. He noted the value of having diverse connections, a mix of both strong and weak, in an effort to bring fresh information and perspective into a network setting. They began to understand that weak ties assist in building bridges between networks which can help solve problems, gather information, and import unfamiliar ideas. This is in keeping with Mizruchi and Stearns’ (2001) who found, in their study of the banking industry, that close ties reinforce existing opinions rather than lead to new outcomes.

At the critical reflection stage, each SME brought concrete experiences back to an individual level and reflected on how they could further work within and benefit from their networks. This involved the SMEs re-examining their assumptions and worldviews and moving from business actors to what Schön (1983) refers to as, “reflective practitioners”. At this point the SMEs noted that shared experiences can assist them in the evaluation of their network ties and the benefits that networks produce. They appreciated that real problems and issues were discussed and that shared experimentation can reduce risks and maximise opportunities for innovation or adaptations.

4.2 Action Learning and the IMP tradition

In recognising the importance of network development and change within the IMP tradition, the authors argue that AL, as a method, has the potential to bridge the process gap by detailing how change and development occurs within networks. Firms, within a network context, action knowledge through attaining external resources to actualise network opportunity. Adaptation and innovation have been widely cited as such opportunities that can be actioned through networks (Lorenzoni and Lipparini, 1999; Han et al., 1998; Hallén et al., 1991, 1993; Turnbull and Valla, 1986). The concept of adaptations has been used extensively in the work of the IMP Group (Turnbull and Cunningham 1981; Håkansson 1982). This was highlighted by Ford (1990:14) when he stated “Another important aspect of the relationship is the adaptations which one or other party may make in either the elements exchanged or the process of exchange.... The manipulation of different aspects of adaptation is of course a critical marketing and purchasing issue”. This study would suggest that through Action Learning methodologies, it would be possible to follow the trail of evidence to determine the process of network adaptation/innovation and facilitate it through interventions and planned change and development. Action learning clearly rests on the same pillars as the IMP school of thought, relying on commitment, trust, coordination and communication amongst members to be successful, further strengthening the compatibility between the two approaches.

4.3 Action Learning Method

Action learning is accused of being too practical, embedded in action rather than theory for theory development. This translates into a potential for lack of vigour, reliability, replicability, explaining its deficiency in implementation within the research domain. This study, in appreciating the compatibility of the method to both the IMP tradition and SME context, delineated a process to address the action theory debate. Through the use of interventions, grounded in academic concepts, the authors applied measures and structure to the Action Learning method, ensuring validity and replicability of the process. Action learning, by its very nature, is focused on the participants in the action learning set. This study recognised the need to apply a process, a set of steps, to ensure rigour within the learning set. As can be seen in figure 4, to this end the authors introduced a second learning set, comprising academics and learning facilitators, to analyse the measures and interventions that the authors had set out, lending replicability to the study. It also ensured a balance in the learning sessions as the material covered was neither too theoretical, hindering

participant understanding, nor too practical thus not contributing to scientific knowledge.

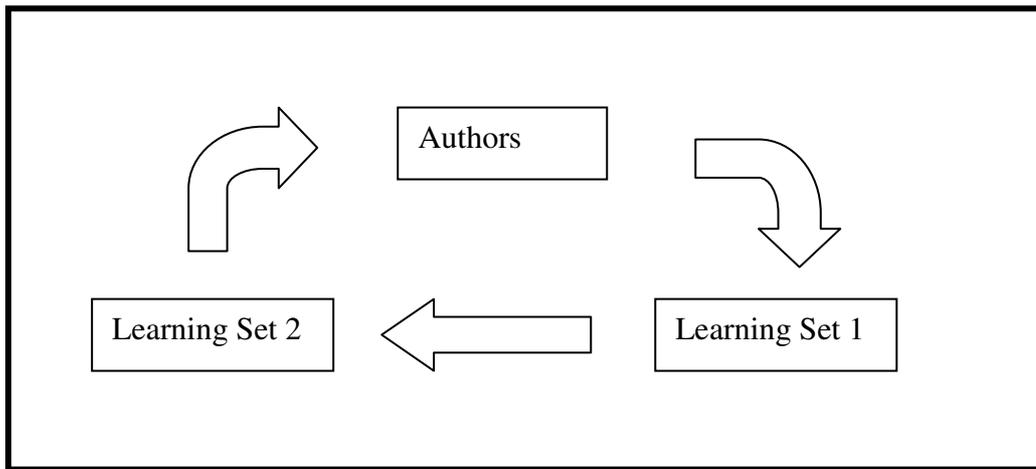


Figure 4 Study Process

5. Conclusion

The purpose of this paper was to articulate action learning and its implementation in projects that attempt to address or be involved in relationships, networks and change. Action orientated learning, due to its interactive, collaborative nature, was deemed a suitable methodology for this research to analyse the evolutionary nature of SME network capability development through participation in the study. The setting allowed for each case company to learn from and share experiences with others allowing network capability building through iterative cycles best captured through direct, longitudinal, involvement in the process enabling the authors to obtain a sounder understanding about the process of network capability development. Driven by an independence mentality characteristic of smaller entities, SMEs may only realise personal contact networks and not the more complex, bigger, markets-as-networks picture. Through critical reflection and participation in a learning set where experience was challenged by review rather than accepted by unconscious absorption, the SMEs re-examined their assumptions and worldviews, reframing their understanding of networks to include industrial connections.

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