Thesis for the Degree of Doctor of Philosophy

Managerial Work and Learning in Small Firms

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by Henrik Florén

This thesis is based on research performed at the Department of Project Management, Chalmers University of Technology, and School of Business and Engineering at Halmstad University, Sweden.

'No es lo mismo hablar de toros, que estar en el redondel.'
(Talking about bulls is not the same thing as being in the bullring.)
–   Spanish proverb

Dissertation

    This thesis includes an extended summary and the following five papers, appended in full

Paper I:

Florén, H. & Tell, J. (2003), "Key Learning Themes in the Small Business Literature", *Small Enterprise Research*, Vol. 11, No. 1, pp 56-70.

Paper II:

Florén, H. & Tell, J. (2004), "What Do Owner-Managers in Small Firms Really Do? Differences in Managerial Behavior in Small and Large Organizations", *Small Enterprise Research*, Vol. 12, No. 1, pp 57-70.

Paper III:

Florén, H., "Managerial Behavior in Small Firms – A Critical Analysis of Evidence from Observational Studies", Submitted to *International Journal of Entrepreneurial Behaviour & Research*.

Paper IV:

Florén, H. (2003), "Collaborative Approaches to Management Learning in Small Firms", *Journal of Workplace Learning*, Vol. 15, No. 5, pp. 203-216.

Paper V:

Florén, H. & Tell, J. (2004), "The Emergent Prerequisites of Managerial Learning in Small Firm Networks", *Leadership & Organization Development Journal*, Vol. 25, No. 3, pp. 293-307.

Preface

This thesis is a product of a number of coincidences. The coincidence that gave the first direction to it was my meeting with Max Lundberg and Joakim Tell at the former Centre for Working Life Research and Development (CAU) at Halmstad University during the writing of my master thesis. They provided, together with Agneta Hansson and Kjell Eriksson also at CAU, my first platform within academia. Thank you for your support! I would also like to thank all colleagues at CAU (thereafter renamed Department of Work Sciences) for providing a supportive milieu that has been of great importance for my introduction into the academic world. Special thanks to Bernd Hofmaier and Hans van Beinum who have coined much of what I perceive as important in doing organizational research.

The second coincidence that has had a major impact on my trip towards this thesis was my encounter with the Fenix research program at Chalmers University of Technology and Stockholm School of Economics. Thanks go to Sven Kylén and the board of Fenix that decided to give me the opportunity to follow the Executive PhD program during the first year of my postgraduate studies. The unique academic milieu that Fenix constitutes and what I have learned together with all "Fenix:ians" will always be a point of reference in my future research work. Thank you all! Of course I direct special gratitude to Flemming Norrgren at Fenix and the Department of Project Management at Chalmers, who has been my advisor and also provided access to graduate studies by taking me on as a PhD student.

My meeting, through engagement in the Fenix program, with the Department of Innovation Engineering and Management and with Mats Magnusson and Mats Lundqvist was the third coincidence that has been of crucial importance for the conclusion of this thesis. Your support has been invaluable!

Further, I would like to thank all colleagues at the Centre for Product Development Research (CPDR) at Halmstad University for making most days stimulating. Special thanks go to Johan Frishammar for being my partner in distress during the last years. We cannot always be content, can we, Johan?!

Research is (unfortunately) also about funding. Therefore, I would like to express my gratitude to Sven-Åke Hörte for providing the economic platform that made the finalization of this thesis possible. Thank you!

This thesis naturally also depends on those who are the subject of interest. Hence, very special thanks go to the owner-managers that have been giving me the unique opportunity to be a part of, and follow, their daily work as well as their progress with learning in networks. It has been a pleasure getting to know you, and a tremendous learning experience!

Finally, I would like to thank Carolina for all her love and support. Without you this would have no meaning!

Halmstad, February 2005

Henrik Florén

Abstract

This thesis deals with how managerial work sets the agenda for managerial learning in small firms. Although studies of learning in organizations are numerous, research on managerial learning in the small-firm context is limited. In particular, our knowledge of managerial learning suffers from an insufficient understanding of what top managers in small firms do. The primary purpose of this thesis is to describe how the work of small-firm managers sets the agenda for managerial learning, and how their learning can be supported. Additionally, the thesis explores the use of so-called "Action Technologies" in supporting managerial learning in small firms.

Drawing on an observational study of six owner-managers in small (17-43 employees) manufacturing firms, and a synthesis of earlier studies, this thesis shows that three features of managerial work shape managerial learning in small firms: The small firm's top manager (i) operates in context with specific *structural conditions* that affect his/her behavior, (ii) have certain *cognitive predispositions* guiding his/her behavior, and (iii) have certain *behavioral preferences* directing his/her behavior.

The main argument in this thesis is that managerial learning in small firms is made difficult due to features that make it hard to come to a point where learning (in terms of reflection and conceptualization) is given time and resources, as the manager has trouble in finding time for learning, and as learning risks to become low-priority. Learning is also difficult due to barriers related to the learning process: the work of the manager fosters a superficial learning orientation, makes it difficult to probe deeply into and to develop complicated understandings of issues at hand, and makes peer-learning rarely possible.

Drawing on an action research project of managerial learning in four networks of small-firm owner-managers, the thesis also explores, in a concrete manner, how managerial learning might be supported in a way that circumvents the deficient situation for managerial learning in this kind of firm. More specifically, it seems that Action Technologies by their design constitute a learning context that supports the learning of the small-firm top manager by dissolving the barriers to learning identified above.

Keywords: Managerial learning, managerial work, managerial behavior, owner-manager, small firms, direct observation

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1 Introduction

This thesis deals with the work of top managers in small firms[1] and how their work sets the agenda for managerial learning. The acknowledgement of managers as key organizational actors has generated an interest in what managers do. Research on what managers do has long traditions, and many studies[2] have been conducted on managers at many different managerial levels, and from many different perspectives since Sune Carlson's (1950) classical study of executive behavior in large Swedish companies. A review of the literature, however, shows that there has been little research on the relation between managerial work and learning.

Top managers are generally assumed to affect learning in organizations, and in small firms the impact is perhaps even greater than in larger firms. Together with recent developments within organization theory that stress the importance of learning in organizations, and contemporary learning theory that points to the importance of understanding learning from both a situated[3] and a cognitive perspective, this makes the scarce research on what managers do and on their learning a bit unexpected.

In this thesis, the relation between managerial work and learning in small firms will be investigated from a socio-cognitive perspective. A first step towards a better understanding of how the work of top managers in small firms sets the agenda for managerial learning is taken by delineating the basic characteristics of managerial work in small firms, after which the socio-cognitive perspective is deployed to analyze the impact of managerial work on managerial learning.

The following approach will be adopted. Based on an understanding of managerial work in small firms – as developed in an observational study of six small-firm top managers and a synthesis of previous research – and a socio-cognitive perspective on learning, the learning situation of the small-firm manager is depicted. Based on the understanding of the learning situation, together with the results from a longitudinal action research project studying the learning of small-firm top managers in so called Action Technology settings, the implications for supporting managerial learning in small firms will be discussed.

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[1] A number of different definitions of small firms are available. This thesis subscribes to the definition provided by Storey (1994), in which a small firm employs 10 to 99 employees.

[2] See for example Kelly's (1964) research on the work of foremen, Burns' (1957) and Horne & Lupton's (1965) on middle managers, Mintzberg's (1968) on chief executives, and Kraut et al. (1989) on differences among first-line supervisors, middle managers, and executives.

[3] This means that individual learning needs to be considered in relation to the practice of the learner. This will be further elaborated in the theoretical framework.

It will be demonstrated that the learning of small-firm top managers is constrained due to certain features of their work. The general implications of this for support of managerial learning in small firms are discussed, and the use of what have been called "Action Technologies" in supporting managerial learning in small firms is explored.

The thesis aims to contribute to the growing body of knowledge about managerial learning, and by its approach also to the fields of managerial work and small business management research. The thesis should be of interest both for small-firm managers in designing their own work and learning, and for actors within the support structure caring for this type of firms and managers, and finally also for policy-makers providing strategies and guidelines for the support structure.

1.1   BACKGROUND

In days when large firms often are forced to adopt downsizing measures to keep up with global competitiveness, small firms have been found to be vital to national growth (Davidsson et al., 1996; Davidsson and Wiklund, 2000). Research has also found that small firms are the key to stability of the economy. For instance, in the recession of the 1990s they were better at retaining jobs than large companies (Davidsson et al., 1996; Thurik, Wennekers and Uhlaner, 2002). As a result, the importance of small firms is often stressed in national policies in Europe and elsewhere, which in turn has made small firms and their management the subject of various research and support activities. Accentuating the need for support are recent findings on the importance of learning in organizations.

1.1.1   Research on organizational and managerial learning

In the wake of an increasing interest in knowledge and its meaning and significance in society (Drucker, 1993), it is possible to identify an interest in knowledge (e.g. Blackler, 1995; Nonaka, 1994; Tsoukas, 1996) and learning in organizations (e.g. Fiol and Lyles, 1985; Lundberg, 1995; Nevis, DiBella & Gould, 1995). Based on an understanding of organizations as interpretation systems (Daft and Weick, 1984), learning systems (Nevis, DiBella & Gould, 1995), and distributed knowledge systems (Tsoukas, 1996), it is now widely accepted that the competitive advantage of a firm emanates from its unique knowledge (Prahalad and Hamel, 1990), and that the ability of organizations to learn and to change continuously during their lifetime is central for their competitiveness (Teece, Pisano & Shuen, 1997).

From this has followed an abundance of descriptive and prescriptive research that strives to understand learning in organizations and what makes up

the "learning organization"[4]. Scholars have studied learning on different levels of organizations: inter-organizational learning (Håkansson, 1987); organizational learning (Cook and Yanow, 1993; Crossan, Lane and White, 1999; Berends, Boersma and Weggeman, 2003); learning in communities of practice (Brown and Duguid, 1991; Wenger, 1998); and individual learning (Argyris and Schön, 1978). On the individual level, and following the "upper echelon" perspective on organizations (Hambrick & Mason, 1984), there has followed a search for an understanding of the learning of what has been called the "the organisational elite class" (Richter, 1998) or "the dominant coalition" (Duncan and Weiss, 1979) of firms. As a subdivision, therefore, of the concern with learning in organizations has arisen the search for a better understanding of how managers learn (e.g. Braddick, 1988; Burgoyne and Hodgson, 1983; Burgoyne and Reynolds, 1998; Richter, 1998, 1999; Simon and Davies, 1996).

1.1.2 The importance of top managers

One reason for the interest in managerial learning is that the impact of top managers on organizational learning has frequently been recognized (Argyris and Schön, 1978; Daft and Weick, 1984; Hambrick and Mason, 1984; Senge, 1990). Behind this recognition lies an assumption that organizational learning, as argued by Duncan and Weiss, is the "[…] process in the organization through which members of the dominant coalition develop, over time, the ability to discover when organizational changes are required and what changes can be undertaken which they believe will succeed" (1979, p. 78).

More specifically, it has been claimed that managers serve a significant cognitive function in organizations by interpreting the environment of firms and that they thereby also define the environment for other organizational participants (Daft and Weick, 1984; Smircich and Stubbart, 1985). Hence, managers have both a direct and an indirect effect on the firms they manage: a direct effect as they are the ones making the strategic decisions and determining the strategic posture of their firms, and an indirect effect as they – at least to some extent – define for others what is perceived as the firms' environment. As a result, managers can be argued to be the background-generators and context-composers, or in short, creators of meaningfulness, for the members of an organizational world (Smircich and Stubbart, 1985).

1.1.3 The importance of top managers in small firms

The management situation in small firms has been noted to differ from that in larger ones by several authors. Already in the early sixties, Stewart argued

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[4] See Tsang (1997) and Easterby-Smith, Burgoyne & Araujo (1999) for discussions of research on "organizational learning" and "the learning organization" and the differences in these approaches.

that "Managing in a large company has important differences from managing in a small one; for instance, both the amount of specialization and the type of contact with staff will vary" (1963, p. 66). A similar statement is made by Dandridge (1979), and it has been argued that the impact of a single CEO can be much greater in small firms where he/she will tend to do more by himself/herself (Miller & Toulouse, 1986).

Consequently, the area of small business management has established itself as a distinct area of research and much has been said about the importance of small-firm top managers. We know that the personality and characteristics of chief executives in small firms affect the structure (Miller & Dröge, 1986), planning (Carland et al., 1989, in Stewart et al., 1998), technology policy (Lefebvre, Mason & Lefebvre, 1997), and strategy-making (Miller & Toulouse, 1986; Kisfalvi, 2002) of small firms. Studies on strategic management have more specifically shown that the impact of top managers is great on the strategic posture of small firms, where inflexible and defensive CEOs can be a major cause of strategic stagnation (Kimberly & Miles, 1979, in Miller & Toulouse, 1986). CEOs' influence on strategic failure has, furthermore, been noted to be especially severe in smaller, tightly controlled organizations where the CEO has a great deal of impact, often due to the CEO's almost neurotic rigidity which prevents the manager from changing his/her view of the organization and its environment (Kets de Vries & Miller, 1984). Research has also found that small-firm managers' (inadequate) competence is a potential barrier to small-firm growth (Barth, 2003) and innovation (Freel, 1999).

1.2   PROBLEM DESCRIPTION

1.2.1 Managerial learning from an individual learning perspective

As noted above, following the recognition of the impact of top managers on their firms in general and on the learning of their firms in particular, an interest in the learning of these individuals has arisen.

The number of studies on managerial learning is still small. Research has been done on how managers learn from everyday practices (Burgoyne and Hodgson, 1983), how managers construe key events over time (Isabella, 1990), and how managerial learning relates to strategic reorientation (Lant, Milliken & Batra, 1992) and to organizational learning (Richter, 1998; 1999). Characteristic of the existing body of knowledge in the field of managers' learning is its domination by a psychological perspective (Antonacopoulou, 1999).

A review of the general literature on learning in organizations and on managerial learning shows that a salient feature of contemporary scholarly discourse is that it recognizes individual learning as something that is experiential, which means that humans learn from experience and within the frames of

previous experiences (Kolb, 1984; Argyris and Schön, 1996), and that this happens in relation to the practice of the learner as defined by the specific socio-cultural settings in which he/she learns (Brown and Duguid, 1991, 2001; Lave and Wenger, 1991; Wenger, 1998, 2000)[5]. This means that if one wants to understand managerial learning in small firms, one needs to understand both the cognitive prerequisites for learning by the top managers and the work practice of the top managers.

In the light of these findings, a review of the literature on managerial learning shows that our understanding suffers from a lack of insight into the practice in which it takes place. More generally, it could be said that managerial learning studies have not sufficiently elaborated upon the relationship between management practice and the learning of managers.

1.2.2 Insufficient knowledge of managerial work in small firms

Thus, the literature on managerial learning tells us little about the practice of small-firm managers and gives little concrete information about how the work of small-firm managers affects their learning.

A field that could provide evidence on managerial work in small firms is that of research on managers' jobs, or in other words, research on "what managers do". This field of research has contributed extensively to our understanding of managers' jobs[6]. A review of studies of managers' jobs, however, shows that these studies only rarely draw on research about managers in small firms[7]. Consequently, our understanding of managers' jobs is clearly biased towards the situation in large organizations; and as a result, our understanding of managerial work in small firms is limited.

Still, a small number of studies of small firms have been made. From these studies we begin to understand the basics also of managers' jobs in small firms. A closer examination of these studies reveals a number of shortcomings. As with many observational studies (cf. Martinko and Gardner, 1985) a limitation of these studies is the modest size of their samples, which makes it hard to draw any firm conclusions on managerial work in small firms. A second limitation with most of these studies is that they fail to connect to earlier research, and that they adopt a simplistic and non-theoretical conception of the constituents of managers' jobs, which means that their analysis falls short. Furthermore, until now no attempts

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[5] When it comes to studies of learning in small firms, research is still rare, and it could be argued that this area of research is in an early stage of its growth (see Paper I for a review of the literature on learning in small firms).

[6] For reviews of research on managers' jobs, see Martinko & Gardner (1985) and Hales (1986, 1999). See also Mintzberg (1973) for an extensive review of early research.

[7] Since organizational size was recognized at an early stage by one of the most prominent scholars in the field (Mintzberg, 1973) as one factor influencing the work of managers, this is perhaps a bit unexpected.

have been made to draw this evidence together, so that there has been no cumulative creation of knowledge about the subject. To conclude, available studies of managers' jobs are few, and it is hard to depict managerial work in small firms in a valid manner based on these studies due to the fact that no cumulative work has been conducted.

Hence, even though we know that top managers in small firms are of great importance for their organizations, our knowledge about and understanding of what they actually do is limited. Consequently, our understanding of managerial work in small firms is insufficient to elucidate the learning of top managers in small firms.

1.3   THE AIM, PURPOSES AND DISPOSITION OF THIS THESIS

In the sections above I have described some conditions that have influenced the studies on which this thesis rests, and that at the same time constitute the central points of departure in the aspirations of the thesis. From this presentation we can see that organizational and managerial learning is perceived as an important element in firms' endeavor to create and sustain competitiveness. We also know that our understanding of managerial learning suffers from an underdeveloped grasp of managerial work in small firms. This is because the few studies of managerial work in small firms that do exist tend – as will argued later in the thesis – to be primarily descriptive and localized accounts, approaching managers' jobs in a non-theoretical way and failing to connect to earlier research. Moreover, no attempt has been made to synthesize the findings presented in these studies. Given the knowledge gap concerning managerial work in small firms, we are in a difficult position when it comes to providing support for managerial learning in this kind of firm.

The main aim of this thesis is to promote better understanding of managerial learning in small firms by outlining the basic characteristics of the work of top-managers in such firms. That is, the primary purpose of the thesis is to describe the fundamental features of managerial work in small firms and how this affects managerial learning.

A second and more practically oriented purpose is to explore the relevance of so-called Action Technologies for support of learning at the level of top managers in small firms. In doing this, the thesis will also more generally discuss the implications for supporting/facilitating managerial learning in this kind of organization. The following questions seek answers:

- What are the basic characteristics of managerial work in small firms (Papers II & III)?

- How does managerial work in small firms affect the possibilities for managerial learning (Paper IV in combination with Papers II & III)?

- How should learning by small-firm top managers be facilitated (Papers IV and V)?

As a first step towards a better understanding of the work and, consequently, the learning of top managers in small firms, this thesis provides knowledge about what managers in small firms do. This first step will more specifically include two elements: first, additional empirical evidence of managerial work in small-firm settings based on direct observation of six owner-managers in small manufacturing firms will be provided; second, the thesis includes a synthesis of available studies that have observed managerial work in small firms. In addition, drawing on an action research study of managerial learning in peer groups, the thesis contributes some evidence of the value of Action Technology approaches[8] in supporting managerial learning in small firms. Drawing on a description of the situation for managerial learning in small firms, the thesis will also more generally discuss the implications for supporting managerial learning in this context.

The thesis consists of five sections. This introduction lays out the background, aim and purposes, and structure of the thesis. Next follows the theoretical framework, which will begin by introducing the research on learning in organizations. Two perspectives on learning in organizations are presented: the cognitive and the situated perspective, from which a socio-cognitive perspective on managerial learning is developed. Following is a review of research on managerial work, where after a short presentation of how to investigate managerial work in small firms will be given. The third section presents and discusses the methods used in the research that underlies the thesis. In the fourth section I give a summary of the appended papers. In the concluding section I discuss the central findings and some implications for future research.

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[8] Action Technology approaches emphasize "the interplay between enactment and feedback in real time with the purpose of developing more valid social knowledge, more effective social action, and greater alignment among self-knowledge, action, and knowledge-of-other (Raelin, 1999, p. 117).

2   *Theoretical framework*

This theoretical framework begins with a review of the literature on learning in organizations from a cognitive and a situated perspective. Thereafter, the socio-cognitive perspective on managerial learning that will be deployed in the search for an understanding of managerial learning in small firms is elaborated. It continues with a survey of research on managerial work in general, which lays the foundations for the investigation of managerial work in small firms. Finally, a presentation of the basic features of Action Technologies for managerial learning is given.

2.1   LEARNING IN ORGANIZATIONS

As the interest in the learning phenomenon within the context of organizations has increased dramatically among many different research communities during recent decades, it has become difficult to survey the great quantity of research material that is being produced (Easterby-Smith, Snell and Gherardi, 1998). In this thesis, therefore, I will not try to give an extensive review of the vast literature, as others have done in a thorough manner (e.g. Shrivastava, 1983; Fiol & Lyles, 1985; Nicolini & Meznar, 1995; Crossan & Guatto, 1996; Miner & Mezias, 1996; Tsang, 1997; Easterby-Smith, Snell & Gherardi, 1998; Gherardi, 2001). I would furthermore like to stress that I am not, in this thesis, striving for a "wide-ranging" framework for understanding learning in organizations. My aim is to place small-firm top managers in a "meaningful system" (Virkkunen and Kuutti, 2000, p. 293) with which their learning can be conceptualized. More specifically I will elaborate upon two theoretical approaches that take different viewpoints, namely those adopting a cognitive perspective and those adopting a situated perspective. I will also put forward some criticism that has been directed towards the influential perspective of "cognitivism" on individual learning. Drawing on that criticism and a corresponding critique of the situated perspective, a socio-cognitive perspective on learning is outlined from which, I argue, the prerequisites for managerial learning can be comprehended.

2.1.1   *A cognitive perspective on learning*

Early studies of learning in organizations were influenced by the stimulus-and-response view of organizations that developed within the school of thought that nowadays is known as behaviorism. With its focus on observable behavior,

biological drives, and their transformation, behaviorism has, however, been said to be inadequate to explain human behavior in meaningful ways (Tenkasi and Boland, 1993). In the wake of the critique of behaviorism, the organizational sciences turned to the developments within cognitive psychology and artificial intelligence, and as a consequence inaugurated a cognitive framework in the study of various organizational and institutional processes (ibid.). The cognitive framework – or "cognitivism" – has become highly influential within the literature on learning in organizations. In this section I will delineate the central elements of the cognitive perspective on learning.

In a synthesis of the learning theories of Kurt Lewin, John Dewey, and Jean Piaget, Kolb (1984) developed his widely diffused experiential learning theory; a theory that is representative of the cognitive perspective. From this perspective the primary vehicle for learning is human experience and, according to Kolb, "learning is the process whereby knowledge is created through the transformation of experience" (1984, p. 38). It should be noted that Kolb's notion that all learning is experiential does not mean that all learning in all learning situations is grounded in a specific experience (i.e. what is sometimes labeled "learning by doing"). What it does mean is that all learning relates to the experiences of the learner. Hence, there can be no learning without experiences. Expressed differently; not only do we learn from our experiences, we learn within the context of our accumulated experiences as institutionalized in cognitive schemes (guiding our perceptions) and in guiding variables (guiding our actions).

In outlining his well-known four-element model, Kolb (1984) identifies two dimensions to the learning process. The first dimension represents the concrete experiencing of events at one end and abstract conceptualization at the other. The second dimension has active experimentation at one extreme and reflective observation at the other. Following these two dimensions, the learner, in the learning process, moves in varying degrees from being an actor to being an observer, and from specific involvement to general analytic detachment. More specifically, learning is understood as consisting of four elements that unite in a cyclic process in which: (i) immediate concrete experience is the basis for (ii) observation and reflection; (iii) the observations are assimilated into a 'theory' from which new action can be deduced; (iv) these implications then serve as guides in acting to create new experiences (see Figure 1).

The central idea in Kolb's (1984) experiential learning theory – corresponding to the two dimensions of learning – is that learning requires both a grasp or figurative representation of experience and some transformation of that representation. The isolated figurative grasp or operative transformation is, according to Kolb, not sufficient for learning; something must be done with it. In the same way, transformation alone cannot represent learning due to the fact that there must be something to be transformed, some state or experience that is being acted upon.
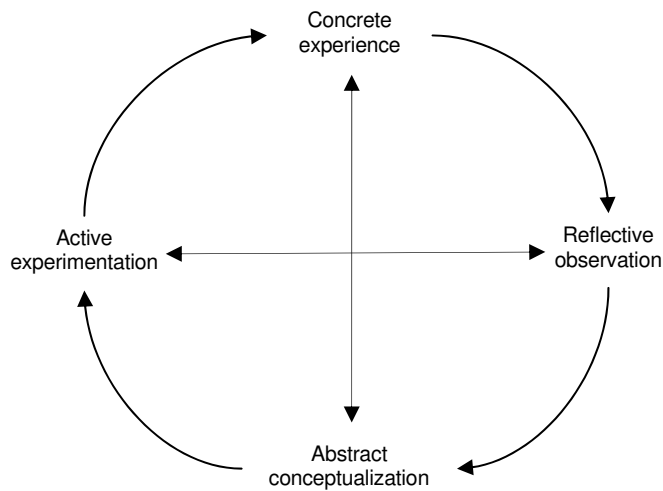
Figure 1. Kolb's (1984) learning cycle[9]

Drawing on his cyclic learning theory, Kolb (1976) argues that the learner, if he or she is to be effective, needs four different kinds of abilities: concrete experience abilities, reflective observation abilities, abstract conceptualization abilities, and active experimentation abilities.

Another representative of the cognitive perspective is the learning theory of Argyris and Schön (1978, 1996). Their concepts of single- and double-loop learning, where the first is a lower-level kind of learning and the latter is equivalent to learning on a higher level, have been widely diffused among both OD (organization development) and MD (management development) practitioners as well as among researchers. In short, their theory implies that humans are badly equipped for higher-level learning due to cognitive schemes that obstruct double-loop learning. According to Argyris and Schön (1978, 1996), all humans have 'master programs' labeled *theories of action* that inform us of the strategies we should use to achieve intended consequences. These theories are governed by a set of values that provide the framework for the selected action strategies and the assumptions on which they are based (Argyris, 1995; Argyris and Schön, 1996).

In their research, Argyris and Schön identified two different kinds of theories of action. The *espoused theory of action* is the set of beliefs and values people hold about how to manage their lives, and which they advance to explain or justify a given pattern of activity. The *theory-in-use* is the theory of action that is implicit in the performance of that pattern of activity (Argyris and Schön,

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[9] It is worth noting that this model is a simplified version of Kolb's learning cycle. For a full representation, see Kolb (1984, p. 42).

1996). In short, the espoused theory comprises people's beliefs, attitudes, and values, while the theory-in-use is the one that they actually deploy (Argyris, 1995). At the core of the learning theory of Argyris and Schön is the fact that there often are fundamental, systematic mismatches between individuals' espoused theories and their theories-in-use, and that people have designs which keep them unaware of the mismatch.

Argyris and Schön identify two models of theories-in-use with different 'governing variables' (1996) that actors strive to satisfy through their actions, and different 'action strategies' that actors use to satisfy the governing variables. The first one is called Model I Theories-in-Use while the latter, consequently, is called Model II Theories-in-Use. Characteristic of these different theories-in-use is that they inform different kinds of actions, which in turn lead to different kinds of learning. Thus, Model I informs actions that lead to single-loop learning, while Model II leads to double-loop learning.

Model I Theory-in-Use		Model II Theory-in-Use	
Governing Variables	**Action strategies**	**Governing Variables**	**Action strategies**
Define goals and try to achieve them (unilaterally).	Design, manage, and plan unilaterally.	Valid information	Design situations where participants can be origins of action and experience high personal causation
Maximize winning and minimize losing.	Own and control the task.	Free and informed choice	Task is jointly controlled
Minimize expressing or generating negative feelings.	Unilaterally protect self and others.	Internal commitment to the choice and constant monitoring of its implementation	Protection of self is a joint enterprise and oriented toward growth
Be rational and minimize emotionality.	Evaluate others in ways that do not encourage testing the validity of the evaluation.		Bilateral protection of others

Table 1. Governing variables and action strategies in Models I and II of theories-in-use

The research of Argyris and Schön (1996) has found that the actions of most individuals are informed by Model I theories-in-use, which are systematically counterproductive for double-loop learning. In the Model II theory-in-use, which is designed to circumvent the deficiencies of Model I, the governing variables are valid information, free and informed choice, and internal commitment. Model II does not reject the skill to advocate one's purposes, but it adds an invitation to others to confront the views and emotions of oneself and others. The goal is to alter views in order to base them on the most complete and valid information possible, and to construct a situation to which people involved can become internally committed. The behavioral strategies of Model II imply

sharing power with any person who has relevant competence. Saving one's own face (or that of others) is held back since it is seen as a defensive, anti-learning activity (ibid., p. 117).

As Argyris and Schön's theory of action depicts how humans go about acting and learning from their actions, it can be deployed to understand how the learning process as depicted by Kolb (1984) happens. Argyris and Schön help to elaborate upon the difficulties in reflecting on experiences and when trying to make abstract conceptualizations based on these reflections. If Model I theory-in-use guides the learning process (as depicted in Kolb's learning cycle), the outcome will be single-loop learning. If, on the contrary, Model II theory-in-use is in operation, the learning will be of double-loop character.

From a cognitive perspective, an organization is composed of the diverse fantasies and projections of its members (cf. Vince, 2002). These fantasies, projections, mental models, cognitive schemata etc. are seldom openly and consciously negotiated. They do "exist", however, and as organizational members we do act upon them. As the primary means to evaluate and alter the frameworks on which we act, reflection/inquiry is often proposed (cf. Kolb, 1984; Argyris and Schön, 1996; Reynolds, 1998; Seibert and Daudelin, 1999; Raelin, 2001; Cunliffe, 2002; Vince, 2002). Reflection is about making visible the schemes on which we act, by articulating them and by questioning them[10]. Another often recurrent key theme in the literature on learning paralleling that of reflection is 'unlearning' (cf. Nystrom & Starbuck, 1984; Bettis & Prahalad, 1995). The difficulty of unlearning is discussed – although not always using the term "unlearning" – in the literature on learning in organizations at both an individual and organizational level (Nicolini and Meznar, 1995), and it is possible to identify an agreement in the literature that unlearning is a difficult task and therefore often not attempted (Boland and Tenkasi, 1995).

Moreover, managers often remain captives of their conceptual frameworks, and they lack the conceptual tools to change these frameworks (Hedberg, 1981; Nystrom and Starbuck, 1984). According to Bartunek, Gordon and Weathersby (1983) an administrator's ability to take suitable actions in response to organizational events depends on his or her level of cognitive complexity. Drawing on the writings of Weick, Bartunek *et al.* (1983) argue that managers, in order to be effective, should develop their abilities to generate several interpretations and understandings of organizational events. They furthermore

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[10] This could be said to imply that reflection is about revealing "reality" as represented in someone's head that is more right than other "assumptions". This is, however, an oversimplification. Reflection should instead be seen as a local process of negotiating what could be called "the truth upon which we agree". In relation to this statement it would also be appropriate to discuss the far-reaching consequences of the statement, since the same road of reasoning leads to the trap of relativism. This is, however, beyond the scope of the present thesis. For a short discussion on, and resolution of some difficulties with, this social constructionist stance, see Gergen, (1994, p. 76-84). See also Gergen and Thatchenkery (1996).

argue that managers need to develop 'complicated understanding', a concept which, they argue, "[…] involves the ability to apply multiple, complementary perspectives to describing and analyzing events" (Bartunek *et al.*, 1983, p. 275).

Drawing on concepts of complementarity, cognitive complexity, and adult development, Bartunek *et al.* suggest a two-stage process in the development of complicated understanding "in which people are assisted first to perceive an issue from multiple, yet specific and detailed perspectives and then to achieve an integration that incorporates the different perspectives" (ibid., p. 275). This two-stage process is also part of Kolb's theory of experiential learning (1976; 1984). Drawing on his cyclic understanding of the learning process, Kolb argues that the effective learner "[…] must be able to involve himself fully, openly, and without bias in new experiences; *he must be able to reflect on and observe these experiences from many perspectives; he must be able to create concepts that integrate his observations into logically sound theories*; and he must be able to use these theories to make decisions and solve problems" (Kolb, 1976, p.22, my italics). In a similar manner, Boland and Tenkasi (1995) apply "two-stage process thinking" in their use of the terms "perspective taking" and "perspective making" when discussing learning between different communities of knowing within a knowledge-intensive firm.

Below is an attempt to synthesize Kolb's learning cycle with some of the concepts outlined above.
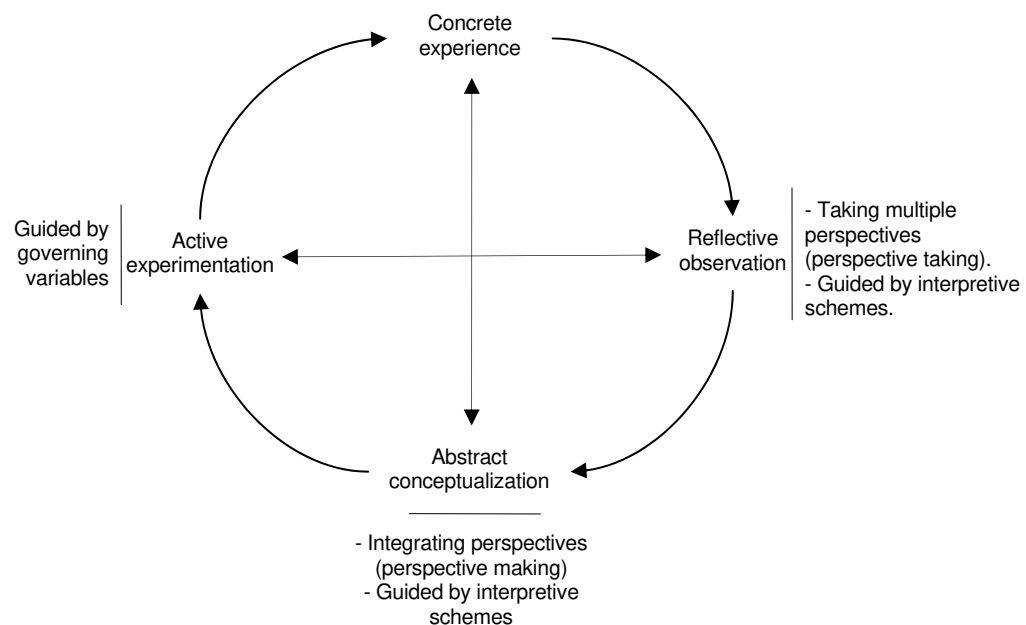

Figure 2. The learning process from a cognitive perspective (developed from Kolb, 1984)

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Also Argyris and Schön (1996) isolate the adoption of different perspectives as central to their learning theory. Individuals in a Model II world, they argue, "seek to build viable decision-making networks in which the major function of the group is to maximize the contributions of each member so that when a synthesis is developed, it incorporates exploration of the widest possible range of relevant views" (ibid., p. 119). The adoption of Model II behavioral strategies and values means an emphasis on double-loop learning through which individuals challenge the basic assumptions behind others' present views and call others to confront their own basic assumptions (Argyris and Schön, 1996).

According to Argyris and Schön, "the behavioral world of organizations" and "the structures that channel organizational inquiry" jointly shape the learning system of the organization (Argyris and Schön, 1996, p. 28). "Together, structural and behavioral features of an organizational learning system create the conditions under which individuals interact in organizational inquiry, making it more or less likely that crucial issues will be addressed or avoided, that dilemmas will be publicly surfaced or held private, and that sensitive assumptions will be publicly tested or protected." (Ibid.)

In the centre of analysis within the cognitive perspective on learning in organizations is the human brain. Individuals have cognitive schemes that guide their perception of reality, and guiding variables that direct the way they act[11]. Cognitive/interpretive schemes (or 'attention-directing mechanisms' as Hedberg, 1981, labels them) affect learning primarily during the phases of reflective observation and abstract conceptualization, while governing variables are operators of our actions, affecting how we approach the phase of active experimentation. To elaborate a bit further, this means that the learning process is guided by different types of cognitive schemes. First, experience is mediated by the interpretive schemes of the learner, due to which the learner sees certain things but fail to recognize other things. From this it follows that reflective observation – which involves taking on novel perspectives – depends on the learner's reflective observational abilities and his/her ability to break free from conceptual frameworks and to generate several interpretations and understandings of experiences. In short, it depends on people's ability to develop 'complicated understandings'. The same is the case for the learner's ability to develop abstract conceptualization. In order to integrate perspectives, one needs to break free from previous interpretive schemes. Second, the learners' ability to act (experiment) depends on the governing variables that are operating.

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[11] This comprehension of schemes guiding human beings is present also within the situated perspective on learning that will be discussed in the coming section. One of its proponents, Wenger (1998, p. 225) argues that "[…] the perspectives we bring to our endeavors are important because they shape both what we perceive and what we do".

Although influential (or perhaps as a result of that fact), the primarily cognitive theories have been subject to some criticism (cf. Cook and Yanow, 1993; Araujo, 1998). Learning theorists such as Lave and Wenger (1991), Boland and Tenkasi[12] (1995) and Brown and Duguid (1995) have rejected the widely diffused and internalized knowledge-transfer view of learning on which these theories rest. The following section will present some recent developments within learning theory which put the practice of the learner in the center of analysis, and which argues that it is necessary to explore the specific contexts of activities and social practices in which cognitive competencies and their acquisition occur (Gherardi et al., 1998).

2.1.2 A situated perspective on learning

Some authors (Nicolini and Meznar, 1995) argue that organizational learning studies have undergone a "quiet revolution" in which we have left the previously dominant model, which implicitly understood learners as individual actors that process information or modify their mental structures. The focus has moved from the concept of cognitive process to the more encompassing view of social practice (Lave and Wenger, 1991); from a primarily cognitive perspective to a situated one.

The proponents of a situated perspective argue for an analytical approach to learning, defining learning as a socially constructed and socially dependent phenomenon. Lave and Wenger (ibid.) argue that the traditional view of perceiving an individual as a primarily "cognitive entity" is limited as it tends to support a non-personal view of knowledge, skills, tasks, activities, and learning. As an alternative, a view of learners "[...] as social beings who construct their understanding and learn from social interaction within specific socio-cultural settings" (Gherardi et al., 1998, p. 275) has been suggested. This means that the social structure of practice with its power relations and its conditions for legitimacy is seen to define the possibilities for learning (Lave and Wenger, 1991). In the words of Bogenrieder (2002); "[…] what is learned is always linked to, and embedded in, the social relationship in which it is developed" (p. 199).

Additionally, from a situated perspective, learning is not considered as a separate activity: "It is not something we do when we do nothing else or stop doing when we do something else" (Wenger, 1998, p. 8). A shift in analytic focus from the individual as learner to learning as participation in the social world is suggested, in which learning becomes "[…] an integral part of generative social practice in the lived-in world" (Lave and Wenger, 1991, p. 35). Learning goes from solely being a process of acquiring facts about the world to a process also including the learner, to acquire the ability to act in the world in socially

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[12] See also Tenkasi and Boland's (1993) thorough critique of the use of "the computer model of the mind" in organization theory.

recognized ways (Brown and Duguid, 2001). Consequently, 'to know' within this perspective is "to be capable of participating with the requisite competence in the complex web of relationship among people and activities" (Gherardi et al., 1998, p. 274). This means that for people in management positions the central learning issue is to become a 'fully fledged' or capable executive practitioner (Richter, 1998).

The concept of 'community of practice' is central to the situated perspective on learning. The concept was first introduced by Lave and Wenger (1991), and later developed by Brown and Duguid (1991). According to the former, a community of practice is a set of relations among persons, activities, and the world, over time and in relation to other tangential and overlapping communities of practice (Lave and Wenger, 1991). Participation in a community of practice implies participation in an activity system, around which participants share understandings about what they are doing and what that means in their lives and for their communities (ibid.). Consequently, working with others who share the same conditions is a central element in defining the enterprise (i.e. the practice) in which they are engaged (Wenger, 1998).

One important element in situated learning is story-telling. Drawing on research on apprentices, Lave and Wenger (1991) identify conversations and stories about problematic, and especially difficult, cases as essential for apprentices' learning. Building on Jordan (1989), they depict stories of this kind as 'packages of situated learning'. Another similar term is borrowed by Orr (cf. Orr, 1990) from his ethnography of service technicians, who identify 'war stories' as a vital part of diagnosing and carrying out new repairs. Brown and Duguid (1991) also draw on Orr's study, and see story-telling as the means by which the separate experiences of the technicians converged and led to a shared diagnosis of certain previously encountered but unresolved symptoms of a troublesome machine. Lave and Wenger (ibid.) argue that for apprentices ('newcomers') the purpose is not to learn *from* talk (i.e. stories) as a substitute for legitimate peripheral participation; it is to learn *to* talk as a key to legitimate peripheral participation. Hence, being able to talk in an appropriate manner is the key to learning from participation, and to being part of a community of practice. When it comes to learning, story-telling and the trading of stories support the development of insights, and the construction of alternative options of how to behave. From a management practice perspective, as skillful use of language is a fundamental part of management practice, access to opportunities to talk with masters, peers, and near-peers is important (cf. Richter, 1998).

2.2   OUTLINING A SOCIO-COGNITIVE PERSPECTIVE ON MANAGERIAL LEARNING

This section draws on the argument that, in order to understand managerial learning in small firms, we need to consider both the cognitive and the situated aspects of individual learning. The implication is that I hesitate to subscribe to the harsh critique directed by situated-learning theorists towards the cognitive perspective. My standpoint is that, while cognitively oriented approaches do tend to be under-situated, the situated approaches instead tend to underestimate the cognitive aspects of individual learning.

The argument for applying a dual perspective is that an adoption of only one of these perspectives will provide a one-eyed and therefore partial view. To express it more precisely: adopting a pure social perspective will fail to consider the cognitive elements of learning. Indeed, and as already noted, situated factors constitute important conditions for managerial learning. However, the problem when leaving out the cognitive prerequisites for learning is that it becomes hard to understand how these influence learning on an individual level. In the same manner, taking a primarily cognitive perspective on learning tends to hide the social prerequisites for learning, or at least to subordinate them under cognitive structures that within this perspective are argued to guide the learning process.

As an alternative, I argue that both perspectives on learning sketched above have their advantages when trying to understanding managerial learning. From the cognitive perspective we are able to understand how learners learn "in their heads". From situated theories of learning we understand learning in connection with the practice of the learner, and learning becomes something managers do ("acting in socially recognized ways"), which makes participation in communities of practice an essential element in learning. Consequently, a comprehensive approach to managerial learning needs to consider both perspectives, thereby adopting a socio-cognitive perspective. Here I will sketch the basic elements of such a perspective, based on a synthesis of the two perspectives on learning outlined above.

An integration of the cognitive and situated perspectives shows that the learning process takes place in relation to, and within, a certain practice, as is illustrated in Figure 3.

THE WORK PRACTICE OF THE SMALL FIRM MANAGER

Concrete experience

Active experimentation

Reflective observation

Abstract conceptualization

- Guided by governing variables

- Taking multiple perspectives (perspective taking).
- Guided by interpretive schemes.

- Integrating perspectives (perspective making)
- Guided by interpretive schemes
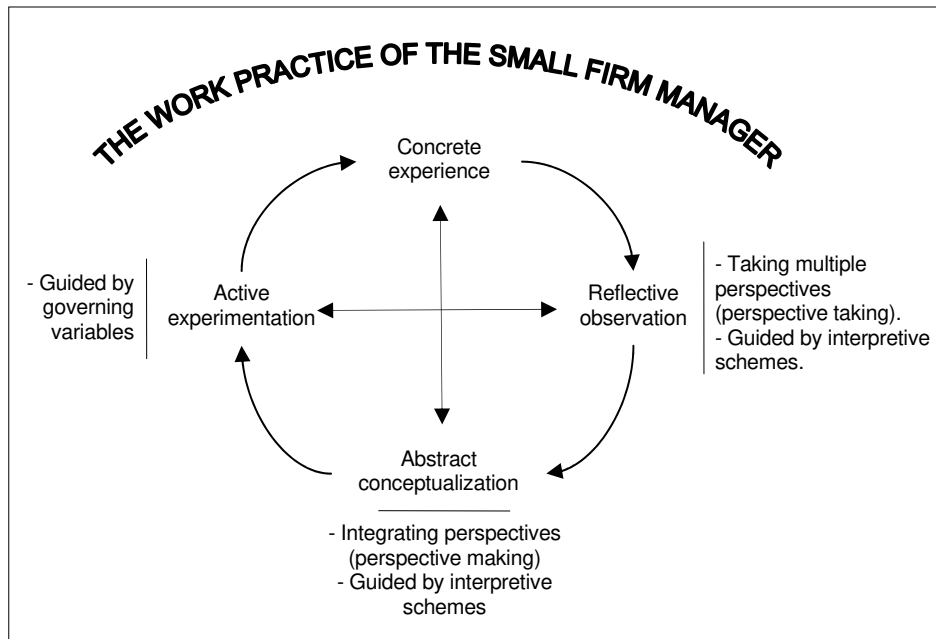
Figure 3. The learning process in relation to practice

The definition of managerial learning adopted in this thesis is that of Simon and Davies (1996), who understand managerial learning as a process of learning about management and how to manage. By approaching managerial learning from a socio-cognitive perspective, I do not only stress that learning is influenced by the cognitive prerequisites for individual learning and the social context in which the learner operates, which is the common understanding of the concept of "socio-cognitive something" [13]. I also stress that learning is situated, which means that it happens in relation to the practice of the learner (cf. Lave and Wenger, 1991). This, of course, includes the social context of the learner, but more importantly, it puts focus on the practice from and in which the learner learns. Hence, a premise on which this thesis rests is that managerial learning needs to be considered in relation to the practice of the learner – in this case, top managers in small firms. The reason is that the work practice of managers affects their learning in two ways. First, it constitutes the foundation of the experiences *from* which their learning takes place, which can be understood by using the cognitive perspective sketched above. Second, it constitutes the context *in* which,

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[13] I would like to stress that my attempt to develop a socio-cognitive perspective on learning and organizations is by no means unique; the idea has been suggested and explored by many (e.g. Gherardi et al., 1998; Bogenrieder, 2002; Akgün, Lynn & Byrne, 2003).

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and in relation to which, (much of) their learning takes place, which can be understood from the situated perspective.

A major point concerning learning from a cognitive perspective is that all learning is experiential, and that learning presupposes both a grasp or figurative representation of experience and a transformation of that representation. Another main point is the notion that learning can be expressed as changes in behavior and/or as changes in cognitive schemes (governing variables and/or perspectives). A fundamental presumption is that humans employ interpretive schemes and guiding variables when conceiving their "reality" as well as when acting. Accordingly, central to learning is the learner's ability to break free from cognitive schemes that focus his/her perception of the world, and the learner's ability to reflect on the guiding variables that guide his/her action. In doing this, the learner needs to learn to reflect on his/her experiences from multiple perspectives, and to develop complicated understandings when describing and analyzing events. On a general level it has been noted that reflection of this kind is difficult and therefore seldom attempted. A specific barrier to managerial learning is that managers often remain captivated by their conceptual frameworks ,as they lack the conceptual tools to change these. Additionally, research shows that individuals develop a learning style which has some weak and some strong points, where an action-oriented learning style tends to inhibit reflection and vice versa. In connection with this, another barrier to managerial learning, namely that managers' as a group has been found to be predominately action oriented.

The main point concerning learning from a situated perspective is that humans learn from social interaction within specific socio-cultural settings. Learning is about becoming a capable practitioner, in this case a capable manager. The learner learns through participating in the community of practice to which he/she belongs. Learners are not acquiring explicit, formal 'expert knowledge', but the embodied ability to behave as 'fully-fledged practitioners'. Story-telling and the trading of stories are important elements in learning, in that they support the development of insights and the construction of alternative options for how to comprehend a phenomenon and behave. Learning together with peers is also central within the situated perspective on learning.

Synthesizing the main points concerning learning as identified by the cognitive and situated perspective gives the following basic features of a socio-cognitive perspective.

- Learning is experiential and cyclic in nature, consisting of four basic elements: concrete experience, reflective observation, abstract conceptualization, and active experimentation. Four abilities are necessary if the learner is to be effective: the ability to grasp new experience, the ability to reflectively observe one's experience, the ability to construct abstract conceptualizations from which new actions can be designed, and finally, the ability to experiment.

- The learner needs to move from being an actor to being an observer, and from direct involvement to general analytic detachment.
- An individual's ability to develop complex understandings of issues at hand through perspective taking and making are central elements in the processes of reflection and unlearning.
- Higher-level learning is difficult due to humans having cognitive deficiencies. Certain guiding variables (Model II=valid information; free and informed choice, etc.) is needed if higher-level learning is to be accomplished, and others need to be prevailed upon (Model I).
- Learning is mediated by participation in a community of practice. More specifically, learning requires access and opportunity to take legitimate part in the practice of the community of practice to which the learner belongs.
- Learning together with peers guides efficient learning.
- Story-telling and dialogue (with peers) are important vehicles for learning.

From this theoretical exposition into theories of managerial learning, we can see that in order to understand managerial learning in the small-firm context, we need to be knowledgeable about their practice. In the following section I will give an overview of our knowledge of managerial work.

2.3   MANAGERIAL WORK

Research on managerial work stretches back at least half a century and has gone through continuous development. During the 1950s and 1960s, scholars argued that the conceptual understanding of management was detached from actual managerial practice (cf. Carlson, 1991/1951; Mintzberg, 1973). As a reaction to that critique, a series of mostly descriptive studies were conducted during those decades, all contributing to the basic understanding of the characteristics and qualities of managerial work. Later a critique arose to the effect that no more descriptive studies were necessary, that too many of the existing studies suffered from being localized accounts failing to connect to earlier research, and that they were too non-theoretical (Hales, 1986; Martinko and Gardner, 1985). In response to this critique, a number of attempts have been made lately to come to grips with the whole of managerial work, and to develop explanatory frameworks that can show why managers behave as they do.

In the coming sections I will summarize our knowledge of managerial work. The presentation will start with an account of the characteristics and qualities of managerial work in general as identified in early descriptive studies. The subsequent focus will be on recent attempts to develop explanatory accounts of managers' jobs, that is, theories that set out to explain managers' behavior. An outline of how to research managerial work in small firms concludes the account of research on managerial work.

2.3.1 Managerial work in general

I would like to commence with a short overview of the terms that relate to the field of research on managerial work. When reviewing the literature, one finds that a number of different terms are used to denote "what managers really do". The most frequently used are managerial/executive behavior (e.g. Carlson, 1991/1951), managerial work (e.g. Mintzberg, 1973), and managers' jobs (e.g. Stewart, 1989). These are different ways of conceiving various, but overlapping, aspects of what managers do. In short, it can be said that managerial behavior – often understood as observable behavior – provides only a partial picture of managerial work, since part of managers' work is cognitive and therefore unobservable. Another problem in relation to this area of research is one of defining what should be understood as managerial work (Stewart, 1989). Is it what is done by those having managerial positions, or can managerial work also be conducted by "non-managers"?

Here I will not try to resolve this definitional complex, but only briefly note that, due to the scarcity of our knowledge about what top managers in small firms do (and to the consequent exploratory ambitions of this thesis), the thesis will approach the phenomena in an eclectic manner. Therefore, the review of previous literature will not be demarcated but instead search for guidance in how to develop our understanding of managers' jobs in the small-firm setting.

2.3.2 The characteristics and qualities of managerial work

Research on what managers do goes back to the classic study by Carlson (1991/1951) in which he studied the behavior of nine Swedish CEOs, using a diary method. One often-cited conclusion from the study is that the managers' behavior was more like that of puppets than that of conductors of orchestras. As Carlson's study indicated that executive behavior did not resemble what could be expected from reading available management theory, the study was followed by several investigations of managerial behavior in different settings during the 1950s and 1960s (cf. Burns, 1957; Horne & Lupton, 1965; Kelly, 1964; Sayles, 1964; Stewart, 1963, 1967).

In 1973 Henry Mintzberg published his seminal study on the nature of managerial work. As this study has been, and still represents, a relevant account of the nature of managerial work, and as it is still of great importance both for our understanding of managers' jobs and for the development in research within the area, I will present the study in some detail.

Based on an observational study[14] of five managers in different kinds of medium to large organizations, and on a thorough review of previous research

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[14] The study was conducted as part of Mintzberg's (1968) PhD thesis at MIT. The results from the study have been reported in a number of publications (Mintzberg, 1968, 1970, 1971, 1973, 1975).

about managerial work, Mintzberg (1973) described the basic characteristics and qualities of managerial work, basically saying that traditional notions of management had little resemblance to the practice of management. In synthesizing his findings, he concluded that the "[…] findings paint an interesting picture, one as different from Fayol's classical view [of management] as a cubist abstract is from a Renaissance painting" (Mintzberg, 1975, p. 50). If Carlson's (1991/1951) study was a first important step towards a better understanding of managerial work, Mintzberg's research provided a second one.

Based on his own observational study of five managers in different kinds of medium to large organizations, and a thorough review of previous research on managerial work, Mintzberg (1971) identified six sets of characteristics of managerial work. First, managers perform a great quantity of work at an unrelenting pace. Not only do managers work long hours, but their work situation also implies that they cannot expect to have much time for leisurely reflection during office hours. Secondly, managerial activity is characterized by variety, fragmentation, and brevity. His study did not identify any patterns in the managers' activities and he argued that the manager must be prepared to shift moods quickly and frequently. Few activities (about ten percent) exceeded one hour's duration, while half of them were shorter than nine minutes. Interestingly, Mintzberg noted that the managers demonstrated a preference for tasks of short duration and encouraged interruption, which leads to the third characteristic: managers prefer issues that are current, specific, and ad hoc. Instead of relying on routine operating reports with historical and certain information, managers clearly favor current, uncertain information as found in gossip, speculation and hearsay. Furthermore, few contacts are held on a "clocked" basis; instead, unscheduled meetings are the primary choice for getting and giving information. Mintzberg claimed that the managerial environment clearly is one of stimulus and response, which breeds "[…] not reflective planners, but adaptable information manipulators who prefer the live, concrete situation, men who demonstrate a marked action-orientation" (Mintzberg, 1971, p. 100).

Fourth, the manager sits between his organization and a network of contacts. Mintzberg found the manager to be like a neck of an hourglass, sifting information into his own organization from its environment. From Mintzberg's point of view the manager is surrounded by a diverse and complex web of contacts which serves as his/her self-designed external information system. In his study he also found that the managers received far more information than they emitted. Fifth, the manager demonstrates a strong preference for the verbal media. According to Mintzberg (1971), the manager has five media at his command: mail (documented), telephone (purely verbal), unscheduled meetings (informal face-to-face), scheduled meetings (formal face-to-face), and tour (observational). Of these, the verbal and less formal forms were the most common choice, as they provide greater flexibility, require less effort, and bring

faster response. Sixth, and finally, despite the preponderance of obligations, the manager appears to be able to control his own affairs. Mintzberg nuanced the statement made earlier by Carlson (1991/1951) that managers had little control of their own affairs, and that they therefore resemble puppets, in arguing that a senior manager can exert control over his or her affairs in two different ways: (i) Since the manager is the one who defines many of his/her long-term commitments, he/she can influence how information will be fed to him/her, and how much time will be taken by a future project or by joining external networks of contacts like boards and committees. (ii) The manager can exploit situations that require his/her participation. He/she can lobby at ceremonial speeches, can impose his/her values on the organization when his/her authorization is requested, and can motivate his/her employees whenever interaction with them takes place.

As confirmation of the importance of Mintzberg's work, a number of studies have followed in its wake. Although somewhat debated (Martinko and Garner, 1985), Mintzberg's study has been proved valid by later studies (e.g. Choran, 1969; Kurke and Aldrich, 1983). Thanks to Mintzberg's study and a great number of other empirical and conceptual studies, our knowledge about what managers do, how they do it, with whom they work, what else managers do, and finally, what qualities the managers' work has, is rather well developed (Hales, 1986). On the basis of a review of available research, Hales summarized the characteristics of the manager's job in the following concise way: "[managerial] work is characterized by: short, interrupted and fragmented activities; a need to react to events, problems and requirements of others; a preoccupation with the exigent, ad hoc and unforeseen, rather than the planned; a tendency for activities to be embedded in others rather than undertaken separately; a high level of verbal interaction, often face-to-face; a degree of tension, pressure and conflict in seeking to juggle competing demands; and a degree of choice and negotiation over the nature and boundaries of the managerial job and how it is undertaken" (1999, p. 338).

Several of the early studies of managerial behavior offered, explicitly and implicitly, lists of elements that constitute the essence of what managers do. I will not attempt to make a thorough review of this research, but will cite Hales (1986) who, after his comprehensive survey, expressed the essence of what managers do as follows: Acting as a figurehead and leader of an organizational unit; Liaison, i.e. the formation and maintenance of contacts; Monitoring, filtering and disseminating information; Allocating resources; Handling disturbances and maintaining work flows; Negotiating; Innovating; Planning; Controlling and directing subordinates. In a more recent examination, Hales (1999) identifies two additional activities that all managers to varying degrees engage in, namely, human resource management (in the form of recruitment, reelection, training and

appraisal) and technical work (relating to the managers' professional or functional specialties and the work of their units).

During the eighties and more recently during the nineties, the early studies of managers' jobs were criticized for being purely descriptive and primarily localized accounts of managerial behavior in specific settings (Hales, 1999), and for having a tendency to be undirected in terms of any coherent theory of managerial behavior guiding the actual research (Martinko and Gardner, 1985). The studies were, furthermore, criticized for recording "behavior", "activities", "tasks", and "functions" without making any clear distinction between them (Hales, 1986). They were also criticized for not connecting their findings to other studies of managers' jobs (Fondas & Stewart, 1994) or to the stream of study focusing on the management process as a whole (Hales, 1999). It was also argued that the coding approaches in earlier research appeared to be "somewhat haphazard and arbitrary" (Martinko & Gardner, 1985, p. 688), and that these studies, having been done without any consistent categories or models, are difficult to compare (Hales, 1986; Martinko & Gardner, 1985)[15]. In the mid-eighties, Hales (1986) concluded that the research area was an area with little sense of a sustained, systematic accretion of knowledge.

In response to the critique of the often purely descriptive nature of the early studies and their tendency to focus on variations among reductionistic and localized accounts, research has lately set out to develop explanatory frameworks in order to understand why managers do what they do. Different approaches have been employed in this crusade. In the following section I will summarize and discuss some attempts.

2.3.3 Explanatory accounts of managers' jobs

About twenty years after his seminal study of the nature of managerial work, Mintzberg (1994) set out to come to grips with the whole of managers' jobs. In his 'model of managing', Mintzberg "rounded out" the manager's job by representing it with a model of ever-widening concentric spheres. In the core of the concentric framework is the person in the job, whose values, experience, competencies, knowledge and mental models shape the style of managing, i.e. how the person goes about doing his or her job. In the words of Mintzberg; "Style will come to life as we begin to see *how* a manager carries out *what* his or her job requires" (Mintzberg, 1994, p. 12, italics in original). The person is located within the *frame* for the job. The frame consists of three specific components. First is *purpose*, which is what the manager is seeking to do with the unit he or she is supposed to manage. The second component is *perspective*, which is the overall approach to the management of the unit; and the third is *positions*, which

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[15] Hales (1986) does, however, note that the positive consequence of this deficiency is that research has created a richness of data.

is about the specific strategies for how the job is done[16]. According to Mintzberg (1994), the frame will vary in terms of how different managers conceive their frames. The frame can be imposed or invented (chosen), and it can be sharply or vaguely conceived. The frame operates as a kind of magnet for the behaviors that surround it: A sharp frame holds the behaviors together, causing a consistent behavior, while a vaguely conceived frame might have the result that performed activities risk "flying off in all directions" (Mintzberg, 1994, p. 13). The frame of the job is located within, and manifested by, an *agenda* comprising a set of current *issues* (i.e. whatever is of concern to the manager) and a more tangible *schedule* (i.e. how the manager allocates his or her time on a day-by-day basis).

Altogether, the person in the job with the frame manifested by an agenda constitutes the *core* of the manager's job. This core is embedded in the milieu in which the work is practiced. Mintzberg splits the milieu into three areas that he labels inside (the unit being managed), within (other actors within the organization whom the manager has no formal authority over but must work with), and outside (the rest of the context not being a formal part of the organization, i.e. what often is conceptualized as the environment). When it comes to the work of CEOs, there is no "within" as the person has authority over the whole organization. Outside the core of the managers' job in his model consisting of ever-wider concentric spheres, Mintzberg identifies three levels on which managers can evoke action. From the most tangible level, managers can manage action directly, or they can manage people to support them to take actions, and they can manage information to affect people to take necessary actions. Managers can choose to intervene at any level, and the level the single manager favors becomes an important determining factor for his or her managerial style.

Mintzberg's model of managing is visually attractive and seems "sound". Despite its soundness, a drawback with the model is that it fails to take into account the social context in which the manager operates. As noted by Hales (1999), the model with the individual in the center – both visually and analytically – suggests that the manager is an autonomous, proactive agent, able to choose and control his/her work pattern. This unbound-agent approach has been criticized for being too uncritical about the dualism between "action" and "system" (Willmott, 1987). According to Willmott (1987), the institutional conditioning and consequences of managerial work are either bracketed, taken for granted, or treated as an independent variable in most studies of managers' jobs. Drawing on this general critique, it could be argued that Mintzberg (1994) underestimates institutional constraints on managers' behavior.

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[16] This is, according to Mintzberg (1994), what often is perceived as the "strategy" or "structure" of the organization. The positions consider specific locations for the unit in its environment and specific ways of doing its work.

From a slightly different position than that of Willmott, Hales (1986) criticized earlier research for having been reluctant to ask *why* managers behave as they do, and why they conduct the activities they do. Recently, Hales (1999) repeated this criticism, and kept arguing for a need for explanatory accounts of the common characteristics of managerial work. As an attempt at such an account, he drew on the theory of structuration by Giddens (1984), something that actually was suggested and commenced by Willmott (1987)[17]. In the center of Hales' framework are the notions of responsibility and accountability. Guided by Giddens (1984), Hales puts the manager in a dialectic relation to the system in which he/she operates: "[T]he structural characteristics of the systems in which managers are located on the one hand, constrain and enable and on the other hand, are produced/reproduced by managers' practice" (1999, p. 342). Where Mintzberg (1994) limits his analysis of the impact of the social context on managers' jobs, by recognizing only that the frame of the manager to different degrees can be either created by the manager himself/herself or imposed by other actors, Hales (1999) identifies two constituent elements of the frame, *interpretive schemes* and *norms*, that influence how the specific managerial agency is operated (i.e. enacted). Interpretive schemes (in the form of cognitive rules) and norms (in the form of moral rules) at the same time constrain and enable what managers do, since certain practices become meaningful as 'managing' and since they define what is legitimate practice. They therefore shape how issues are given priority and how the schedule is arranged.

Hales' (1999) approach also highlights the emergent nature of managerial behavior. According to Hales, managers' attempts to act in meaningful 'managerial' ways (which consequently reaffirm or alter these cognitive rules) both enable and constrain their own future managerial practices. He thereby follows the path suggested by Stewart (1989) who conceptualizes the manager's job as dynamic and as consisting of a negotiable space. An important implication of Hales' framework is that managerial practice should be seen from a historical and a contextual perspective. This is, according to Hales, a key explanation for the repeatedly identified variations in managerial work. "Different managers draw upon the resources and rules of the particular cultural, societal, industrial, organizational, hierarchical, professional and functional systems in which they are located in their work practices" (1999, p. 344). Hence, Hales emphasizes the situational nature of managers' jobs.

Yet another attempt adopted in the pursuit of an explanatory framework that explains *why* managers do what they do was suggested by Hales (1986). In response to his conclusions from a critical review of earlier research, Hales argued for the use of a role framework as a way forward in the search for the answer to why managers do what they do. This proposal was later explored by Fondas and

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[17] It is worth noting that Hales fails to acknowledge Willmott for this effort.

Stewart (1994). A contribution of this approach is that it situates the behavior of managers in the context of expectations being held on the job by the manager himself/herself as well as by other organizational actors, sometimes labeled *the role set* (Merton, 1957, in Hales, 1986). In particular, the role framework explicates how the manager affects and effects the expectations others hold of his or her behavior on the job (Fondas and Stewart, 1994). From this perspective (and also implied by the framework developed by Hales, 1999), the manager's job is continuously defined and created by the manager and his or her 'role set'. The expectations of the people with whom managers work – 'the role senders' – lay the foundations for how the manager perceives his/her role – 'the received role' – in response to his/her and others' perceptions of the job, which in turn impinge on how the manager approaches his/her job.

2.3.4 Investigating managerial work in small firms

Studies that explicitly focus on what small business managers do are, as already noted, a rare phenomenon. Different reasons for this situation are conceivable. One explanation might be that it is more difficult to get access to top managers in small organizations. It is not hard to understand why most managers of small organizations reject propositions from academia about participation in empirical studies of their own behavior. Not only is it close at hand for small-firm managers to assume that this kind of research would intrude on their work; they are also liable to feel that their integrity would be jeopardized if participating in a study of their behavior.

As the ambition of this thesis is explorative and available research on small-firm managers is rare, we are wise to focus on the fundamental aspects of their work. From previous research on managerial work, it is possible to identify four basic aspects that are often adopted when describing managerial work. First, how does the manager allocate his/her time? Second, with whom does the manager interact? Third, with whom does the manager communicate? Fourth, what are the elements of the manager's work? Not before we have answers to these descriptive answers will we be able to take on explanatory endeavors.

From seeking answers to these questions, the ambition of this thesis is to take a first step towards a better understanding of managerial work in small firms, an understanding that can feed into an investigation of managerial learning in this kind of setting.

Before turning to the discussion on deployed methods, and later the results of this thesis, I will in the following section give an overview of some of the basic characteristics of "Action Technologies" that are often adopted in support of managerial learning.

2.4 ACTION TECHNOLOGIES FOR MANAGERIAL LEARNING

Within management development practice it was early recognized that learning and development become more valuable, and generated knowledge becomes more actionable, if learning takes real-life action as a point of departure. This section will survey the characteristics of what have been labeled "action strategies" (see special issue of Management Learning, 1999, Vol. 30, No. 2) or "action inquiry technologies" (Brooks & Watkins, 1994); in this thesis referred to as *Action Technologies*.

The research in question is extensive, and management development approaches that take action as their primary vehicle for learning have been the subject of numerous studies since Lewin's seminal work on *T* groups (Schein & Bennis, 1965). Other "technologies" that have been used and studied go under headings such as Action Learning (Revans, 1980; 1982; Marsick & O'Neil, 1999), Co-operative Inquiry (Reason, 1999b), and Appreciative Inquiry (Cooperrider & Srivastva, 1987).

Although a number of different approaches have developed under different headings, they uphold certain commonalities. These approaches differ from those often adopted within higher education institutions, mostly in their valuing of concrete experience and contextualized knowledge instead of detached abstract knowledge. The aim of "action learning" is to enhance the capacities of people in everyday situations in an ongoing fashion, and with a minimum of external help (Morgan and Ramirez, 1983). In short, common for most Action Technologies is that knowledge is produced in service of, and in the midst of, action (Raelin, 1999).

A thorough review of all these approaches is out of the scope of this thesis, and in the following I will only outline the basic features of some of the most recognized Action Technologies. As already touched upon above, Action Technologies propose that learning is best facilitated (i) by taking real problems coming from the work situation of the learner as a basis for learning, (ii) in iterative cycles of action and reflection, and (iii) in peer groups. Each of these will be further elaborated upon below.

2.4.1 Learning from real issues

In supporting "practical knowing" (Reason, 1999b), an important point of departure for Action Technologies is that all learning is based on concrete experience (cf. discussion above on Kolb, 1984). In recognizing experience as the major vehicle for learning, Action Technologies organize learning around issues that are perceived as "red-hot" by the learner. Hence, common for most Action Technologies is that learning is to be produced in service of, and in the midst of, action (Raelin, 1999). The basic premise is that "we can only learn about work at work, just as we can only learn how to ride a bicycle by riding a bicycle" (Smith,

2001). In arguing for a third generation of management development, Mintzberg (2004) in joining an action technology tradition claims that what managers need is to slow down, step back, and reflect on their natural experience.

Experiences in the form of real issues brought by the learner to the learning set need to be reflected upon and conceptualized in order to become actionable, i.e. usable for designing future action. Hence, in recognizing the slipperiness of personal experience, the aim of Action Technologies is to throw a net around these mediated experiences in order to capture them as learning (Smith, 2001). The basic point is to support the learner in the process of making sense of his or her experiences, often brought to the learning set in the form of problematic issues from one's own practice.

2.4.2 Cycles of action and reflection

A basic feature of individual learning, as understood by most Action Technologies, is that the learner is guided in his or her perception of reality by previous experiences in the form of cognitive schemes or worldviews. This means that humans tend to use the past to frame understanding of the present and future (Morgan & Ramirez, 1983)[18]. From a learning perspective, this means that the learner risks becoming trapped in his or her worldviews. Within Action Technologies the main vehicle for unlearning previous worldviews is reflection (Raelin, 1999; McGill and Beaty, 1992).

Within the setting of Action Technologies, reflection has been defined as "the practice of periodically stepping back to ponder the meaning to self and to others in one's immediate environment about what has recently transpired" (Raelin, 2001, p. 11). In Action Technologies, reflection privileges the process of inquiry leading to a more elaborated understanding of an experience that may have been overlooked in practice (ibid.). More specifically, reflection illuminates what has been experienced by both self and others, thereby providing a basis for future action.

Many Action Technologies take an experiential learning perspective on the learning process: The "activity-observation-discussion-application" model often adopted has its origin in Kolb's (1984) theory of experiential learning (Boot and Reynolds, 1997). From this perspective it follows that learning cannot come from reflection on experience alone. Consequently, most Action Technologies adopt a cyclic approach to learning, in which learning comes from the learner being engaged in cycles of action and reflection (Reason, 1999b). In relation to this it has been noted that it is necessary that a balance is achieved between these two elements of learning, as "too much time in reflection is just armchair theorizing", while "too much time in action is mere activism" (Reason, 1999b).

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[18] See also the section on the cognitive perspective on learning above.

Without doing justice to learning theory, the main point here is that learning from Action Technologies comes from an iterative process where reflection on experiences supports the design of new action from which new experiences can be deduced and reflected upon. Consequently, knowledge coming from Action Technologies should not only help the learner to explain or understand the situation, but it should also be able to help the learner to act in that situation (Morgan & Ramirez, 1983).

2.4.3 Learning together with peers

Many Action Technologies argue that managerial learning is achieved both by focusing on real work problems, and as a result of managers learning from and with each other (Vince and Martin, 1993). The use of groups (or 'sets' which is also a common term) as a means for learning is, consequently, common among these technologies. The appropriate size of the group is often rather small as this is necessary for group learning to be effective. A size figure often recurring in the literature denoting an adequate group is four to seven participants.

The centrality of the peer group follows from the argument that learning within Action Technologies "starts with the creation of a community of inquiry as an arena for reflection from which the participants can journey out into their worlds to notice new things and engage in experimental action, holding an awareness of the support and challenge of the group" (Reason, 1999b, p. 222).

It is often noted that groups need to work together effectively in order to be able to learn together (Marsick and O'Neil, 1999), and it has been argued that it is important that members of a group develop ways of working together that are collaborative (Reason, 1999b). Reason (1999a) suggests that group learning is dependent on the development of an "inquiring group culture". Thus, peer-group settings are not a quick fix of learning that can be applied in every setting without certain features being present.

Central to learning in groups is the learner's ability to open up about his or her problem, and the group members' ability to give full attention to the problem of the learner, that is, their peer in the group. More specifically, according to Beaty, Bourner and Frost (1993), the capacity of a group to support the learning of its members depends on the members' abilities to listen and attend to the problem of their peers, know when to be supportive and when to challenge, and ask good questions. In short, groups need to develop dialogues that are concerned with creating mutual caring relationships (Raelin, 2001), in which mutual support and challenge constitute the prime vehicle of learning.

The following section present and discuss the methods used in the research that underlies this thesis.

3   *Method*

This thesis draws on two principal methodologies: direct observation and action research. In this section I will discuss and motivate these choices. For additional knowledge about each method and about the studies in particular, I refer to the appended papers.

3.1   EXPLORATIVE AMBITIONS AND AIMING FOR CHANGE

As already explained, the overall objective of this thesis is to provide a basic understanding of the work of top managers in small firms, and subsequently of how their working situation affects their possibilities for learning. Another objective is to explore the relevance of Action Technology approaches to organizing managerial learning in small firms.

On a more general level, my goal with this research has been not only to observe the phenomena at hand, but also to contribute to action regarding them. Behind the research, therefore, lies an interest in pragmatic knowledge.

Given the status of present knowledge about these issues, my aim is exploratory in character. The questions posed in this thesis are basic and seek to provide fundamental knowledge about managerial work and learning in small firms. The explorative ambition, and the nature of the questions posed, call for a methodology that allows closeness to the phenomena concerned. Consequently, the research approach of this thesis is action-oriented, characterized by constructionist ontology (Gergen, 1999; Shotter, 1993), and inspired by ethnomethodological approaches (Atkinson and Hammersley, 1994; Weeks, 2000). Two methodologies have been used: direct observation and action research. In the following sections I will motivate these choices and elaborate upon some of their implications.

3.2   METHODOLOGICAL CHOICES

3.2.1   *Researching managerial work through direct observation*

As existing research has not been able to adequately describe what small business managers really do, we need, as a first step towards a better understanding, to acquire a fundamental grasp of what small-firm managers do. Basically there are three main types of methods that can be adopted in this inquiry. The first is to ask the manager to estimate how he/she divides his/her

time between different activities (using interviews and questionnaires). A second approach is to have the manager keep a record of his/her time and activities (by means of diaries). The third method is to have a researcher observe and record the manager's activities (through direct procedures such as critical-incident observation, activity sampling, unstructured and structured observation) (cf. Willis, 1984).

All methods have their pros and cons. The main difficulty with survey methods in studying managerial work is that studies have shown that managers are poor estimators of how they allocate their time (Burns, 1954, in Choran, 1969, p. 21)[19]. If one is interested in the content of managerial work, which is the case in this research, the situation becomes even more problematic when using survey methods. As pointed out by Mintzberg, "[…] to ask the manager what he does is to make him the researcher; he is expected to translate complex reality into meaningful abstraction" (Mintzberg, 1973, p. 222).

Survey methods (as well as diary methods) also suffer from their limited scope. One cannot collect data that allow open-ended analysis. Instead one needs to use a scheme that limits the amount of information contained. This means that one needs to know what the manager does before designing the form[20]. Additionally, Burns criticized the simplified diary schedule as "the amount of information contained in each is extremely limited" (1957, p. 42). Burns (1957) in his diary study of 76 managers in eight English firms also admitted that the method had another limitation that related to the managers as sources for information. He noted that the records filled in by the managers were not objective accounts of their behavior, but were "statements made by individuals about what they thought – or thought I ought to know – they were doing" (Burns, 1957, p. 47). As already noted, in the case of managerial work in small firms our knowledge is still in its infancy. This suggests the adoption of a methodology that allows an explorative approach.

As problems have been identified both with asking managers about their jobs and with having managers keep records of their work, the methodological choice falls on direct observation. The method employed in the observational study on which this thesis rests was inspired by the observational methodology developed by Henry Mintzberg (1973), labeled *structured observation*. The methodology was designed to provide an approach that made it possible to collect both data that are "grounded" in empirical observations, and data that are structured in order to facilitate comparison between observations in different contexts. According to Mintzberg, the structured-observation methodology was

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[19] See also Starbuck and Mezias (1996) for a more general discussion on the accuracy of managers' perceptions and their methodological consequences.

[20] In line with this critique, existing empirical research on managerial work has been criticized for having avoided inductive reasoning in its presentation of results (see Mintzberg, 1973 for a more thorough critique; see also Choran, 1969).

developed to be inductive, comprehensive, and intensive: "It had to be *inductive* because the purpose was to describe what we did not know, to develop from a study of specific managers a general statement of managerial roles. The research had to be *comprehensive* to capture, not what might interest me or draw my attention for the moment, but the whole job of managing. And it had to be *intensive* in that it had to probe deeply, not superficially, into the complex set of managerial activities." (Mintzberg, 1973, p. 231, italics in original.)

During the observations – in accordance with the method of structured observation – three "records" supported the data collection: a chronological record, mail record, and contact record. In these records the observer recorded the activities of the manager. In the chronology record, activity patterns during the working day were recorded. In the mail record, mail processing by the manager was recorded; and in the contact record, the verbal interactions of the managers were recorded. In these records, structured as well as unstructured (i.e. anecdotal) data were collected. The data allow inductive reasoning, and therefore allow us to reveal the activities and roles of small-firm managers without having to predefine them by using some earlier framework.

Owner-managers in six Swedish small (17-43 employees) manufacturing firms were observed for one week each[21]. All observations were made by the author and a colleague, allowing us to adopt different roles during the actual observation. The first researcher (the "record holder") was responsible for filling in the records, while the second one (the "wide-eyed observer") observed freely without being guided by the records. In all, the study includes observation of about 260 hours of work and about 1650 activities.

The field study proceeded through two basic steps: (i) the recording of observations and (ii) coding of observations into a database collecting all observations. The coding was conducted in close relation to the actual observation (most often the day after), which made it possible to take additional notes based on a clear memory of the activities.[22] Also the analysis of the observational data was done in two steps. A first analysis was done by me and my colleague. This analysis was thereafter presented for the participating managers in a series of four group meetings (lasting about four hours each), during which we and the managers tried together to make sense of the data.

It should be mentioned that the approach adopted in this thesis has some important limitations. First, the approach is rather reductionistic in its form. We

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[21] For additional information about the characteristics of the managers, see Papers II & III.

[22] As the method includes the collection of both structured and unstructured data, the data facilitate, as already mentioned, an inductively generated description of the job of the small-firm manager. I would like to stress, however, that this thesis reports (see Papers II & III) on the first part of the analysis of the observational data. Left out of the presentation are the inductive analysis and classification of the purpose of the managers' activities.

cannot, of course, assume that our understanding of what top managers in small firms do will be completed only by conducting observational studies. This kind of study gives only accounts of the behavior of top managers and not of what managers in small firms *do*[23]. Nevertheless, as the number of first-hand accounts of managerial work in small firms is still quite limited, this study contributes additional basic descriptions necessary to deepen our understanding of managerial work in such firms. However, as will be evident later, behavioral studies also extend to the cognitive aspects of managerial work, even if the observational approach as such does not comprise cognitive measures.

Given our present understanding of what managers in small firms do, I would argue that my approach is a necessary first step towards a better appreciation of the practice of small business management as enacted by top managers.

3.2.2 Researching managerial learning in peer-group settings by using Action Research

The second purpose of this thesis is to explore the relevance of peer-group approaches to organizing learning at the level of top managers in small firms. This has been done through an action research (AR) approach. The advantages of AR in comparison with other research methods are several. From an epistemological perspective, one important advantage (which is similar to the advantage of direct observation) is that the researcher is located close to the issue being studied. This allows the researcher to observe the phenomenon first-hand without having to rely on second-hand accounts.

Beyond the epistemological arguments for choosing a participative method, a more pragmatic reason has been a wish to contribute "on-line" to the situation of the executives participating in the project. The AR approach, in which the managers' (and their companies') learning processes have been in focus, has offered both practitioners and researchers the possibility to learn about the learning processes in peer groups. To the practitioners, learning comes about through active experimentation together with other managers and academics – experimentation that enables research from an academic point of view on an otherwise elusive subject.

I will not make any lengthy review here of different AR approaches, but will briefly outline some of the characteristics of the approach adopted in the research that preceded this thesis. First, however, I will touch upon the basic and general features of action research.

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[23] As Hales (1986, p. 89) notes, evidence on managers' behavior provides only a partial answer to the question of what managers do.

Action research "is a term for describing a spectrum of activities that focus on research, planning, theorising, learning and development. Most often it typically includes both taking suitable action and making a scholarly contribution. AR describes a continuous process of research and learning in the researcher's long-term relationship with a problem" (Cunningham, 1993, p. 4, in Dickens and Watkins, 1999). Action research is about change and improvement; AR is thereby a development process "[…] to promote local processes of change, and to support and conduct research on just these change processes" (Naschold, 1993, p. 10). From this it follows that in AR, the researcher is actively involved in processes of change at the same time as these processes are being studied. In comparison to researchers that employ other methods, the action researcher takes active part in the phenomenon that is being studied. The researcher, therefore, becomes one actor among other (in the traditional sense, "non-researching") actors in a research project. The researchers, in this case me and my colleagues, consequently worked together with, and not for, the managers in a joint process of striving to resolve a co-defined problem.

The AR project on which this thesis draws is a longitudinal study of how learning in peer groups (or as I label it in Paper IV, collaborative approaches) can contribute to managerial learning in small firms. Through our active participation, we have been able to closely observe learning processes in peer groups, which has made it possible to study a phenomenon that is difficult to observe with other methods.

Four different peer groups consisting of managers from small manufacturing firms have been initiated and developed together with the participating managers[24]. In all, the project includes participative observation of over 90 peer-group meetings. At the peer-group meetings, organized approximately for half a day once a month, different company-related possibilities and problems were discussed and reflected upon, during which the managers used each other's experience and knowledge for new ideas and perspectives on how to develop their organizations. Diverse internal development projects have been initiated in the companies, during which the group members have been used as a sounding board. Some of these projects (for instance projects concerning the quality of the work environment, marketing strategies, reorganization, and introduction of semi-autonomous groups) were carried out in some of the companies in the group, while others were carried out together by all companies in a group (e.g. an ICT project aiming at implementing new technology in the firms; the implementation of ISO 14001). It is worth mentioning that also the observational study (as described above) was organized as a peer-group project similar to any of the other ones. Using the observational data as a representation of the work of the participating managers, a series of meetings were allocated to

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[24] See Lundberg & Tell (1998) and Tell (2001) for a thorough background account and description of the development of this action research project.

reflect on the managers' way of working. This also helped us in our analysis of the data and gave a deeper understanding of the reasons for their behavior.

During meetings, at least two representatives from the university have been present. The primary method for collection of data has been the taking of field notes. Tape recording has been used occasionally. After the network meetings, de-briefing sessions have been organized in order to collect and reflect on the observations made. De-briefing sessions together with participating managers have been regularly organized, during which our reflections have been compared with the experiences of the managers.

In the following section I will give an overview and a presentation of the appended papers.

4　*Summary of papers*

This chapter presents the appended papers included in this thesis. Before presenting each paper, Table 2 will give an overview of the aims/purposes, the empirical foundation, and the main contribution(s) of the papers.

	Aim(s)/purpose(s)	Empirical base	Main contribution(s)
Paper I	Examine the diffusion of research on learning into the area of small business research.	Literature review based on searches in ABI/INFORM and Social Science Citation Index.	Shows that research that explicitly focuses on learning in small firms is a rare phenomenon even if it is possible to identify a positive trend pointing towards an increasing interest. Existing research is primarily empirical and tends to be atheoretical in its approach.
Paper II	Describe what owner-managers in small firms do. Compare the behavior of small-firm owner-manager with that of managers in larger organizations. Assess the validity of Mintzberg's (1973) propositions about managerial work.	One week of observation of six owner-managers in small firms (in all 260 hours and 1650 activities were observed).	The study point to some differences in behavior between managers in small and large organizations, and add additional (but not full) support to Mintzberg's propositions.
Paper III	i) Describe the basic characteristics and qualities of managers' jobs in small firms as found in five observational studies. ii) Evaluate available studies in order to suggest some needs as well as guidelines for future research.	An in-depth summary and synthesis of five observational studies (one made by the author and a colleague). In all about 120 days of observation of 24 top managers in small firms.	The papers depict the characteristics and qualities of the managers' jobs in small firms, some in line with preconceived ideas about their jobs and others contradicting some old 'truths'.
Paper IV	Describe how learning in collaborative approaches can support the learning situation of small-firm executives.	Action research on two groups/sets of small-firm owner-managers. Four cases of managerial learning are presented.	Identifies three limiting prerequisites (lack of time, no peers, and the preferential right of interpretation of the owner-manager) for managerial learning in small firms and argues that learning in peer-groups can bypass these prerequisites and support managerial learning in small firms.
Paper V	Show how the prerequisites for higher-level learning develop over time in networks of small-firm owner-managers.	Action research on two groups/sets of small-firm owner-managers. Two 'thick descriptions' of learning are presented.	Learning in networks of owner-managers is based on trust and has emergent prerequisites. These prerequisites are reciprocity between learning actors, the actors receptive and confronting capacity, and the transparency of the dialogue in the group. Over time these prerequisites develop and create better opportunities for higher-level learning.

Table 2. Summary of papers

4.1 PAPER I: KEY LEARNING THEMES IN THE SMALL BUSINESS LITERATURE

This article presents a literature review that aims to examine the diffusion of the "learning hype" within organization theory into the area of small business research. The twofold purpose is to make a quantitative analysis of the literature by means of a review on articles on learning in SMEs, and to identify the key learning themes in the small business literature.

The sources of the review are two major databases on management research: Social Science Citation Index (SSCI) and ABI-inform. In all, about 500 abstracts published between 1971 and 2002 have been classified.

Over 80 different journals were represented in the review, out of which the majority of the journals (62) had only one article published relating to learning in small businesses. The journals represented many different areas, such as psychology, manufacturing, product planning, management studies, technology management, accountancy, computer education and information management.

The key learning themes discussed during the last 30 years related to SMEs are education (of both management and employees), strategic planning and IT/software support. Except for the 1970s, the prime unit of analysis is the organization. During the last decade, the interest in the inter-organizational level (mostly concerning learning in networks and clusters) has increased dramatically (from one article during the period of 1970–90, to almost 40 articles during 1990–2002).

Not until quite recently did the publications in the area exceed ten per year, but the publications on the issue are still sporadic and mostly explorative. The review does find a trend pointing to an increasing interest in learning in research on small businesses. However, learning is still treated as a variable within the study of some other phenomenon, for example, marketing and strategic planning, which means that empirical studies of learning *per se* in small businesses still are rare. As an illustrative example it can be mentioned that although both education and training are recognized as recurrent themes in our review, we did not identify any studies that describe whether and how the context of the small firm affects education and training of managers and employees in this specific form of organization.

The review indicates that research on SMEs and learning is multidisciplinary and in an early stage of its growth. Research is, furthermore, still built on primary empirical research (in which learning is not the main issue) and there are no obvious core groups of researchers publishing in the field. A citation

analysis shows that the majority of the articles have not been receiving any great interest and most have not been cited at all.

Learning has been given much attention during the last decades within general organization theory. Our review shows that this interest has not diffused into small business research to any high degree. Although learning is becoming a more common topic within small business research, it needs to be made an issue in itself in order to increase our understanding of learning in the specific context of the small firm. Further research is therefore necessary to increase our knowledge of learning on different levels but also from different perspectives in small firms.

4.2   PAPER II: WHAT DO OWNER-MANAGERS OF SMALL FIRMS REALLY DO?

The research presented in this paper is a replication of Henry Mintzberg's seminal study on the nature of managerial work from 1973. The article focuses on owner-managers in small manufacturing firms in an initial attempt to reveal the nature of the work undertaken by this type of managers. The purpose is to describe what they do and to compare their behavior with that of managers in large and intermediate organizations as described in studies conducted by Mintzberg (1973) and Kurke & Aldrich (1983). In complementing an earlier small-scale study of managerial behavior in small firms (Choran, 1969), an aim of the study is also to test Mintzberg's general propositions on managerial work.

Empirically this paper draws on an observational study that employed the method of structured observation. The sample in the study comprised six small-company owner-managers, managing Swedish manufacturing companies (having between 17 and 43 employees) in mature industries. In total, approximately 260 hours of work and 1650 activities were observed.

The typical small-firm owner-managers in our study average 45.5 hour per week and they seldom work on weekends. The manager undertakes about 57 activities per day, of which almost four out of five last less than nine minutes. He (they are all male) spends almost 80 percent of his time in his office, and seven percent in the factory (the remaining time is spent on traveling/lunch/coffee breaks). Of the time spent at the office, 46% is spent in deskwork sessions, 13% in telephone and 19% in unscheduled meetings. Interesting to notice is that the managers have few scheduled meetings, only one per day, but as many as 22 unscheduled, which take up almost a fifth of their day. Interruptions are common, and on average the managers worked undisturbed for about 11 minutes. Half of their time in verbal contact they spend with their subordinates, one third with suppliers and associates, and about ten percent with clients and 'others' respectively.

When comparing the work of small-firm managers with their peers in intermediate and large organizations, distinguishing characteristics are notable. While managers in intermediate and large firms spend most of their time in scheduled meetings, managers in small firms spend most time in deskwork sessions. The time in scheduled meetings for small-firm managers is only about a third of the time of managers in larger organizations. Hence, when managers in larger organizations prefer scheduled meetings, small-firm managers prefer unscheduled ones. When counting the number of daily meetings, the small-firm manager has twice as many meetings as managers in larger organizations, of which the absolute majority are unscheduled. Characteristic is also that these meetings are much shorter in duration. The working day of the small-firm managers is generally more fragmented and they experience interruptions more often than managers in intermediate and large organizations. The comparison shows that managers in all three size segments spend about half of their time in verbal contact with subordinates. Managers in small firms interact more with suppliers and associates than do their peers, while managers in intermediate and large organizations interact three to four times more with 'others' than do small firms. Small-firm managers take – as expected – greater interest in (and allocate more time to) the daily operations of the firm, and fulfill operational functions in their firms (being purchase officers, making offers, and dealing with complaints)

Of Mintzberg's (1973) seven propositions, we found support for four, although with some hesitation. This calls into question the asserted generality of several such propositions. Discrepancies were found concerning the work load of the manager. While Mintzberg proposed that top managers perform a considerable quantity of work, forcing them to work evenings and weekends, the managers in our study seldom worked overtime. A second difference was found concerning the managers' primary time consumer: Mintzberg's proposition asserts that scheduled meetings consume most of the managers' time. This was not the case in our study. Instead unscheduled meetings took most of the managers' time. A third difference has to do with the use of tours, which took twice as much of the managers' time in small firms.

Our study indicates that there seem to be some myths about what small-firm owner-managers really do, myths that need to be considered in future research. This article is a first attempt to further our understanding of the practice of small business management. However, additional studies are necessary to nuance the already relatively well developed understanding of managerial work in general.

4.3 PAPER III: MANAGERIAL BEHAVIOR IN SMALL FIRMS – A CRITICAL ANALYSIS OF EVIDENCE FROM OBSERVATIONAL STUDIES

Our knowledge and understanding of entrepreneurs and small business managers have been generated basically from studies that have sought to answer the question of *who* the entrepreneur/small business manager is. Most studies have been applying a trait perspective in their design, a perspective that has been argued to be inadequate to explain the phenomenon of entrepreneurship. This article adopts an alternative behavioral perspective on top managers and sets out to add to our understanding of managers' jobs in small firms as preliminarily sketched in Paper II above. The purpose is to describe what managers in small firms do, based on a summary and synthesis of five studies (including the study conducted by the author and a colleague) of 24 small-firm managers including about 120 days of direct observation.

The article first summarizes what we know about managers' jobs in general from earlier research. More specifically the article presents *what* managers do, and some proposed explanations for *why* they behave as they do. The description of what small-firm managers do is divided into three sections, focusing on (i) how managers divide their time between different activities, (ii) managerial interaction and communication, and (iii) the elements of managerial work in small firms.

4.3.1 The allocation of time of the small-firm manager

The results indicate that the working day of small-firm managers is a long and hectic one with few routine events. The managers spend most of their time physically at their firms, and the working hours of the typical small-firm manager seem to be about 50 hours per week (although their week can be up to 70-80 hours long).

On a general level it appears that top managers in small firms spend most of their time in deskwork; the average manager spends almost one-third of his/her time working at a desk. Scheduled meetings rarely take place but they occupy about 20 percent of the managers' time. Conversely, unscheduled meetings occur frequently but take up less time than do the scheduled ones[25]. Telephone calls have been found to take up from 13 to 18 percent of the managers' time, while tours generally take up about 13 percent, making tours the

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[25] It is, however, worth noting that the studies point in different directions concerning this issue. While the study of Muir & Langford identifies scheduled meetings as more frequent than unscheduled ones, the studies of Florén & Tell (see Paper II) and Choran (1969) found that unscheduled meetings were most frequent. A not too bold hypothesis is that the observations made by O'Gorman & Bourke (2001) point in the right direction, namely that time is evenly distributed between scheduled and unscheduled meetings.

medium most rarely used by managers in small firms. Tours do not relate to general ("open-ended") inspection and seem seldom to be adopted as a universal managing device; instead, tours are most often made for a specific purpose, for example to investigate stock levels of a certain semi-manufactured article.

The working day of the top managers is characterized by brevity and fragmentation. Studies have shown that the numbers of activities per day for the typical manager in small firms span from 35 (O'Gorman and Bourke, 2001) to almost 80 (Choran, 1969). The absolute majority (about 90%) of the activities takes less than nine minutes, while activities lasting more than 60 minutes are rare (less than 1%). The high rate of fragmentation of the managers' work is especially characterized by the great number of activities that do not exceed two minutes (Choran, 1969), which can be explained by the fact that only a few of the managers' activities are completed without interruptions. As the number of activities accomplished during a working day is high, the managers have difficulties in spending much time on any one activity, and very few activities are possible to complete without interruption: deskwork is stopped by telephone calls or employees coming into the office asking for or giving information. The pattern is consistent in that, as soon as any interrupted primary activity is resumed, it is interrupted again. Accordingly, O'Gorman and Bourke (2001) found in their study that the working day of the managers was relatively unplanned and that constant interruption was the principal activator of CEO actions.

Not only is the work of managers interrupted by others. Small-firm managers also seem to underpin the fragmented situation by their predisposition to (re)act immediately on received information, leading them to frequently switch and redirect the focus of their attention. In fact they have been found to initiate more than half of all their activities by themselves (Choran, 1969). Another factor underpinning the fragmented working situation is the manager's desire to keep control of the vital functions in his organization. Adding still more to the fragmented working day is the need to rapidly change between different managerial as well as operational roles, from which it follows that the manager must be able to take on a complex set of roles and at the same time make use of a complex set of skills. The picture of a hectic working day is furthermore strengthened by the fact that coffee breaks and lunches were often taken during formal and informal meetings, and that managers had little uninterrupted time for themselves (O'Gorman and Bourke, 2001)[26].

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[26] It should, however, be noted that this statement (perhaps representing a taken-for-granted fact about the practice of small business managers) might be worth further studies, as the study of Florén & Tell (see Paper II) found that the managers actually did spend fairly much time by themselves at their desk and that lunches and breaks occasionally were "unscheduled" time at the managers' disposal.

4.3.2 Interaction and communication pattern of the small-firm manager

The studies by Choran (1969), Noël (1989), O'Gorman and Bourke (2001) note that managers rather spend their time working with others (65, 80 and 72% respectively) than working by themselves at their desk, while the study of Florén and Tell (see Paper II) indicates that managers spend almost half of their time alone in deskwork. In the same manner as their peers in larger organizations, managers in small firms spend most of their time with employees. Interaction with clients accounts on average for about 13% of the time, while interaction with suppliers and associates accounts for about 19%. In comparison with managers in large firms, however, the network of small-firm managers seems to be less developed (Noël, 1989). A closer analysis of the interaction pattern within the organization made by Florén and Tell (see Paper II) shows – perhaps a bit surprisingly – that out of all contacts the managers interact with their employees for only 14 percent of their time. The majority of the interaction (70%) within their organizations is instead with a small group of supervisors and secretaries. This does call into question the often assumed closeness between small-firm CEOs and their employees.

Managers of small firms use informal means of communication, and their first choices for communication seem to be telephone calls and unscheduled meetings. These informal means of communication are often initiated by others, contributing to the earlier noted fragmentation of the managers' working day. They also prefer "soft" information, like gossip, instead of historical information such as that available in reports. This can also be observed in the fact that small-firm managers only rarely use recognized management tools, e.g. organizational charts, budget plans and control graphs, and management techniques such as marketing, personnel management and corporate-strategy development (Muir and Langford, 1994)[27]. The main proposed reason for not using such techniques and tools was, according to the managers in the study of Muir and Langford (1994), lack of time.

4.3.3 Elements of managers' jobs in small firms

Evident in the studies is that the work of small-firm top managers is characterized by a "multirole behavior". They constantly changes roles and functions during a working day. In replicating Mintzberg's (1968) study, Choran (1969) found that small-firm managers perform the same thirteen[28] basic

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[27] In this respect managers in small firms seem similar to their peers in large organizations (cf. Mintzberg, 1973; Kotter, 1982).

[28] In his thesis, Mintzberg (1968) identified thirteen managerial roles assembled in three groups: four status roles, five informational roles, and four strategy-making roles. In his book on the nature of managerial

(managerial) roles as managers in large organizations, *and* two additional operational roles, which identifies the manager as a *specialist* and *substitute operator*. Choran thereby reinforces the picture of small-firm managers playing a large number of different roles and performing many different functions in their organizations.

The fact that they play both managerial and non-managerial roles (i.e. operational roles) is also indicated by the fact that small-firm managers have been found to be functioning as executives and middle managers at the same time as they are temporary members of project teams (Muir and Langford, 1994). Consequently, Muir and Langford (1994) argue that owner-managers need to be skilled at the lower, middle and top management levels, and at the same time they have to be able to bridge these roles.

The fact that small-firm managers spend time on non-managerial roles can be understood in different ways. In their study Muir and Langford (1994) found that one of the managers was spending too much time on "[…] laborious and time-consuming clerical work, which could have been better and easily delegated" (ibid., p. 251). In saying this, they seem to have found the operational roles of small-firm managers. Choran (1969), in trying to explain the operational roles, argued that the specialist role is explained by the managers' desire to keep control of the vital functions in his organization: "If the manager deems that any one function is vital to the organization's well-being, he will assume that position" (Choran, 1969, p. 134). A reason for the small-firm manager playing the role of substitute operator is the limited number of employees who can carry out the jobs necessary to operate the firm. In discussing this, Choran (1969) concludes that the manager seems to be the backup man in the organization.

While Muir and Langford (1994) argue that non-managerial work is badly spent time for managers, Choran (1969) seems to argue that the presence of operational roles is contingent on the organizational structure of the small firm and, therefore, difficult to exclude from the work of managers in this kind of organizations. Hence, it seems tenuous to argue that work which traditionally is labeled non-managerial work is not worthwhile for managers in small firms. Perhaps as a inflection of their own statement, Muir and Langford conclude that small-firm managers need to be skilled at the lower, middle and top management levels (1994, p. 248). Thus they imply that skills of a non-managerial character are also necessary for small-firm managers.

Despite the specific differences in activity patterns, it is clear that managers in small firms gravitate towards the active elements of their work and that they

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work (1973) he developed his framework from the thesis to include only ten roles divided into three groups: three interpersonal roles, three informational roles, and four decisional roles. As Choran's work draws on the role framework as presented in Mintzberg's thesis, it is self-evident that Choran relates his role discussion to this "early" framework.

prefer the red-hot, specific, and ad hoc activities. It also seems clear that the studies taken together indicate that "[…] the image of the owner-managers as 'Jack-of-all-trades' has empirical support" (O'Gorman and Bourke, p. 177). As managers' jobs in small firms involve a diversified set of elements, small-firm managers must be able to take on different roles and to man different organizational functions, both managerial and operational, depending on what needs to be done, and they need to be able to change rapidly between these roles and functions. In short: to manage a small firm is to be part of a flow of ad hoc, unpremeditated activities. It is about working in a process of activities where one thing leads to another that leads to another.

4.4   PAPER IV: COLLABORATIVE APPROACHES TO MANAGEMENT LEARNING IN SMALL FIRMS

The benefit of collaborative approaches to management learning is often attributed in the literature to the usefulness of learning together with peers. Despite the significant interest dedicated to the issue of learning by means of collaborative approaches (cf. *T* groups, Action learning, Co-operative inquiry, Appreciative inquiry), little attention has been paid to what the benefits of participation in this kind of activities actually are. The purpose of this paper is, therefore, to describe how learning in collaborative approaches can support the learning situation of small-firm owner-managers.

Following the socio-cognitive perspective on learning applied in the paper, I argue that it is necessary, if one wants to describe the benefits of collaborative approaches to management learning (CAML) for small-firm owner-managers, to frame the context of managerial learning in small firms and its consequences. Drawing on recognized learning theorists (Argyris and Schön, 1978, 1996; Kolb, 1984; Lave and Wenger, 1991; Brown and Duguid, 1995; Gherardi et al., 1998), I frame the small-firm context which – from an executive learning perspective – has seldom been explicitly framed in the literature on learning. The purpose of this exercise is to describe the consequences this context has on management learning.

The situated nature of management learning in small firms has three characteristics that have implications for the learning of owner-managers. First, the manager lacks time and resources for exploration and reflection. This is due to the scope of the managerial function and the functional isolation of the owner-manager. The elusive nature of (managerial) problems, and the need for reflexive observation (taking account of multiple perspectives) and conceptualization (integration of perspectives) of experiences and events, put the often isolated top manager in smaller enterprises in a more difficult situation than his colleagues in larger organizations. In larger organizations, multiple perspectives on events and

problems are represented by different expert functions held by different individuals. In small firms, these expert functions are often held by a single owner-manager. A risk with the learning situation in small firms is therefore that the important, complicated understandings of events that precede effective managerial behavior become only "uncomplicated understandings".

The second characteristic is that the small-firm owner-manager often has few or no fellow-managers (peers). Managerial action depends on how the acting individual frames and understands the situation. Due to the constrained management function, a manager in a small firm is often isolated without sounding boards that he or she can use in order to frame problems at hand. The consequent danger is that, if problem framing occurs within obsolete governing variables, any action risks being inappropriate. Furthermore, being responsible for disparate strategic and operative functions, the small-firm manager needs the competence of a generalist. This might lead to situations in which the small-firm management does not have the time to learn on a deeper level about issues at hand, which in turn might lead to a situation where decisions risk being taken on intuitive and vague foundations. The need for a wide knowledge base fosters a superficial learning orientation.

Thirdly and finally, the learning of the small-firm owner-managers is characterized by their preferential right of interpretation and their need to uphold or save face. Not only do executives in small firms practice learning in a context with few or no fellow-managers, which limits their learning possibilities, but if the manager (both directly and indirectly) invites others to participate in e.g. decision-making processes, this does not ensure adding value to the learning process. If subordinates perceive the manager as "the omniscient manager", there is a risk that organizational actions of the enterprise nevertheless are grounded in the preferential right of interpretation of the manager, as the perspectives of others might be suppressed.

Drawing on the contextualization of executive learning in small firms and four cases of learning in CAML, I argue that participation in CAML supports managerial learning in small firms in two ways. First, participation induces reflexivity. In CAML the manager gets a forum where reflection is given time and attention. The network operations seem to stimulate a reflexive approach to both articulated and tacit assumptions on which organizational actions are taken. Being confronted with the experiences and attitudes of the other network actors towards the issues at hand, the managers were encouraged to espouse their own attitudes in a way that seldom takes place within the single company. Secondly, and related to inducing reflexivity, the CAML provides new perspectives and specialist insights, seldom represented within small firms.

Participating in a CAML seems to support the difficult process of unlearning old guiding variables and previously successful behaviors. CAML gives the executives the unprejudiced sounding board that they often lack within their

enterprises. More specifically, CAML establishes a new context – a community – in which old truths can be questioned and new insights can be created: a context that seems to circumvent some of the problems of the learning situation of executives in small firms. One might argue that CAML could be the community of practice that executives in small firms often lack.

4.5   PAPER V: THE EMERGENT PREREQUISITES OF MANAGERIAL LEARNING IN SMALL-FIRM NETWORKS

Within the field of organization and management development, there are a number of different approaches that are organized around an action strategy for learning. These approaches have been widely used and a great deal has been written about them in the scholarly literature. Research has also shown that co-operation in network structures produces better possibilities for higher-level learning than small firms can organize on their own. Common to these approaches is that they recognize group processes as important for learning. A closer examination of previous studies of learning in networks reveals, however, that the literature so far has not considered how learning develops over time.

In this paper we draw on a seven-year participant observational study of two different network constellations of small-firm owner-managers. With support both in theory and in our own practice, we take as a point of departure that trust is the major prerequisite for learning in groups. The concept of trust, however, we argue, can be better understood as three subordinate prerequisites for learning that have emergent characteristics: (i) reciprocity between learning actors, (ii) the learning actors' receptive and confronting capacity, and (iii) the transparency of the dialogue in the networks. The purpose of this article is to show how these prerequisites develop over time in networks of small-firm owner-managers, therefore creating better opportunities for higher-level learning.

Using two cases/episodes from our field study, we show how the prerequisites for learning have changed with time in the networks. In the beginning of the collaborations, the networks were primarily oriented towards specified goals of the network – e.g. the aim to increase company intellectual resources for product development, or the goal of getting support in purchasing ICT solutions.

From	Prerequisites for learning in groups	To
Carefulness in exchange of knowledge and experiences	*Reciprocity* ●——————→	Honest giving and taking among network actors
Difficult to take on others' perspectives	*Receptive capacity* ●——————→	Open towards and interested in what others can contribute with
Keeping one's (implicit and explicit) perspectives unspoken	*Confronting capacity* ●——————→	Knowing when and how to confront other network members
Carefulness in sharing experiences in an open way	*Transparency* ●——————→	Open and honest sharing of good as well as bad experiences

Table 3. The emergent prerequisites of managerial learning in networks of small-firm owner-managers

As time passed, trust increased between network members. In the wake of the inter-personal trust, a reciprocal and transparent milieu developed, which in turn established prerequisites for a receptive and confronting capacity between the managers, which led to higher-level learning.

Although it is clear that there are differences between action strategies for management development, regarding both the meanings people attach to them and the implementation of these strategies, we argue that learning in groups has an inherent generic potential for higher-level learning. But in order to reach this potential one needs to consider the emergent nature of the prerequisites for learning in the design of such learning arenas, as it may take time for network actors to be able to make use of the network as a learning arena.

5 Discussion & conclusions

The purpose of this thesis is to describe the basics of managerial work in small firms and how this work practice affects managerial learning. In line with this aim, the present section will summarize our knowledge of managerial work in small firms as depicted by behavioral studies, and describe how this work practice sets the agenda for managerial learning. I will begin by describing the basic characteristics of managerial work, after which the consequences for managerial learning will be investigated. Thereafter a more general discussion will be conducted on the implications for the support of managerial learning in small firms. Corresponding to the second aspect of the stated purpose, I will then explore the relevance of Action Technologies in supporting managerial learning in the small firm setting. The section, and the thesis, will end with an examination of the results including a discussion of implications for future research.

5.1   FEATURES OF MANAGERIAL WORK IN SMALL FIRMS…

First and foremost, this thesis makes clear that managerial work in small firms shows certain characteristics that need to be understood when trying to comprehend managerial learning. My review of available research in small-firm settings indicates three features that should be considered. One feature is located externally to the manager, while two concern the manager's predispositions and preferences (see Figure 4).

To begin with, the small-firm top manager operates in context with *structural conditions* that affect his/her learning situation. A major characteristic of managers' jobs in small firms is that they often lack peers and have a short-handed management function with few individuals. Being the sole executive in the firm, and hence responsible for different organizational functions, leads to a situation in which the manager needs to be able to adopt many different both managerial and operational roles in his/her firm. The fact that top managers in small firms often are the only executives also makes their practice secluded. This 'isolation' means that the managers are caught in their own practice and in the practice of management as fostered within their firms. Since they are 'practically isolated', the process of defining what is to be understood as a good small-business manager depends on how this is defined by the communities of practice within the small firm, and by the top manager himself or herself.

- Short-handed management function
- Responsibility for (many) different functions
- Isolated work practice with few peers

External

Internal

Structural conditions

Cognitive predispositions

Behavioral preferences

- Desire to keep control
- Preference for red-hot, specific, and ad hoc activities
- Tendency to focus on doing things that are perceived crucial for the survival of their firm

- Tendency to react immediately on received information
- Unplanned working day
- Highly fragmented working day with frequent interruptions
- Multi-role-behavior, including both managerial and operational roles
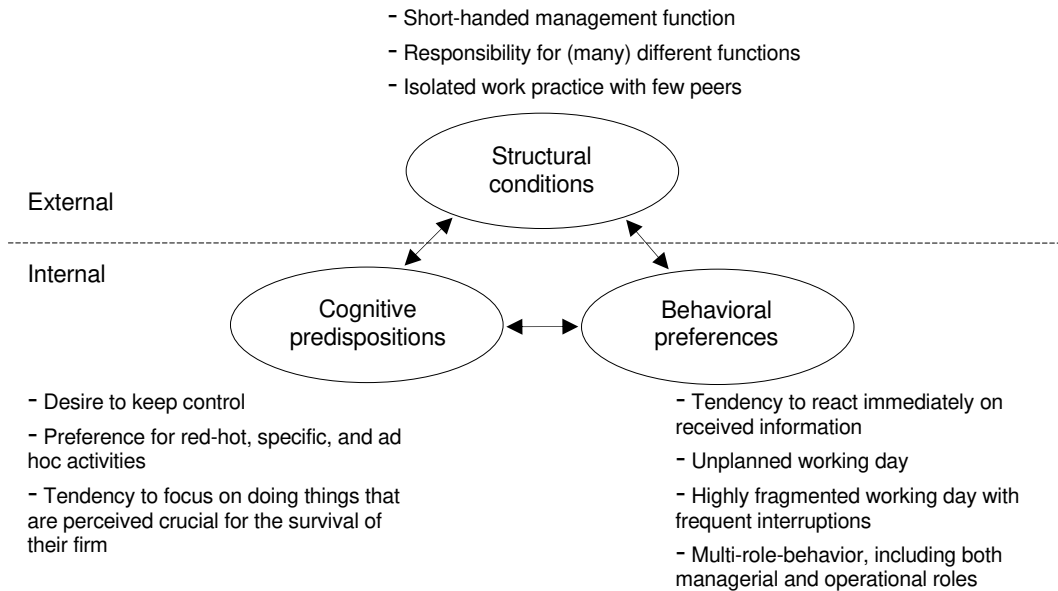
Figure 4. Features of managerial work in small firms

Apart from the structural conditions in which they operate, the managers' predispositions and preferences also set the agenda for learning. First, top managers in small firms seem to have certain *cognitive predispositions* guiding their work. They strive to keep control over important parts of their business, they schedule their working day towards activities that they perceive as crucial for the survival of their firm, and they have a preference for red-hot, specific, and ad hoc activities. Second, top managers in small firms seem to have certain *behavioral preferences*. Besides having a largely unplanned working day, their work is characterized by a high degree of fragmentation and frequent interruptions. Adding to the fragmentation of their working day is their tendency to react immediately to information that is given to them. The last behavioral aspect has to do with the fact that the small business manager needs to able to adopt different managerial and operational roles.

It is important to note that the three features that have been identified as setting the agenda for managerial learning in small firms are not independent of each other but should be understood as interrelated. To illustrate, the cognitive predispositions are part of and contribute to the reification of existing structural prerequisites. At the same time they also guide the behavior of the actor, and are affected by that behavior. For practical reasons, however, it is worth distinguishing the factors from each other when trying to understand and support managerial learning in this specific setting.

5.2   …AND THEIR IMPACT ON MANAGERIAL LEARNING

Being 'experienced managers', top managers confront learning opportunities *ad infinitum* in their work practice. However, the characteristics of their work practice run the risk of making it difficult for them to make use of these opportunities. Before going into details about how the features of managerial practice identified above influence managerial learning I will discuss the implications on an overall level.

The work situation of the small-firm manager seems to affect learning in two ways. To begin with, managerial learning in small firms is made difficult due to some features of the work of the manager that make it hard to come to a point where learning (in terms of reflection and conceptualization) is given time and resources. More specifically, the manager has difficulty in finding time for learning, and learning is made low-priority. Learning is also made difficult due to barriers related to the learning process. This means that even if learning is prioritized and given necessary time there may be barriers that prevent efficient learning from taking place. To be more precise, we know from research on learning in organizations that reflection and unlearning are difficult achievements. In the context of managerial learning in small firms, the situation is aggravated by certain features of the work of the manager that foster a superficial[29] learning orientation, which makes it difficult for top managers to probe deep into and to develop complicated understandings about issues at hand. Finally, managerial learning is hindered by features of the management practice in which the small-firm manager operates, making complex understanding and peer learning hard to attain.

In the following table, I summarize the characteristics of managerial behavior in small firms and the implications for managerial learning.

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[29] It should be stressed that I am not arguing that this kind of learning is of no value – on the contrary. What I mean is that learning in terms of systematic reflection becomes difficult to achieve.

FEATURES OF THE WORK OF TOP MANAGERS IN SMALL FIRMS	IMPLICATIONS FOR MANAGERIAL LEARNING	
Short-handed management function	Barriers to reflection	Difficult to free time for reflection & conceptualization
Unplanned working day		
Desire to keep control		
Preference for red-hot, specific, and ad hoc activities		Makes systematic reflection low-priority
Tendency to focus on doing things that are perceived as crucial for the survival of the firm		
Multi-role behavior, including both managerial and operational roles	Barriers in the reflection process	Fosters a superficial learning orientation
Responsibility for different functions		
High degree of fragmentation and frequent interruptions		Difficult to probe deeply into issues at hand
Tendency to react immediately to received information		
Isolated work practice with few peers		Complex understanding (by means of multiple perspectives) difficult to achieve
		Peer learning seldom possible

Table 3. The features of managerial practice in small firms and the implications for managerial learning

A closer analysis of how the work practice affects managerial learning in small firms shows a number of potentially problematic issues. First of all, managers find it difficult to free time for systematic learning (i.e. learning by reflection on, and conceptualization of, experiences). The limited number of employees in the small firm forces the manager into a situation where delegation of managerial and other activities is felt to be difficult, which makes the workload of the small-firm manager ambitious, and consequently makes time a rare resource. A brief look into the agenda of the typical small-firm manager shows few scheduled activities. The unplanned working day of the manager allows and forces the manager to focus on ad hoc activities which, together with the overall action-orientation of the small-firm manager, leads to a situation in which time for learning is a rare resource. The final feature of the work of the small-firm manager that makes it difficult for the managers to free time for reflection and conceptualization is that they often have a desire to keep control of their firms, which hinders them in delegating some of their activities that could free time for learning.

Second, the managers' preference for concrete and red-hot issues, together with their tendency to focus on things that they perceive as crucial for the

survival of their firms, generates a situation in which learning easily risks becoming a low-priority activity. In their work, small-firm managers seem to gravitate towards 'here and now'. Activities focusing on long-term issues, for example, are often disqualified in favor of 'matters demanding my attention right now'. As it seems that this kind of matter is always identifiable, the manager is obliged to attend to a continuous stream of ad-hoc firefighting. In this context, learning often comes second in priority.

Third, the limited number of employees, as regards both management and ordinary staff, promotes a multi-role behavior in which the manager has to adopt both managerial and operational roles. This means that the manager often is responsible for different functions in his/her firm which all have to be continuously organized, developed and learnt about. The scope of the managerial function and the functional isolation of the top manager, together with an unplanned working day, risk guiding his/her actions on the basis of little reflection. In short, the working situation of top managers in small firms risks fostering a superficial learning orientation.

Fourth, a closer look at the work of the small-firm manager also shows that the working day is characterized by a high degree of fragmentation, frequent interruptions, and a tendency from the manager's side to react immediately to information that he/she receives from others. From the observational studies it is clear that these managers' working day is hacked into pieces due to others coming to them for advice, to give information, or to make decisions. The managers' preference for instant (re)action to received information adds to the fragmentation. In fostering a superficial learning orientation, this more specifically means that the manager finds it difficult to probe deeply into issues at hand.

Fifth, the work situation of the small-firm manager is characterized by the lack of peers which puts the manager in an isolated work practice. Within the small firm, the top manager is often surrounded by a limited management function, often making the managing individual the sole practitioner of management. From this it follows that the manager often has to frame problematic issues by himself or herself, which makes complex understanding difficult to achieve. Another consequence of the isolated work practice is perhaps more intricate. Being the CEO of their firm, small-firm top managers do of course have access to their own managerial practice. It is, however, not as evident that this access allows them to uphold a legitimate peripheral position of that practice. We know from learning theory that peer learning is an efficient form of learning. Being the only member of their community of practice (if it is possible to talk about a community consisting of perhaps only one member), they rarely are given the opportunity to learn from a peripheral position of that practice. Nether are they given the opportunity to use peers in their work situation when trying to learn about how to manage their firms. Thus, even if they do have good access to practice, the characteristics of their practice rarely enable them to

uphold a productive learning position in relation to that practice, since they most often are expected to be "on top of things".

5.3 IMPLICATIONS FOR DESIGN OF MANAGERIAL LEARNING SUPPORT

As discussed above, the prerequisites for managerial learning in small firms are at least partly set by the work of the top manager, as the manager contributes to his/her learning situation by creating a work context that can both stimulate and hinder learning.

Given how managerial work sets the agenda for managerial learning in small firms, supportive activities aiming to enhance the learning of top managers should direct their attention towards three aspects of the managerial practice: the cognitive predispositions of the manager, structural features of the managerial context, and the behavioral preferences of the manager. From this it follows that an analysis of the prerequisites for managerial learning should consider both the manager's dispositions and preferences, and the social context in which he/she operates. Taken as a whole, this perspective could provide a holistic and balanced understanding of managerial learning that can guide changes aiming at increasing the learning of small-firm managers, by not over- or underestimating either the cognitive or the situated aspects of learning.

In view of my conclusions it becomes relevant to focus on two steps in supporting managerial learning in small firms. First, we need to consider whether there are barriers that prevent reflection from taking place. More specifically, to what extent does the manager find it difficult to free time for reflection and conceptualization, and is reflection made low-priority? Secondly, we should consider whether there are any barriers in the learning process as such. Does the practice of the manager foster a superficial learning orientation? What are the opportunities to probe deeply into issues at hand, and to develop complex understanding? What possibilities does he/she have to learn from peers?

It seems that small-business managers are "stuck in the moment" of their own practice – both as a result of their own preferences and dispositions, and due to the work system in their firms – without control of the activities that they are engaged in; they are stuck in a flow of primarily unscheduled activities (at least) apparently happening out of their control. An interesting question with respect to this is whether the situation is 'good' or 'bad', and whether it can be changed. This discussion is beyond the scope of the present thesis, but an important conclusion from this study is that some of the characteristics of managerial work identified above seem specific to the small firm and perhaps indeed are difficult

to change[30]. In principle, top managers have two options in the search for more efficient learning: (i) to create a more effective learning environment within their organization, or (ii) to create an external arena for learning that bypasses the limitations of the learning environment in their firms.

Given the understanding of managerial learning developed above, certain approaches are relevant when setting out to support managerial learning in small firms. From the description of the basic features of managerial work and its consequences for the learning of top managers in small firms, a socio-cognitive approach seems appropriate. As indicated, such an approach should consider both the cognitive difficulties that managers confront in workplace learning, and difficulties following the social context in which they operate. More specifically, this thesis points to a need to focus support activities on both the managers themselves and the context in which they operate. In order to create a sustainable situation for managerial learning in small firms, one must consider whether changes are necessary both regarding the predispositions and preferences of the manager, and as regards the structural conditions that frame the learning of the manager.

Here I will not make a list of suitable technologies, but instead pinpoint some elements that efficient approaches are likely to exhibit:

- Reflection and conceptualization are given time and attention.
- Focus is on developing complex understanding by means of perspective taking and making.
- Previously held worldviews and successful behavior are scrutinized and reflected upon.
- The managers are given valid feedback on their work.
- The manager is given the opportunity to get close to the practice of other managers.

In the light of the developed understanding of managerial work in small firms, I will focus in the following section on Action Technologies and explore the use of this kind of approach in supporting managerial learning in small firms.

5.4   THE VALUE OF ACTION TECHNOLOGIES

It seems that Action Technologies (AT), by virtue of their design, constitute a "socio-cognitive setup" that supports the learning of the small-firm top manager by circumventing the barriers to learning identified above – barriers to reflection, and barriers in the reflection process.

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[30] As an example, it seems quite rational for a manager to give priority to issues that are perceived as crucial for the firm's survival in the short term even if the resultant behavior creates an imperfect learning situation.

Concerning the first set of barriers that hinder reflection and conceptualization, one major, and perhaps obvious, strength of AT is that learning is given space in the manager's agenda. More specifically, in peer groups the top manager gets a forum – an out-of-the-buzz environment – in which reflection is given time, attention, and priority in a way that is seldom the case within the small firm. The orientation towards the red-hot and ad hoc activities that characterizes managerial work in small firms can, by the AT approach, be reoriented towards a more long-term focus and also towards reflection on daily issues from which the manager can learn.

The AT approach also seems to set aside some of the barriers that hinder the managerial learning process in the small firm. First, the manager is in a difficult situation due to his/her multi-role position, in which he/she is responsible for many different functions. He/she must also be able to take on both managerial and operational roles and switch between these roles both swiftly and continuously. This situation risks fostering a superficial learning orientation, as the manager must be knowledgeable in many different areas. The effect of this situation can be reduced by adopting an AT approach which makes use of the experiences and expertise of the other managers.

An additional quality of AT approaches supporting the learning process is that addressed issues are penetrated to a depth that is seldom possible in the firm, due to the fragmented character of managerial work in small firms, lack of time and resources for reflection, lack of peers, and the manager's preferential right of interpretation which is often taken for granted in his or her firm. Since AT implies that the participants meet to discuss a small number of issues raised by the managers at each meeting, the approach allows the managers to probe deeper into the issues than is fostered within their firms.

An additional and related feature of AT supporting the learning process is that the peer group provides the managers with perspectives held by their fellow group participants which represent points of view that scarcely exist within their firms. These perspectives support the critical inquiry into the participants' worldviews, and support the development of complex understanding of discussed issues. When confronted with the experiences and ways of thinking of the other group members towards addressed issues, the managers become encouraged to espouse their own attitudes in a way that seldom takes place within their firms. It seems that the work in the group stimulates a reflexive approach to both articulated and tacit assumptions on which organizational and managerial actions are taken. When it comes to the last point, an important quality of AT is that the top manager is positioned in a context which does not assume him/her to be on top of things – a context in which there is reciprocity between the learning actors. It is also worth noting that the value of peer learning seems to increase as trust and the dialogue climate develop (in which the managers'

receptive and confronting capacity increases), making a lack of knowledge easier to admit, and as it becomes easier to put forward "stupid questions".

As has been noted above, a distinct characteristic of the practice of small-firm top managers is their isolated practice. It could therefore be argued that AT and the peer-group approach involve creating the community of practice that these individuals often lack in their organizations. As should be known by now, "[t]he central issue in learning is becoming a practitioner, not learning about practice" (Brown and Duguid, 1991, p. 48). In peer groups, managers create an arena in which they can learn to become practitioners, i.e. small-firm CEOs, in a way that is difficult in their organizations. They learn to become small-firm CEOs by using the experience of management practice in small firms possessed both by themselves and by their peers. Through the peer group, managers are placed at the periphery of other managers' work situation, a position which they can uphold legitimately and from which they can learn in a way similar to how apprentices learn from masters, which is difficult within their own organization.

However, it is necessary to note that learning in ATs has certain characteristics that need to be considered when designing and organizing this kind of management support. First of all, time and effort have to be allocated to creating a trustful milieu in the group, as this has been found to be the prime vehicle for learning. Time also affects the prerequisites for learning in the peer group, as the conditions for higher-level learning become better over time.

As has been noted earlier, experience is central to learning; so also in peer-groups. Hence, for group-based approaches to management learning in small firms to be effective, we have to make the practice that the top managers share – i.e. the practice of small business management – the focal point of learning. Concepts and theories are useful in the reflective part of the learning process, but it is important to recognize that experience should be the focal point of learning.

To sum up, it is important not to consider ATs as a quick fix for managerial learning support[31]. The peer group in its design upholds certain promising features that support managerial learning, but it is important to recognize that careful design is necessary. However, if organized in an appropriate manner, Action Technologies can create the community of practice that small-firm top managers often lack in their firms. This 'community of managerial practice' seems to circumvent some of the problems of the learning situation of top managers in small firms.

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[31] See Reynolds (2000) for a critique of the use of "communities" in management education methodologies.

5.5   REFLECTIONS AND FUTURE RESEARCH

In this thesis I have tried to contribute to our understanding of what managers do in small firms, how their work practice sets the agenda for managerial learning, and how their learning consequently should be supported.

It has been noted that previous descriptions of managerial work in small firms have been isolated attempts that have failed to connect to previous research. This thesis provides a first synthesis of available evidence, a synthesis that sheds light on the basics of managerial work in small firms, and from which our understanding of managerial learning is expanded.

Empirically, the thesis draws on research on top managers in a modest number of different types of small businesses. The conclusions should therefore be considered with some caution. One might ask to what extent the picture of managerial work in small firms that is provided in this thesis is valid. A comparison of available data from the different studies included in this study does present a rather heterogeneous picture when looking at the level of activity patterns. However, on a more aggregated level the picture becomes more consistent. It is of course presumptuous to argue that the picture sketched in this thesis represents 'how things are'. Nevertheless, I would argue that, as certain patterns in the work of managers are recurrent, the conclusions from this thesis do give a picture of 'how things can be'. As such, I argue that this study represents a first step towards a better understanding of managerial work in the small-firm setting, and of how this work practice affects managerial learning.

As already mentioned, this thesis suffers from limitations due to research design. The behavioral studies included (including that of the author and colleague) fall short as they do not include measures of cognitive aspects of managerial work. Hence, future studies should include cognitively oriented methodologies in order to extend our knowledge of managerial work in the small-firm setting. In doing this, we are wise to consider research conducted within the area of entrepreneurship and small business management.

Another insufficiency of the research on which this thesis rests follows from the fact that it does not include a focus on the relationships between the manager and his/her employees. As we know from situated learning theory (cf. Contu & Willmott, 2003) that power relations are important for learning, future research should contribute to our understanding of how managers in small firms are embedded in social relationships to actors within and outside their firms. More specifically, we need to know more about how managers learn together/in interaction with their employees. Expressed in another way, we need to know more about the "social architecture" (Bogenrieder, 2002) in which top managers in small firms learn. A related area for future research, following my conclusion that most observational studies of managerial behavior in small firms suffer from an individual action bias, is an exploration of the structural conditions in small

firms and how these interrelate with how managerial work is undertaken. In this endeavor, valuable suggestions could be gained from recent results within general management research (some of which have been accounted for in the theoretical framework in this thesis). This work would also contribute to contemporary discourse on why managers do what they do (e.g. Hales, 1999; Mintzberg, 1994).

Another deficiency in the empirical studies of managerial work is that they all fall short when it comes to how the conclusions about the content of managerial work in small firms are approached. Too many of the earlier studies use some predefined scheme/taxonomy in categorizing the work of the managers being studied. This makes it hard to evaluate whether the picture depicted in the present thesis is a valid one. Hence, future studies are needed that allow inductive analysis of managerial behavior in small firms[32].

Also regarding the conclusions about managerial learning in Action Technologies, caution is advisable concerning some limitations of this thesis. No pre-post measures have been conducted, so my conclusions at this point should be taken as tentative and contingent on future research. Neither have I explored to what extent – if any – the learning has produced any long-term changes in attitudes and/or behavior[33].

Future studies also need to look into other types of managers in other types of small firms. One question that should be addressed is whether top managers in firms in other kinds of cultures work in other ways, and therefore have a different learning situation. One could hypothesize that top managers operating in small-business environments building on dense inter-firm networks have a qualitatively better learning situation, but this needs to be explored in future research.

This thesis contributes to recent research on small-firm growth by developing a tentative framework from which managerial and entrepreneurial behavior can be understood. In relation to the ever-growing interest in what makes certain small firms grow while others do not, it would be relevant to pursue the path suggested and explored by O'Gorman and Bourke (2001), i.e. to

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[32] I hereby subscribe to the critique that Mintzberg (1973) made of available research on managerial work in the early 1970s. I would argue that, since almost all available evidence on managerial work in small firms draws on research on managerial work in large organizations, we cannot claim to be knowledgeable about what managers in small firms really do. I am not disqualifying the available research; my only point is that not until we have developed inductively produced descriptions of what managers do in small firms can we exploit the vast knowledge about managers' jobs which is available within management research.

[33] The results of this kind of analysis have important implications for the adoption of peer-group settings as a means for managerial learning. If the approach generates long-term learning, it should be perceived as a management development approach that can be adopted to provide the small-firm manager with a developmental platform that overcomes the limitations of the small firm structure when it comes to managerial learning. But if the approach produces only short-term learning, it should be perceived as more of a decision-making support system which managers can use to make more informed (operational and strategic) decisions.

study whether there are any differences in behavior among managers in growing and non-growing firms that can be of explanatory value.

Gender research is becoming an established and promising area of research within management theory. As the conclusions from this thesis are based solely on research on male managers, future studies should also explore the differences and similarities between female and male managers.

To conclude, the conclusions of this thesis are exploratory by design. From this follow certain drawbacks that should be considered when evaluating the conclusions presented. The conclusions therefore open up for future research both as a result of their drawbacks and by pointing in certain directions. My wish is that this thesis can inspire future studies and be used as guidance in identifying relevant areas of research.

5.6   CONCLUDING REMARKS

As Westhead and Storey argue, "[…] the small firm is not a 'scaled-down' version of a large firm. […][T]heories relating to SMEs must consider the motivations, constraints and uncertainties facing smaller firms and recognise that these differ from those facing larger firms" (1996, p. 18). I have tried in this thesis to contribute an understanding of managerial learning in small firms. In this endeavor, I have also added to our understanding of the work of top managers in small firms, and of how Action Technologies can support such managers.

Hopefully, the results will be useful for managers in small firms in their own continuous striving to develop their work and learning, and for those involved in activities aiming at supporting this specific kind of manager. Finally, my hope is that I have contributed to the development of a better understanding of managerial learning and the practice of small-business management that can inspire future knowledge development regarding these interesting and relevant phenomena.

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