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ORGANIZATIONS, INDIVIDUALS, AND LEARNING: A CASE STUDY OF A NEW ORGANIZATION AND ITS LEADERS

By

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A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Educational Administration

1997

ABSTRACT

ORGANIZATIONS, INDIVIDUALS, AND LEARNING: A CASE STUDY OF A NEW ORGANIZATION AND ITS LEADERS

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Ways of understanding organizational development are enhanced through career analysis. This is a study about organizational learning and development that considers both organizations and individuals. The case study methodology was used to study ways of learning, but it seems incomplete once career issues are placed alongside the organizational issues. Organizational learning ideas produced from a career study become complementary to the case study and provide new ways of thinking about learning and development in the organizational domain.

This study is about organizations and their development in contemporary times. Today, organizational research often considers how to create desired changes within a rapidly changing environment. Though many variables may be considered when attempting to understand and control necessary changes, individuals, as effective change agents, are often questioned. Rather than individuals, the work of groups, teams or the entire organization are considered primary vessels for delivering change.

An heuristic framework is applied to a multi-disciplinary study of one young, contemporary organization, created primarily to solve a complex, important problem – rising health care costs. The framework not only produces two studies about organizational learning – a case study and a career biography -- but also creates a third set of ideas by contrasting the two studies.

- First, a complementary, more expansive way of understanding organizational change emerges when career issues are attached to an organizational analysis.
- Second, the career analysis suggests that ways of learning for the organization, considered significant in the case study, may not recur or will be adapted as careers mature.
- Third, unlike the organizational analysis, the career analysis isolates times when an individual's ambivalence toward an organization may impact upon the organization's development.

When ideas from the two separate analyses are contrasted, the influence of an individual upon an organization's development appears significant. The organizational case study observes that past achievements are ways of learning which aid the organization's future development. But, the career analysis suggests that both the past and future of an organization, at least in part, hinge upon the career development of individual organizational members. A study about organizational learning should include not only organizational features, but career considerations, as well. A study that includes career issues will enrich and draw out new ways of understanding development and change in the organizational domain.

ACKNOWLEDGEMENTS

The time required to complete this study would not have been available to me without the support and encouragement of several people. I learned the meaning of the saying, “Patience is a virtue.” My husband, Dave, has always been a very patient person. I am grateful that he was able to extend his limit during this very long process. I am thankful he never once grew too impatient and never questioned (only encouraged) my reasons for having to do this. Similarly, yet differently, my advisor, Steve, also never grew impatient with my efforts. He saw me through several periods of haste that sometimes required going back to review and rethink. Also from him, I learned the true meaning of always putting student needs first. From these two individuals, I have learned and personally experienced the virtues of patience; I hope to exemplify this quality in the future toward others.

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Chapter 1

ORGANIZATIONS, INDIVIDUALS, AND CHANGE

I recently met with a German senior manager. 'In Germany,' he said, 'our organizations are largely run by engineers. Such people think of the organization as a machine, something that can be designed, measured, and controlled – managed, in other words. It worked well for us in the past, when our organizations typically produced efficient machines of one sort or another. In the future, however, we can see that organizations will be very different, much more like networks than machines. Our brains tell us this,' he went on, 'but our hearts are still with the machines. Unless we can change the way we think and talk about organizations, we will stumble and fall.'

What he said was true not just of German organizations, but of those in many other countries. Our models of organizations, and the way we talk of them, has hardly changed for a century. They were thought of as pieces of engineering, flawed pieces, maybe, but capable of perfectibility, of precision, of full efficiency. The very word *management*, with its origins in the running of the household or some say, of army mule trains, implies control backed by power and authority, which is perhaps why it is a word that is much disliked by professional and volunteer groups that value autonomy highly.

The newly emerging language of organizations is very different. The talk today is of 'adhocracy,' of federalism, of alliances, teams, empowerment, and room for initiative. The key words are *options*, not *plans*; the *possible* rather than the *perfect*; *involvement* instead of *obedience*. This is the language of politics, not of engineering; of leadership, not management. . . . Soon we will see political theory take its rightful place as a core course in our business schools. It will be a recognition, at long last, that organizations are communities of individuals, not arrays of human resources. . . .

The new organizations are dispersed. Workers are employed in many different offices and locations, wear different hats, and do not necessarily owe all their loyalty to one organization. . . . More and more, the organization is a 'box of contracts' rather than a home for life for all its people. A virtual organization is one that you do not necessarily see, certainly not all together in one place, but that nevertheless delivers the goods.

Virtuality means managing people you cannot see and cannot control in any detail. This kind of management by remote control can only work when trust goes in both directions. Trust, like authority, has to be earned, tested, and if necessary, withdrawn. . . . In response to the requirements of trust,

> organizations are beginning to regroup themselves into semi-permanent task forces in which the members know and understand each other well.
>
> The leadership of these groups is not of the old-fashioned 'follow-me' type. You could call it a distributed leadership. (Charles Handy, 1996)

Introduction

Charles Handy, noted economist, describes a need today for thinking and talking about organizations differently. The way in which we view organizations today has changed considerably from when we began studying them early in this century. Organizations and their development have been studied extensively for most of this century. Today, this field of study -- organizational analysis – is changing dramatically from the first "scientific" studies conducted early in the century. This field offers rich contextual ideas, multidisciplinary perspectives, and is still an emerging field. Hardy, along with many other organizational researchers, believe this body of research continues to be limited and of questionable value, as a field of study that effectively informs practice. (Jacques, 1991, Drucker, 1993, Nonaki and Takeuchi, 1995, Bennis, 1996)

New contemporary research ideas about organizations and their effectiveness, include ideas about: empowerment, team-based management, participative decision making and organizational learning, to name just a few. Organizations have grown in prominence in our society and organizational research continues to develop as a way of informing practice. Organizational research is intended to increase our understanding of this important social phenomenon – organizations -- and to prescribe ways of improving them. While Handy urges us to *begin* thinking and talking about organizations in new ways, an historical review of the organizational literature reveals that this field already has changed and continues to evolve in many new ways.

This chapter begins with a general overview of the field of organizational research and how it has changed. Some changes both in thought and practice have been quite dramatic. Three significant shifts in the field are particularly noteworthy, and therefore are extensively described in this first chapter. First, a review of the Human Relations View and Socio-Technical View describes how we have altered our way of thinking about and studying organizations, today. Included alongside this discussion of changing research trends, is information about how these changed views affect our ways of thinking about and studying individuals and their influence upon organizations. The discussion centers around how organizational research has expanded and now incorporates many facets of study, but the importance of the individual seems diminutive in comparison.

Organizational analysis is thought to inform practice. But the role of the individual toward influencing and otherwise affecting organizations, seems relatively insignificant in organizational studies. (Barnes, 1976; Farce, Monge and Russell, 1979; Kast, Fremont and Rosenweig, 1985; Huber, 1990) As new ways are taken to continue to improve this field of study, introducing or including the individual in more significant ways in organizational analysis, seems prudent. This study devises an organizing framework that integrates individual (career) issues into an organizational analysis. Though this is not a common way of studying organizations, information derived from the individual analysis complements and expands the other information taken from a traditional organizational analysis. This chapter begins with an overview of how the field of organizational research is still changing and discusses how information about individuals is mostly absent from the literature.

ORGANIZATIONAL RESEARCH: LIMITED ATTENTION TO INDIVIDUALS

Even though research ideas have changed in significant ways, many of us still think about organizations as machines that become more efficient, just as Handy suggests. Organizational literature regularly contains contradictions and criticism of this classical view of organizations. For example, research often describes organizations as dynamic human and social entities, rendering them difficult and complex to study. Organizational behaviors are seen as networks and systems, also very complex. Even as the research (and practice) has expanded to incorporate many new ways of thinking about and studying organizations, this field of study is still considered limited and narrow. (Morgan, 1986, Bolman and Deal, 1991, Scott, 1992)

The early scientific, or classical, view of organizations was a closed, narrow view of organizations. According to this view, individuals were something to optimize for greater efficiency. Around the 1950's, organizational studies adopted a more humanistic approach. The field grew broader, more open, and now considers organizations complex. Even though new and complex ideas proliferate in the field, most seem to diminish the importance of the individual in the organization. Organizational studies emphasize and place high value on factors such as: formal structure, functional design, communication systems, hierarchical controls, and other orderly (mechanistic) systems. Many descriptions of organizations, portray the individual, as having a negligible influence on an organization in relation to such other factors. While many *new and important* organizational thoughts are regularly *discovered*, individual influences upon organizations have grown more limited except when issues of creativity, or entrepreneurialism are considered. Individuals are considered when the concept of leadership is explored, but though closely related, that is a separate field of study. When individuals are considered, the omniscient view of the organization prevails. Even though organizations are the *subject* of the research, to almost always characterize the organization as supreme, and basically ignoring when or if individuals may hold equal or even greater power, remains a question about this field of research.

In the organizational literature, the success and future of organizations is generally described in terms of organizational abilities, rather than individual abilities. Many aspects of organizations are isolated and analyzed in an effort to better understand this very powerful force in society, individuals being one of these, occasionally . Ability based on organizational structure, hierarchy, communication, decision making processes, and problem solving approaches are scrutinized and analyzed in an effort to increase organizational effectiveness. Handy describes that organizational structures are changing into virtual states. He describes that organizational activities today are about what is *possible* rather than what is *actual*. Thus, the potential of the organization is thought to be limitless and certainly seems to exceed that of the individual, except when there might be the possibility that a hero is present. (Though encouraging leaders to be heroes is discouraged, today.) Current thinking suggests that organizational potential should not reside within just one individual or a few. Thus, the perceived role of an individual within an organization is relatively insignificant, (or discouraged), when compared to structural, formal, and procedural organizational features.

In addition to an emphasis on structural/functional features, another reason individuals have not been elevated in importance as an organizational influence, is the determination that most organizations need to change dramatically. While technology has been an impetus for change in the last decade, individuals are considered major deterrents to change. In fact, research suggests that people resist change, most any type of change, and most any time. The type of changes needed in organizations are thought immense, ranging from communication systems, control systems, formal and informal activities, to resolving conflict, changing behaviors and devising new problem solving techniques. Individual efforts are often seen as resistant to needed change and sometimes even antagonistic. (Huey, 1993) Yet while the individuals in organizations may resist change (and are viewed as the problem), they are also considered critical to the solution. But rather than individually, team-based leadership and group efforts are more often advocated as ways of reducing individual resistance and arriving at solutions.

Also due to technological advancements, organizational problem solving is now considered very complex. Though effective leadership is considered helpful in organizational problems solving, group activities, such as, participative decision making, team management, continuous quality improvement teams and reengineering groups, are thought most effective in handling complex technological problems. Handy calls the emerging leadership, "distributed leadership," and others describe the new form of leadership as transformational. (Rost, 1991) Leaders are expected to *inspire* change and *transform* a workforce, while simultaneously sharing, or relinquishing their power and authority. Internal conflicts that these emerging concepts cause are sometimes discouraging to leaders. And just as the organizational literature calls for new ideas about organizational development, leadership literature describes a leadership void in today's organizations. (Drucker, 1995, Gardner, 1995)

According to the literature, leaders need to become more collaborative, cooperative and participative. The power and authority of individual leaders is to be relinquished through shared, collective, facilitative activities. An emphasis on democratic organizational processes, the need to guide continuous change, and encourage participative management has promoted the valuing of groups, not individuals, (and especially not leaders) in this dynamic environment. Thus the importance of the individual leader though still considered critical, is overshadowed by the prominence of groups and teams. Leaders, though important, must share their status and authority with many others.

Organizational analysis is expansive, and grows every day. Today this field includes a widening range of factors, considered important to ideas about organizational development, i.e., change. Organizational studies isolate structural, functional, and procedural features and stress the need to rely on organizational abilities, not individual abilities. Analysis of change and development will sometimes describe the individual as a serious deterrent. The emphasis on shared, or group, efforts is favored over individual efforts. Leaders are expected to inspire, while giving up some of their control and power. Finally, as individuals are encouraged to assimilate into groups, to adopt shared views, and to facilitate change collaboratively, the unique abilities of one individual and individual efforts that contribute to an organization – such ideas are being ignored and lost. (Kast, Fremont and Rosenweig, 1985)

In what ways are individuals able to influence today's complex, dynamic organizations? Can individuals control the actions of organizations, even though organizations are large or unwielding? As individuals pursue their careers in organizational settings, in what ways are organizations affected? Do career pursuits hinder or hamper organizational development? This study suggests that individual influences upon organizations are significant and thus warrant greater consideration within the organizational research field.

Career Analysis in contrast

Organizational research suggests that individual needs and goals *must be* assimilated into organizational goals, if success for the organization is to be achieved. If individual goals are different from organizational goals and still pursued within the organization, organizational research suggests that such behaviors will not serve the interests of the organization. This view seems parochial.

Before suggesting some alternative thinking, an introduction of career development concepts helps shape a contrast between career development research and organizational research. Career studies emphasize that individuals should seek out and create developmental experiences, primarily to enhance their individual careers. Career literature suggests that careers are developed in two primary ways. First, careers develop by using and practicing already developed skills and knowledge, (in organizations and elsewhere). Second, careers can advance through new developmental experiences. (Super, 1984) Practicing already possessed skills and seeking new experiences are career-directed behaviors carried out in organizational settings. These concepts, that include self-initiated and self-directed behaviors, are of particular interest in this study.

Career motivated behaviors are designed, selected, and developed to enhance existing individual abilities. Individuals make choices and decisions about what activities and experiences to engage in, and decisions about how careers will be pursued. Career research suggests that these choices should be made to enhance the career. Individuals will pursue their work in certain ways and seek new types of experiences, within organizations, to meet individual needs. How do career motivated behaviors influence organizational activities? How do career pursuits affect organizational outcomes? For the most part, neither field of research is very concerned with these questions.

While organizational studies pay attention to meeting organizational needs, career studies pay attention to meeting individual needs. If both sets of needs are not compatible, what happens? If the two sets of needs actually conflict, which ones are pursued? When? Why? Both fields of study acknowledge the need to establish compatible goals and the literature often suggests ways to try do so; but this may not always be possible. In the presence of competing goals between organizations and individuals, career development concepts suggest that individual career needs will often be pursued. In contrast, organizational studies suggest that when individual and organizational goals are incompatible, individuals will (should) give precedence to organizational priorities. From the organizational perspective, what happens when career needs are pursued over organizational needs?

Finally, the career literature suggests, that when situations pose a significant career risk, the decision to proceed toward this threat, is unlikely. Instead, individuals will alter their actions in ways they would expect to avoid the risk and have the greatest chance of success. Sometimes, individuals will repeat actions that were effective in the past. How does this avoidance or alteration in actions, career-motivated, affect an organization? How are organizations shaped and structured differently when an individual either tries to avoid a potential career disaster, or pursues certain activities because, in the past, they brought career success? This study looks at individual career development actions and their influence on organizations. One way in which career concepts can be related to organizational development is devised. An organizing framework facilitates observations about organizational development factors and career development, and relates the two.

The next part of the chapter, describes three changes to the field of organizational research, none particularly supportive of individual influences. As these changes are reviewed, the diminutive view of an individual and his/her career perspective is noted. Though the field has changed significantly, especially during the last half of the century, more changes are still thought necessary. Possibly introducing the individual factor into the research should become one of these improvements. This next section identifies certain dimensions of three historically significant research views: 1) Early Classical view of organizations expanded; 2) Human Relations view adds human and behavioral concepts; 3) Socio-technical offers a compelling view about the need for change. After reviewing these, their effects upon leadership views are reviewed. The final section of this chapter sets forth ideas about why career factors have not been, but should be, considered more extensively in this expanding and lacking field.

HISTORICAL AND SIGNIFICANT CHANGES IN ORGANIZATIONAL RESEARCH

Three views have expanded the field of organizational research during this century. Appropriately, the subject of the organization remains central to the analysis, but the importance of the individual as a significant factor of organizations seems to have diminished. As organizations are viewed more complexly and from new disciplinary vantage points, individuals have grown less important.

The following table identifies three views of organizations, that both practitioners and researchers identify. This section reviews each of these views, in two primary ways. First, as organizations have changed, so too has the way in which we study them. Next, the influence of the individual upon the organization, both in practice and in study has been altered, but not increased, according to these views. Today, there is considerable doubt about how much individual efforts do affect organizations. The design of related studies perpetuates this doubt. (Roethlisberger, 1968)

CHANGES IN ORGANIZATIONAL RESEARCH

Table 1.1

Time Period	**Organizational Research Changes**
1920's	Classical view - Mechanistic, scientific studies to improve organizational efficiency
1950's	Human Relations view - open, socialization, and cultural themes establish contingency view of organizations
1970's	Socio-technical view - Changing and adapting organizations due to technological advancements

Charles Handy, who was quoted at the beginning of this chapter, implores us to begin to think and talk about organizations in new ways. Yet, the ways in which we think and talk about organizations since eighty years ago, has already changed dramatically. As our views of organizations evolves, the factor of career pursuits has either been considered less significant than other factors, like organizational structure, or has been portrayed as an undesirable feature of organizations, not worthy of study. Though organizational researchers admit that career-related activities may, sometimes, be an important organizational consideration, many argue that factors such as structure, hierarchy, authority, communication systems, process and procedure should take precedence. (Daft, 1995) This study suggests that career issues deserve more prominence in the organizational literature, especially given the changing nature of organizations.

Today, organizations are a dominant force in society and upon individual lives. Organizations influence people in many profound ways. But recently, the value and contribution of organizations upon individual lives has increasingly come under scrutiny, and criticism of organizations has accelerated. (Victor and Stephens, 1994) During the last few decades, organizations have changed. Studies during that same time suggest that the functionality of organizations is shrinking in many ways. (Peters, 1987, Mintzberg, 1989, Quinn, 1992, Drucker, 1991) Organizations are changing, and they continue to influence our lives in profound ways. At the same time, many people are growing very wary of the effects organizations upon not only on our lives but also in society. (Drucker, 1991)

This section looks at how organizational analysis has expanded during this century. Ways in which organizations influence individuals and conversely, the influence of individuals on organizations is considered. In this way, we begin this study about how individuals are thought to pursue their goals within organizational settings.

Organizational analysis began soon after the industrial revolution and changes in analysis closely parallel changes in organizations, or vice versa. Organizational analysis contains applied theoretical concepts to help inform organizational practice. At times, organizational practice informs organizational analysis. Though careers are routinely carried out within organizations, the effects of career development activities upon the organization are generally not a part of analyses known as organizational analysis. In this section, as organizational research ideas are presented, the effects of needed change and the limited ways in which career concepts are associated are included. Later in the chapter, the merit in expanding career concepts to this expanding field are offered.

Early Classical View

Soon after the onset of the industrial revolution, Max Weber set forth a classical bureaucratic model for organizations. Weber is recognized as having developed the single most powerful theory of organizations, and his "ideal" type of bureaucracy was and still is a starting point for many organizational analyses. (Myers, 1996))

Weber's bureaucratic organization is a rational model of a closed system. Weber considered the "human" dimension of organizations as one way of meeting an organizational objective. Weber stressed the need for impersonal relationships and a clear distinction between private lives and "official" lives for members of organizations. He ascribed to highly-mechanized, formal organizational structures, where specialization and differentiation of tasks prevailed. Normalized task specifications, formal rules, formal spans of control, and role differentiation created a mechanistic view that theorists continue, today, to study extensively. Many of Webers' ideas, and other economic and bureaucratic ideas, though seriously questioned, have not been totally rejected. (Farce, Monte & Russell, 1977)

Up to the middle of the century, most organizational theory suggested that tightly-controlled, non human, organizational structures were "best" for achieving overall efficiency; and that a high degree of specialization among workers was most effective.

The scientific management of organizations was thought to result in achieving high outputs, standardized products and profit maximization. The total organization was viewed as an efficient machine, including its "human" dimensions. As this view was widely embraced, other theorists began recognizing that individual workers within the scientific management schematic had sometimes-intense feelings of boredom and stress. Thus, some organizational studies began to suggest that the classical theory was too narrow and uninformed. (Greenberg and Baron, 1990).

The Hawthorne Studies, generally considered very unscientific, are credited with beginning to recognize the importance of human behavior in organizations. As these concepts began being explored, research objectives and research methods remained rational and mechanistic. The human dimension was studied to determine ways people could operate most efficiently, thus the economic model persisted. Tasks were assigned according to individual skills and abilities and organizational roles were formal and well-established. Centering around organizational needs, individual careers might be extended through formal training. Such training was intended primarily to maximize organizational efficiency. Early research on the human dimension of the organization therefore, remained rational, technical and economic. (Greenberg and Baron, 1990)

Continuing with this brief review of the classical view of organizations and how individuals were viewed, ways in which organizational analysis first dealt with the subject of career development is pertinent. Careers were still largely thought to be determined by social and economic class. Some careers developed around functional specialties but these were defined by and tightly controlled to meet organizational needs.

Thus, the omniscient organizational machine controlled career development. Conversely, an individual's influence upon the machine was of little interest and was thought to exist as a part of formal authoritarian designs.

As the machine metaphor was expanded to incorporate the human relations model of organizations, eventually a more open, flexible, systems views of organizations emerged. Along with this change, the effect of individuals upon organizations has become more notable, and organizational views more multi-disciplinary.

Human Relations View

The human relations view of organizations demonstrates the importance of organizations on lives and to society. This view began in the early 1950's and continues to evolve today. But, often the human relations view of organizations become only supplemental to the classical view.

The shape and scope of organizational analyses changed dramatically when social and behavioral scientists began studying organizations. Organizations began being studied as open, not closed, systems. They were viewed as communities of individuals who adapt to the world of work, often through social, and political, processes. As early as the 1960's, cultural properties were associated with organizations, including the concepts of morals and ethics. Therefore within the human relations view, three sets of ideas have emerged in significant ways. These have affected the way in which organizations are studied and described. The three sets of ideas are: open systems, socialization processes, and cultural dimensions. Before covering each of these, a general description of the human relations view is provided. Perspectives about change and individuals influencing organizations are included.

A general description. Since mid-century, the mechanical, rational, non human view of organizations has been gradually eroded by the human relations view. Though organizational efficiency still remains an important goal of organizational studies, new themes have emerged from the social, behavioral, and psychological analyses about organizations. Ways of motivating, inspiring, organizing, and cultivating relationships among organizational members has surfaced in the literature. Even with this change, no significant body of knowledge has replaced Weber's classical bureaucratic model of organizations. (Bennis, 1994)

Organizations are studied by many disciplines, including psychology, sociology, anthropology, political science, economics and history. Social and human dimensions of organizations, called human relations models, became an important part of this area of study around the 1970's, often pushing the bureaucratic model to the background, (but not replacing it). One of the most famous, the Harvard Human Relations Theory of Organizations still studied organizations from a Weberian viewpoint. Essentially, this model regarded organizations as social systems with two major functions: producing a product (a formal achievement), and the function of creating and distributing satisfaction among the individual members of the organization (group-needs satisfaction). Elton Mayo's Hawthorne studies established that social and environmental factors affected organizations (and organizational performance). Together, researchers begin paying more attention to informal features of organizations, especially human relationships. The Harvard Human Relations Theory minimized the importance of formal rules and emphasized that many patterns of human interaction were not represented on a organization's formal hierarchical chart. Thus, informal activities were thought significant when attempting to understand organizations in more comprehensive ways. (Farce, Monte & Russell, 1977)

The human relations model heightened awareness about human interaction in organizations and identified the value in studying both the desirable and undesirable forms of human interactions. For example, persuasion, influence, coercion, and control became a part of organizational analysis. Both the benefits and potential drawbacks of such behaviors were often explored. (McGregor, 1985)

For some, studies of organizations are considered fundamental and rudimentary, and serve as warnings that organizational analysis is inadequate and limited. (Bennis, 1994, Drucker, 1993). In this study, the effects of career development upon organizational activities, or the effects of individual efforts upon organizations, represents a change to the research. Placing a higher value on knowing about career intentions, motives and actions related to career development, and the effect of these upon organizations, is the main purpose of this study.

Human Relations Themes. Before discussing the incorporation of career development issues into organizational research, three major themes within the human relations view, are described. The last view in this field – a socio-technical view – completes the review of this area of research. As each set of ideas is covered, the significance of the individual is also considered.

#1: Organizations as open systems. The study of behavioral and social features of organizations has extended the organizational body of knowledge, but no single, well-formed way of thinking about organizations has emerged. Organizational research, even from the systems perspective, does not sufficiently explain, nor inform practice, in important and valuable ways. (Bennis, Parikh and Lssem, 1994) For example, contemporary studies identify and recommend that organizations need to become less formal and will benefit from more complex communication networks. This open view advocates organizations that are dynamic, adaptable, flexible, and quickly responsive to external environmental influences. The open view suggests that decision making approaches should vary and adapt depending on each set of circumstances. This way of thinking about organizations is sometimes called the contingency view.

Unlike Weber's highly structured organizational model, the open view, or contingency view, suggests that when one organizational design is applied to two different organizations, results or outcomes will be different. (Myers, 1996) While the open view has expanded by studying a great variety of organizational features, the result also has been that organizational studies are less able to predict, or generalize about, how and when certain factors produce desired organizational results. Many prominent organizational researchers suggest that the value and benefit derived from organizational studies should be heavily scrutinized, questioned and challenged. (Drucker, 1994)

The open systems perspective has helped establish the importance of understanding unique situations and different circumstances. Contemporary studies have moved past being concerned about individual needs and motives, and instead study the uniqueness of organizations. The organization is often regarded as a separate and independent force – apart from its individuals members. Scott refers to organizations as "the subject" and as something that dominants and is very prominent in our lives. This perspective advances our thinking to the point where meeting organizational needs is thought to sustain an organization, and meeting the individual needs of organizational members is not necessarily significant as organizational success is studied.

The open view has led some researchers to believe that we should understand organizations as a single, separate unit of analysis. A holographic metaphor aptly describes the philosophy behind this idea. Bennis sees the universe of organizations as one gigantic hologram. In the realm of time, space, things and events that are separate and discrete, organizations, not its parts, is one entity and undivided. "The part is in the whole and the whole is in each part." (Bennis, 1993.) Similarly, Morgan applies the holographic view to organizations in this way: "(T)he the parts reflect the nature of the whole, since they take their specific shape at any one time in relation to the contingencies and problems arising in the total situation." (Morgan, 1986)

Organizational studies emphasize the parts as well as the whole. One stream of literature emphasizes the separateness of "process," "system," and "outcomes," which also diminishes the significance of individual members and their actions upon organizations. Birnbaum developed the concept of "organized anarchies." He concluded that "decisions of *the system* are a consequence produced by *the system*, intended by no one and decisively controlled by no one." He suggested that this is why some organizations are counterintuitive. Thus, he suggests that the organization is a machine (or human-like entity) that is sometimes out-of-control. (Birnbaum, 1991)

Birnbaum believes that organizational behaviors are no longer a process where thinking precedes action, where action serves a purpose, nor a place where purpose is related to consistent goals. Similarly, Pfeffer (1982) studied how the outcomes from organizations were not controlled by organizational participants, but instead were determined by the resources produced from organizational structures and procedures. This type of thinking guides the inquiry of organizations, and the study of practice, today. This type of thinking diminishes the role of the individual within and upon the organization. The open view expanded our understanding of organizations considerably, but has stifled thinking about the importance of individuals in this societal phenomenon.

As careers are pursued, individuals may try to diminish or control the power that organizations. Making career decisions may mean that organizations are simply an environment in which to carry out individual career activities. Some research suggests that organizations are a source of ills besetting our society. They are sometimes viewed as a power source that only aids the "elite," or are a way to perpetuating class structure. Organizations are socialized units in a larger environment, according to the open view. Organizations are controlling forces, rather than forces to be controlled. (Scott, 1992) Thus, much of the organizational literature suggests that career development should be restricted and controlled by the organization.

#2: Socialization processes. Just as the open systems view has increased the perceived power of organizations over individuals, studies about communities, group activities and other social activities have done the same. Unlike the rational (classical) view of organizations, the social view of organizations proclaims the significance of the emotional, political, social and other unpredictable aspects of organizations, all caused by humans. The power of the organization, not only as the collective power of its members, but as a social system, has become an intriguing way of studying organizations -- one that has gathered pace in the last two decades.

Today, organizations are viewed as systems or networks of interrelationships. Team and group activities are a series of interconnected processes. Viewing organizations as societies, or as social constructions, connotes that individuals are not self-contained units. Individuals derive their identities from both relating to and distinguishing themselves from others in various groups. The risk of individuals is not to appear too individualistic or they might be perceived as manipulative, as seeking obedience or being closed to the ideas of others. As groups have become a key organizational mechanism, individualism is perceived as a form of separateness and, thus, unhealthy for the organization. (Again, this thinking is altered when considering innovation and creativity needs of the organization.) The socialized view of organizations suggests that an individual cannot perform assigned work effectively, or fulfill organizational responsibilities without first establishing on-going, working relationships with others. (Schein, 1970, Taylor and Hobday, 1992)

Career theorist, Edgar Schein, studied group relationships and their effectiveness in the early 1970's. He recognized that groups were important to self-development, as was our need for affiliation and self-actualizing. Groups build one's self-esteem, provide an opportunity to test reality, develop a sense of security and are often very stimulating from more mundane job responsibilities. Yet, the effectiveness of group efforts over individual efforts was still very much in doubt in that era. At first when Schein recognized the influence of groups upon career development, he concluded: "A great deal of research has been devoted to the question of whether the group or isolated individuals, whose work can be pooled, is the more effective problem-solving instrument. No definitive answer has yet been reached, but some key variables have been identified and some myths have been exploded." (Schein, 1970)

Since then, early negative perceptions about groups have been balanced with the contributions to the organization from group (team) efforts. Effective organizational small-group models have grown both in practice and analysis. Continuous quality improvement, or quality circles, were one of the first to become favored, though, questions still abound about groups. Do they produce more conservative decisions? Are groups slower and inefficient? Do groups stimulate or stifle creativity? Are groups less prone to err in judgment than individuals, or are they really better informed than individuals? Though the effectiveness of groups is widely debated, their growth within organizations has been phenomenal in recent years. (Taylor and Hobday, 1992)

The most significant outcome from this growth has been the recognition that groups will develop peculiarities. Also, there is a realization that not all situations nor problems within organizations should be handled by groups. Sometimes individual efforts are better. It seems that those times when individual efforts are best, however, have grown less common. Factors like the type of task, environmental differences, the history of groups, and available leadership available, all applied to group activities, informs ways of designing and implementing organizational solutions and change.

By the 1990's many organizations had moved, at least in part, to team-based structures. In 1970, Schein predicted quite the opposite, "So much emphasis is given to challenging each individual and so little emphasis in given to collective effort, since individual contributions are too difficult to judge. Groups are not likely to be encouraged to develop." Yet Schein's concerns about the inability to recognize individual contributions sometimes accompany the investigation of organizational groups.

As American companies began developing more global views, Japanese management, organized around small socially-influenced groups, was emulated in the United States. Though our country's history began with rich examples of individualism, groups were thought to generate an *esprit de corps*, empower employees, and improve communications within and outside organizations. Today, synergy and empowerment is thought to produce positive attitudes among employees. A desire to achieve a cooperative spirit, an emphasis on mutual gains and efforts to achieve group objectives, are favored. Ideas that promote the collective nature of individuals within groups, also reduces the valuing and recognition of individual solitary efforts. (Leavitt and Bahrami, 1988)

Groups, like organizations, require the integration of personal needs into organizational needs. If individuals resist group efforts or seem to favor personal interests, either inside our outside a group setting, they risk being accused of dogmatism and infringement upon others. Individuals pursuing personal interests put the organization at risk. (Elfrey, 1982) An emphasis on personal aspiration and personal interests has been replaced with an emphasis on the human need to affiliate. Still some research favors groups, cautiously, since groups may produce too much conformity, have closed or single-minded views or can perpetuate nepotism. Yet, the ability of groups to promote mutual gain, a cooperative spirit, integrate efforts, and produce harmony among organizational members is highly sought through group activities. Inter and intra organizational groups, available in a vast quantity of shapes and sizes, have now become standard to organizational designs. (Fiol, 1994)

Efforts to create shared frameworks and develop a consensus, while still recognizing individual differences -- is the challenge of the 90's. Joint efforts, harmony and cooperative approaches are considered important organizational objectives. An organization's ability to sustain group processes that produces desired results is sometimes characterized as collective learning. The socialized theme within the human relations view has expanded this field to consider ideas about learning, but mainly from the group or organizational perspective. The role of individual learning appears related, but secondary.

Finally on the subject of socialization, group decision making may be thought of as an aggregation of individuals' meanings, but this is often disputed in contemporary research because of the complex nature of most organizations. "Group thinking does not equal the sum of its individual parts." (Fiol, 1994) Instead, the prevailing thinking comes from the organizational viewpoint, and discourages separateness and individualism. In 1994, Bennis expresses the present-day balancing act between individual efforts and group efforts, in this case from the leadership perspective:

> You cannot do truly good work, fulfill your function of effectively organizing the task of your groups, unless you yourselves connect with your group members on the basis of *reciprocation*. . . . People join a company as individuals for a variety of personal reasons, each with his own objectives and aspirations. They have to be integrated into the work-team that knows its tasks and the reasons behind them. It devolves upon you to articulate the corporate aims. . . . As a new-paradigm manager, whatever your position in the hierarchy, you remain open to being influenced, if you want to influence. Otherwise, you revert to the old

> outmoded command – obedience syndrome, or your influencing become simply manipulating techniques, neither of which works well in the emerging business world." (Bennis, 1994)

Individuals are thought to gain a sense of identity and achieve success primarily as a member of different groups. The problem that Schein identified – the difficulty in judging individual contributions – remains a dilemma to this way of thinking and studying organizations. (Victor and Stephens, 1994)

The human relations view values human contributions to organizations, and the upshot of the social view of organizations is an increase in our understanding relationships and interconnectedness among individuals. Yet, the emphasis on the worth of individual effort has been substituted for the collective efforts of affiliating individuals striving toward a shared purpose. Analysis of the human dimension of organizations has created a more comprehensive and informed view, than the classical view. Organizations viewed as open, social systems have been extremely helpful. A third important stream of research has also come out of this human relations view – organizational cultures.

#3: Organizational cultures. The third large body of research, originating from the human relations view, has further expanded our understanding of organizations as social and human phenomena. Organizations are now thought to contain cultural dimensions. Closely related are the ethical and moral dimensions of organizations. Not only has the human relations view led us to understand organizations as open systems and a series of interrelated social activities, organizations as an embodiment of a culture, or several cultures, is now a widely accepted view.

Ideas about corporate, or organizational, cultures began in the early 1980's. Research by Deal and Kennedy (1982), provided an extensive discussion about the nature of culture, the types of culture and ways of managing culture. The Administrative Science Quarterly, in 1983, prepared a special edition devoted entirely to issues of organizational cultures. A variety of perspectives and studies about cultural features of organizations were considered in that edition. Initially, little was known about how they formed, or about ways of discovering specific features of a culture. Studies asked, "How do organizational cultures?" Though little was known or understood, the importance of culture upon organizational activities grew.

Organizational cultures are shared beliefs, attitudes, values and expectations among organizational members. Early founders of organizations are generally thought to create an organization's culture, and organizational members are thought to have a role in sustaining it. As time passes since an organization was formed, an individual's ability to change the organizational cultures becomes more difficult. (Daft, 1995) Norms that govern behaviors in organizations are studied as corporate philosophies, formal procedures and rules, communication systems, reward systems – all things that reinforce certain behaviors and sustain culture. Researchers now recognize that an organization does not have just one culture, but many subcultures. Researchers believe that by studying features of the primary culture, we learn more about managing change. (Bolman and Deal, 1992)

Morgan's metaphorical view of organizations, offers an interesting view of organizational cultures from an open systems perspective:

> Organization rests in the system of meaning. It does not depend on the existence of bureaucratic structures or rules. . . . A culture metaphor . . .points to a way of organizing through shared norms, values, ideas and beliefs and thus shared visions and directions for future development. . . . Through the political metaphor, we see how it may be possible to organize around the interplay of competing interests, forging unity through negotiation, wheeling and dealing, or perhaps even through raw coercion. . . . These examples serve to illustrate the point that our thinking about organizations influences how we organize. We can overcome familiar problems by learning to see and understand organizations in new ways, so that new courses of action emerge. (Morgan, 1986)

Unified actions based on shared values, according to this culturally-constructed view of organizations, is also tied to ethical and moral concepts that affect organizations. Organizational studies about culture seek answers to questions about the responsibility of organizations, to both its members and to society. These studies seek to understand ways that organizational ethics contribute to organizational successes. Ethical and moral studies are a relatively new contribution to the field of organizational analysis. (Beck, 1992, Bennis, 1994)

Acknowledging the existence of organizational cultures challenges the notion that organizations consist of only narrow economic goals, centered around the production of goods or services. The socialized view of organizations creates a complex view of how organizations reach desired levels of efficiency and profit. The cultural view defines organizations as powerful social, political, and economic forces that need to assume their "proper" place in society. Furthermore, studies suggest that organizational cultures, including subcultures, morals, and ethics, have not been given enough attention by organizational theorists. These concepts are thought to be a significant part of understanding how organizations develop and change, and thus are very important factors to consider in many organizational studies. (Bennis, 1994)

> There is no such thing as a "good organization" in any absolute sense. Always it is relative; and an organization that is good in one context or under one criterion may be bad under another. (W. Ross Ashby, 1970)

As organizational cultural values were becoming prominent features of organizations, the view of the individual, again, was devalued. The ethical and moral dimensions of organizations, in some studies, challenged the notion that organizations are motivated only by purely economic motives. Some organizations were being judged according to moral ethical values. Research suggested that organizational goals and initiatives are, and should be judged by much larger constituencies, and thus organizational responsibility has been broadened beyond economic motives. All this thinking about the organizational values, supersedes individual values.

Though individual morals and personal ethics are considered in this cultural view, studies suggest that individuals will/should conform their personal values to organizational values, and adopt the ethics and morals of the organization. The literature implies that if individuals cannot assimilate into the organization's culture, then they are more likely to move to another organization rather than try to change it. If an individual tries to change the culture of an organization, such changes are identified as slow, tedious and often unsuccessful. (Aubrey and Cohen, 1995)

Organizational analysis has expanded our understanding of organizations in new and interesting ways, especially through various human relations views. The open systems concept, socialization and cultural considerations sometimes contradict the classical rational view, but more often become supplemental to the original view of organizations. Whether a study examines morals, motives, justice or the ethics of caring, organizational hierarchy and formal structures are assumed present and desired. As discussed above, an emphasis on open systems, social groups and organizational cultures all seem to diminish the sense that individuals are, or can be, an important influence upon organizations. Organizational analysis has changed significantly in many ways, but continues to suggest that individuals succumb to the power of the organization.

In contrast, the career perspective realizes that individuals bring knowledge, skills and experience, that has been learned over a lifetime, to organizations. Individuals use these abilities to develop their careers within organizations. They may be influenced by the social, political or cultural elements of the organization, but individuals are told that to enhance their careers they should make choices that effectively capitalize on their present set of skills and abilities in new situations. Interacting with others in well-understood, historically effective ways, and to cast their moral and ethical values upon decisions are important career activities. The importance of individual actions based on lifelong experiences and knowledge acquired in the past, is a part of career development. Such actions are also a part of organizational development and should not be ignored or discounted in the organizational literature. Individual career-motivated activities influence organizations, but the ways are uncertain. More studies that reveal how individuals influence organizations are needed.

One final area of research about organizations, that has significantly altered our view of organizations, is the socio-technical view. Technological advancements have thrust organizations into rapid, turbulent times. Technology has creates a state of "flux" in organizations and sometimes caused organizations to spiral out of control. Though changing demographics and a global marketplace, have also created new challenges for organizations, technology has placed many business enterprises in compromising and threatened positions. Technological change also raises questions about the value of individuals, especially in relation to acquired past knowledge that may not help with new problems posed by new technology. An explanation of how and why organizations change continues to baffle. As technology calls for "new" knowledge, individual abilities to acquire this new knowledge (i.e., their ability to learn) is being considered. Of even greater interest for this study is when the concept of organizational learning is considered in organizational research. (This will become more clear in chapter two.) But first, a third shift in organizational research, both major and current, -- the socio-technical view -- considers the diminishing role of the individual in organizations.

Socio-Technical View

In addition to the human relations views altering ways we think and talk about organizations since the classical view was expressed, now the socio-technical view of organizations has accelerated the rate of change in our thinking. Organizations struggle to keep pace with rapid technological advancements and organizational research struggles to identify the important factors of technological change. Technology has created an imperative for change. Organizational research has documented many ways that technology and the resulting need resulting change is problematic. The ability of an organization to respond appropriately, effectively, and quickly, seizing a technological advantage, is one of the most pervasive challenges for organizations.

Early in the 1970's, the rate of technical progress was just beginning to escalate. The importance of individuals to the organizations was immediately threatened with this kind of progress. As this same time, the organizational field of study was expanding by to investigating the human dimensions of organizations. The open, organic view widened the boundaries and set forth a wide-range of organizational influences and offered out for study complex, systems of organizations, all ideas rendering individuals as only one of many organizational influences. Technical progress accelerated change and the organic view of organizations seemed better equipped, than the mechanistic view, at determining how to keep pace with the rapidly changing technology. The organic view, alongside the reality of technical changes, identified ways that technical progress, in many cases, threatened to render certain jobs obsolete, particularly some jobs performed by individuals. Thus, technical progress, from its early beginning, was seen as an independent power to which individuals (and organizations) must respond. (Dalton and Lawrence, 1970)

As social and behavioral considerations provided new insights into organizations, Alfred Toffler, a world renowned scholar and social critic, came forth with several radical ideas for the 1970 era. His book was called, "Future Shock." He viewed organizations from a systems perspective and made ominous predictions about how technology would drastically change organizations and the lives of the individuals within them. Toffler described an emerging, super-industrial, world filled with temporary organizations and a world where people were overwhelmed by change. He examined "the death of permanence." He described how computers would *force* upon us a "knowledge and information age." Specifically, he described that technology would challenge and eliminate the need for many jobs. Toffler's solution to the *threat* of technology, was for individuals to acquire new knowledge and become good learners. The need for everyone to learn was now imperative, according to Toffler. (1970)

Within this stream of research questions are not strictly about human dimensions, as in the human relations view, but some studies ask what the impact of technology is upon humans. Fear, doubt, and insecurities held by organizational members are recognized and studied as a part of organizational research. (Argyris, 1957; Blau, 1987; Elfrey, 1982) Toffler described technology as a great engine with a mighty accelerator, and he saw individuals (especially with technical knowledge), as the fuel to run the engine. People needed to learn new ways and acquire new knowledge.

However in practice, studies revealed that people were clinging to the status quo and were resistant to change. (Baron, 1990; Drucker, 1994; Handy, 1996) Psychological research described how people became filled with self-doubt in the face of change. Uncertainties abounded among organizational members. Even organizationally, technological change meant losing or relinquishing control to one part of the environment. As more and more technological change was seen on the horizon, individuals (and organizations) were threatened. It seemed that new ways of achieving success were being identified. Along with the new ways, many careers, industries and organizational types were becoming obsolete. (Merlyn and Parkinson, 1994)

These times are often referred to as the Information and Technology Age, which has replaced the Industrial Age. For over 10,000 years, the rate of discovering knowledge about ourselves and the universe has be spiraling upward. The future is predicted to be just like the period after the invention of writing and books, when there was a significant jump in knowledge. So, too, since the invention of the computer, is another significant leap in knowledge forecast. "With its (computers) unprecedented power for analysis and dissemination of extremely varied kinds of data in unbelievable quantities and at mind-staggering speeds, computers have become a major force behind the latest acceleration in knowledge-acquisition. . . . Knowledge is change -- and accelerating knowledge acquisition -- fueling the great engine of technology, means accelerating change." (Toffler, 1970)

Toffler coined the phrase "ad-hocracy." He described the breakdown of bureaucracy and the arrival of a new organizational system that would produce dramatic changes, including ominous predictions for individuals in organizations. These predicted changes are those that Handy says are now a reality:

> One of the most persistent myths about the future envisions man as a helpless cog in some vast organizational machine. In this nightmarish projection, each man is frozen into a narrow, unchanging niche in a rabbit-warren bureaucracy. The walls of the niche squeeze the individuality out of him, smash his personality and compel him, in effect to conform or die. since organizations appear to be growing larger and more powerful all the time, the future, according to this view, threatens to turn us all into that most contemptible of creatures, spineless an faceless, the organization man. (Toffler, 1970)

Twenty years after Toffler's *Future Shock*, organizations have experienced dramatic change. Both implied and real threats to the security of organizational members has resulted. Organizational theorists continue to consider how humans can be "fit" into technologically-run organizations. The ad-hoc groups, temporary teams, throw-away organizations that Toffler predicted in 1970, have become a reality. Research describes how technology drains the authority and power of the people of organizations. Research also confirms that temporary, ad-hoc groups inspire, adapt and engage in creative problem-solving. Virtual organizations, like the ones Handy described, (see quote at beginning of chapter), are more and more prevalent; and people of organizations are dispersed and detached. (Kilmann, 1996)

The socio-technical view suggests that technology may dismantle bureaucratic organizations and maybe all organizations, as we now think of them. The role of the individual in virtual organizations is uncertain and considered more complex than ever. Studies about knowledge possessed and shared by individuals is an expanding stream of thought in this view of organizations. (See chapter two.) Already power relationships have changed from vertical to horizontal, or becoming knowledge-based. (Nonaki and Takeuchi, 1995) Organizational members are viewed as residents and creators of knowledge, but so too are organizations seen as receptors of knowledge that is something to be converted into organizational power and authority! Complex variables and web-like relationships uniquely created within organizations are based on a wide range of factors, including individuals. Thus, technology has pushed organizational analysis to extend itself even further to consider new environments and new horizons than ever considered by the human relations view. (Drucker and Falmer, 1993)

Not only are the shapes of organizations changing, but individual behaviors called for in organizations are dynamically different. The 1970's research view of technical progress sought ways to understand how to continue to control and design functional differentiation, specialization, structured tasks, and formal delegation activities in organizations. (Dalton and Lawrence, 1970) By the 1990's, individual entrepreneurial, creative and competitive efforts are sought; but are still shaped around organizational needs. Ways to reduce rigid, bureaucratic organizational structures are desired, while retaining control. Organizational analysts study and write about technological change using terms like, "frightening speed," "rapid," "unforeseen," "unpredictable," "chaos," and "crisis." The bureaucratic model of organizations, still voraciously studied and sometimes emulated, is now considered "inadequate," and a big part of "the problem". (Huey, 1993; _____, Chief Executive, 1995) Finally, *individual* efforts that produce changes to the structures of organizations, and other bureaucratic features, seem infinite and are being considered. Leaders are especially burdened with facilitating change.

The bureaucratic and scientific view of organizations established stable, centralized, decision-making processes. This view created formal gradations of power and authority, and structured functional organizational designs. As technology has prompted change, ways of breaking down these rigid well-established structures have become paramount. Contemporary views still value formal bureaucratic organizational structures as stable, secure, and predictable environments, but there is recognition that organizations must restructure themselves into exploratory, creative, revolutionary and dynamic environments. Removing the discord between what organizations are and what they should become is a current challenge for leaders. Knowledgeable, flexible, adaptable leaders are highly desired. But the risks to leaders' careers, from these types of behaviors, have been recorded in the research. Before considering how closely leadership concepts parallel organizational concepts, a few final observations are made about the socio-technical view of organizations and ways that individuals are gaining prominence.

As we near the end of this century, most "traditional" organizational structures have been challenged. Organizing by function, formal communication structures operating according to hierarchy, and distinct job specifications still exist – but are often viewed as deterrents to change. Formalities and other rigidities are thought to decrease an organization's ability to change quickly. (Peters, 1987) These barriers to organizational success are broken down, through concepts of "reengineering" and "continuous quality improvement." New ways of operating are needed. And the wisdom of past activities, based on past experiences, often seem outmoded, according to the socio-technical view. The need to change because of new technology, creates some doubt that what individuals have come to know and understand over the course of their lives, is of less value than new knowledge to be learned and applied in the future. Some theorists believe the ability of the organization to acquire new knowledge, must begin with individuals. (Aubrey and Cohen, 1995; Nonaki and Takeuchi, 1995)

The socio-technical view of organizations promotes open and informal lines of communication, flatter bureaucracies, cross-functional matrices, flexible and adaptable work flow processes, for example. Not only are the less-traditional, less bureaucratic and non- mechanical organizational factors sought, but fluid, dynamic, variable and unique ways are preferred. As noted above, individuals, and especially leaders, are needed to control these "hard-to-control" organizations, to predict what is nearly impossible to predict and to manage what is difficult to manage.

For three decades, organizational theorists have been suggesting that organizational members need to embrace and encourage change. Individuals, not just groups, can create change. Both research and practice confirm that changing times create unpredictable and uncontrollable situations, that people often resist. (Novelli & Taylor, 1993) Entrepreneurial and creative activities are encouraged and experimental ways are supported. Trial and error activities are encouraged. Action learning is advocated. But new types of individual (and group) activities are put into practice, the promised security of experimentation and testing, is often more rhetoric than reality. Individuals, and their careers, are being put at risk. (Slade, 1994)

Handy suggests that the way we think and talk about organizations must change. We now think very differently about organizations than in the past. Even the language of organizations has changed dramatically. Terms used to describe organizations used to include: stable, predictable, and controllable; these have been replaced with transformational, radical, revolutionary and chaotic. As members of organizations pursue their careers within organizations, they engage in dialogue, collaborate, partner, facilitate communication, influence others and are influenced by others, rather than directing, controlling and authorizing organizational activities as in the past.

Technological advancements have prompted thinking that people in organizations are both the problem and the solution. As organizational structures become more dynamic and, thus, more uncontrollable, individuals are expected to inspire and create . . . and control. But technology continues to alter the environment rapidly, often rendering new ideas obsolete or ineffective long before they have had time to be fully implemented. As individual entrepreneurial efforts are carried out, they often fail. Organizations cannot exist for long from failures, and thus the search for predictability and control of outcomes continues.

Before considering the aspect of incorporating career issues into organizational research, the close relationship between the organizational studies and the leadership studies is important to note. In chapter four, career development issues are also offered in contrast to both areas of research.

LEADERSHIP CONCEPTS ATTEND TO ORGANIZATIONAL VIEWS

A close relationship exists between the evolution of organizational research and changed views of leadership. Chapter four describes how leadership theories inform career development concepts, in limited ways. This section highlights how organizational views correlate with contemporary views of effective leadership, thus are mutually informing. As this chapter points out, individual efforts in organizations seem to have diminished in importance, at the same time that other *important* (and human) features are being added to the research, e.g., technology, group activities and organizational cultures. At the same time organizational aspects have been changing, leadership challenges have also been escalating.

New and changing organizational issues have not been restricted to organizational analysis. As organizational studies have widened in scope, ideas about leadership have also become more complex. The classical view of leadership, parallels the classical view of organizations. This view suggests that leaders direct, control, and generally, operate in a highly formal, autocratic manner. Weber's classical view depersonalized organizational operations and sought to eliminate, or reduce as much as possible, the influence of unreliable human judgments and emotions. Similarly, the now-outdated classical leadership view advocated the need to expunge the emotions of employees (and leaders) and to eliminate as much *human interference* in operations. Giving direct orders and tightly controlling all situations was the leadership norm.

As the human relations view looked at the realities of human emotions, feelings, attitudes and beliefs in the work place, leadership approaches first became less autocratic and more democratic. Further, effective leadership concepts, as early as the mid century and continuing today, recognize the need for leaders to be empathetic and to positively support subordinates. Also the need for humans to affiliate into groups was being understood and encouraged, leaders were participating and collaborating, not directing and controlling.

One early human relations model, was tied to leadership concepts. McGregor's Theory Y model placed an emphasis on individualism and self-actualization. Also, the Likert System IV model stressed organizational flexibility and adaptation. Likert also researched issues of morale and productivity, but was unable to find a strong correlation between the two. These ways of thinking about organizations influenced leadership views. These and other similar views maintain that there is essentially no conflict between individual human needs and organizational needs, at least none that cannot be resolved. The leader is to be a facilitator in this *theoretical no-conflict* environment.

Leaders are agents who create and sustain paths toward mutual satisfaction. (Bennis, 1994) Thus, both leadership views, the classical and human relations, seem naïve and limited, much like organizational research.

Unlike organizational research, though, leadership studies have considered not only the organization but also the individual. This research explains that strong, confident, hard-driving managers have been replaced with empathetic listeners and coaches. (Rost, 1991) Individual attributes of this later type were favored. And as individuals carried out leadership responsibilities, individual career needs versus organizational needs were being considered. In his 1957, *Personality and Organization*, Chris Argyris concluded that individual needs and organizational needs were basically incompatible. According to his views, the individual develops along a continuum of time and experience toward "self-actualization." The organization creates task specialization, a chain of command, unity of direction, spans of control and other repressive and restrictive conditions for the individual. "The picture we get from Argyris is that of an organizational behemoth slowly but surely bringing down the individual's need for growth and actualization." (Bennis, 1993)

Contemporary views of leadership still seek optimization between organizational goals and individual goals, but in more collaborative ways than the dictatorial classical view. Research suggests that simultaneous optimization is not usually feasible and that there must always be accommodation and a relinquishing of at least some objectives on both sides. (Elfrey, 1982) Contemporary organizational views acknowledge the need to strive for individual satisfaction and motivation, but never by sacrificing organizational effectiveness. Leadership studies combine issues about becoming an organizational change agent and a facilitator of others pursuing organizational goals. Issues about self-control and meeting individual needs are included. (Rost, 1991) While the organizational literature assumes that leaders create, implement and assess activities to meet the needs of the organization, with regard to individual needs or preferences, leadership studies consider aspects of both. But leadership studies still suggest that organizational preferences and needs take precedence over individuals.

Now as questions are raised about the role of the individual, and about career pursuits within organizations, a new way of informing organizational thinking is not likely to result by an emphasis on leadership, since the two streams of thought parallel each other. Leadership concepts do add individual considerations to the studies, but not to the extent of career studies. The evolution of organizational research has also influenced and changed our views about what constitutes effective leadership. Both forms of research continue to be reality-centered, but continue to emphasize meeting organizational needs while ignoring meeting individual career needs. As these behavioral and social views expanded research, plus the imperative to change from technological advancements, both areas of study face a serious dilemma:

> Conventional wisdom began faltering when a number of changes in our society began to affect the basic character of human organizations. I am referring here to changes in scale, and complexity in modern organizations, to the rate of technological change, the rise of trade unionism, the growth of the human sciences, the separation of property from power, the influx of professionals into large-scale organizations, the increase of the general educational level and aspirations of workers, and a shift in the value systems of the world community toward humanitarianism, science and democracy. . . . In short managers were basing their predictions on incomplete and skewed data, a mechanistic and depersonalized view of man, and late Victorian, Darwinian ideals of Empire. The last three decades of research and practice in the behavioral

> science has been one long casualty list of threatened assumptions and myopic views on the human side of the enterprise. (Bennis, 1993)

Finally, the absence of strong leadership in many organizations today is regularly noted in the literature. (Gardner, 1995) Given the decreased emphasis on individual leadership considerations, this is not surprising. Leaders are still expected to produce desired organizational results, but face many situations that limit or restrict them. Becoming less dictatorial and more democratic has limited leaders' abilities to control outcomes. (Rost, 1991) Individual leadership efforts have been diluted by team structures and new technological operations. (Bennis, 1995, Myer, 1996)

Thus, career development activities of leaders, carried out within organizations, is yet another reality that warrants study from the organizational perspective. Career issues may be a part of leaders activities, as they attempt to control or influence organizational outcomes. What happens when organization needs threaten the development of a leader's career? If individual influences upon organizations have diminished, in what ways and to what extent does an individual prevail? The next section begins to examine reasons why career issues may have been ignored in organizational studies; and suggests potential benefits from incorporating career information into organizational research.

INTEGRATING CAREER IDEAS INTO ORGANIZATIONAL RESEARCH

This chapter highlights organizational research changes in the past and present. Even though this field has changed in several important ways, individual careers and their development have generally not been a part of this area of study. Actually, individual considerations have diminished or been ignored as important organizational factors. Important factors being studied usually include organizational design, communication systems, formal and informal procedures, culture, and technology. While organizational studies have expanded extensively, researchers continue to call for improvements and additions to this field. The benefits from integrating career issues into this area of research are generally described below and discussed in greater detail in the next chapter.

The influence of career development activities upon organizations could begin with the contemporary socio-technical view. According to this view, careers in the future are likely to advance through possessing and acquiring new forms of technical knowledge. Thus, knowledge is an important factor in organizations, today. (Drucker, 1991) In contrast, the discussion could begin with an historical age/stage view, that identifies how careers advance by accumulating and assimilating many lifelong experiences. Different career stages produce different levels of individual effectiveness when carrying out tasks and responsibilities. These different levels of ability, based on career stages, can ultimately effect the success of the organization. (Super, 1957, Super, 1984) First, there is a more basic question to consider. Why have organizational studies seemingly ignored and sometimes negatively perceived issues about career development?

Individuals Influence Organizations

First, organizational research suggests that individual goals and organizational goals should be mutual and simultaneously optimized. The reality that this is always possible seems unlikely. Organizational analysis suggests that individuals should make trade-offs, compromise, adapt, adjust, and integrate their goals with those of the organization. The organizational *attitude* toward career development, creates a sinking feeling that the organization is, and should be, the controlling factor in one's career development decisions.

In contrast, career theorists caution against relinquishing control of our careers to others, especially to organizations. No matter how well-intentioned an organization may seem, e.g., having extensive employee development programs, individuals are advised never to abdicate career planning and career decisions to anyone else. (Dalton, 1986, Elfrey, 1984, Schein, 1985) Career analysis promotes self-assessing behaviors, the recognition of self-perceived abilities and values self-directed behaviors. The independent pursuit of careers, many times carried out within organizations, means seizing opportunities and making choices for the sake of a career. Self-motivated behaviors are at the heart of career development concepts. Thus, one reason why career issues are not regularly incorporated into organizational analysis may be that such career development views, would diminish the power of the organization.

Another explanation may stem from the reality that career development within bureaucratic organizations means rising through the ranks over time. Omitting career considerations may be because careers span many years and many organizations. In other words, attention to a career over time might create the image that a "contract" exists between the employee and the organization. The implied contract would be based on the individual providing expertise and competence and on carrying out orders. In exchange, one's career is secured and developed through monetary rewards and other forms of status provided by the organization. This idea of a contract creates a liability for the organization, thus may explain the absence of career ideas from organizational studies. (Pedler, 1994)

Finally, and in contrast to the career perspective, the human dimension of organizations is often viewed as just another set of physical assets of the organization.

This "non-enlightened" view offers a perception that organizations have the responsibility of developing these human assets. Thus, employee training and other formal development programs, are not planned around personal career desires, but rather around ways of enhancing and improving the organization. Giving greater attention to career issues could create a contradiction. All three of these explanations (stated above) suggest weak rationale for paying.little attention to the role of the individual when studying organizational development.

Career Issues Inform Organizational Change

Sometimes organizations provide programs that link formal training with career interests; but the realities of favoritism and nepotism within bureaucracies often destroys any allusions that formal training guarantees career advancement. Alternately, individuals who allocate organizational resources for their own personal self-development risk being accused of elitistism or disloyalty to the organization. (Zalnick, Dalton, and Barnes, 1970) Thus, at least on the surface, both individuals and organizational descriptions of development activities may be linked to careers, and individual activities, but will more often be politically characterized as ways of meeting organizational needs.

Organizational-sponsored career planning has been reduced in recent years. (Senge, 1994; Schein, 1995) Large organizations, in particular, sometimes have the resources to provide extensive career development support. Programs that include self-appraisals, and promote a linkage between individual and organizational interests have not been totally absent from organizations, but also not prevalent. While some organizations support career planning and attest to its importance, other organizations take no formal action nor provide formal programs to help advance individual's careers. More often in organizations, individuals are expected to carry out their own career planning. Individuals are not readily encouraged in their career pursuits. Most pursuits are to take place outside and after performing the work of the organization, which is considered primary. The result, often recognized in career studies, is that people spend less time thinking about their careers than about choosing a house or selecting an automobile. People just trust their careers to luck and put off self-development, often to their own peril. Few individuals, it seems, recognize that career planning is a lifelong activity and a continuing personal responsibility. (Elfry, 1984)

Careers may evolve without design, and the encouragement from organizations varies. Nonetheless, some career-motivated activities are carried out in organizations. To what extent and how, is unclear and this study attempts to reveal more about this nebulous area. This chapter describes how organizational research has changed dramatically and suggests that this research will, and should, continue to evolve. First, when scientific views suggested that human emotions within organizations were undesirable and should be expunged from organizations, shortly after studies of human emotions began. Then when formalized organizational structures were advocated for all organizations, the existence and power behind informal organizational activities surfaced as needing to be studied. And now, as technical progress and technological advancements increasingly favor organizational systems over individual efforts, attention to the importance of individuals learning has been sparked. Career considerations are related to studies about organizational learning.

Both contemporary research and practice promote the *organizational* need for knowledge and information. This may diminish the importance of the individual further by devaluing individual knowledge learned in the past, through career and other life experiences, over organizational knowledge. Some research on knowledge within organizations asks about how already-possessed, individually-held knowledge, which is sometimes called embedded knowledge. Embedded knowledge within individuals is thought to influence organizational planning and organizational activities. Embedded knowledge is something that some individuals, and not others, can leverage across different areas of the organization. Some past knowledge is applied successfully to changing conditions and helps an organization meet new needs. Individuals, who possess the ability to use already-acquired knowledge in a variety of circumstances, are thought very likely to succeed in this information and technology age. (Drucker, 1995, Myers, 1996) In this way, more attention to individuals in organizations is beginning.

Career experiences that produce transferable capabilities to new organizational challenges are important, but not well understood, nor easily identifiable. Research about the effects of technology suggests a need for core capabilities, or know-how, that resides with the people of the organization. "The organization can thus be characterized as a montage of individual capabilities and informal networks and relationships, rather than a series of pre-determined roles and positions and formal hierarchical relationships. . . . Thus, despite the inherent difficulties, many organizations try to make their employees more versatile by putting them through different experiences and rotating them through various assignments." (Bahrami, 1996) Studies about ways in which already-possessed knowledge, gained from past experiences, and applied to future problems, is becoming a critical part of organizational research today. The integration of career issues with these ideas about knowledge is possible and informative.

Career development is about utilizing one's current abilities, seeking out new challenges and gaining new experiences. The importance of learning from experience, is not a new concept to the field of career research; but is a new way of studying organizations. Organizational research of the 1990s has exploded in the direction of exploring ideas about learning and knowledge, acquired in the past and applied in the future. Individual knowledge and learning concepts are considered "critical" features of contemporary organizations. Questions about knowledge acquired through past experience and ways of learning developed over the course of one's career, (and life), are more and more often included in organizational studies. (Mabey and Iles, 1996)

Along with this trend, one drawback in studying the effects of individual career-motivated behaviors on organizations, is the emphasis on group efforts. As noted earlier, organizations are trying to become more flexible and adaptable. Team-based decision processes are being established, and then pools of shared competencies created. The effects of individual behaviors on the organization, have become even more difficult to differentiate in these team-based environments. Individual contributions to team decisions are difficult to assess. The value of career-motivated actions, based on self-perceived abilities, and acquired through past experiences, may become even more dispersed and diluted as the frequency of team-based decision making processes increases.

In addition, the existing capabilities of individual organizational members, utilized at appropriate (future) times, could potentially become more valuable to increase in highly dispersed, (virtual) organizations. Individuals are more separate from groups, and are able to be connected through technology. Individual activities may become more isolated. Until then, group or team decisions, even in virtual organizations, make it difficult to isolate and study individual contributions and influences upon organizations.

The next chapter examines an emerging organizational research concept – organizational learning. This research theme, sometimes tied closely to technological change ideas, is creating a growing interest in the study of knowledge and learning in organizations. Individual abilities and individual actions are considered in studies about the role of knowledge in organizations. But the study of learning and knowledge within organizations, and according to organizational research, continues to emphasize actions that support organizational objectives, rather than career objectives. The next chapter examines how the concept of organizational learning includes ideas about individuals, unlike some other research subjects. An organizing framework about learning is developed, plus a way of integrating career issues into organizational analysis is established. This analytical framework is used to study an organization and its leaders, in chapters three and four. The final chapter of this analysis considers the benefits of having considered career-motivated behaviors alongside other organizational factors. The benefits include finding new ways of understanding organizational activities and organizational successes, stemming from individual career pursuits.

Chapter 2

ORGANIZATIONS, INDIVIDUALS, AND LEARNING

Introduction

There is an increasing level of interest around the subject of learning, both in organizations and by researchers. Like many other subjects related to organizational development, studies about learning mainly focus on understanding organizational development, not individual development. Though organizational research does not totally exclude individual development issues, such issues are treated in limited ways. Learning informs organizational practice, by better understanding how problem solving, decision making and organizational designs relate to ideas about learning. Also, some studies about organizational learning consider individuals -- how and what they learn. As the subject of learning is applied to organizations, a shift has begun toward having more emphasis on individuals as important features of organizational development.

Organizational research on the subject of learning continues to expand rapidly. Many ways of studying learning and closely related ideas are considered in the organizational context. Knowledge, acquired and applied in the organizational setting, represents one important stream of research on this subject. The transference and integration of information and knowledge is another. Not only the ability of the *organization* to acquire, create, transfer and integrate knowledge is studied; but research on individual abilities that are transferred and create knowledge within organizations, i.e., to learn, is also included in some organizational research. Research on organizational learning has many components, and in relation to this study, individuals are becoming an important consideration to this subject area. Thus, the subject of organizational learning has been selected as the subject for this study that is about organizations and individuals. (Nonaki and Takeuchi, 1995)

Organizational learning represents an area of research that is both timely and one that focuses not only on organizations, but individuals as well. Since this study takes up the question of individual influences upon contemporary organizations, shaping ideas around the subject of organizational learning is appropriate. Questions about how individuals relate to the subject of organizational learning are examined? There is a focus on the organization, and its development, plus the relationship of individuals and their development within organizations. Typically, studies about organizational learning are about organizational development, not individual development; but studies about organizational learning often incorporate information about individual learning. Organizational learning is a subject that includes ideas about both organizational development and individual development, and thus is the subject of this study.

Research on organizational learning centers around issues of development. And, individual learning, in relation to organizational development, is considered among many studies on the subject. A study about organizational learning may, in fact, study the development of both organizations and individuals. This chapter reviews the scope of current research on the subject of organizational learning – which mainly focuses on organizational development. Sometimes ideas about individual development are a part of this type of research, and such instances are of special interest. This review of research on organizational learning, also points out how our thinking about organizations has moved even further from the historical classical view of organizations.

This chapter first reviews the concept of organizational learning, generally presented in organizational research; plus a working definition is provided. Ways in which this subject is currently studied are described. Once this review is completed, an organizing framework is developed to guide two studies about organizational learning. The framework incorporates many concepts related to the subject of organizational learning, both for individuals and organizations.

Beginning with an heuristic framework, specific elements associated with organizational development, establishes a discovery process about organizational learning for the organization. Eventually (in chapter four), individual career elements are developed using the same framework. This framework is used to produce, first, a case study of a particular organization, (chapter three), then a career biography of one leader (chapter four). The two studies, similarly constructed, allows the integration of two sets of ideas produced through separate analyses, to occur. Findings from the two studies, plus additional findings when the two analyses are integrated, are presented in chapter five. Generally, this study confirms the importance of incorporating individual career development issues into studies about organizational development.

WHAT IS ORGANIZATIONAL LEARNING AND HOW IS IT STUDIED?

Selecting the subject of organizational learning is a way of considering individual influences upon organizational development, but other influences must also be considered. Factors commonly included in analyses of organizational learning have been selected. To aid this selection of various organizational influences, two definitions are first discussed. In organizational research, definitions of *organizational learning* and definitions *a learning organization* can be distinguished. A working definition of each is provided below. Learning in an organizational context is about development and research about learning involves the concept of knowledge. Thus, after defining both terms, three types of themes within organizational learning studies, are discussed. Organizational learning studies may investigate: 1) ideas about knowledge in relation to organizational development (its acquisition and transference); 2) problem solving in relation to knowledge concepts; or, 3) organizational structures that encourage the use of knowledge. These three analytical approaches are readily found within the research about organizational learning. Essentially, studies about learning in organizational contexts are about development – organizational development. Open systems views establish analytical frameworks that consider a great number of factors in relation to learning. Thus, studies about organizational learning often intend to inform our thinking about how organizations solve problems, create change and develop. After reviewing the following definitions, more of these research ideas are discussed as a way of demonstrating how the individual is considered within this subject area.

Organizational Learning: A Working Definition

The subject of learning within the organizational context, is usually referred to as "organizational learning." The term, "learning organization," is relatively new to the organizational field of study. Peter Senge is credited with coining these terms, but he does not attempt to separate his ideas about learning as they relate to individuals versus organizations. He sees individuals and organizations as integral to organizational learning. The following definitions establish a distinction between organizational issues and individual issues. This distinction is helpful for constructing this study. These two definitions are offered as an initial way of thinking about individual learning in relation to organizational development:

A learning organization can be described from a systems, i.e., holistic, perspective. An organization is a discrete entity that establishes a way of organizing activities and outcomes, in order to develop and change, organizationally. A learning organization does not simply change for the sake of change, nor does it grow just to become bigger. A learning organization engages in progressive and developmental change.

Organizational learning can be associated with specific organizational activities and outcomes that produce change and are most often directed, initiated and carried out by individual organizational members.

These two definitions helps create a distinction between organizational learning, individual learning, and organizational development. They devise a particular way of studying learning in an organizational setting that pays attention to individuals as one factor to be considered in relation to organizational development. An analysis of various organizational activities and outcomes, and associated factors, represents an analysis about a learning organization. Individually-initiated activities and outcomes that influence organizational development are also a part of organizational learning. This distinction is central to this study about organizational learning and attempts to isolate certain individual developmental factors and draw some relation of these to organizational development.

Initial Learning Concepts Attached to Organizations

Before three different analytical approaches to studying learning are discussed, a general review about the evolution of this subject in the organizational research field serves is helpful. Peter Senge, in his book, *The Fifth Discipline,* considered individual and organizational influences, together, in relation to organizational learning. Given the general absence (neglect) of studying individuals in organizational research, this inclusion represented a new trend. (See chapter one.) Activities and outcomes carried out by individuals versus organizational activities and outcomes have both become forms of learning to be studied. In this way the role of the individual in organizations has been elevated in this type of study. Featuring individuals, and their learning, means that individuals' abilities to influence organizations is being considered. Studies about learning in organizations is a relatively recent trend, thus many conceptualizations are still being carved out from the masses of available data.

Many ways of studying organizational learning prevail at the present time. This subject has inspired new approaches and new ways of thinking about and studying organizational development. Though, the studies have no empirical foundation, some researchers believe that studies about learning and knowledge may bring about a new theory of organizations. The term, Learning Organization, was popularized by Peter Senge in his 1990 book entitled, "The Fifth Discipline." Since then, the concept of learning organizations is frequently considered in organizational research. As the subject is exploding, Senge's concepts are widely cited, ideas that apply not only basic management principles, but also adult learning concepts. Organizational researchers use many iterations of Senge's five disciplines to inform their studies. (Chawla and Renesch,

1995) Therefore, a brief description of Senge's concepts are presented to conclude this general overview of the subject of organizational learning. Once the general learning concepts are reviewed, (according to Senge's framework), three prominent branches of study are discussed. Together, this information lays the groundwork for creating an organizing framework around the subject of organizational learning to be used in this study.

Senge's Disciplines of Learning

Peter Senge, in his 1990 book, "The Fifth Discipline," describes successful learning organizations, as composed of two types of learning: adaptive learning and generative learning. He suggests that organizations not only need to cope and respond to the changing environment (adaptive learning), but must seek ways to expand capabilities into the future, (generative learning). In 1990, Senge's five disciplines became important principles thought essential for organizations to successfully create a total learning environment. They are:

SENGE' FIVE LEARNING DISCIPLINES

Table 2.1

First	Building Shared Vision	The practice of unearthing shared "pictures of the future" that foster genuine commitment
Second	Personal Mastery	The skill of continually clarifying and deepening our personal vision
Third	Mental Models	The ability to unearth our internal pictures of the world, to scrutinize them, and to make them open to the influence of others
Fourth	Team Learning	The capacity to "think together" which is gained by mastering the practice of dialogue and discussion
Fifth	Systems Thinking	The discipline that integrates others, fusing them into a coherent body of theory and practice.

Taken from The Fifth Discipline by Peter Senge

Several helpful ideas about learning in organizations emerge from this framework. First, Senge's principles are reminders of the dichotomy between thinking about organizations where individual learning takes place versus ways in which organizations develop, i.e., learn. Senge helps examine autonomy and authority of individuals in organizations, and recognizes that individual organizational members are learners, (#2 - Personal Mastery and #3 - Mental Models). But the organization, operating as a whole unit, is also considered a single learning entity. (#1 - Shared Visions, #4 - Team Learning). Thus Senge's framework considers both individual and organizational (group) learning. He combines both types of learning to create his *fifth discipline*, systems thinking.

One additional observation about Senge's principles, is to consider how his model shifts from the historical view of learning. All too often, the concept of learning within organizational settings was limited to ideas about formal training, or formal development activities. Senge's five disciplines, provides a construct to analyze learning that is not formally planned and carried out. Senge studies adaptive learning and generative learning. Adaptive learning, according to Senge, is responding to changing environments and generative learning is expanding capabilities. Both can happening informally. Both happen in day-to-day experiences, develop over time, and in unplanned ways. Senge believes these non formal ways of learning are an important part of organizational development and thus critical to the success of organizations. Senge's framework inspired others to begin thinking about and studying learning that occurs not only in formal training programs and suggests that learning through non formal means is important to organizational development. (Senge, 1990)

Before Senge's work, several predecessors also studied learning in organizations. Argyis (Harvard) & Schon (MIT) wrote extensively on single loop learning, and double loop learning. Single loop learning refers to a continuous cycle of actions and feedback and is much like Senge's view of adaptive learning, while double loop learning is more complex and involves conceptualizing and analyzing. Today, many terms are being created to recognize that learning exists in organizations in a great variety of forms. Terms like strategic learning and action learning are becoming common. In this study, the term organizational learning is used to refer to all variations of the same idea.

In contrast to organizational learning, the idea of a learning organization, a term created by Senge in 1990, is more abstract. In 1994, Senge wrote, "There is no such thing as a learning organization." (Senge, Creating Quality Communities, 1994) He explains that the phrase "a learning organization" is a double-edged sword and he has grown cautious about striving to become a *learning organization*. He believes the concept of a learning organization is both empowering and tranquilizing:

> Learning organizations are spaces for generative conversations and concerted action. . . . Learning organizations embody new capabilities. But a learning organization must be grounded in a culture based on transcendent human values of love, wonder, humility and compassion; a set of practices for generative conversation and coordinated action; and a capacity to see and work with the flow of life as a system. (Senge, 1994, p.11)

Senge explains that organizational learning is about a system of learning, and is a better way of understanding problem solving and decision making. Being a learning organization suggests that an organizational condition exists. (1994) Understanding learning from a systems perspective increases our understanding of dynamic developmental organizational changes that are produced and sustained. As organizations recognize the need to engage in continuous change, (see chapter 1), the idea of organizational learning is more appropriate to study than learning organizations. Studies that seek to understand continuous and future changes based from learning, are more informing, according to Senge. Studies about organizational learning are studies about systems of change and systems of learning. (Senge, 1990; Senge, 1994)

Borrowing from Adult Learning Theory

Before exploring the three prominent ways of studying organizational learning, certain similarities to general adult learning concepts should be identified. Consistent with Senge and others, the field of adult learning also identifies and values learning that is not formal. In fact, adult learning theories are commonly built around three main types of learning: formal, informal and non formal. (Merriam and Cunningham, 1989). Adult learning research can, and sometimes does, inform organizational research. For example, adult learning principles are applied to organizations in these types of ways. Successful *formal* adult learning programs, in organizations and elsewhere, need to account for and accommodate individual adult peculiarities. *Informal* learning is considered a lifelong process by which adults inform themselves about life and its possibilities. Verner calls this accidental or natural learning and views its importance in organizational settings. (1964) *Non formal* learning is shaped around organized adult education, and is something that happens outside the established formal education system - outside the purview of schools and universities. Thus, learning concepts from the field of adult education, applied to organizational studies, often investigate all three types of learning. Through formal development, as well as day-to-day activities, adult learners should be recognized for their uniqueness, for possessing different competencies, and with individual needs and unique preferences. As organizational learning is studied, an interest in the individualistic nature of learning, is consistent with adult learning concepts.

This growing interest in studying learning beyond the classrooms, means that studies are about unorganized, episodic, experientially-based or unique experiences. (Bennis, 1993) Interest in informal and non formal learning includes attention to lifelong learning, and learning across the life span, which also is appearing in some organizational studies. (Quinn, 1992; Reber, 1993) Educational biographies are a way of considering not only formal, but other forms of learning. Biographies of leaders have been common, but studying learning biographically is less common. In this regard, it is important to note that career research has for a long time recognized that career development is based on a variety of life experiences, and is not just a result of formal educational experiences. Studies about developing careers pay attention not only to formal educational preparation, but also to other learning experiences garnered from families, communities, role models, mentors, health factors, and other age or stage-related life experiences. Such informal learning experiences are important to one's career development. Now studies of this type (about learning) are sometimes considered critical to understanding and explaining organizational development. (Rodwin and Schon, 1994

The Economic View of Learning

Before turning to three ways of thinking about organizational learning, a word of caution is offered about research that places a great deal of emphasis on non formal and individual factors. There exists the concern that "useful" results will not be forthcoming from studies about organizational learning. These concerns are economically derived. Individual development in organizations, especially through formal training programs, is based on an economic model. Usually, formal training and employee development programs are designed to benefit many employees, not just one. Also, training programs are designed to "teach" new skills and expand understanding about areas important to the organization. For example, training designed around decision making and problem solving abilities often feature common systems and procedures for groups, rather than individuals. Thus, for now, organizational learning is thought of as a way of increasing an awareness and understanding about organizations, than as a way of designing a specific design or educational/training model eventually to be applied to organizations. This economic concern about studying organizational learning in relation to organizational development limits interest in the subject, for some. However, a growing interest in the subject by researchers, and some practitioners, is still happening. How long this interest will remain among major research enterprises, remains to be seen. (Bowles and Gintis, 1986, Fiol, 1994)

This study is about individual influences on organizations and the study will be carried out as a study about organizational learning, both organizationally and individually. Among the many subjects covered in organizational research, organizational learning is receiving attention for many reasons already given. For this study, the interest in learning has led to an increasing interest in individual influences upon organizational development. Organizational learning includes ideas about non formal and informal learning, which is admittedly more difficult to identify, predict, control, and thus study, than formal learning experiences. Learning that is accidental, episodic, or natural is studied as a way of understanding individual influences. The working definition of organizational learning, provided above, suggests that an investigation of individual activities will produce information about organizational activities and outcomes. Also, many organizational studies are taking a systems view of learning, that considers both organizational and individual aspects related to organizational development. Sometimes basic adult learning concepts are included and emphasize the importance of individualism and uniqueness as another way of understanding organizational learning. Before devising a framework for studying organizational learning that can incorporate individual influences, a more detailed review follows about studies on the subject organizational learning, that consider the concept of knowledge.

ORGANIZATIONAL LEARNING TOPICS

Studies in the 90's about organizational learning, often capture ideas about problem solving and decision making, including environmental and social considerations. Many times, ideas are constructed around the concept of knowledge – its acquisition and transference. This approach pays close attention to individual influences upon the organization and thus is helpful to constructing this analysis.

Studies about Knowledge

Applying the concept of learning to organizations has stimulated research on the subject matter of knowledge as it relates to the organizational setting. "Knowledge has also begun to gain a new wave of attention in recent years. Not only socio-economic theorists such as Peter Drucker and Alvin Toffler call for our attention to the importance of knowledge as management resource and power, but also an increasing number of scholars in the fields of industrial organization, technology management, management strategy and organization theory have begun to theorize about management knowledge." (Nonaka and Takeuchi, 1995) How is knowledge constructed in an organization? How is knowledge that resides in individual organizational members transferred to others and informing to organizations? These and other questions are sparking a new analytical dimension in the organizational literature. A dimension that is bringing new insights about individual influences in organizations.

As Toffler advised, an interest in knowledge within the organization setting has become central to some organizational studies. Along with this addition to the field has come an increased interest in the individual. As knowledge becomes a unit of analysis, cognitive and behavioral aspects of both organizations and individuals are examined. Personal, embedded ways of knowing are considered alongside dynamic, interactive processes and systems. Though attention continues to be given to the organization and its structure, processes, boundaries and culture (on how these relate to knowledge), the individual is thought of as an important factor integral to information about knowledge creation and transference in organizations. (Nonaka and Takeuchi, 1995)

There is no epistemological foundation for studies about organizational learning and knowledge. Yet understanding learning in the organizational setting is a way of becoming better informed about organizational change and development. Studies about knowledge seem to focus on two forms, sometimes called tacit and explicit. Other researchers consider action learning and implied learning, while others examine closed and open systems of learning. (cites, multiple) As noted above, Senge suggested two forms of learning—adaptive and generative. Organizationally, he saw adaptive as a coping form of learning and generative as a creative form. Similarly, Nonaka and Takeuchi study what they call knowledge creation. They study explicit knowledge as something that exists in organizations in the form of a template that can be communicated to others and can inform future actions. But also, they examine the importance of tacit knowledge that is more intuitive, personal and subjective, considered equally important to organizational development.

Furthermore, Nonaka and Takeuchi, believe that tacit knowledge can be converted to explicit knowledge:

> For tacit knowledge to be communicated and shared within the organization, it has to be converted into words and numbers that anyone can understand. It is precisely during the time this conversion takes place —from tacit to explicit, . . ., back again into tacit – that organizational knowledge is created. . . . Although Western managers have been more accustomed to dealing with explicit knowledge, the recognition of tacit knowledge and its importance has a number of crucially relevant implications. First it gives rise to a whole different view of the organization – not as a machine for processing information but as a living organism. . . . Highly subjective insights, intuitions, and hunches are an integral part of knowledge. Knowledge also embraces ideals, values, and emotions, as well as images and symbols. These soft and qualitative elements are crucial to understanding the Japanese view of knowledge and should be applied to the Western world. (1995)

This way of thinking about knowledge places the individual in the center of importance to the organization. "We mentioned that this interaction between tacit and explicit knowledge is performed by an individual, not by the organization, itself. We repeatedly emphasize that the organization cannot create knowledge devoid of individuals. . . . In the Western methodology, the interaction between tacit knowledge and explicit knowledge tends to take place mainly at the individual level, with a few individuals playing a critical role. " (Nonaka and Takeuchi 1995) Thus, this way of understanding more about organizations and learning, identifies and elevates the influence of individuals on organizations.

It is also important to note that such studies about knowledge remain multi-dimensional. Issues of socialization, culture, morality and technology continue to be important factors in this type of research. A difference in this research about knowledge and learning, important to this study, is the emphasis on the importance of the individual. Senge observes that the 1990's may rally an interest in developing individual leaders who can develop organizations. He suggests, " (O)rganizational development and (a new sort of) management development may be reconnected. . . . I believe that this new sort of management development will focus on the particular roles, skills, and tools for leaders in learning organizations." (Senge, 1994)

Unlike past trends, (See chapter 1), organizational research about learning (and knowledge) is heightening the prominence of individuals in the study of organizations. Isolating the individual as a key factor, is especially prominent in research about problem solving and decision making activities. Details presented below, on this trend, is another example of how organizational research now elevates the individual as an important organizational development factor.

Studies about Problem Solving

While Nonaka and Takeuchi study how individuals learn to transform tacit knowledge into explicit knowledge, views of the implicit nature of knowledge as ways of problem solving is equally engaging. The work of Nisbett (1991) over a decade ago made a distinction between explicit knowledge -- something that we thought we used to make decisions and control choices -- and implicit knowledge -- that we actually use. Langer, (1989), at Harvard, observed situations where people appeared to be acting according to explicit knowledge (consciously developed knowledge), but were really drawing from implicit knowledge systems about which they had little awareness. Reber offers an interesting view about studying knowledge. He states that sometimes people can be observed making choices and solving problems of interesting complexity, but rational logical elements are missing. (Reber, 1993) The conclusions from such studies, is that unconscious, nonrational, and unverbalized forms of knowledge affect organizations.

In the 1950's, less rational or unexplained behaviors were thought to result from *operant conditioning*. Contemporary research instead views such behaviors as the *cognitive unconscious*, originating from experience and becoming habitual over time. "Aspects of . . . implicit learning and implicit memory have become the focus of truly intense empirical and theoretical interest." (Reber, 1993) Studies about organizational decisions and choices now include an interest in how individuals develop the capacity to control complex environments. (Berry and Broadbent, 1987) Also resulting from this new wave of research, is the possibility that implicit and tacit knowledge may not be isolated peculiarities of individuals, but something generalizable. (Reber, 1993)

The heuristic value of this area of research comes from the discovery of information about function, adaptation and individual differences. Learning in the absence of efforts to learn is now a part of organizational research. Organizational investigations focus on problem solving and decision making, and ideas about individual learning are significant. Polanyi (1966) defined tacit knowledge as "knowing more than we can tell." He viewed this knowledge as largely inarticulable and primarily seen through individual actions rather than explanations of what the individual knows. Reber (1989) argues that implicit learning is an unconscious process. Schon (1983) speaks of "knowing-in-action," and Wagner (1987) developed a model of tacit knowledge defining it as "practical know-how."

Sternberg and Wagner's conclusions (1985) from three separate experiments on the role of tacit knowledge in practical pursuits, captures the essence of current thinking about knowledge in relation to organizational development: "A comprehensive theory of intellectual competence in real-world pursuits will, in our judgment, encompass general aptitudes, knowledge that is directly taught in school settings, and tacit knowledge, that is usually unverbalized and not explicitly taught, in managing oneself, others and one's career."

Studying tacit knowledge within the world of work, suggests that individuals make decisions and take actions to solve problems due in part to something they cannot fully explain in terms of why and how they know a particular action is correct. Wagner's model of tacit knowledge considers practical know-how acquired through experiences, without direct instruction, and from observing others. Isenberg observed that managers frequently came up with plans about what to do without complete information nor a thorough analysis. He believed, like Wagner, that managers use their experience, rather than analyzing situations in a more pedestrian manner, to interpret, infer and begin planning actions. He called this "conditional reasoning" and concluded that more experienced managers will act and plan actions based on experience, rather than verbalize, obtain more information, or analyze situations fully. Thus, studies like these often conclude that to understand more about knowledge in relation to organizational development, that the amount and type of past experience is important. Also how well one learns from past experiences and applies this knowledge, is what really matters. (Wagner, 1987)

Studies about learning in relation to problem solving are, therefore, very encouraging. The role of the individual engaged in problem solving activities, from a learning perspective, suggests that individuals produce change and affect organizational activities in significant ways, and that their work is often based on past experiences.

Decision making and problem solving studies also examine current and potential competencies of individuals. Such investigations study the transference or adaptation of competencies and knowledge. (Fiol, 1994, Wagner, 1991, Slade, 1994) Wagner describes how one way of understanding more about ability, or competency, is to study how individuals break down apparently complex systems into relatively manageable subsystems – as a way of making decisions to solve problems. Wagner's discussion includes both organizational and individual perspectives, consistent with other studies about organizational learning. He proposes that not all systems can be broken down into independent and interacting categories, but that many can and should be. However, he points out that just studying the categories does not tell anything about how the categories come together to solve problems – which he calls a "control system". Useful studies, by humanistic standards, according to Wagner, would produce a description of problem-solving strategies that could be used to solve a particular class of problems. He does note that attempting to account for strategies as scientific evidence is problematic. Thus, if the goal from describing performance (or outcomes) is to be able to describe universal problem-solving strategies, the need for theory is even more imperative.

To this end, Wagner suggests that the best way to study organizations is to study forms of learning. "When people learn to execute problem-solving methods associated with a particular goal, a *general way* of achieving that goal may not have much generalizability." (Wagner, 1991) But, Wagner does believe that a problem solving method associated with a particular goal, is transferable by that individual or individual entity, to another goal. When concrete and useful conclusions are sought, (generalizeable), studying the activities associated with goal achievement is preferred. "Instead of trying to find out what behaviors are common over a large set of complex problem-solving behaviors, why not examine how people learn to adjust their own behavior to a complex environment. . . . Studies about how we acquire complex problem-solving skills may be more generalizable than descriptions of the limited number of problem-solving situations that we can study." (Wagner, 1991)

Therefore, ideas about learning in relation to complex problem solving is a part of studying organizational learning. Rather than studying performance, results or goal achievement, as in the past, studying learning is more worthwhile. (Voss and Wagner, 1991). As organizational research seeks out new ways of isolating information about organizational change, development, problem solving and goal achievement, Wagner's opinions about the best ways to study organizations is thoughtful:

> Essentially, we cannot have a science of complex problem solving, simply because all complex problems have local solutions. I think that this is the case. However, I do think that we can develop a scientific understanding of how people learn to deal with complexity. The reason is that the principles of learning may be general, whereas the result of

> learning is specific to the situation in which the learning takes place. Expert-novice contrasts are a start, but only a start. We need to look at the process of moving from novice to expert. This will require some long, slow studies. (Wagner, p. 395)

Researchers are continuing to call for new ways of studying organizations. Organizational learning concepts have introduced dramatically different ideas about organizations, that moves the thinking further away from the classical, rational view. Organizational learning views, according to the concept of tacit and explicit knowledge, suggest that individuals may behave in ways they cannot always explain, but not necessarily in ways detrimental to the organization or having no basis. Unexplainable knowledge that produces action over reflection, based on experience and observation, also is considered dynamic. Understanding this next conceptualization of organizational learning calls for understanding more about organizational designs that support learning.

Studies about Organizational Design

As ideas about knowledge take shape in the organizational research, issues related to organizational design and organizational structures are included. Organizational shape and structure are considered critical to enhancing learning activities, especially those that require innovation and creativity. Research about organizational design in relation to organizational learning (and knowledge), is the final example of several prominent views within organizational learning research. These views inform the framework developed for conducting this study on organizational learning, and is presented in the last section of this chapter. Organizational design is especially significant to this study for reasons noted below.

As new knowledge-intensive relationships arise in organizations, and are studied, organizational structural considerations often arise. (Badaracco, 1991, Kanter, 1994, Kilmann, 1996) The design of organizations is radically changing and this seems to be in response to the "crisis" caused by the Knowledge and Information Age. This crisis is a failure to be able to manage and control a critical organizational resource -- knowledge. Organizational design issues confront problems like the effective exchange of information, speed and efficiency of such transference, and increasing capacity – all economic-based considerations. Knowledge and organizational learning, thus, are an economic resource that organizations are attempting to better utilize to maximum capacity, according to this stream of research.

Some studies assume a fixed level of knowledge and focus attention on methodologies for sharing, transferring, and linking this fixed resource. Researchers, including Nanaki and Takeuchi, consider ways to increase capacity of knowledge. Some studies consider a combination of both. Scenarios, though, about knowledge and learning in the organizational setting recognize and consider ideas about the individual. Here the individual is a metaphorical *receptacle* of this resource and do possess control over it. Not surprisingly, studies about organizational design consider how organizations can extract this control from individuals, and integrate it into organizational structures and processes. But to do this, analysis starts with the individual.

"The opportunity set confronting an individual or an organization is a function of the individual's knowledge." (Jensen and Meckling, 1995). Given the realization that knowledge is an important organizational resource, and that a primary source of knowledge resides within individuals, then the goal is to discover ways to both expand this resource and use of it through effective organizational design.

> The limited capacity of the human mind and the costs of producing and transferring knowledge mean that knowledge relevant to all decisions can never be located in a single individual or body of experts. Thus, if knowledge valuable to a particular decision is to be used in making that decision, there must be a system for assigning decision rights to individuals who have the knowledge and abilities or who can acquire or produce them at low cost. In addition, self-interest on the part of the individual decision-makers means that a control system is required to motivate individuals to use their specific knowledge and decision rights properly." (Jensen and Meckling, 1995)

The design of organizational systems rests, in part, on the formal assignment of decision rights to *individuals* with appropriate knowledge and abilities. Thus, radically new types of organizations are not designed around controlling inputs and outputs. The virtual organization that Charles Handy referred to, is one such design. Strategic alliances and partnerships, plus other collective arrangements are appearing among formerly competitive entities. Those most successful, find that collaboration and cooperation increase joint efficiencies. Research suggests that such collaborative groups are sustained through long term, rather than short term views. Finally, these "new," "experimental," organizational designs will force a cultural change in many executives. These ways of examining the control and use of knowledge by individuals and as part of an organizational structure is research that favors extending cooperative relationships. This is achieved through fluid, dynamic organizational designs and is a design that is too powerful to ignore. (Jarello and Stevenson, 1991, Kanter, 1994)

Open, dynamic designs. Problems that organizations face today, are complex, ill-defined, system-wide and require long term solutions. Contingency or collateral organizations, i.e., partnerships and alliances, are often considered more effective problem solving organizations than traditional organizational models. Creating a space that is conducive to creative problem solving is yet another challenge that knowledge and learning studies consider. Organizations that are dynamic, flexible, and can reinvent themselves support a wide-array of expertise and information, first and foremost held by individuals. Studies are beginning to advocate non-bureaucratic, informal organizations as the best opportunity for achieving co-existence between a firm's direction and maximum individual autonomy. (Peters and Waterman, 1982)

In the past task forces, committees, and other project teams have been thought conducive to solving well-defined problems. But they are not as effective with problems arising from larger, more complex forces, such as pursuing international markets, developing new technologies and motivating a highly diverse workforce. Strategic planning, management information systems, and organizational development programs, are complex, ill-defined problems. The fluid, flexible organizational design utilizing these ad-hoc, contingency groups, helps utilize the knowledge of individuals and promotes the exchange of this critical resource to solving major, complex organizational problems.

As this new organizational design is tested, structured, (or really unstructured), as ways of promoting knowledge transference, goals are to move away from the valuing of the individual (and individual knowledge) and toward the importance of knowledge to the organization. The goal in such design analysis is to ultimately shape organizations as the primary receptacle of this collective resource – knowledge. For now at least, the individual power and individual control over this resource is undeniable and challenging to study. In a recent essay about knowledge in relation to the organizational structure, the trade-off between information and agency helps explain the continuing need for organizational issues to take precedence over individual issues, even though the influencing role of the individual in the organization is clearly enhanced:

> The assignment and enforcement of decision rights in organizations are a matter for organizational policy and practice, not voluntary exchange among agents. Decision rights are partitioned out to individuals and organizational units by rules established by top level management. The limitations of his or her own mental communication abilities makes it impossible for a CEO to gather the requisite information to make every detailed decision personally. . . . In delegating authority to maximum survival (my note: whose survival?), the CEO wants to partition the decision rights out among agents in the organization so as to maximize aggregate value. . . . Because they are ultimately self-interested, the agent to whom the CEO delegates authority have objective functions that diverge from his or her own. The costs resulting from such conflicts of interest in cooperative behavior are common called "agency costs." Because agency costs inevitably result from the delegation of decision rights, the CEO must **devise a control system** (a set of rules) that fosters desirable behavior. (Jensen and Meckling, 1995)

Even though a "control system," or organizational design based on knowledge, is radically different than the bureaucratic, hierarchical design, the design is intended to serve the same purpose as the historical forms. Individuals, as a knowledge resource, are a significant factor, to be controlled and predicted, through contemporary organizational design. The goal of organizational design strategies, in contemporary times, to structure and control knowledge, suggests an attempt to manage the unmanageable. Knowledge workers in cyberspace, to be controlled and organized, is considered a major challenge. Studies of design continue to investigate, much like the industrial age, machine-to-machine, and machine-to-human issues. As formal authority, planned processes and predicted outcomes remain central to studies about contemporary organizational design, individuals -- their knowledge and learning capacity – are recognized as important. Even though the goal is to find a way of controlling and extracting this resource from the individual to the organization. (O'Hara-Devereaux and Johansen, 1994)

One final observation is helpful about shifting research perceptions, as the subject of learning is explored further. The nature of organizational problems keeps changing. Organizations that are designed to perform day-to-day activities and produce well-defined products or services are not considered capable of solving complex, dynamic problems. The on-going cycle of sensing the problem, defining it, deriving solutions, and implementing solutions is the foundation of collateral collaborative organizations. Though the concept is relatively new to designers, (bearing only a slight resemblance to matrice organizations and quality of worklife designs), the risk of having increasingly-dispersed assets and being more open to opportunism are being outweighed by the benefits of a committment to continual learning for the sake of technological and organizational innovation. (Killman, 1996 and Devereaux and Johansen, 1994)

As organizations change in this knowledge and information age, the influence of the individual upon organizational outcomes has grown in importance. Without organizational controls, through structure, procedure, or policy (or some yet-to-be-devised way), unchecked individual influences upon the organization seem risky. Organizational analysis on learning and knowledge are conducive to studies about the individual, as one factor, among many, important to organizations. Studies about individuals is thought to help increase the understanding of contemporary organizational operations. (and problem solving) This study, therefore, has chosen to study the activities of an organization in relation to concepts related to learning and development. This study examines an organization that is new and designed in an open, dynamic way. As ideas about virtual organizational structures evolve, this study can contribute to information about this type of design.

Now that the subject of learning (and knowledge) in the organizational setting has been reviewed, including ways organizational research has adjusted to the subject of learning, a framework for conducting an organizational analysis about learning is now developed. Just as some research takes up the subject of learning and knowledge by paying attention to individual influences, so too, will this study. This framework is shaped around ideas of co-development within an organization – the development of the organization and individual development. Though the organizational literature suggests this is desirable, it does not readily address both ideas, as noted above and in chapter one.

ORGANIZATIONAL ANALYSIS FRAMEWORK: ELEMENTS OF LEARNING

Here, the field of organizational research has been critiqued from the perspective of attention it gives to individuals as important organizational factors. Recognizing that the organization is, and should be, of primary importance to this area of study. There remains a puzzling observation that individuals, as important influencing factors are relatively ignored in the literature. At the very least, individuals are viewed equally alongside other influencing factors such as design, formal hierarchy, and decision processes. Though speculation as to reasons why diminutive attention is given to individuals in relation to other influences, given the changing nature of organizational analysis especially with the inclusion of ideas about learning, such past reasons may not be important.

Organizational studies consider immeasurable factors that have profound influence on organizations. Studies identify factors like economics, politics and technology that diminish the omniscient view of organizations, and the possibility exists that focusing on the individual, could further reduce the controllability and powerfulness of organizations. But the reason is not likely so simple. Yet, as the literature expands to incorporate the concept of learning, individuals are being considered as more important to organizations, thus altering several past patterns of "new" research. (see chapter one) Specifically, this study not only attempts to study the influence of individuals on organizations, but also whether a duality exists between the development of the organization and the development of an individual.

This study begins by considering the features of organizations that suggest the potential for learning – for individuals and organizations? Also, how does learning for the organization relate to learning for the individual? In what ways do organizational development activities and individual development activities correlate?

The following "categories" are used to construct a way of looking at learning in a collaborative organization. While some studies about learning examine problem solving, decision making or structure, these categories are set forth, heuristically, to identify many possible "ways of learning" within the organizational domain. A great number of different categories or other configurations for analysis could have been selected; but these are holistic and provide an open view of organizations. The four categories have been selected for the following reasons.

The four categories applied to the construction of this study about organizational learning are: Activities, Outcomes, Environment and Values. These categories are intended to accommodate a great variety of organizational influences. By attempting to discover more about learning within organizations, these categories can accommodate a wide range of ideas generally found throughout organizational research. As stated earlier, there is a common perception that the organizational field has not adequately informed practice and that many new methodological approaches are needed, thus are often in their infancies. This study is experimental in this sense even though the "standard" case study methodology is utilized; but heuristic categories guide the analysis creating a more open forum.

The four categories will be represented as follows: **Activities** represent behaviors and happenings that go on within an organization, including problem solving and decision making activities. **Outcomes** represent results, products, services, outputs or other achievements proceeding from organizational activities or even those that are unexplained or accidental. **Environmental considerations** represent both controllable and uncontrollable forces that affect the organization, and include political, social, cultural and economic types. They may be internal or external to the organization. Finally, **values** derive from social, ethical, moral and cultural experiences and can be observed through words and actions. These four categories, are multi-dimensional and multi-perspective. They attempt to guide the analysis that will cover a wide gamut of ideas about an organization's development.

Next, within each of the four categories, one descriptive element (characteristic) is selected first from among the many elements associated with contemporary organizational development ideas. Those that pay particular attention to learning and development are selected. (The same is true when the career elements are applied to the four categories in chapter four.) Four organizational elements and four career elements create a relationship between contemporary organizational development and career development in a contemporary organization. The first set of four is taken from the research ideas associated with organizational learning, especially as they relate to organizational development. The second set of four is taken from research ideas associated with career development. The first four elements guide a case study of a small, young, dynamic organization that has been designed as a collaborative problem solving organization. (The organization's name is HC 2000.) This case study is presented in the next chapter, chapter three. Then in chapter four, four other elements, according to the same four categories (activities, outcomes, environment and values) have been selected from the career literature. These are thought to be closely related and primary theoretical career development ideas.

The main result of this framework is to incorporate career ideas into an organizational analysis. This is intended as a way of discovering information about the relationship of individual learning to organizational development. Both organizational factors and individual factors are identified according to the model currently being described. In this last section of the chapter, the four organizational elements are related to concepts of learning. There reasons for selection should become clear. Ideas about learning and knowledge, in relation to organizations, have been the primary factors in the selection. Also, the organization to be studied has a contemporary non-traditional design; thus the elements take this fact into account.

In summary, the categories attempt to create a heuristic framework about learning, and the organizational elements are a way of isolating a few critical factors to guide close scrutiny of an organization. The framework guides a study that is organizationally-focused but factor-specific. First organizational factors, later individual factors, are identified and studied according to the same four categories.

Learning Categories applied to the Organization

Categories identified as *learning categories* are designed around ways of thinking commonly associated with organizational development, in particular organizational learning. Given the organization to be studied is an example of the newer collaborative type, the more contemporary organizational issues that are considered ways of promoting learning, are now selected and referred to as organizational elements. Ideas associated with the challenge of organizational change accompanies this thinking. As chapter one described, the traditional, more bureaucratic views (classical view) depicts organizations as rational, planned, and predictable. Human relations and socialization ideas, are guided by systems and contingency thinking, and include studies about organizations as complex communities composed of cultures, values, informal activities and more. Among these various ways of thinking about organizations, the effect of technology upon organizations cannot be diminished.

Thus far in this chapter, ways of studying organizational learning have been described. These include creating a learning organization, application of knowledge plus problem solving and decision making through knowledge. Thinking about learning as both adaptive and generative, plus non formal learning that is accidental, episodic and natural are encompassed in studies about learning, and in the following framework. Finally, an effort is made to favor new and alternative ideas, that contrast more historical/traditional thinking about organizational effectiveness, i.e., the classical view.

Given this wide set of considerations, only four elements have been selected to specifically study. These guide the case study of a contemporary organization.

These elements are not considered the four "basics," nor the four "essentials" to organizational learning. Many of these ideas set forth below, bear a strong resemblance to ideas presented in a 1994 book by Bennis, Parikh and Lessem, *Beyond Leadership: Balancing Economics, Ethics and Ecology*. While this book contained a great number of thoughts on the subject of organizational analysis, learning and development, the intent of this work was to promote something atypical, from other organizational work. Bennis describes that his book focuses on managing in a new paradigm, a global paradigm. "The focus of the book is on personal development, group synergy, organizational learning and sustainable development, that leads to a balancing of economics with ethics and ecology." (Bennis, 1994) This book, similar to the intent of this study, is simultaneously broad and specific. Given our comparable goals, plus seeking to study organizations according to the new paradigmatic view, I cite this work more extensively than some others.

General Organizational Elements associated with Learning

Elements selected in the first three categories, (Activities, Outcomes, Environment), are strong opposites to the bureaucratic model, and yet a familiar part of contemporary organizations and contemporary organizational analysis. The element selected for the fourth learning category (values) is a significant and historical way of thinking about organizations from a behavioral and social perspective. This too strays from the economic model of organizations. Yet, the organizational elements, selected for study, are recognized ways of studying organizational development, particularly in relation to studying change.

LEARNING CATEGORIES

Table 2.2

Category ///////////////////// **Element**	**ACTIVITIES**	**OUTCOMES**	**ENVIRONMENT**	**VALUES**
ORGANIZATION	Excitement for discontinuous and non-linear activities	Affinity for complexity to achieve outcomes	Encourage and integrate work into multi-layered environments	Favoring community-based values over profit motives

The first element in the first learning category is a contradiction to having linear predictable activities. Some literature points out that learning (and new ideas) are "best" carried out through *non-linear, discontinuous processes*. (Huey, 1993, Bennis, 1993) The premise that organizational learning is happening within chaos and confusion has been recorded in organizations; and the notion among some research that maybe we need not strive to "return" to a less confusing environment is compelling. Nevertheless, organizational activities that still go forward in the face of discontinuity and non-linear activities are of interest in this study.

The second characteristic discourages our propensity to draw boxes, circles and arrows as a means of "explaining" organizational systems and activities that produce desired outcomes. Most researchers would agree that these graphical representations of organizations are helpful, but tend to oversimplify the "picture" of organizations. Rather than striving to simplify organizations, maybe those organizational outcomes with an *affinity for complexity,* are informing about learning. In this second category, an intriguing set of ideas examines simplifying or complicating aspects of different organizational outcomes along with ideas of future development.

The third category is derived from the open view of organizations, plus is consistent with the human relations way of thinking about organizations. Issues of communication and authority, according to open views and human relations models, suggest that organizations have become flatter, and contain fewer formal levels of authority. This is often advocated to improve communication and the flow of information, and is supposed to make possible easier and faster access to information (via technology). The flatter organization, still creates an interlocking maze of interrelationships, formal and informal, planned and unplanned in organizations. But this flatter organization is considered better equipped to respond to outside environmental influences, no matter how varied, dynamic and often unforeseen. In contrast, the third element selected is to study when *multi-layered dimensions* of organizations, are present. Rather than striving to reduce environmental layers, times when an organization submerges itself in additional multiple layers, internally or externally, is of interest. Understanding more about these times may enhance our view of learning.

The environmental category has become significant in the age of technological advancements. So while theories may portray layers of other organizations and groups as barriers and less desirable, their presence and accessibility has increased. A preference for multi-layered dimensions of organizations, seems to challenge certain notions about good communication and clear lines of authority. This study looks at whether that assessment is accurate. In addition to the first three learning categories be specified according to certain organizational elements that relate to learning, a fourth category provides an even wider lens through which to study organizational learning.

The fourth category isolates a social view of organization -- values, morals and ethics. The concept of values is another factor considered in organizational analysis, that is gaining stature. As mentioned in chapter one, behavioral and social constructs about values are more recent developments in research. The literature suggests that organizations should hold a community view of themselves, and promote community-based values. Such value systems are also sometimes considered sustenance for organizational learning and development. (Bennis, 1994)

Before greater details of these elements are provided, how they will be used in the case study is important to introduce. This design is not intended to be a totally discrete set of organizational learning features. They are considered helpful in the investigation of a particular organization – one that has a contemporary design. Also, this framework does not attempt to explain fully the concept of organizational learning. By selecting certain elements, certain features of organizations can be particularized, and specific ways of thinking about organizational learning in this organization can be achieved. Later, these categories are extended to career development concepts. This creates a way of integrating two analyses that reveal information about organizational development and individual development. As mentioned in this chapter and the last, this is an experimental research methodology. Finding ways of incorporating individuals as important factors in organizational analysis is both timely and potentially valuable.

Selected Organizational Elements of Learning

Organizational learning is sometimes considered a way of sustaining individual performance improvements. But more often, organizational learning is viewed as something more than just improved individual performance. Organizational learning, so the research suggests, should also provide enduring change in both the thinking and behavior of the organization. What might we observe about organizations to suggest that this type of on-going development (of the organization) is happening? Bennis explains that, "(E)very organization is a subsystem of a larger system. Internal development is always influenced by outside concepts, values and motives which are the parameters affecting the system." (Bennis, 1995) Senge recommends anticipatory learning that is both participative and future-oriented. (Senge, 1994) Charles Handy, philosopher and author of "The Age of Unreason," believes that a learning organization constantly reinvents itself. He looks to the leaders, not to be clear sighted prophets or commanders, but designers of responsive organizations that adapt reflexively to change. "Instead of having a clear vision of where the company wants to end up, the leader has to create an understanding of what the organization is about, and that's much more difficult. . . . Ultimately, the CEO will spend more time designing organizations than directing them." (Handy, 1995) With this introduction in mind about organizational learning, four organizational elements, that study certain important organizational factors, are now interpreted.

A better understanding about organizational learning, from the organizational perspective, will be attempted according to these specific organizational features: 1) Activities that discontinuous processes and non-linear; 2) Outcomes that favor greater complexities, 3) The addition and acceptance of multi-layered environments, and, 4) Community-based values favored over pure profit motives. Each is now examined.

Discontinuous, non-linear activities. Many cautiously consider development that comes from discontinuity. There is a very real fear that discontinuous means unpredictable and uncontrollable, leading to chaos and confusion, thus is undesirable. For business leaders disjointed activities may signal the strong possibility of organizational disintegration or dissolution. Bennis acknowledges that the possibility of entropy for organizations exists. "In the social field, involution in development (the decline of a civilization or of a firm) can run parallel with the evolution of a new structure (e.g., the rise of a new civilization (or new firm)." (Bennis, 1994.) Similarly, Charles Handy describes how an organization going about reinventing itself, admittedly faces the reality of discontinuous changes. (Handy, 1996) Organizations, engaging or even advocating discontinuity, risk "creative destruction" which is how some organizations die and new ones arise.

Warren Bennis, in his 1994 book, "Beyond Leadership," describes learning organizations as more than a simple process of change or growth. According to Bennis, the idea of change when applied to organizations, suggests that nothing is static and we should ask if the changes are by chance or by design. If we consider growth of organizations, we simply would be examining a quantitative increase in size. But, Bennis believes that a learning organization must be developmental. A developmental organization, and developmental features of an organization, according to Bennis, are signals that learning is going on. Therefore, organizational learning as a developmental concept includes change and growth, but should include more … something more dynamic and progressive.

Bennis takes a look from three different dimensions to help describe what he would characterize as developmental features of an organization. His structural/functional analysis, which supports the economic and rational view of organizations, suggests that development is "structural growth that follows phases." Bennis states that, "Organizational structures will pass through phases as crisis after crisis are faced. An organization may begin with growth of a system (quantitative increase), but this changes to differentiation (subsystem formation), then hierarchization (governing systems), and eventually to integration (more complex and specialized subsystems)." Bennis characterizes these as one of way of thinking about organizational development, and to accept that at times this view may not always seem orderly or continuous.

The second perspective is biological. Bennis describes the process of development as growth, accompanied by differentiation and maturation, (changes in structure as organisms grow older). Thus, development is also progressive change over a span of time, which also is not likely to be smooth and continuous. A socialized look at organizations, also, considers the maturing process in relation to organizational development. Mature or "adult" social organizations are those that rise above mere survival tactics, and become groups of individuals who work together with on jointly accepted objectives. Either way of looking at development, structurally or biologically, includes, says Bennis, the need to recognize and sometimes favor activities that involve the unknown and the unpredictable.

The element of surprise. Related to having the potential for organizational learning (in addition to development coming from non-linearity and discontinuity), is the element of surprise. From a systems perspective, when developmental and progressive (dynamic) activities can be identified in an organization, the likelihood for surprise is increased. In the world of business, most surprises are not welcomed. Many efforts go into predicting and anticipating so that there will be very few surprises.

Kenneth Boulding, a well-respected economist has written throughout the entire century on social economics. He begins an essay, written in 1995, by discussing how knowledge and technology are creating a very uncertain future. These social systems, according to Boulding, are evolutionary in character, and create the property of irreversible surprise. Unlike mechanical systems that have virtually no surprises and biological systems that are at least partially predictable to greater or lesser degrees (like normal aging) or equilibrium/control systems that are created as an attempt to control outcomes with a fair degree of success – Boulding, instead, discusses development as an evolutionary system (in which he places a system of learning). In this view, everything is hindsight with practically no predictive power at all. He promotes the study of development as evolutionary, even though it is unpredictable:

> The growth of knowledge is one of the most persistent and significant movements in the history of man, and one might almost say, in the history of the universe. . . . Of the various processes we have identified as permitting prediction, the growth of knowledge is least like a mechanical process and most like an evolutionary process. Mechanical projections of trends in growth rates in a system as complex as this are to be treated with utmost reserve, though the concept of rate of growth of knowledge that has some stability at least in short periods, is by no means absurd. . . . The growth of knowledge, however has been a subject of many interruptions and even reversals, and it would be very unwise to predict that just because knowledge has been growing at a certain rate in

> the past, it will continue to grow at the same rate in the future. We could say pretty safely, however, that the probability of growth is greater than that of decline and that of acceleration is greater than that of deceleration. (Boulding, 1995)

Thus, Boulding argues that the growth of knowledge closely parallels an evolutionary process. Also, he believes that the growth of knowledge is at an accelerating rate, making prediction difficult. New knowledge is subject to interruptions and even reversals, and is transmitted to others in very unpredictable (surprising) ways. However, the growth of knowledge may follow a pattern, and may relate closely to the life pattern. We should hope, says Boulding, that knowledge increases with age, but even that can and should be questioned.

This view of evolutionary development, including surprises, is taking place within a system of interrelated subsystems. Where one subsystem ends as another begins is not easy to study or explain. (Boulding, 1995) The growth of knowledge then, as a part of discontinuous and unpredictable activities, has and will upset the traditional hierarchiel view of organizations. In this way and for these reasons, an excitement for discontinuous non-linear activities are considered in relation to learning and organizational development.

Affinity for Complex Outcomes. Another way of thinking about organizational learning is to consider outcomes in relation to complexities. Bennis argues that organizational learning creates an affinity for complexity. Dynamic and overlapping systems are readily recognized as interwoven problems, which are complex, not simple, as the bureaucratic view might suggest. As stated earlier, learning is related to problem solving and decision making. As desired outcomes are examined -- more complex outcomes, rather than less – these are thought to generate new knowledge, more information, greater understandings, and recognize the existence of varied perceptions. (cite)

Another feature of complexity in relation to outcomes, relates to role and task complexities. These are distinctive observable features of organizations. As tasks become greater in number, more varied, with a rapid rate of change and more interweaving of new variables, such tasks are considered more complex. (Bennis, 1994) Recognition of such complexities, are identifiable and can be considered while an organization strives toward certain outcomes.

Part of studying the role of complexity as a part of achieving certain outcomes, should also consider the cognitive capacity, actual and potential, of individual organizational members. A leadership role, for instance, may be carried out simply or complexly, and will partly depend on the ability of the individual leader. Similarly, the role of groups and organizations develops from the complexity of their tasks and are dependent on the cognitive capacity of the group or organization. There will be unequal distribution of abilities and skills among group members; plus membership will not be static, rigid or unchangeable. So in studying organizational learning in relation to outcomes, another consideration becomes how the group, organization, <u>and</u> the single entity, influences actual outcomes. (Schein, 1970)

Group dynamics is another way of defining this category. The classical view depicts groups as very slow and often inefficient. This concern is aggravated as the complexity of work increases. (Fiol, 1994) Some case evidence has shown that if a group is composed of members who trust one another and have learned to work well together, then the group can actually work more quickly and efficiently to produce results, than any one member, alone, can produce. This is because the group can more rapidly gather and process complex information necessary for some decisions. This is an example of having an affinity for complex outcomes.

Also a group can become more creative than individuals because of the mutual stimulation members can provide to one another. However, studies suggest that this again proves true mostly when trust is present. Examples of how trust becomes crucial include, when a non-evaluative climate exists, the decision-making structure is appropriate to the task, or when enough time is given to explore unusual ideas. Additional complex considerations include the gathering of a wide range of information or requiring a complex evaluation of the consequences of various alternatives before attempting outcomes. A final consideration about complex outcomes, is to recognize that in a group setting, errors of judgment are more likely to be identified before action is taken than if an individual is attempting to think through all the alternatives, singularly. (Schein, 1970). So both overlapping systems, and how individuals and groups deal with complexities as certain outcomes are achieved, potentially offer interesting scenarios associated with organizational learning.

Before turning to the last two categories, two additional features of analysis must be noted. First, all categories need to consider organizational design. For example, group decision-making designs are, by their very nature, seemingly more complex than individual decision making designs. Second, the introduction of the human element into any analysis automatically increases its apparent complexity and the reduces the likelihood of predictability. (Bennis, 1994) Unlike highly mechanized processes, we must move beyond rational considerations and recognize that the work of human beings is not always rational and is "naturally" complex. Some of the work of humans can be seen as artistic in form. Other work of humans may be more systematic and practical. Business leaders are noted for their emphasis on the bottom line and for their propensity for action over reflection. Business problems do not appear in predictable completely formulated ways. In the same way, problem-solving techniques are unpredictable and not generalizable. Yet, examining attitudes and behaviors that are not always linear and planned, plus completed tasks that feature complexity, can facilitate the developmental view about learning that is not immediately transparent about organizations. In the case analysis, (chapter 3) ideas about organizational learning are investigated by paying particular attention to complex outcomes, as well as, unplanned, discontinuous, non-linear activities, including surprises.

These first two categories are closely depicted in the following paraphrase taken from Wagner's view of managerial problem solving:

> Problem solving is a web of interrelated groups and individuals in organizations and is said to produce convoluted actions. The cycles of problem formulation, reformulation and solution-seeking are a recursive phenomenon. Custom made solutions are put together, bit by bit, by managers who are guided only by a vague notion of some ideal solution, and who often do not know what the ultimate solutions will look like until is has been completely crafted together. . . . Much managerial competence appears as action that is nearly spontaneous and based more on intuition than on rationality." (Wagner, 1991)

Thus, these first two elements about organizational learning are selected according to the above thinking. The next two elements have also been selected to support this way of thinking about learning.

Environmental Layers: Barriers or Protection. A third element to consider in the case analysis looks toward evidence when an organization recognizes and deals with more environmental layers, rather than less. Both internal and external layers are considered. Examples of internal layers are usually thought of functionally or hierarchically. External layers may be other organizations, groups, or individuals that interact with organizations. Both types of environments are easy to identify and can be infinite. Both internal and external layers are forces with power and influence that may shift in favor of or against an organization. Groups of individuals and teams form layers that come and go in organizations; internal layers may be molded, shaped, reshaped and may disintegrate or may be ignored. Some environmental layers, internal and external, are ad hoc or temporary, but still impact the organization in significant ways. Other organizational layers are well-established and deeply ingrained in the organization's paradigm. No one is ever certain which structures, or layers, are more essential or preferred. (Gibson, Ivancevich and Donnelly, 1982) This study considers this dilemma.

From a social perspective, the organization, itself, is a layer within the community-at-large. The organization being studied is a new layer in society. Organizations like this are gaining in popularity, and are special ways of solving complex problems by groups, e.g.,, coalitions, consortiums, alliances, partnerships. These organizations form a new layer among other organizations, yet are advocated as effective ways to solve problems. Hierarchy and control gets pushed into a back seat position as shared knowledge and understanding move forward in importance. (See previous section on problem solving.)

Teams, special interest groups or problem-solving organizations are considered community-based, environmental layers. Labor unions and trade associations are good examples of why such groups or teams are important to the analysis. Labor unions started out to meet a single need, but created a new layer in the environment. They have become multi-layered, multi-faceted and powerful economic, social and political forces in our society. Today, coalitions and consortiums often start out with one purpose or goal and may disband upon achieving the desired objective; or they may extend their existence by identifying new needs. (Bennis, 1994). In either event, their potential significance in organizational studies is being realized.

Whether additional layers are internal, external, permanent or ad-hoc, they represent a situation that poses new set of issues to organizations, issues important to understanding learning. Additional layers to a decision making process can be viewed as interfering with sometimes already cumbersome , multi-layered processes and thus are discouraged. But decision making across boundaries is usually thought to produce better, higher quality decisions and results in new improved actions. (Taylor and Hobday, 1993) Collaborative groups (business/ civic/social) join together leaders from various organizations as agents for a specific purpose. Groups that organize for the purpose of creating a productive partnership intend to offers mutual benefits to all members, and seems to recognizes that individual efforts would be less effective. Many examples of such organizations match this description. They include: consortiums of business sponsors, producers or competitors to promote a particular industry, (e.g., promote high tech, milk producers); integrated campaigns to strengthen a community, (chamber of commerce advisory boards, city clean-up campaigns); agents to eliminate duplication and increase efficiency, without sacrificing autonomy, (health care providers); partnerships to examine complex problems, (welfare reform, job training). The common thread among these groups is the identification of a mutual problem, the desire for a mutual solution and a high degree of dependence on individual leader's abilities to effectively guide a process. They are adding to and working through multi-layered environments.

A multi-layered environment, by its very nature, depends on creating a common, shared understanding. Most realize the need to learn how to create a future together, through joint problem solving ventures. Some organizational activities may operate within a single environment, while other activities may be carried out in multi-layered environments. Examining the engaging ideas of nonlinear, discontinuous activities, and affinities toward complex outcome, are incomplete. Organizational environments, internal and external present additional considerations and choices necessary for investigating ideas about learning. The final category, values, isolates the increasingly important value of community. Research about organizational learning touts the necessity of moving beyond short-term profit motives to long-term community-based values.

Community values sustain learning. The fourth organizational element to be considered is *favoring community-based values over profit motives*. All too often, leaders and organizations argue that while community based values are *nice*, if the organization doesn't pay attention to making a profit, nothing else will matter. Bennis (1995) argues that an organization with a single-minded emphasis on profit maximization will not be a developing organization and is less likely to sustain itself in the global marketplace. Deming, who established organizational principles (and credited with helping the

Japanese industry achieve world-class standards of quality), was equally convinced that adhering to a strict system of rewards is a major evil to which many organizations have fallen victim. Senge describes seven learning disabilities, that together, suggest purely competitive attitudes. These learning disabilities include having a win-lose attitude, which prevents learning organizations from becoming a reality. (AED Foundation) Therefore, research suggests that a major deterrent to learning and organizational development is when pure economic purposes are held onto much too dearly, or persistently dominate an organization's thinking. Organizations that operate from the premise that its survival is solely dependent on generating a profit, will not necessarily develop to their fullest potential. (Blankstein, 1992)

Bennis argues that if leaders place a single-minded emphasis on profit and personal gain then at the very least social learning is reduced; and individual learning is encumbered. He believes that gaining should not be emphasized, instead *contributing* (in order to gain) should be stressed. Profit, like happiness, popularity and self-fulfillment, is best gained indirectly, says Bennis. He argues that if customers realize you are less interested in them than in extracting their money, they will not confide in you. For employees, if they are regarded as mere instruments of a leader's purpose, they will not risk revealing their genuine needs or trust you with their most creative abilities. In short, you will learn less, until you reconcile others' welfare with your own needs, in order for both to gain. Rather than measuring organizational success by profit, Bennis favors measuring market share, which is built on market *relationships* which he believes is a better indicator of success. "Market share reflects the mutuality of suppliers and customers, and places an emphasis on what has been put into relationships; where profit measures what has been taken out." (Bennis, 1994).

Another concept attached to the category of values comes from Senge's five disciplines. Senge is very certain that organizational values focused on profits will disable its ability to create a learning environment and also cripples the organization in other ways. (Senge, 1990) Senge suggests that if individuals in an organization are centered upon themselves, and see others as "the enemy that must be beaten," then the benefits of learning and a progressive nature that can be gained from learning will never be realized. He believes that when an organization seeks to understand and meet the needs of its customers and its employees, but possesses an "I am" myopia, and "they as the enemy" attitude, that the organization is conditioned to see life as a series of cause and effect events. He believes that such an organization's chances for survival in these rapidly changing times are slim. (Senge, 1990)

A FRAMEWORK FOR STUDYING ORGANIZATIONAL LEARNING

Four organizational elements described above, help discover more about learning. These elements challenge certain premises behind the rational bureaucratic model of organizations. They feature contemporary views of organizational development and learning. Rather than examining linear and rational activities, simplified outcomes, limited environments, and economic motives, as ways of understanding a learning environment, these four categories feature learning in quite opposite ways. How might discontinuous activities, complex outcomes, multiplying layers, and community-based values contribute to organizational learning?

The organizational analysis, using this framework and the above-described elements as a guide, is shaped within the traditional case analysis format and presented in the next chapter. Once this analysis is completed, a biographical career analysis of a leader (of the same organization) is developed according to this same original framework. (See chapter four) For that study, career development elements, not organizational development elements, are selected for study. Thus, the four categories of activities, outcomes, environment and values are extended beyond organizational considerations, to career issues. Though the analyses are separate, the framework provides the opportunity to compare and contrast the organizational ideas with ideas about an individual's career development, as a part of an organization's development. (See chapter five.)

The first chapter introduced historical and emerging ideas associated with organizational research and took note of the diminishing role of individuals. This chapter isolated ideas about organizational development and learning, according to the emerging contemporary view, in part attributed to the "drastically new" conditions caused by technological innovation. Included in this chapter has been a description of the ways in which organizational learning is studied, namely learning as a feature of problem solving within new organizational structures. Also ideas often studied about knowledge, possessed and shared, were described. Using working definitions of *a learning organization* and *organizational learning*, a way of overlapping the role of the organization and the role of the individual, with regard to the subject of organizational learning, is possible.

Finally, this last section concentrated on describing an heuristic framework to reveal particular ideas about learning in the organizational domain. Specific aspects of each category (i.e., activities, outcomes, environment, values), increase attention to contemporary ideas about learning in organizations. Four specific elements associated with each of the four categories, will guide the investigation of a contemporary organization whose primary purpose is to engage in problem solving. The four-part model is consistent with an open systems view of analysis. Though not designed to produce a comprehensive model of learning, new ways of describing learning in organizations, plus a way of relating ideas about individual learning to organizational development is the primary objective of this study.

This framework becomes a theoretical core to this study about learning. A study about learning within a new, young organization is now presented; there is a special regard for its development. Details about certain achievements and a history of the organization's activities are portrayed in a case analysis format in the next chapter. Through case analysis, certain signals about learning for this organization are associated with changes, in the past and in relation to current goals. Has the organization developed and progressed since it began three years ago? How does the organization engage in learning? Is the organization maturing and changing in ways that will sustain its future? Using these types of questions to guide the inquiry, information about organizational learning and development, and other contributing factors are now presented.

Chapter 3

ORGANIZATIONAL LEARNING: A CASE STUDY

Introduction

The concept of the learning organization is an illusive concept. The leaders of one organization, called HC 2000, think the concept of a learning organization is directly related to the learning of individual organizational members. The literature on organizational analysis combines and yet distinguishes ideas about learning for the organization and learning for the individual. Either and both ways of thinking about organizational learning suggests the need for investigation.

Chapters one and two explore ways in which organizational analysis explores ideas about learning in the organizational context. Research about organizational change and organizational development, from the perspective of learning, is carried out in a variety of disciplines and with an overwhelming number of purposes. Research containing cultural and social constructions, plus systems views of organizations enriches the view of learning within organizations. New knowledge, new understanding, and new ways of thinking about the nature and importance of organizational learning is just emerging in the organizational literature.

This chapter explores the concept of organizational learning through the case study inquiry method. This method effectively accommodates systems thinking and readily illuminates cultural and social ideas about a particular case. The case analysis is guided by four broad learning categories applied to an organization, plus four isolated elements about organizations have been deemed especially relevant to ideas about learning. (See chapter two)

The organization selected for this study is called HC 2000. This is a small organization, started in 1993. Today, the need for it to be a learning organization seems essential to its survival. The organization was selected for this study for several reasons, one being its contemporary design. This organization is a business coalition, with representatives from various businesses all doing business in the same region of the country. This organization was formed to address the problems of health care – a common problem to all employers in the local area, as well as a national concern. This organization was founded as a local solution to a national problem. HC 2000's mission is to provide solutions to the problem of rising health care costs, while maintaining or improving the quality of care, in one local area. HC 2000 leaders do not list organizational learning as an organizational goal, but achieving its mission and purpose readily depends on the successful development of this organization. At the present time, the case subject, HC 2000, proudly reports several events – considered its most significant organizational accomplishments to date – which are considered forms of organizational development in this analysis.

Before carrying out the case analysis, the first section explains reasons for using the case study method to study organizational learning and considers how this organization, HC 2000, is a good case subject. Then a brief introduction of HC 2000 is provided. The concluding sections contain the case study, which has been developed around the framework presented in the last chapter.

This chapter studies one particular organization (HC 2000), through a qualitative case analysis approach, to develop a better understanding about organizational learning. Thinking and analysis is guided by the organization's activities, outcomes, environmental characteristics and values, i.e., the four broad categories selected here as one way of studying learning in organizations. Evidence of progressive and developmental changes for this organization are of special interest to this study.

QUALITATIVE CASE STUDY RESEARCH

Introduction

Selecting a suitable research design and using it effectively entails a variety of considerations. The appropriate design should derive from the nature of the study and the subject being researched. The subject of this study – organizational learning – lends itself to the case study research method. The reasons for selecting this method are described below. The challenge of defining and describing exactly what is case study research is first mentioned, followed with the rationale for selecting this method. Afterward, ways in which a case study is responsibly conducted, according to Robert Stake, are discussed in relation to this analysis. There are a wide range of considerations about case studies versus other methods; and those considered for this study precede the analysis.

The final two sections of this chapter contain the case study. A thick description of three significant organizational events HC 2000, (the case subject), is followed with an interpretation of the events. The interpretation is organized around the four learning categories developed in Chapter two. The case study method is a vehicle for discovering both descriptive and interpretive details about an organization and a good way of featuring details about the concept of organizational learning.

Defining Case Study Research

A well known authority on case study research, Sharan Merriam, admits there is no consensus on what constitutes a case study or how one actually goes about doing this type of research. (Merriam, p. 5, 1988) This methodology can be distinguished from other research methods, such as historical, psychological, or survey research; but case study research can also draw from theories and concepts in other disciplines. While case study research can be quantitative or qualitative, the following discussion focuses only on the qualitative case study method of research.

Regardless of which discipline(s) research might draw from, Merriam defines qualitative case studies as: "an intensive, holistic description and analysis of a single entity, phenomenon, or social unit." Case studies are: particularistic, heuristic, and inductive. Stake, another well-known authority on case studies, tells how this form of research is usually favored by constructivists. "They (constructivists) believe that knowledge is socially constructed." Plus, Stake reminds us that case study research actually assists readers in the construction of knowledge. Therefore, qualitative case study research is about a subject or problem and investigates a particular phenomenon or social entity. Case studies can heighten or extend the range of understanding about a particular subject. (Stake, 1995) The specific reasons for selecting a case study to study organizational learning, are now provided.

Case Study Research about Organizational Learning

A research design is a plan for assembling, organizing and integrating information. (Merriam, 1988) When developing the research plan, Merriam emphasizes the importance of considering the nature of the research question and the desired end product. A case study is best when research seeks answers about "how" and "why," rather than "what" and "how many."

In addition to the above considerations, the orientation to theory should also be part of selecting the research design. (Stake, 1995) Qualitative case studies attempt to build theory, not create new theory. Case studies are descriptions and interpretations that are used to inform or provide more insight into theory. Therefore, a case study not only helps the reader understand particulars of a case better, but also becomes a theoretical research instrument.

This research study is primarily interested in the subject of organizational learning. (Reasons are presented in Chapters 1 & 2) How, why and when does organizational learning appear in organizations? Using the case study approach can help develop a better understanding about learning that is carried out in organizational settings. The case study describes events, particular behaviors, and situations. It is a way of looking at the phenomenon of organizational learning in a natural and complex setting – an organizational setting. Interpretations are based on organizational details, presented in the case, and on theoretical constructs, presented in the last chapter. Organizational features (details) and its processes (behaviors and actions) are studied as potential learning experiences and related to organizational change and development.

Questions like these are considered with this design: What are the ways in which the organization changes? Has learning accompanied the changes? Finally, the case study can give attention to factors relating to either the organization and individual organizational members, as appropriate.

Another reason for choosing the case study research method, has been to provide a mechanism for scrutinizing selected organizational features that accompany organizational actions and change. This methodology makes it possible to study a particular issue or idea in its natural and complex state. Here, the subject of organizational learning for HC 2000 is considered a part of the organization's achievements and other developmental aspects. Also, this methodology makes it possible to build on theory. Therefore, this case is both intrinsic – providing a better understanding of this particular learning organization -- and instrumental -- providing insight into the issues and theory related to organizational learning.

As an intrinsic case study, understanding more about organizational learning is done by looking at specific ways in which the HC 2000 organization has changed. Reflective observations about several changes and various experiences of the organization are included. For example, ways that HC 2000 organizational members have been responsive to new ideas and new influences, demonstrated adaptive behaviors, and new ways of coming up with solutions are featured. The case study accommodates this type of discovery process about organizational learning.

As an instrumental case study, systems and contingency models of organizational theory are considered. Specifically, organizational events are characterized according to four learning categories (and organizational elements associated with learning concepts) derived from organizational systems thinking. (See Chapter 2) The case study method, which is considered a holistic method of research, accommodates systems thinking. Organizational theories examine organizational behaviors, and their interrelationships; researchers seek ways of knowing more about organizational abilities and outcomes. As discussed in Chapter one, organizational theories, including bureaucratic and humanistic types, often center around issues of communication, motivation, culture and ethics, as well as structure, hierarchy, formal and informal characteristics. Research that examines organizational behavior and relates actions, language, values, culture, moral or ethical questions, and more, can help inform existing organizational theories. These research considerations and areas of interest to organization theorists, can all be incorporated into a case study analysis. And finally, this method accommodates a variety of perspectives.

The subject of this research, the desired end product, and the orientation to theory have all been considered when selecting the case study method. The subject is organizational learning, and the desired end product is to comprehensively understand more about how and why organizations learn. The theoretical orientation is to advance our thinking about organizational theory, especially as it relates to organizational learning. The case study research method achieves all these objectives. Before presenting the case analysis, the strengths and limits, plus preliminary choices that shaped the analysis are first offered.

Advantages and Limitations of Case Study

The case study is a rich, holistic account of a phenomenon. Selecting this research method means a conclusion has been drawn that the strengths of this methodology outweigh the weaknesses. Nevertheless, both are important to identify. The case study was selected because it seemed most appropriate for providing the type of information sought – a richer, deeper understanding about organizational learning.

A case study, an applied study, accommodates multiple variables that potentially vary in importance. The variables are anchored in real-life situations. The case study allows for an investigation of a complex social unit, which aptly describes business organizations. Case studies can advance a knowledge base, both by illuminating experiences and possibly offering new theoretical thinking for readers to consider. Within organizations, problem solving activities are an important activity, especially now when organizations know they must often change, adapt to new problems, and are developmentally changing. By illuminating the experiences of a few leaders, in one organization, readers may gain new insights and understanding about their own problem solving experiences in their own organizations. These many strengths are significant and outweigh the limits of the case methodology.

The limits of case study are numerous. For this study the limits are considered minimal. First, rich, thick descriptions and analyses take time to produce and to eventually offer one display about learning. Though this is one case, general organizational and leadership views have been incorporated into the study. Also, sometimes when highlighting or featuring a particular event or perception, its importance is oversimplified or exaggerated in cases. Plus the investigator has monopolistic control over the selection and presentation of the information. Since, the case study method has no strict or universal guidelines and the investigator may be insensitive or partial to certain parts of the case, the integrity of the study can often be questioned. The development of this analysis has considered two sets of perceptions/opinions – those of several HC 2000 leaders and my own. The attitudes of several, not just one, have been used to determine which organizational events to highlight and also several leader's voices have been incorporated into the text. This has served as a check and balance, and reduces the likelihood of mistakenly overemphasizing irrelevant or unimportant organizational events.

To balance concerns about case analysis, Robert Stake identifies six responsibilities that he believes, if carried out, strengthen any case analysis. These responsibilities are listed below, along with a description of how this study addresses them. But realistically, as Merriam points out, the investigator is still left to rely heavily upon his or her instincts and abilities when doing this type of research.

Responsibilities of Case Research (Robert Stake, 1995)

Carrying out a research effort in a responsible manner is an important part of determining the value of the study's conclusions or observations. In the fourteenth chapter of the "Qualitative Research Handbook," Robert Stake provides a summary list of important considerations (responsibilities) that every researcher should consider when engaging in qualitative inquiry through the case study method. He identifies six major conceptual responsibilities for the qualitative case researcher to follow. These are listed below, along with a discussion on how they were applied to this case:

1. <u>Bounding the case, conceptualizing the object of study</u> – Louis Smith is credited with coining the term, "bounded system," (1978); both Stake and Merriam call this step the identification of the unit of analysis. The subject of organizational learning, has been studied within a set of organizational activities, over a period of time. Problem solving and changes produced by organizational members became the initial way of bounding the system to be studied. The unit to be studied, the bounded system, is an organization called HC 2000. This organization has both a purpose and a mission involving complex problem solving. This is a specific setting, and set of activities, where

leaders are working to reform the health care industry. The boundaries of this organization are very clear in the minds of the organizational participants and to any observers. Internal to the organization are several groups that make up the organizational system. External to HC 2000, the health care industry and other local external entities are easily separated and relationships can be identified with the organization. Thus, the object of study is specific and bounded. HC 2000, and its activities, can be conceptualized according to distinct organizational behaviors surrounding various problem solving activities.

2. Select phenomena, theme or issues (research questions) to emphasize – The phenomenon, organizational learning, comes from contemporary research about organizations. As noted in Chapter 2, this phenomenon is often associated with organizational change and development through decision making and problem solving. These activities may or may not be "ways of learning," but if they are, then the effects of learning should contribute to the organization in some remarkable way. The organization, one would hope, should experience progressive and developmental change if organizational learning is taking place. Focusing on certain processes, related to problem solving activities, is a way of discovering more about how some things happen and how and why decisions are made within organizations. Equally important to increasing the depth of our understanding about organizational learning, is to attach meaning to organizational processes by asking how people make sense of their experiences; and how they interpret these experiences. Both organizational processes and meanings, that are attached by its members to organizational changes, are featured in this case study.

3. <u>Seek patterns of data to develop the issues</u> – Organizational learning, as defined in Chapter two, can be associated with specific organizational activities, outcomes, changes, as well as many other factors directed, initiated and carried out by organizational members. The behaviors and actions of the HC 2000 organization, and its members, are organized around three significant organizational achievements. Selecting the data set from within the organization was non-probabilistic, which is the method of choice for qualitative case studies. (Merriam, 1988) The selection process was purposeful (Patton, 1980), so that only behaviors and activities related to the three significant organizational events were chosen for study. (Additional supporting information is included in the Appendix.) The information selected was considered representative and informative about organization's achievements. Included are details about numerous situations, various participants' actions, their perceptions, different related incidents, and phases of processes, all leading up to or following a specific organizational achievement. In addition, patterns associated with organizational activities, outcomes, and changes were developed according to organizational learning constructs -- the organizational learning categories -- developed in Chapter two.

4. <u>Triangulate key observations and bases for interpretation</u> – The data was selected and structured around three key organizational achievements. The data selected comes from three different sources and helps identify different ways organizational learning can be studied. The data for this case analysis is primarily based on the information collected during private one-on-one interviews with seven board members of HC 2000. (See appendix) After being given a definition of organizational learning related to leadership, the leaders were each asked to discuss organizational learning in

relation to the HC 2000 organization. Information collected from the interviews served as one set of data to analyze. The second source of data comes from personal observations at various organizational meetings, taking place over a recent eight month period, (September, 1996 through April, 1997). The meetings were opportunities to observe, relate to, and extend the information that had been collected from the leaders' interviews. The third source of data comes from 30 written documents and approximately 10 informal conversations held with various organizational members, (not formal interviews). The written documents consist of company correspondence (sent and received by HC 2000), promotional materials, plus media accounts about the organization and happenings in the local health care industry. The informal conversations were opportunities to ask questions of individuals, following meetings being observed. Questions were asked of the HC 2000 President(s) and other organizational members (committee members) as a way of gaining a more complete understanding of circumstances observed at the meetings. These three types of data overlap and aid the interpretation process. The triangulation method reduces misinterpretation and increases validity. (Stake, 1992)

5. <u>Selecting alternative interpretations to pursue</u> – This responsibility was accomplished in two ways. Direct quotes depicting the perceptions and opinions of the leaders interviewed are distinctively placed in the study. *Their voices are presented in italics*, where my voice is not. Sources of various written information included in the case, are identified and dated. Another way of considering the possibility of alternative interpretations, has been to look at the organizational activities from the perspective of career development, rather than just as organizational development. This is accomplished

in Chapter 4, and becomes a significant alternative interpretation of organizational events. Chapter four presents a career biography of one HC 2000 leader, particularly focusing on his HC 2000 experiences. Thus, alternative interpretations are represented and additional voices are provided (*italicized*) in this case study. In Chapter four offers an additional interpretation about organizational learning from a career development perspective.

6. Developing assertions or generalizations about the case -- The interpretation of several significant organizational events, their effect on organizational activities or organizational changes, are presented in this last section of this chapter. Several assertions are made about HC 2000 experiences and whether they seem to be accompanied by learning. Leaders were asked to described organizational experiences in relation to their leadership views, and to consider when their experiences seemed to be learning or non learning experiences. These varying viewpoints, along with an application of data to the four learning categories, are the bases for making assertions and generalizations about organizational learning.

Concluding Comments about Using the Case Method

One organization presented as a case may typify other organizations, but in many ways it probably does not. This case study is about a collaborative organization engaged in problem solving. Many of the experiences associated with the organizational activities of HC 2000 may be similar to other organizations; but they are also unique to this setting and these participants. Such concerns about generalizability are not primary to this study. While some attention to building theory (organizational learning theory) is given, this study features the particular and the unique. This is carried out to deepen our understanding and create new ways of thinking about organizational learning.

What goes on at the meetings, in discussions, and is considered an accurate representation of HC 2000 leaders' perceptions, in many ways may be typical at other organizations. Simultaneously, the more atypical and unique parts of this case, are equally important. Stake reminds us that, "(o)ften it is better to learn a lot from an atypical case than a little from a magnificently typical case. (Stake, p. 243, 1995) The reader is left to draw conclusions based on their past experiences; but the value in a case study is the opportunity to look at both the common and the particular. Our understanding about organizational learning can be advanced from considering both.

This organization, HC 2000, was selected because it is an example of the new type of organizations often recommended for producing learning environments. The learning categories have been defined according to elements particularly associated with enhancing learning. This case, therefore, may not be typical but may offer some excellent examples of organizational learning.

Details about HC 2000 experiences and activities associated with three important organization events for HC 2000, are identified next. (Section 4) *The leaders voices are presented in italics.* Following the descriptive information of the organization, ways of explaining and thinking about organizational learning are interpreted according to the particular conceptual framework conveyed in Chapter 2. First, some general details about HC 2000 are provided. (Additional details are included in the appendix.)

INTRODUCING A NEW ORGANIZATION: LEARNING TO SOLVE PROBLEMS

Introduction

A learning organization engages in progressive and developmental change. The mission and purpose of HC 2000 suggests it may to be a learning organization, or at least is an organization that encourages learning. The mission of HC 2000 is, "to create a community agenda on healthcare representing the interests of employers by achieving cost containment and cost reduction, while preserving and improving the quality of care delivered." HC 2000 was formed to bring about change in an industry that most agree needs changing. As HC 2000 attempts to carry out its work of achieving cost containment/reduction and preserving quality of care, it seeks change in a large complex industry. Of particular interest: As HC 2000 attempts to bring about change in a complex industry, is it becoming progressively and developmentally more effective as an organization? Is HC 2000 engaged in organizational learning?

Why Organization was Formed

Business solutions come in many forms. In this case, a group of business leaders in one community have approached the problem of health care reform by joining forces. A group of leaders from various organizations formed a coalition as a business solution to a troubling and growing business problem common to them all: the need to optimize health care.

Health care costs have escalated for over ten years. One reason for this is thought due to mismanagement of the industry. Business leaders believe their companies are paying for inefficiencies in the health care industry, and thus are victims of cost shifting.

(See glossary of terms in appendix.) HC 2000 was formed to try to change this pattern – by reducing inefficiency and to contain or reduce costs. These leaders, believe they know something about reducing costs, plus know about the difficulties in achieving real savings. Becoming more efficient is something they constantly must do in their own organizations. They believe health care providers should be doing the same.

HC 2000 promotional literature describes six ways of reaching its goals:

1. Negotiate standard prices with providers
2. Establish a provider/employer Health Management Information System
3. Work with providers to eliminate unnecessary utilization
4. Identify measure to reduce malpractice costs
5. Identify measures to reduce administrative costs
6. Collaborate with existing community organizations to improve cost-effective healthcare delivery

Now after nearly four years in existence, the organization has achieved several successes. Four of the above six approaches have been taken. (1,2,5,& 6) These achievements, though modest in actual results, are considered significant beginnings. Leaders of HC 2000 consider its achievements crucial in defining the future of the organization. These achievements are indicators that the organization has made progress toward its goals and will persevere in creating change in the industry. Thus, the organizational achievements are featured and studied in detail here. The main question is: In what ways have significant events for HC 2000 been organizational learning experiences?

Who Formed HC 2000?

Creating this new organization was systematically carried out by one leader, Jerry. He was the CEO of the largest employer in the local area. He envisioned this new organization and shared his thinking with other leaders as he recruited them to become a part of this new organization. He wrote a position paper (a five page document) that explains the type of role he intended this organization to take in the local health care industry. Here is a poignant excerpt from that paper:

> Employers should join forces to establish a competitive "counterbalance" to hospitals and physicians. We have excellent hospital leaders and excellent physicians in the (local) area. We can and should be proud of them and the jobs they do. At the same time, we should recognize that they must make decisions and take actions that are in the best interests of their own organizations. We do the same. HC 2000 is needed to provide better competitive balance – to stimulate hospitals and physicians to respond to the needs of employers and to optimize health care resources at the community level.

Jerry identified a serious business problem, i.e., rising health care costs; then consulted other organizational leaders about what to do to improve the situation, i.e. problem solve. He studied what was happening in other communities and wrote about the problem (i.e., position paper). Finally, he formed HC 2000, a business coalition, as a new way of solving this critical and complex problem.

Not long after Jerry recruited leaders as members of the board of directors, he was placed in the awkward position of having to leave the organization. He was taking another CEO position at different company in another community. This quick succession in leadership for HC 2000, and the loss of its visionary leader, seems to have set the organization back, at least temporarily. Second, third and fourth chairs have been appointed in as many years. However, they all have retained the original purpose and mission of the organization.

The Organizational Design

HC 2000 is a coalition-based organization, with a membership structure. Its internal design is somewhat traditional (i.e., bureaucratic), but instead of functional departments, various functional committees were created. HC 2000 is a small business coalition, with few assets. (See appendix) This relatively young organization has a President, a Board of Directors and three "technical" committees. Its size and composition of highly expert leaders lends itself to effective problem solving.

The President, a paid consultant, is the primary interface between the other two organizational layers, i.e., the committees and the board of directors. Occasionally, a committee chair attends a board meeting to discuss current committee activities, but mostly the President relays summary information about committee activities to the Board members. Conversely, a Board member (usually the Chair) may attend a committee meeting. But, there is very little interaction or overlap between the three organizational groups.

The President, is the only paid member of HC 2000 and he is contracted consultant. Counting all members of the Board and the committees, (the essential core of the organization), there are twenty people involved in carrying out HC 2000 activities. All twenty are employed elsewhere at other local businesses, and thus are "volunteering" their time to HC 2000.

One board member depicts the organizational membership in this way: *Board members represent a variety of sizes and types of companies. Sometimes we had crossed purposes on some things, as diverse a group as we are. A couple of companies* *represented by board members are local, some are national or regional. So sometimes there will be conflicts.*

The External Environment

HC 2000 was formed to contain/reduce the cost of health care, at least locally. To do this, HC 2000 has immersed itself in the local health care industry, in at least six different ways and intends to change many parts of the industry. (See mission above) In contrast to having few internal bureaucratic layers, HC 2000 must, therefore, carry out its work in an environment that has many powerful external layers or groups, (both formal and informal), and an environment known to be complex, confusing and changing.

HC 2000 intends to interact with providers and suppliers of health care, initially hospitals and physicians are targeted. In addition to the hospitals and the physicians, there are also laboratories, medical equipment suppliers, ambulatory companies, to name a few, that the organization is beginning to be in contact with. Though HC 2000 does not plan to deal directly with HMOs, PPOs, PPOMs, Third Party Administrators, Blue Cross and Blue shield, and other insurance companies, these organizations all represent additional bureaucracies (layers) in the external environment. (See glossary of terms in appendix.) They, too, are significant to the industry and thus important to HC 2000. This latter group may, in fact, someday feel threatened by what HC 2000 is attempting to do.

HC 2000 leaders, during their interviews, described the type of organization and organizational activities that HC 2000 engages in, particularly in relation to its external environment. Issues of pricing and profit were central to their discussions; plus a recognized need to find new ways for HC 2000 to reduce health care prices . . . something that the organization has not yet achieved – at least directly.

One board member offered this somewhat vague description of how the organization works through the forceful external environment: *We are paying "X"; they are paying "Y." Over five years we would like to have "X" and "Y" come together. We know we can't do that overnight but lets take steps to make it come together. To plan and to have someone show us how. We are making slow residual progress and not seeking radical change. . . . I think the big thing was getting off the ground. The next milestone was negotiating contracts with the hospitals. Some, including the hospitals, probably thought that was never going to happen.*

Summary of Initial Formative Period

The purpose of forming HC 2000 was clear -- to optimize health care in the local area, by optimizing cost and quality. The leadership of the organization was unstable during its first year of operation, (See Chapter 4); thus very few results were achieved toward its purpose during that first year. After the third chair was appointed, specific and significant events occurred which are the focus of this study. Today, the organization remains structured much like it began, but the identification of new avenues and new pursuits are the main foci of all organizational members.

The third board chair recently completed his tenure and stepped down. He plans to remain active in the organization and, thus, assumed the role of vice chair. The fourth chair, in as many years, assumed the top duties of the HC 2000 organization beginning in late Fall, 1996, (This was in the middle of the period of study.) This new chair has been with HC 2000 since its inception. He admits that he will now have to learn more about HC 2000 and plans to be a different type of chair. *I plan to provide a somewhat different form of leadership than John did. John was a more hands-on leader than I intend to be.*

The HC 2000 organization now takes credit for several successful "results" or "achievements." These are studied in detail in the following case analysis. Along with these accomplishments, the prospect of leadership stability seems higher than the past. The organizational leaders are hopeful about HC 2000's future but specific results or desired outcomes are still vague. All leaders are very clear about what the organization has been able to achieve so far. There are essentially three significant outcomes, that the leaders, interviewed, all seem well aware of and identify as *the* successes, to date, of HC 2000. These so-called successes suggest to the leaders that HC 2000 has become a good long term problem solving idea; one still worth pursuing. Thus, these achievements are central to the following case analysis for the following reasons.

Experiences Culminate into Outcomes: A Case Study of Achievements

The HC 2000 organization was selected for study because is involved a group of leaders engaged in collaborative problem solving activities. These organization is dealing with complex problems, with no obvious solutions. As information was gathered about the leaders and the organization, plus details about their organizational activities, it became clear that their experiences mostly centered around three particular efforts. The leaders describe these as organizational successes or accomplishments. These three historical events are described as a culmination of the collective leadership activities by the leaders included in this study. These events are studied in relation to learning.

As this analysis took shape, it soon became obvious that the collective efforts of the leaders could be depicted (and organized) around certain events attached to this organization, i.e., organizational accomplishments. Thus, the following case study is organized around three particular events directly related to the HC 2000 organization.

Each event is distinct and definable. By organizing details about the leaders' activities and perceptions of these specific outcomes, a record of the culmination of experiences associated with each specific outcome, is informative. Using specific events, and analyzing these events as learning experiences, provides a type of critical-incident account that guides the interpretive analysis. Thus, the following case study is organized according to three distinct events that the leaders all identified as important parts of their leadership activities with HC 2000, and as very important events that insured the future of the organization.

A CASE STUDY: SIGNIFICANT ORGANIZATIONAL OUTCOMES

Introduction

Significant events of HC 2000 are the outcomes or considered successes of this small, young organization. The events are a result of problem solving efforts carried out by organizational members. Viewed as successes, the events are important to both the organization and its members. For the organization, these events represent progress toward achieving its organizational objectives: optimizing health care. For organizational members, the events are the results of their efforts intended to contribute to the organization, but may also be efforts that contribute to their careers.

The events selected were consistently identified by HC 2000 members as the most significant achievements of the organization, thus far in the company's history. The three events are: (1) creating a new historical database of actual charges at all four local hospitals; (2) offering public support for a controversial merger proposed between the two largest local hospitals; (3) securing purchasing agreements with all four hospitals containing identical pricing schedules.

Details of these three events are provided in this section. The next section, looks at the same three events in relation to organizational learning. The data is organized around these events to help increase our understanding about whether and how the three events may have produced learning opportunities, both for organizational members who carried out the work and for the organization, itself. Thus, details about what took place in relation to each event are pertinent. Also, details of the events are based on the perceptions of organizational participants, written documents and personal observations. This study isolates the "actual" by describing many details. By applying the ideas behind the four learning categories theoretical concepts are applied. Together, an interpretation about organizational learning is meaningful.

Before interpreting the events as learning experiences, selected historical activities and member attitudes about these organizational events are isolated and scrutinized. The descriptions are intended to illustrate particular experiences. These experiences may contain important learning dimensions, for the organization, especially when considering its future, plus learning for individual organizational members. Each event is described in four ways: (1) Why the event was deemed necessary by the organization; (2) How the event is significant to the organization; (3) Specific details about the work and experiences associated with the event; and, (4) The potential future value the event now holds for the organization.

Event #1: Creating a new database: Knowing actual hospital charges

Identifying the need. The first event, considered here, began to unfold early in the organization's history, (1993-94), but these activities did not culminate into organized actions until 1995, two years later. This event is the creation of a new data base which contains actual hospital charges at all four area hospitals. This information has and continues to prove useful for a variety of decisions being made about health care reform. HC 2000 is credited with the creation of this very unique database; both hospital personnel and physicians are trying to access the information. The hospitals providing the information continue to consider it confidential and thus information that HC 2000 can not divulge.

Many believe that this database is a first of its kind. If the cost of health care is to be contained or reduced, an important first step has been to identify actual prices of goods and services. Most who have tried to do this in the past, found that charges, costs or reimbursement rates (which could all be different for the same service) often contained different variables, meaning different services may have been assigned to one procedure. For example, the reported charge for an appendectomy from one provider might include laboratory fees; another reported charge for the same service (an appendectomy) might not. HC 2000 has created a database of "actual" hospital charges at the four area hospitals, that contain the same variables, e.g., physicians fees, laboratory costs, medical equipment, etc. This data is collected quarterly and individual reports are produced for each of the four hospitals, plus a combined report for HC 2000. The four hospitals and HC 2000 pay $1000 per quarter for this service. HC 2000 designed and now coordinates this information system through its Data and Quality Committee. Everyone agrees that the availability of accurate comparative charge data (from hospital providers) was a significant first step toward health care cost containment.

Why significant. Organizational members agree that the potential this new data offers as a health care reform measure, has not been fully realized. The database has already helped produce one HC 2000 achievement (Event #3). While the need for "actual" and "comparable" charge information seems obvious, organizational members are still searching for additional ways to capitalize on the information as a problem solving tool related to rising health care costs.

The information is considered very powerful, but its uses and applications, to date, have been limited. Data collected over time will render the value of this historical database even more valuable in the future. As more historical information is collected, even greater knowledge about rate changes over a longer time will help measure change. The need for this information is unequivocal and it is seen as a good starting point. HC 2000 anticipates the information from the database will launch the organization toward becoming an important participant in many health care reform activities; but no one seems to know the shape this will take.

Indirectly beneficial to the HC 2000, is the intended use of this information by the hospitals. The members of the Data and Quality Committee, all hospital professionals, designed the database. They agree that this information should help them be better able to "zero in on" certain procedures that contain higher charges at their own hospitals, than at "competitor" hospitals. Committee members admit that their ability to capitalize on this information so far, as a problem solving tool for each of their respective hospitals, has been limited. Details of the work that led to the creation of this database is given below.

The work and experience around of the event. Activities leading up to creating a new database of actual hospital charges was carried out by one committee, the Data and Quality Committee. Making effective use of the information, as a problem solving solution, for HC 2000 was carried out by another committee, the Negotiating Committee. The Board of Directors has only a tertiary understanding of the database.

More details about how the database has been used by members of HC 2000 is also part of the description of the third event. This is because as contract negotiations were breaking down between the Negotiating Committee and the hospital administrators, the board intervened and wanted to know more about the data used to set the contract prices. (See more detailed explanation in event #3 - securing purchasing contracts.)

The two HC 2000 committees have found the database useful in significantly different ways. One committee designed the database and maintains it; while the other committee compared the data, and used adjusted values to develop a new pricing schedule in hospital purchasing contracts. Committee members, of both committees, were observed demonstrating a thorough understanding of the data and the information being reported. Others reading the reports, find the information complex and difficult to understand.

Creating the database was the first problem-solving step that HC 2000 officially carried out after its formation. The work was completely and unilaterally carried out by the Data and Quality Committee. Board members refer to this as a *technical committee*. And its members are peer representatives from each of the four area hospitals. At each of their respective hospitals, the committee members are responsible for monitoring hospital costs and improving the quality of health care. They were recruited by HC 2000 because of their technical knowledge about health care costs and quality, in hospital settings. Hospital charges represent a major portion of health care costs to employers.

The database is viewed, especially by committee members, as a "first of its kind." There is enthusiasm around the table of the Data and Quality Committee meetings. Committee members say they have never had such good data. It is accurate and comparable. Variables that make up one charge are based on the same factors. Variables include items like, laboratory fees, medical equipment, physician services and length of stay. Now, the committee members/hospital quality administrators really know if their hospital is charging less or more for the same service. With this database, they can compare apples to apples, not apples to oranges.

Up until now, other data and reports, would be from other regions of the country, for different populations, or contained different factors. Now, for the first time, these hospital professionals can identify differences in charges for the fifty most common inpatient hospital procedures, (DRGs), performed at all four hospitals in the same local area serving the same populations. The goal in creating this database was not solely to become the basis for contracts between employers and the hospitals. The goal was also for these representatives to determine which procedures have higher charges and thus should be investigated. With this information, the hospitals were to begin asking why there is a difference between their own charges and the other hospitals. Though the committee members are excited to have the data, as they attempt to make effective use of the data at each of their hospitals, their spirits seem dampened. Though they have been receiving this information for over a year, they admit that ways of making use of it in ways that actually reduce their operating costs, have alluded them. At each of the four respective hospitals, these personnel don't seem to know where to begin or have encountered barriers as they set out to facilitate change.

In the meantime, the Negotiating Committee of HC 2000 has already made important use of this information and is moving swiftly toward another. After the first four quarters of information had been collected, (1994), the database was used to create standard (lower) prices for the hospital services. Identical prices, based on this actual charge information, were negotiated with all four hospitals. Everyone agrees, these purchasing contracts are <u>the</u> major accomplishment of HC 2000, to date. (Event #3)

The contracts are intended to stimulate hospitals to reduce their costs. Because of the contracts, all area hospitals must now charge identical prices for the same fifty inpatient services, at least to HC 2000 members. HC 2000 members represent over 100,000 lives, which is a significant customer base to the hospitals. These contracts are the third significant event highlighted in this study, and thus are discussed in more detail later. The database was the necessary groundwork that was laid for achieving the organization's primary goal –reducing health care costs. But the database, according to the Data and Quality Committee members, was developed as a tool to be used primarily by the hospital. If true, then this achievement has alluded them.

Future organizational value. The database is a first step toward standardizing prices among providers, which HC 2000 leaders agree is one of the most significant problems with health care, today. Here is one board member's view about the way prices are established in the health care industry: *There are too many different rates for the same services in the health care industry which is ridiculous*. Knowing the differences in charges between providers will help develop a more consistent rate structure.

For the Negotiating Committee, three year pricing agreements with the hospitals is deemed a significant organizational success. As the committee takes up its next set of activities, negotiating standard rates with individual physicians, the information contained in the database (which includes physicians charges) is likely to prove valuable. Again, as the Negotiating Committee has started to discuss details of contractual arrangements with local physicians groups, the existence of this database has become a curious subject. Everyone wants to see it; but for now it is considered confidential information! HC 2000 plans to continue to support the maintenance, development and use of this database as a valuable information system, both for the hospitals and for the organization. This is evidence that HC 2000 is working developmentally with providers to help eliminate unnecessary costs and reduce prices.

How this data will help decision makers, at HC 2000 and at the hospitals, carry out effective health care reform measures is unknown and undefined, but still thought possible. The Data and Quality Committee continues to meet monthly but still struggles with the question of confidentially of the information versus the value in sharing it among themselves. (To date, each hospital only receives its own charge information; HC 2000 receives an aggregate of all charges.) At committee meetings, the President of HC 2000 has suggested that if they share among themselves they can *use the information to point with.* He explains, they should select a few procedures where their charges are significantly higher than all other local hospitals. *Drill the data down and try to discover where the biggest difference are. Discuss details about the procedures with the other hospital personnel. Then determine if the differential is for a good reason.* The President confirms that one good reason why charges may be higher might be that their hospital is performing this procedure only just a high risk group. This type of investigation of charges helps *drill down* to those that cannot be explained.

This approach, or another, has not been taken by the data and quality committee. They believe the information still leaves gaps and too many unknowns; thus openly sharing it among themselves is risky. They admit they are having difficulty capitalizing on this information. They admit they need to find a better way to use the information to inform cost cutting strategies. They currently are focused on new ways of reporting the data, but still in a blinded manner. (Other hospital data are kept confidential.) How they will use the information, ultimately at their respective hospitals, remains obscure.

The committee members decided early in the design phase, that the information would be blinded to protect each of the hospitals. Today, they receive reports that report the lowest charges being charged in the area, but they do not know which of the four hospitals is charging the lowest rate. (Intriguing to most board members is that HC 2000 receives the information unblinded and thus knows the four different charges at each of the four hospitals.) Committee members think unblinding the information will help them know who to talk to, at which hospital, as a way of becoming more efficient. During the recent six month period and after several meetings, they have been unable to resolve their concerns about unblinding the data. They fear that if they unblind this information it may get into the wrong hands, (namely, the media), which they believe could prove devastating to their organizations. They are stifled as a committee.

HC 2000 organizational members describe the importance of this event, (the database) as something that was needed and helpful to both their members, (purchasers) and could be helpful to all four hospitals, (providers). This database is evidence that HC 2000 is truly committed to engaging in health care reform measures that involve more than forcing a lowering of prices. Though the database has not become an effective way of helping the hospitals reduce their costs; the HC 2000 contracts have forced the hospitals to lower some of their charges.

The significance and result of this activity -- creating a database base of new charge information – in relation to organizational learning, is provided in the last section of this chapter. How has the problem solving event of creating a "first-time ever" data set of valuable information, been a learning experience for organizational members and the total organization? Before pursuing this question, two other events also considered important and developmental to HC 2000 are first described.

Event #2: HC 2000 Publicly Supports Controversial Proposed Hospital Merger

Identifying a need. At about the same time the Data and Quality committee was actively engaged in designing a new database, the Board of Directors was considering whether the recent announcement about merging the two largest hospitals in the area, (described as a way to reduce health care costs), offered a timely opportunity for the HC 2000 organization. The board chair, at the time, had this perception: *Going along with the merger turned out to be a brilliant strategy.*

The board chair describes the experiences surrounding securing board approval to support the proposed (and controversial) hospital merger, as a growing experience for HC 2000. He also believes this activity gave him some valuable developmental leadership experience. (See Chapter 4) Other board members agree that supporting the merger increased the organization's visibility in the community, but also its perceived power base. Supporting the merger was just another way HC 2000 thought it could affect/reduce health care costs;, but this act encompassed several unforeseen and challenging results.

Why significant. The board knew that offering public support of the merger would not directly or necessarily reduce health care costs for HC 2000 members; but considered as a business decision, the merger offered the potential of reducing costs for everyone in the community. Offering organizational support to other health care providers who are attempting to find ways of reducing costs, is consistent with the mission of HC 2000. Not foreseen however, was that by offering public support, HC 2000 would became involved in a controversial community issue and legal proceedings. Also, the media was actively reporting opposition for the merger, describing that the merger would create a all-powerful, unwielding organization. The Federal Trade Commission agreed with this view and decided to challenge the merger on the grounds that it would create a monopoly in the local community. Thus, HC 2000 took a less popular stance, one that enamored itself with the hospitals. While Board members are careful to point out that supporting the merger was not a quid-pro-quo, its public support of the proposed merger did eventually create a positive relationship between HC 2000 and the two hospitals. Finally, the leaders told stories about tense discussions among themselves and with others, as the decision to endorse the merger was taking place.

One board member, who is also a board member at one of the hospitals planning to merge, offers this perspective about the board's endorsement: *There was some controversy on the board whether to support the merger. I think that came out of perhaps personal priorities within the organization. But my joy in seeing the support (for the merger) come out of that group was . . . well just take a look at the future of health care costs. The merger is an opportunity, even by conservative economists' estimates, even in* *the first five years, to reduce costs. Whether or not HC 2000 had supported it, I support it and think it is right.*

Another board member told why he supported the merger, though notes his own distinct preferences: *I have always believed in the merger of hospitals and wanted HC 2000 to be up front and forward in taking a positive position. We supported the merger upon the assumption that this reaffirmed our commitment to cost reduction .. over 150 million dollars in three years. I really wanted to see an overall community hospital where all hospitals would partake in it together. It is horrible to think that a trustee would say that this was in the interest of the hospital not in the interest of the community. My vision is to have an overall board and I will work hard for that to come out of the merger.*

Though the endorsement has been questioned and challenged, HC 2000 leaders still think this event has created for the organization an even greater ability to advance its goals of eventually reducing health care costs.

The work and experience around the event. On September 20, 1994, HC 2000 passed the following resolution which was distributed to its members and to the public.

RESOLUTION OF BLODGETT/BUTTERWORTH MERGER

> BACKGROUND INFORMATION: There has been strong community expression and concern about the duplication of services, facilities and technology by area hospitals. The Kent County Area Health Care Facilities Study (Hillman Commission) reported that there is an estimated half billion dollars in requests for proposed hospital facility construction projects and new technology. The demand for new facilities and technology is created by the desire of hospitals to remain competitive, develop cutting-edge programs, recruit physicians and be seen as providing the latest in health care technology and service. This competition has had the effect of creating excess capacity and duplication of services addition costs to the delivery of health care in this community.

> RESOLUTION: HC 2000 endorses the Blodgett/Butterworth discussions to become a merged and/or more collaborative as a means of eliminating duplication of programs, services and investments. This would enable the two organizations to develop a synergistic partnership that has the potential to increase the quality and efficiency of health services to the community.
>
> This resolution was approved at the September 20, 1994 meeting of the HC 2000 Board of Directors.

It took several months and several meetings for the board to agree to this resolution. Every member of the board interviewed, agreed that no one totally supported the merger, unconditionally. Also, board members tried to agree on what conditions or limits should be attached to the resolution, but none could be reached. Yet even without total agreement, the board proceeded to pass the above resolution. They say this was an important way to help reduce health care costs.

<u>Action leading to other actions.</u> With a diversity of opinion and thinking, the board was still able to agree that the merger, in principle, should be supported. The board members recognized that different members held different perceptions about what the merger might mean. Having a large, potentially dominant, health care provider could create a monopoly, which could turn out to be bad for the community. But most often business mergers mean savings, so board members thought. They supported it and then decided to get closer to the merger plans, as a way of ensuring it would become a positive, not negative, outcome for the community.

After deciding to support the merger, board members still had many unanswered questions. Some board members proceeded to challenge the merger plans in specific ways. The HC 2000 board asked the two hospital CEOs to provide a written response to certain questions (that surfaced during the discussions that preceded passing the above resolution); and they invited the two hospital CEOs to attend a future board meeting of HC 2000, to respond to these questions, in person. Over ten questions were posed in a lengthy correspondence sent from HC 2000 to the two hospital CEOs. These three questions are representative:

1. The two hospitals already maintain significant cash reserves and annual surpluses. With the efficiencies promised through the merger, couldn't the merged corporation offer a price rollback?
2. How will prices be controlled after the seven years, considering the fact that the merged corporation will have the dominate position in the market and the key high tech services?
3. In a news article it was stated that the merged corporation would provide "qualified" plans, and "equalized" prices. What is the definition of "qualified?" Who will make sure that legitimate competitor will have access to the pricing?

While the board supported the principle behind the merger, members proceeded to study the issue and investigate what the merger might really mean with regard to prices/costs. The board encouraged discussions on the subject and sought answers to specific questions like those above. Very unexpectedly, HC 2000 then became involved in the merger in other ways. The Chair of HC 2000 (as the organization's representative) was asked to testify before the U.S. District Court of Appeals, as part of the FTC challenge to the proposed merger. The position of HC 2000, and its motives for supporting the merger, were scrutinized and challenged by the judge. The judge's opinion, coming over a year after the testimony was taken, (available in January, 1997), resulted in a ruling that allowed the FTC challenge to continue in the courts. Several quotes from the HC 2000 Chair are included in the judge's opinion. He questioned HC 2000's motives:

> "Business, especially small business, is leery of a health monolith. Eventually the board of HC 2000 voted to support the merger, but this support was sustained only as the result of the hospitals' agreement to make certain immediate pricing concessions – concessions that may have satisfied a majority of the HC 2000 board but do not necessarily satisfy the majority of the organization's membership, which was never polled to determine its view of the merger and which remains divided. . . . Mr. K (chair of the HC 2000 board) conceded that he "would have opposed the merger if we were not able to contract, yes. Ironically, HC 2000's ability to secure pricing concessions from Butterworth was a function of its ability to threaten to do business with Blodgett; health care purchasers dissatisfied with Butterworth's post-merger pricing or performance will have not such option." (Page 13-14)

The judge's opinion goes on to identify that the HC 2000 attitude is not necessarily consistent with other business perspectives:

> As Mr. K . . . stated at the hearing, "Certainly competition does not work in health care. And, "I don't think competition has served to decrease cost at all; if anything, it has worked the opposite direction in healthcare." By contrast, Mr. S . . ., Chairman of the Grand Rapids Chamber of Commerce, opposed the merger because "the free market is the best container of prices in the long run" and "the merger would create too big of an entity that would have too much power which would not be in the long term, best interests of the community and particularly small employers." (page 14)

The decision to support the merger created questions about HC 2000's motives. Board members steadfastly maintain that they supported the merger because it offered the prospect of bringing down health care costs for everyone, and was not done as a quid-pro-quo. The merger would, in theory, reduce duplication of services and provide greater efficiencies through greater quantities of services. Board members saw the benefits outweighing the risks, though recognized that the power of this very large health care entity would have to be monitored and kept in-check. Also, the board did not intend to just endorse the merger and then walk away from it. The board intended to become one of the watch-dogs of the new health care system in the area. Today, HC 2000 is busy investigating additional ways of integrating itself in the merger activities. Mainly, they are trying to secure board seats on the new boards of the merged entity.

Future organizational value. After these subsequent experiences from supporting the merger, HC 2000 still stands behind its decision. Though the judge disagreed with the HC 2000 view, in his January, 1997 opinion, where he declares that "neither the courts, nor defendants efficiencies discussion shows that the merger would benefit competition and hence consumers." Thus, the injunction by the Federal Trade Commission to try to stop the merger was allowed to go forward in the court system. But an interesting twist of events, announced just three months after the judges opinion, represents a fairly bold step for the hospitals. They plan to proceed with the merger and not wait for a court ruling. (Some speculate this is because they expect to prevail.) They say the court process could take years. If a final ruling declares the merger a violation of antitrust laws, they will then take whatever steps are necessary to split the two entities.

HC 2000 board members were well aware of the hospitals' plans to move forward. HC 2000 has asked to have a representative on the board of the merged organization. They made the request as an organization that represents the interests of both business and community groups. They plan to monitor, not rubber stamp, organizational activities. Announced in the spring of 1997, there will be two HC 2000 board members sitting on the board of this new health entity (the merged hospitals). Though they will primarily represent their own respective organizations, they have indicated a commitment to HC 2000 to serve its interests representative also. Also, the vice chair (former chair) of HC 2000 has been appointed to the financial advisory board of the new health system, specifically as a HC 2000 representative. All three HC 2000 members, who will be on the new boards of the merged entity, have pledged (at several HC 2000 board meetings) that neither employer needs nor hospital needs will take precedence over community needs. They plan to engage in leadership responsibilities that will shape this new (very large) health provider from a community perspective.

Thus, HC 2000 is continuing to remain close to the merger activities and to offer business and community perspectives to the decision making processes. Board members see this as a future problem solving activity that HC 2000 will continue to pursue. Though this activity may not directly affect the prices members are paying for health care, at least for now, this work may produce lowered health care costs and improved quality, . . . achieving in this way, a primary goal of HC 2000.

In the 1996 annual report, the immediate past chair describes how this event is important to the future of HC 2000:

> *As the probability of a Butterworth/Blodgett merger increases, the role of HC 2000 becomes even more urgent. We must continue to provide a significant voice in the development of this new organization as it evolves. Our continued participation will serve to secure the two hospitals' initial pledge to freeze prices for three years and eliminate cost shifting between payers.*
>
> *In the next few months HC 2000 will expand its community partnerships to render an even greater impact on the quality and cost of health care in our community. It will take all of us, actively working together, to add to our past accomplishments.*

The new president of HC 2000 reiterates (in his statement in the same annual report) how this type of community involvement is important to HC 2000:

> *If value is our mission, then partnership is our method. . . . In this emerging system, providers are accountable for delivering value to all purchasers in the community. We are more than employers uniting to*

> ***better serve our business interests. Rather, our interests are better served by holding providers accountable for delivering higher value to every child, man and woman in our community.***

Endorsing the merger (the second significant organizational event) has created new opportunities and new directions for HC 2000. It also presented an interesting turn of events and unforeseen experiences for HC 2000. HC 2000 members look back upon all the questions that went into their decisions, and view this event as very successful and beneficial to HC 2000. The challenges included trying to negotiate contracts with the hospitals while endorsing their merger plans. The judge, and others, questioned, whether this endorsement was a quid-pro-quo. Was HC 2000 offering support in return for getting new direct purchasing contracts? Board members say there were no strings attached to their support. They do admit the endorsement created a dialogue and positive relationship with the hospitals, which certainly didn't hurt their negotiations.

The creation of a new data base brought new information to the organization's decision making processes. Supporting the proposed hospital merger enhanced the visibility and perceived authority of HC 2000 in the health care industry. These two events probably laid the groundwork to help HC 2000 achieve its most significant achievement to date: securing standard purchasing contracts with all four hospitals. All three of these events and their significance to organizational learning are presented in the next section. Next, a description about the need for, importance of the activities surrounding securing direct purchasing contracts, is provided. These contracts contain identical prices for all four hospitals, and are the only event (of these three) that directly reduces some members' health care costs. Thus, this event is viewed, by most, as <u>the</u> most important achievement in the history of the organization.

Event #3: Purchasing Contracts with hospitals: Savings to organizational members

Identifying a need. Securing purchasing contracts with all four area hospitals is <u>the</u> most significant outcome for HC 2000 and was accomplished in the spring of 1996. These contracts <u>may</u> <u>eventually</u> reduce the cost of health care for HC 2000 members. The hospitals have agreed to gradually lower charges to HC 2000 members, over the next three years – charges for fifty inpatient procedures (DRGs). The gradually declining charge amounts are identical at all four hospitals. The contracts cover over 70% of all inpatient procedures provided by the hospitals. HC 2000 has managed to secure identical contractual arrangements at all four hospitals, which many believe has never been done before and is an effective solution for several reasons.

First, in the health care purchasing dimension of the industry, these contacts are considered a "new" type of health care contract, i.e., a direct purchasing contract with providers. These contracts help reduce the need for third party administrators or insurance companies to administer billing and payment collection process. This elimination of the "middle-man" potentially reduces costs even beyond what the gradually declining pricing schedule provides. (Currently the contracts create an additional, not substitute billing process.) Also, having identical prices and contracts with all four hospitals, creates a scenario that encourages hospitals to compete on quality, not price or eligibility. These contracts are a relatively recent success for HC 2000 the organization; thus organizational members are still speculative, but hopeful, about the benefits it can bring the organization's members. This achievement has come four years after the organization formed.

Why significant. These contracts are an effort not only to reduce costs but to change the industry. The chair of the Negotiating Committee succinctly describes these agreements, in the 1996 annual report:

> In 1996, HC 2000 reached a significant milestone by securing contractual agreements for a fixed fee schedule with all four acute care hospitals. These contracts guarantee standard pricing for 50 inpatient admission categories, those which account for an estimated 75% of all inpatient charges.

The Negotiating Committee is a highly motivated group of people with one primary purpose: to purchase health care at a lower cost for their companies (and HC 2000 members). The contracts are a first direct step in that direction. But, these contracts are also designed in such a way that they should help guarantee (or improve) the quality of care. This is how they believe such to be true:

HC 2000 represents a large customers base (100,000+ lives). By year three, (1999), the contracts force the hospitals to charge some of the lowest rates ever charged for the fifty most common procedures performed at their hospitals. HC 2000 members believe that hospitals must operate at lower rates, and will have to cut costs to do so. No longer will they have other payers to shift costs onto. In the past, hospitals (and other providers) would simply shift the cost to other payers when one customer (or payer) demanded/negotiated lower prices. Now there is no major payer left to cost shift to, since the business payers were the remaining purchaser of services not controlled by federal mandates or insurance rules. Medicaid and Medicare rates are set by the government;

large insurers like Blue Cross Blue Shield have the power to contract at low prices. In the past, businesses, self-insured companies or smaller insurance companies, (many who represented HC 2000 member companies) ended up paying the higher (cost shifted) rates. With these contracts, the hospitals now have no groups to shift their costs (higher prices) onto. HC 2000 members believe hospitals are now forced into the position of having to reduce costs (in three years) or they are likely to find themselves in serious financial trouble.

The contracts may force lower charges, but given the identical/standardized rates, the preservation or enhancement of quality of care is possible. Now some charges are the same at all four hospitals. This means that those covered by the contracts (employees and their families), can now select a hospital for reasons other than price. The rate charged for a particular procedure at one hospital is now equal to what the other three hospitals can charge, at least for fifty inpatient procedures. Given this fact, these contracts hopefully create the effect that patients (and physicians) will select the hospitals providing the best service. These identical pricing agreements among "competing" providers, are supposed to be an incentive for hospitals to preserve and improve the quality of their care while reducing costs. Designing a cost cutting strategy that considers quality of care, was clearly one of the objectives of HC 2000. HC 2000 describes this event as a good way of optimizing health care – seeking highest quality care at the lowest possible cost.

The work and experience around the event. Most every HC 2000 member agrees that the purchasing contracts are an important milestone for HC 2000. Paving the way for accomplishing this feat, was the database created by the Data and Quality

Committee. (See event #1 of this study.) Because of the new database, the Negotiating Committee had the necessary information to create, with great confidence, a fair pricing schedule, for all hospitals.

The Chair of the Data and Quality Committee chair describes the committee's contribution to the organization and to the community, in the 1996 annual report:

> In 1996, the development and implementation of a common database for comparing inpatient information proceeded in earnest. One full year of data has been collected, providing a substantial base of information for tracking the key price, quality and performance indicators of our four acute care hospitals. . . . With this system, and in partnership with the hospitals, HC 2000 has effectively developed the foundation for a comparative analysis system uncommon in the nation. The benefits to the community will be immense.

It is important to note that these contracts do not contain the lowest prices in the marketplace. The Negotiating Committee says they approached their work as partners in the community. Once HC 2000 had one year of actual data on hospital charges, available in early 1995, the Negotiating Committee began designing the direct purchasing contracts. The Negotiating Committee is made up of five benefits administrators from five large businesses in the local community. These committee members are experts in purchasing health care for their companies, just as the Data and Quality Committee members are experts on hospital quality and cost saving initiatives. Negotiating Committee members are responsible for trying to bring down the cost of health care in each of their respective companies. Actually, their work at HC 2000 can be considered closely related to their company responsibilities. (Thus, they take their work at HC 2000 very seriously and as a part of their job responsibilities. Also, they are anxious to be successful at HC 2000 or back at their primary companies, since they are the individuals responsible for significantly reducing company health care costs!)

While the Data and Quality Committee seemed to produce this new database in an orderly and fairly predictable way, the activities of the Negotiating Committee have not been steady nor predictable. The pricing schedule was developed by committee members. In their first attempt at negotiating contracts with several hospitals, the committee found themselves "shut out" by the hospitals. The hospitals refused to negotiate with them; then (temporarily), the HC 2000 Board of Directors withdrew its endorsement/approval for the committee to proceed with negotiations. Before looking at these unanticipated difficulties, that were eventually overcome, details about the contracts and the pricing schedule are warranted.

Hospital purchasing contract details. Turning again to the 1996 annual report, details of the agreements are as follows:

- fixed prices for three years
- billing at the negotiated price, eliminating the cost of a third party repricer
- ability to coordinate contracts with existing PPO arrangements
- improved process evaluation and hospital efficiencies

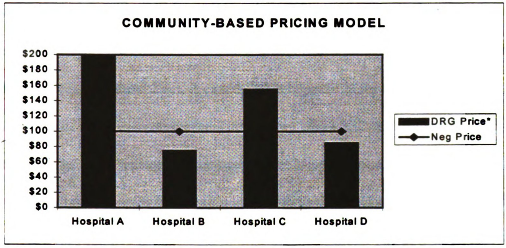
The prices were determined from four quarters of actual charges, at the four area hospitals. The pricing philosophy was established by the organization's founder and is depicted graphically below:

HEALTH CARE PRICING PHILOSOPHY OF HC 2000

Graph 3.1

	DRG Price*	Neg Price
Hospital A	200	100
Hospital B	75	100
Hospital C	155	100
Hospital D	85	100

*Hypothetical example of varying amounts for one procedure (DRG)



The graph shows how the method of pricing could actually set a *higher* price for some hospitals! Negotiating Committee members have recognized there are "winner(s)," i.e., hospital(s) might find that a contracted price (of the fifty) might be higher than what they charged in the past. Committee members say that the winner(s) shifted between all four hospitals depending on which DRG considered. In other words, there did not appear to be any one hospital that was consistently charging the lowest prices for all fifty DRGs. (This is described by HC 2000 leaders as another form of price shifting, i.e., setting prices not necessarily based on direct costs.) The contract prices, in all cases, never set a rate below the lowest rate being charged. The four hospital rates were adjusted according to differentials in the number of times the procedures were performed at each hospital and other severity factors identified, such as average age. The contracted prices were set at an "adjusted average" point. (see graph) Thus the standardized prices were never below the lowest rate charged (from among the four hospitals) <u>and</u> might be above some rates already being charged.

These are three year contracts with prices gradually declining each year. Multi-year contracts are well known in business and industry. This gives sufficient time to the suppliers (in this case, the hospitals) time to implement and realize actual savings. This idea, as many members describe it, is exactly what happens in their own businesses. For example, many of these leaders represent companies who are suppliers to other companies. When their "customers" demand lower prices (or else they will buy from someone else), the companies often negotiate contracts that reduces prices over a period of time. Then they have *to get costs out of their systems. Either you deliver your product or service at the lower price, and still make a profit, or you will not stay in business.* HC 2000 leaders applied this experience to the hospitals by demanding lower prices in three years; thus giving the hospitals time to figure out how *to get costs out of their system.*

One board member remembers this about setting the contract rates: *We were trying to lower health care costs and yet ensure survival and success of all of the health care providers. Those were the goals. Mainly – fair pricing (and not less pricing or worst pricing than what other people out there had) – over a three year period so that by the end of the three years we had done a job (of getting prices) very close to other discounters.*

Failed negotiations with the hospitals. After the contracts were designed, the committee members secured authorization from the Board of Directors to begin negotiating these contracts with the area hospitals. The board instructed them to maintain the position that identical prices would be agreed to for all hospitals. The board believed that if HC 2000 attempted to negotiate the best price possible with each hospital, separately, resulting in different prices at different hospitals, they would not achieve the goal of preserving quality while bringing down costs. Identical prices meant that people covered by the HC 2000 contracts would not steer their business from one hospital to another on the basis of price. This non-price competitive environment should force the hospitals to compete on quality and service, hopefully improving both.

After two initial meetings, between HC 2000 representatives and hospital representatives, unexpected turmoil arose. First, the hospital administrators were refusing, very politely, to negotiate anything with HC 2000. Also, it seems that one HC 2000 board member, who is also a member of a hospital board, was confronted by a hospital financial officer. He was told that HC 2000 was trying to "cripple" the hospital by demanding extremely low prices!

As the story goes, this board member was taken by surprise with the negative reaction coming from the hospital administrator. Initially the board member accepted the hospital administrator's assessment that the prices were too low and agreed to stop HC 2000 from proceeding. The board member contacted the chair of the HC 2000 board and suggested the board rethink its position about the contracts, and the prices.

Several board members remember this time and describe it as a very interesting (and educational?) time in the organization's history: *Our discussions and negotiation* *processes were a difference in form rather than in substance. Most of the (board) members wanted to make sure what was happening. H.* (the board member who was approached by the hospital financial officer) *is a very non-confrontational type of person and there was a certain amount of confrontation in the negotiation of the hospital contracts. He didn't like that. Another board member is a very strong supporter of "X" hospital and I think he found difficulty with the idea that X hospital found the HC 2000 negotiations uncomfortable. If he hadn't retired I think he might have quit the board because of that philosophical disagreement. I have a great deal of respect for him and I like him and I understand.*

The discussions at board meetings were tense. The HC 2000 President, at the time, depicted times when the organization was in jeopardy. If the board could not agree to this type of problem solving approach, then the organization's ability to reduce health care costs, was in jeopardy ... so the President believed. He thought that HC 2000 needed to pressure providers into reducing their prices, which in turn pressured them into creating real cost saving measures. These contracts were admittedly a new concept and a first attempt at trying to carry out it's mission. The organization's future rested in the hands of the board of directors. Whether or not they would allow the Negotiating Committee to proceed was a critical part of the organization's future.

Another consideration, beside the need to reduce costs, was the fact that several, not just one, HC 2000 board members were also members of the various local hospital boards. Was their membership in HC 2000 a conflict of interest? As HC 2000 tried to affect hospital pricing, would that mean that board members would have to chose between serving on the board of the hospital or HC 2000? Even today, there is still no agreement on this question. The decision to pursue the hospital contracts eventually caused two board members to resign from HC 2000, because they believed their hospital board positions was a conflict of interest; they chose the hospitals over HC 2000. One board member resigned from the hospital board to remain with HC 2000; and three board members continue serving on two boards –HC 2000 and a local hospital board.

Eventually, the board did "authorize" and "help" the Negotiating Committee with their negotiations. One board member's recollection of the discussions about this decision to proceed is a telling commentary about what occurred: *We had tons of meetings about it. We would meet individually with people who were strongly one way or another. We allowed disagreement to occur at the board and recognized we wouldn't necessarily all agree. But eventually we got everyone to see that there was a way of dealing with the hospitals. . . . I think the reason we got the contracts, though, was we came on very hard with the hospitals, dealing with them exactly as we said we would. We would say, "We want to partner and collaborate. We are not trying to hold anybody hostage here. What we are trying to do is get the best price for our companies and these are prices that in no case are they less than the reimbursement that you are now getting from Blue Cross Blue Shield, Medicare, Medicaid or another discounter operating in the marketplace. You should not object to this, or else you should stop giving those discounts to somebody else. That became kind-of our theme. We worked very slowly with the hospitals. It took us a good year!*

Future organizational value. HC 2000 now has this important organizational success that it can and has held up to its members (and prospective members) . . . HC 2000 secured standardized (identical) purchasing agreements with all four hospitals that creates a consistent (and sometimes lowered) pricing schedule for its members. (Some believe this is a "first" in the industry anywhere in the country.) From this experience, HC 2000 now looks to pursuing similar contractual arrangements with physicians. They believe the problem solving method has merit and application in other arenas.

The hospitals were the first type of provider "targeted" by HC 2000; the physicians are their next. From among the many different types of health care providers, the hospitals were selected first because there was only a total of four. The physicians are next because they are viewed as the most important part of the health care cost/quality equation. The Negotiating Committee believes that costs in relation to quality should ultimately be determined by the physicians in consultation with the patients. The current pricing system does not allow this to happen; even the doctors agree. Too often what is covered by insurance dictates what a physician will do. HC 2000 plans to help change this, at least locally.

There are other types of providers besides hospitals and physicians, e.g., , laboratories, medical equipment suppliers, and pharmaceuticals. Providers number in the hundreds or thousands, just in the local area. For example, there are over fifty testing labs in the area, hundreds of pharmacies, and thousands of physicians in the local area. The Negotiating Committee members determined that the hospitals were a manageable group of providers with which to start, (and gain experience). HC 2000 wanted to see what was involved with intervening and attempting to bring down the price of health care by dealing directly with the provider rather than negotiating with through insurance providers. This is called direct purchasing. Now, they are engaged in discussions about direct purchasing with six area physician groups. By most estimates, these groups represent about half of all physicians in the area. The remaining physicians, not represented by these organized groups, remain independent service providers.

The Negotiating Committee is hard at work in 1997, figuring out how to apply the direct purchasing concept to physicians. Local physician groups say they are very receptive to working with HC 2000. Many questions surround the shape and substance that contractual arrangement might take between HC 2000 and physicians; but both parties have already met several times and all have expressed a desire to work together on this common problem. To date, the six physician groups are separate organizations but some have overlapping membership. HC 2000 plans to bring representatives of all six organizations to the same table to collaborate and problem solve. Everyone believes that whatever the outcome, this has the potential to cause a dramatic shift in the health care industry, as it exists today.

An interesting footnote to this approach is that over the course of initial conversations with the physician groups, excitement surrounds the increased awareness that HC 2000 has collected actual hospital charge information on all four hospitals. (This includes their own (physician) charges, which they say they have never seen in comparison to the other physicians.) They are anxious to get this information, but for now HC 2000 considers it confidential and, thus, not available.

Before interpreting these three events in relation to organizational learning, (next section), a few final observations about the organization are presented.

HC 2000's Historical and Developmental Events

HC 2000 has been operating for over four years. Opinions about future prospects of the organization, have fluctuated during the six months while conducting this study.

Yet, in spite of unstable leadership, public criticism and being shunned by certain community organizations (hospitals), the organization has survived.

There are three significant events for the organization. First, HC 2000 can take credit for facilitating the creation of a new database that brings new and potentially useful information to the table for making decisions about reducing health care costs. Second, HC 2000 has attempted to provide a business perspective to help inform and guide a major community event – the possible merger of the two largest area hospitals. The third significant event is most significant for this business coalition. The acquisition of signed contractual agreements between all four hospitals that establishes identical prices among them and attempts to lower some health care costs while creating an incentive to improve quality.

These events surround many leadership and organizational activities that are now looked at interpretively. These three events are now studied to determine how, if and why learning opportunities may have been present for organizational members and the organization. Have circumstances surrounding these events strengthened the organization and in so doing, created a better, stronger future? Have these experiences been developmental experiences for the organization? Such considerations, and other details about particular events and experiences, related to organizational learning are now provided. These considerations are discussed according to the four learning categories, and organizational learning elements, presented in chapter two. It seems that HC 2000 is learning how to succeed.

INTERPRETING ORGANIZATIONAL EVENTS AS LEARNING

Introduction

HC 2000 was created for the purpose of learning how to solve a complex problem. For those creating this organization, HC 2000 was viewed as addressing a national problem with a local solution. No local solution(s) were specified at the time the organization formed; yet leaders believed that viable, significant solutions were possible at the local level, and a coalition group could identify them better than individual companies.

Since it's formation, HC 2000 has implemented several processes intended to move closer to optimizing health care, locally. A thick description of each of these events is found in the previous section. Now these events and experiences are considered in relation to organizational learning. Did organizational experiences, attached to implementing important organizational activities, become learning experiences? To answer this question, first the four learning categories, which have been inspired by organizational theory and organizational research, as possible features of organizational learning, are reviewed below. Then, these categories are applied to the organizational experiences, just presented. In this way, features of organizational learning are considered.

Four Learning Categories to Study Organizational Learning

As described in Chapter 2, the conceptual framework developed in this study (referred to as learning categories) guide the interpretive portion of this case analysis. They are:

LEARNING CATEGORIES

Table 3.1

CATEGORY/ UNIT	ACTIVITY	OUTCOME	ENVIRONMENT	VALUE
ORGANIZATION	Excitement for discontinuous and non-linear activities	Affinity for complexity to achieve the outcomes	Encouragement or integration into multi-layered environments	Favoring community-based values over profit motives

Framing the organizational data, as described in Table 3.1, helps facilitate our understanding about organizational learning. The statements from the leaders, information from the written documents and the investigator's observations are all included in this interpretive section. Which activities have been discontinuous non-linear, unplanned? Have these activities lead to organizational development? New knowledge? New actions? New solutions? How have organizational members responded to interruptions, reversed behaviors, and other unpredictable events? These types of questions are attached to this first category.

A second area of interpretation looks for complex outcomes. Did organizational members shy away from or avoid complex information in their problem solving activities or in shaping an outcome? Did they attempt to problem solve by simplifying parts of the problem? If not, how have they integrated complexities into their actions? Have they benefited from doing so? In what ways?

The third category, considers whether there were dynamic or overlapping systems in which to carry out their organizational work. Have either internal or external layers, e.g., groups or organizations, been important to both activities and outcomes? Activities that involved other groups, other than the ones directly responsible, could be readily identified. If the board was taking up the questions and the work, how and when did the committees or outside organizations become part of the work? Did the work become stifled or extended when it was carried beyond the initiating group? Did additional bureaucratic layers enhance learning opportunities?

Finally, the fourth category guides the analysis to ask when, or if, community-based values were part of these important organizational events. What motives or values could be recognized and associated with the events? Did a social perspective seem to create new understandings or bring forth new ideas and directions? As Bennis points out, if leaders place a single-minded emphasis on profit and personal gain then social learning is reduced and so too, individual learning is encumbered.

This section studies the data and looks for examples of experiences that were: (1) discontinuous, or non-linear; (2) favored more complex outcomes; (3) integrated identifiable hierarchical or organizational layers; (4) and contained affirmations of community based values.

This framework guides the analysis about when, how and whether HC 2000 organizational experiences and outcomes, have involved organizational learning. In this way, can we gain a better understanding about the meaning and value of particular organizational experiences? Can certain theoretical constructs about organizational learning help inform our understanding? How, if and why does organizational learning take place in the workplace, at least as a part of the HC 2000 organizational experiences? Though generalizations about organizational learning are not attempted here, the case of

HC 2000, is used as a "proving ground" for applying certain organizational learning concepts.

An Interpretation about HC 2000 as a Learning Organization

Before performing a close inspection of several activities according to the learning categories, a reminder about the purpose of HC 2000 is fruitful. HC 2000 was formed to deal with a very <u>complex problem</u> – to optimize health care. This business solution, via a new organization, was considered one way of attempting to manage a complex national problem, at the local level. Members of HC 2000 soon discovered that in the absence of having known solutions, dealing with this problem and creating new solutions, even at the local level, was filled with uncertainty and many pitfalls. Organizational members were really not surprised about this -- that the work proceeded in unexpected ways. They all began to realize there was a lot to learn to succeed.

This study is less concerned with how much the organization has learned about the health care industry and more concerned about whether the organization has become more effective and better at being an organization. What learning has taken place that has contributed to future organizational success? Solutions are being pursued by HC 2000 from an infinite number of choices. Everyone seems to know that the leaders and the organization still have a lot to learn before being significantly successful. Such solutions are viewed in the long term.

Several leaders offered interesting perceptions about the organization: *The interesting part was that we got a group of companies together with an initial notion that we should get enough heads together, plus to gather enough volume to gain some kind of buying leverage. What became apparent was there was a much more subtle relationship* *to be worked out with the hospitals. There were different levels of understanding among the board members, who were people on hospital boards, about what hospitals charge and what goes into making up their costs. I would say that the thing that popped up right away was the challenge of finding the approach that was up front and clear enough about what we were trying to do. We can't even get at the data. We need a system to do that. Then there was the stage where we needed to understand how do hospitals work? And how are they working with healthcare coverage providers? What are the distinctions between the HMO's and the straight coverage and how is that the costs are shared? Originally, we wanted to put some good heads to the issue of figuring this out.*

Another board member describes HC 2000 in this way: *I think I am trying to describe the uncontrollable dynamics in the very uncomfortable situation that we are in. We are reacting to an unstructured dilemma and we need some new ideas. . . . We need to continue to accumulate a database which becomes more valuable with the more data that they have. The longevity of the data, accumulating the data is doing the right thing. Also we need to encourage the medical community to use more intelligent ways to know what the doctors and the hospitals practices are. . . . Frankly, I don't think the health care industry is any more guilty of being ill-structured or more complex than any other industry. Its large, complex, and rapidly changing which requires great amounts of research and learning. But so too are other industries. The challenge to HC 2000 is to grow it and even become a regional organization. I truly think the future of this area is regionally.*

And finally, another board member sees the development of HC 2000 in this way: *We are creating a space that is a work environment; that's a whole lot different than* *saying I'm charging this team up over the hill and I'm the point guy. We are creating the right environment. It's not about knowing what to do, its about creating an environment where people have the freedom to try something and to fail, and try again. And to have positive interpersonal working relationships that create a sense of purpose about why we need to do this.*

Thus, HC 2000 needs to be a learning organization.

Interpretation of Events

Event #1: A new database: New information for decision makers

Creating a database of actual hospital charges provided new, valuable information that a variety of decision makers consider important as they attempted to reform health care.

Were the processes used to create the database, or experiences gained from using it, educational? Was creating the database a collective learning process for the organization? Was using the database, as a problem solving tool, helpful in future organizational activities? To answer questions like these, the experiences and outcomes are examined in relation to the four organizational learning categories (introduced in Chapter 2, and briefly described above).

Table 3.2

Event #1 - Designing & using a new database			
ORGANIZATIONAL LEARNING CATEGORIES			
ACTIVITY	**OUTCOME**	**ENVIRONMENT**	**VALUES**
Discontinuous Processes	**Affinity for Complexity**	**Multi-layered environment**	**Community Values**
Designers: no Users: yes	Designers: no Users: yes	Designers: no Users: yes	Designers: probably no Users: yes

Activities: Discontinuous processes. Based on interview data primarily, the development and design of the database was a linear, well-planned activity carried out by the Data and Quality Committee. The variables used in the database were readily available to the committee. Software options were investigated and committee members found only one that met their needs. The costs of software and information services was shared five ways, between the four hospital representatives and HC 2000. Quarterly reports would be received. This design phase took about six months.

The Negotiating Committee, on the other hand, unexpectedly, found they had to repeatedly justify how they used the data to both HC 2000 Board members and the hospitals. At first, the Board initially approved the Negotiating Committee proposal with little controversy and then hospitals would not even discuss the possibility of direct contracting. Later, questions prompted more questions and new concerns for everyone concerned. Committee and Board members admit that this process took much longer than expected and had several surprising turn of events.

Outcomes: Affinity for complexity. The graphs, tables and charts produced from the new database identify numerous variables (e.g., length of hospital stay, pharmaceuticals, physician charges, medical supplies, etc.). Fifty different procedures are reported, DRG's, in a form similar to standard billing classifications. The data is aggregated, and severity-adjusted according to variables, such as number of deaths per procedure and number of procedures performed. For the Data and Quality Committee members, this information is readily understood, but seen as complex. They admit that for others, not as close to the data, would require explanation. They believe that by using the many variables, though, the data is more accurate and more useful, especially to themselves. And this was their primary objective.

The Negotiating Committee used the data to guide pricing decisions. Today, they cannot recall exactly how the adjustments were calculated, and admit to a limited understanding about all the variables. They feel confident, though, that the adjusted data constituted a solid base for setting new prices and that the data will be helpful in their future work. For HC 2000 to have this type of data, according to most members, has put the organization in an enviable position. No one else has this type of comparative data … not even the hospitals.

Environment: Multi-layered dimensions. The Data and Quality Committee members controlled the entire design process and planned around meeting their own needs. They are now responsible for maintaining and improving the database, and modifying the reports they receive. HC 2000 (the director) can and has requested different reports. There does not appear to have been any intervention by others, nor considerations made about other potential users of the information, during the design and development phases. The Data and Quality Committee did not work in a multi-layered environment and continues to work in relative isolation.

In late 1996, the Data and Quality Committee learned that the database had been used for establishing contracts at their hospitals. They seemed shocked and surprised at this news. They had not known (nor intended) that HC 2000 would use the information for this purpose (although the President says they were told). Even so, they continue to try to utilize the information for its intended purpose – to reduce costs at their hospital settings – but, alas, unsuccessfully.

In the meantime, the Negotiating Committee used the database, developed a new concept toward health care pricing, and secured three year signed agreements with the hospitals. Next they plan to use the data to help negotiate new prices with physicians in the area. Their work was challenged by two layers – internally, by the HC 2000 board of directors, and externally, by the hospitals. They learned from their experiences in ways that stimulated them to proceed with future contracting efforts. These experiences have given them the knowledge and confidence to proceed toward additional solutions. The Negotiating Committee is actively working on a new approach, while the Data and Quality Committee continues to work toward their original (unrealized) goal … optimized health care at their respective hospitals.

Values: Community values. While this was a cooperative process between committee members, who represent the four area hospitals, it now appears that the work was carried out mainly for individual purposes. (Individual hospitals, that is.) Some committee members continue to work toward sharing the comparative data at each of their respective hospitals. They still do not focus on how the data might benefit HC 2000. They do not hold a community perspective about their task, only an individual organizational perspective.

The Negotiating Committee used the information to create a community pricing schedule (identical prices at all four hospitals). The contracts they produced contain lower prices, but fair prices, for the whole community. The accuracy of the data facilitated their success. Having this community perspective seems to have produced learning.

Overall interpretation about organizational learning from this event. None of the four features of learning appear to have been present or significant during the time that the database was being designed by the Data and Quality Committee. In contrast, all learning dimensions help explain features of learning for the Negotiating Committee in relation to this event.

It is interesting to observe that today the Data and Quality Committee, after three meetings in four months, continues to struggle with how to report the information and how it might be used. Is this because their experiences during the design phase were not learning experiences? The Negotiating Committee, in the same four months, has contacted six physician groups and discovered that direct contractual arrangements with physicians in the area is not only possible, but very likely. This is information they did not have at the onset of this study. New contracts and new partnerships are on the horizon for HC 2000. Will these next efforts be facilitated from their previous learning experiences? It seems that for some members of the organization, this event has been a valuable learning experience that is stimulating new actions for the organization.

Does this suggest that the absence of learning in the design phase and its presence during the utilization phase, means the absence and presence of organizational learning, respectively? Have certain types of experiences led to learning, and in their absence learning has not happened? Before considering this question further, some offering additional interpretations related the second and third events are first organized in this same way, similar to the first interpretive section.

Event #2: HC 2000 Publicly Offers Support of Controversial Proposed Hospital Merger

Supporting the merger has led to a series of additional activities, all considered by the leaders to be important and developmental for HC 2000, and sometimes for themselves. Supporting the merger was one way HC 2000 thought it might achieve its objectives -- to lower healthcare costs. Supporting the merger has also become a developmental opportunity for the organization.

Table 3.3

Event #2 - Publicly supporting proposed hospital merger			
ORGANIZATIONAL LEARNING CATEGORIES			
ACTIVITY	**OUTCOME**	**ENVIRONMENT**	**VALUES**
Discontinuous Processes	**Affinity for Complexity**	**Multi-layered environment**	**Community Values**
Yes	Yes	Yes	Yes

Activities: Learning through discontinuity. For the board to officially support the merger, many discussions took place, both formally and informally. Concerns and conflicting opinions surfaced in these discussions. Board members seemed to value these discussions, and benefit from them. Their descriptions best characterize the type of learning environment created: *We reacted to the merger. We were in the middle of a very dynamic situation. Our leader was gone and not everyone was willing to express their opinions. I was interested that there were a lot of positions about whether the collaboration between the hospitals would produce more efficiency. There is the dynamics of the doctors relationships with the hospitals and acquiring the latest technology. I wanted to influence and advise on the issue.*

Another board member shares this insight about related activities: *The personalities of the board members and their fantastic variation in intensity of support for HC 2000 have been a little bit of a problem. John (board chair) is a good decision maker and good at getting consensus of the board. He has been the most inspirational,* *taking a steady course and keeping HC 2000 from going off the deep end. . . . I am impressed with John's ability to guide discussions and carry out the work in the background.*

Another board member offered this perspective about learning: *I think I've learned from just watching and listening to other members on the board consider a point. I try to come to a conclusion quickly on a point to bounce my conclusion off of somebody who is about to speak. The danger is that sometimes you are not listening to what you ought to be listening to, while you are formulating your conclusions. So it goes both ways. Taking time to listen and consider more input before acting, is important.*

Finally one important value from this experience is summed up by another board member: *Just watching a guy who has created a business, "How can you not learn something?" Every time E. speaks, its kind of like big wisdom. You know every time he opens his mouth it will be something that is heavily studied . . . a considered opinion. I like the interaction of the people on the board. It's a luxury that you don't have a bottom-line issue always to consider.*

It is clear that the leaders valued these discussions, though they were disjointed, disorganized, unplanned and often disagreements. The leaders think these discussions helped them learn more about the diverse thinking that exists among them. They are a better board, more effective, because of this experience. Also important is that no one suggested the need for anyone to change their views. They just wanted to reach some agreement – to support the merger or not. By passing the resolution, agreement in principle was accompanied by disagreement. This experience prompted further action, which has also benefited the organization. These discussions clarified questions, stemming from a complex issue, and the board continues to learn.

Outcomes: Learning from complexity. No one could predict with certainty that the merger would be good for the community, or if it would really reduce health care costs. There is continuing disagreement on that point among board members. Business mergers can save money. But could this principle be applied to health care/hospitals, and to public, non-profit organizations? They weren't sure. While they agreed to endorse the merger, they decided they needed more information and to get more closely involved. Predicting the outcome of this merger was too complex to support it and then walk away. They began asking thought-provoking questions of the hospital administrators. They challenged decisions and assumptions. They inspired the hospitals to develop their plans more fully. When the hospitals responded to questions posed by the board, in their response they admit, "our 'position paper,' (is) a document significantly inspired by your letter and questions." The hospital CEOs say they, "welcome(d) the opportunity to clarify such critical questions regarding our merger plan." (Letter of August 30, 1995 from both presidents of two hospitals planning to merge.) The questions, position paper and eventual meeting between the hospital leaders and the HC 2000 board members, were learning experiences. New understandings evolved among all involved. Embracing the *complexities* surrounding the proposed merger, fueled additional HC 2000 board actions, and is now viewed as developmental for the organization.

Environment: Learning within a multi-layered environment. HC 2000 immersed itself into an external environment, when it chose to support a controversial, heavily-criticized, merger proposal. The board decided this was an opportunity for HC

2000; while others might have concluded that the action might be too risky or unimportant to the organization. As a part of the controversy, would new barriers interfere with the organization? Though this concern was not a deterrent to action, this action did unexpectedly thrust them into another environment (layer) – the federal court system – which has created additional unexpected (learning?) experiences.

The FTC challenge to the merger, and HC 2000's public support of it, caused the board chair to be asked to testify before the U.S. District Court of Appeals. The chair admits that this caused him to become even more articulate about why a merger would be good for the community. This experience along with creating a working relationship with the hospitals, have become opportunities for the organization and the leaders to learn. HC 2000 encouraged more thinking about the merger, for themselves and the hospital representatives. Furthermore, the board believes they inspired the hospitals to plan for a new board (of the merged entity) that contained community representatives. (Thus they affected the learning of others. Supporting the merger, created a positive relationship with the hospitals, something that also proved valuable to HC 2000 and has probably helped produce the organization's greatest achievement (see event #3). Working in a multi-layered environment challenged the organization, but apparently made it better and stronger for carrying out future work.

Values: Learning through community values. The decision to support the merger created questions about HC 2000's motives. Though, board members saw the benefits outweighing the risks, they were not surprised that their motives would be questioned. Quietly, almost obscurely, they proceeded to get involved in merger plans. They want to make sure things *go the right way*, for the community. Discussions among themselves, with the hospital administrators, and in court, required the board members to become very clear about their motives behind this support. Though challenged, their opinion and decision has remained unchanged for these two years – *the merger should be good for the community*. They hope to ensure benefits to the community by becoming actively involved in merger decisions and with the new entity. This event has become an important activity for HC 2000; plus has strengthen its role (and visibility) in the community.

Overall observations about organizational learning in relation to event. Many organizational experiences attached to this important event of HC 2000 have contained all four learning categories. The discussions were discontinuous and filled with dissenting opinions. The board used this as an opportunity to understand more about a complex problem and did not attempt to simplify it. The organization was thrust into other environments, which meant it was open to, and received, public criticism. And now the organization defends its actions on the grounds that it did something important not only for HC 2000, but for the community.

The Data and Quality Committee, continues to struggle. They fear future actions will cause unpredictable results (category #1); or that the complex data will be misunderstood, (category #2); or will fall into the wrong hands (category #3), and they view their work as important only to themselves, (category #4). On the other hand, the Board of Directors has carried out their work immersed in at least these four areas of learning. The board has become better; and organizational members believe HC 2000 is in a stronger position than when it first began. These board experiences seem to have provided learning that has led to progressive and developmental change for the organization.

A board member offers this commentary about the event and its effect on the organization: *HC 2000 is in about as good a shape that you would expect at this time. We needed to support the merger which made HC 2000 even stronger. I was generally in favor of the merger and think it is a good thing for the community. I'm concerned about its execution and promises made. I like the judge's decision to hold them to their community commitment, making it a condition of the merger.*

Event #3: Purchasing Contracts with hospitals: Benefits to members and to organization

The purchasing contracts are the first achievement (and the only one of the three) that may actually produce a reduction in health care costs and thus savings for organizational members! Even that is not certain. These contracts are designed not only to bring down the rates charged by the hospitals, but to provide the incentive for them to reduce costs and maintain quality, i.e., to optimize health care. Actual savings will not be realized, probably, until 1999; but the concept of direct purchasing is now a problem solving model that the organization is continuing to experiment with other providers, namely physicians. These past experiences are now contributing to new problem solving endeavors. Applying the four learning categories to these experiences reveals, as did the second event, that the experiences seem pertinent to all four organizational learning elements of this study.

Table 3.4

Event #3 - Securing direct purchasing contracts with area hospitals			
ORGANIZATIONAL LEARNING CATEGORIES			
ACTIVITY	**OUTCOME**	**ENVIRONMENT**	**VALUES**
Discontinuous Processes	**Affinity for Complexity**	**Multi-layered environment**	**Community Values**
Yes	Yes	Yes	Yes

Activities: Learning through unforeseen and discontinuous events. The overriding perception among organizational members about the activities associated with securing the contracts was that the process took much longer than expected. The Negotiating Committee work started and stopped several times, before ending successfully with signed contracts at all four hospitals. The work became controversial and political, plus included stressful moments of discontinuity for the organization.

Our discussions were a kind of consensus approach. There are a number of things that people said that I don't agree with, but some would abstain from voting because of some other interest. They would say, "I am going to take myself out of this vote." People showed themselves as people with integrity.

Another interesting (and contrasting) perception about events of this achievement is: *I also serve on the hospital board and because I am on one side I am sure people would say it is a conflict of interest. On the hospital side I sit there and we decide how to make money. If you look at the long run, though there is no question but that hospitals have to change. Instead of measuring healthcare with the number of beds or the occupancy rate, health care is diversified and a community issue, which I think is good, and that's how I approached the discussions.*

Everyone remembered these discussions and the anxieties that were a part of the decision to establish the direct contracts. There was confusion and dissent among organizational members, but still the work proceeded.

Outcomes: An affinity for complexity. Discussions surrounding the decision whether to negotiate contracts or not, generated feelings that there was a lot more information needed: *I would say the thing that popped up right away was the challenge of finding the approach that was clear enough about what we were doing but wasn't going to shut someone down. I thought the conversations had application to my customer service thinking. We needed to understand how hospitals work. This experience has been one of those experiences where you resist being seen as "these guys coming in and telling us how to run our hospital." We really came out with an agreement, but there is a sense of disconnectedness. You can't explain the cause and effect clearly to people.*

Another board member recognized the complexity of the situation this way: *I know some of the people on the board think I have more information than others. I served on the Governor's commission on health care for five years and was in charge of our health care programs here for a while. . . . There were different levels of understanding about what hospitals costs and charges are based on.*

And finally another remembers this about how complex the information was: *Trying to understand DRGs, I guess, was one big challenge. Trying to understand what somebody charges for something became important to HC 2000 and we tried to make sense out of the numbers. But if you look at the numbers, you find that the same identified procedure at one hospital may charge $4000 and the other one would charge $9000. You just know that something isn't right. Another frustration is trying to see* *what the value of something was. What we did know is that there are too many big members with too much power, trying to wield that power just for economic development. That is wrong!*

Fully understanding the pricing information in the contracts, or the basis of the hospital charges was never achieved among most all board members. Yet even without a thorough understanding, the contracts (the outcome) have become a great achievement for the organization. The board allowed the process to go forward even without a full understanding.

Environment: Benefits of a multi-layered environment. The Negotiating Committee received approval, initially, from the board of directors to negotiate the contracts. Not long after, the committee began interacting externally, with hospital administrators. Not long after that emotions were high and questions about this solution were raised, both internally and externally. Thus, the work was carried out in a multi-layered environment. The processes slowed, even halted for several months, while everyone reconsidered the next steps.

It was stressful as much time as we spent on the process. I think we would typically schedule a meetings for seven or eight times a year . It was very interesting that a number of time people did not show up for meetings and even called at the last minute to cancel. It is a small board and if we lost two people we lost a quorum. Sometimes we might have quorum but we would be talking about an issue that I know was a concern for one person who was not there. So we canceled the meeting and tried to reschedule it. They would all tell you this (getting hospital contracts) *was serious and important but that wasn't always demonstrated in commitment.*

Eventually, the board gave the committee *permission* to proceed and several board members agreed to participate in the negotiations. The leaders described how these experiences were beneficial and educational. *I came to know several people that I didn't know before and people who really know their stuff in their areas. You were never sure if you knew what the key issues were and there was lots of ambiguity. I learned a lot but don't feel that I have been particularly effective with my influence. I shared some knowledge unique to our company and maybe added a little bit but not much. This is an example of walking into a subject that I knew little or nothing about; so its been almost total learning. I think I've learned from just watching and listening to other members on the board consider a point. . . . I have had an, "Oh! I didn't see it that way" type of experience.*

In addition, a better understanding about the strength of organizational design resulted from this experience: *One of the smart things Jerry (the founder of HC 2000) did was require CEOs as board members. To be on the board you have to be a CEO or Chair of a company. That allowed when the going got rough, the ability to go into the hospitals and meet face-to-face on a equitable level with the same group of people. It created a peer-to-peer setting and we were taken much more seriously as a result of that. Although we expected all the work to be done at the Negotiating Committee, the bottom line was there was no way they could pull it off. That probably wasn't a real expectation of this venture.*

Dealing with both external and internal environmental layers, then, was a distinct part of this event. Though this may have slowed the process, in the end, it is viewed as a positive learning opportunity that is developmental for the organization.

Values: Developing from community values. First, HC 2000's original mission statement is revisited: *To create a community agenda on health care, representing the interests of employers by achieving cost containment and cost reduction while preserving and improving the quality of care delivered.*

Next consider that although the organization's mission continues to be to create a community-based agenda, most leaders described HC 2000 as an organization that would reduce their health care costs. They joined the organization mainly for profit/cost reasons, not to serve the community. The purchasing contracts became an opportunity for board members (and other organizational members) to establish that HC 2000 was engaging in activities that considered community needs, not just their personal business interests. Today, this is viewed as a strong point about the HC 2000 organization and a reason for continued involvement.

When the hospitals alleged that the contracts contained prices that were considered very low, this became the opportunity for HC 2000 leaders to be sure they could trust the HC 2000 members by verifying that the prices were fair. Also by requiring the same prices at all four, the hospitals could not compete on price, and thus created the incentive for the hospitals to maintain high quality service, while cutting costs. Thus the contracts made evident how HC 2000 has made progress toward it community mission.

One board member voiced his values about health care and about the HC 2000 organization; plus he admitted that when he first joined the organization, he did not have the knowledge to make such a statement at that time. Thus he has learned from his experience. *The industry has more pluses than minuses, and there are things within the* *health care system that are troubling me. But mainly we (HC 2000) ought to guarantee every living American access to health care -- quality and affordable health care.*

Overall observations about organizational learning in relation to event: Once again, experiences surrounding this event contain elements of all four learning categories. Members of the organization believe the contracts have strengthened the future of HC 2000. The organization has created, and tested, a problem solving model that will next be modified and applied to future activities and different providers. The leaders believe they have learned from using this direct purchasing model, enough to utilize it as part of their next organizational strategy.

HC 2000 now plans to directly purchase services from physicians. They will have the physicians help devise a pricing schedule, just as the hospital representatives (Data and Quality Committee) had participated in the hospital pricing scheme. Though details are still be "worked out," members of the organization are proceeding swiftly to create a strategy. HC 2000 leaders feel even better equipped to succeed in future problem solving efforts. The complexity of the work and unknown challenges are formidable as HC 2000 as they begin working with the physicians (groups); but no one is hesitating. The organization has learned from this first experience in ways that they guides them to create future successes.

One board member has several ways of valuing this past experience and the HC 2000 organization: *The hospital organizations are clearly very different than how we run traditional businesses. The difference is perspective. Health care administrators think of themselves as hotels and the key is occupancy. Business people, on the other hand, who are paying the health care cost, want to see the hotel vacant. We don't want anybody* *getting sick or anybody in there which is a combination of quality and preventative care. These are two opposing views about the role of hospitals. We are looking at evolutionary change. I mean more continuous improvement models, small incremental changes, not necessarily any dramatic moments.*

Another point learned from this experience is the difference between large and small organizations. This accomplishment now provides lower costs, that may be especially appealing to smaller businesses. (Smaller business have historically had to pay even "higher" rates for health care coverage because they had less bargaining power than larger payers.) As health care costs have risen dramatically, small businesses have been hit the hardest, some believe. HC 2000 is a membership organization that does not put small businesses at a disadvantage. This is an important organizational feature, according to most board members: *Its important to have the costs (membership fees) be kept very very low. If that ever started to get out of hand I would object. It is now very reasonable to be a member, about $3.00 per employee. That's to the organization's credit. We don't need another bureaucracy in health care!*

Similarly: *I think HC 2000 has a reasonable size membership, with a number of important companies (large companies), but small ones, too. There is a sense of common purpose on the board for both large and small companies, though there are differences on how you go about doing it.*

Finally, this event prompted one board member to describe the future of health care and the role of HC 2000: *In Grand Rapids there are thirty two or thirty six different ways of getting paid by the hospitals. There is not a uniform system and that's ridiculous! We should have one system everybody conforms to. We would save hundreds* *of thousands of dollars. The variance in health care costs is ridiculous. I think we (HC 2000) can be a significant influence in getting a uniformity to all of us on the pay scale. We are not there, but we made progress. We still have a long way to go.*

It seems that a variety of new problem solving ideas have emerged from these past experiences.

Concluding Observations about HC 2000 as a Learning Organization

The case study method has been used to examine three organizational events and associated experiences in detail. These events have been related to ideas about organizational learning according to an organizing framework developed in chapter two. Have these events provided experiences that were organizational learning experiences? Has organizational learning paved the way for future organizational successes? Descriptions of the organizational experiences have been provided from the organization's perspective. The last section presents certain details about the organization alongside four learning categories, and several elements selected from contemporary organizational literature about organizational learning. (See Chapter 2) Interpretations about the events and experiences, as learning opportunities, have now been provided.

The details described and related to the elements of learning extends our understanding about organizational learning in a particular organizational setting – a setting where leaders have engaged in new forms of problem solving and created viable solutions. It seems that the problem solving activities in HC 2000, have been accompanied by organizational learning. Maybe organizational learning has helped shape the problem solving activities? Or maybe learning through past activities is shaping future activities and solutions?

Analyzing actual events and related leadership perceptions about these events, and applying them to a theoretical framework about organizational learning, is informative. Experiences contain certain elements that seem to be learning experiences . . . developmental experiences that will benefit the organization in the future. Also, studying those experiences that contrast more traditional ideas about effective organizational designs and activities has been valuable. This method of analysis, suggests that formal, structured, and planned activities may not always be essential for organizational success. Learning categories were selected because they were different from or atypical from the types of experiences that are typically advocated in the (common) bureaucratic organizational model. These contemporary organizational learning elements have been present in most of the HC 2000 achievements.

In fact, these nontraditional types of experiences may have facilitated, or at least accompanied, some learning and organizational development. While one group did not have experiences deemed, in this study, as ways of learning, other groups and other experiences demonstrated the possibility of learning. Further, the group (Data and Quality Committee) that seemed devoid of these learning-type experiences today seems more uncertain about their future direction than those other HC 2000 groups (Negotiating Committee and Board of Directors) who did seem to engage in the type of experiences associated with learning.

One can argue that depending on the individuals, the particular sets of experiences, and differences in the type of work . . . then different results should be expected. But an argument can also be made that this organization is designed to be conducive to problem solving. Why would two out of three be able to succeed and a third having more limited results? The presence and absence of learning experiences and differences in success, suggests that information about transferring knowledge to multiple situations is difficult to isolate and will vary even in one organizational structure. One hope is that this study will stimulate an greater interest in understanding how past knowledge accumulates through prior experiences and is transferred to future organizational activities.

To further explore ideas about learning in relation to organizational development, this study now takes up the issue of organizational learning in relation to career development. In the next chapter, one organizational member, the third board chair, is studied in relation to these same four learning elements. (Chapter 4) This leader's perceptions about his leadership experiences at HC 2000 (as learning experiences) are contrasted with his other leadership experiences in other organizations. This career perspective supplements the case study about organizational learning, presented in this chapter. The final chapter considers both the organizational perspective and the career perspective in relation to understanding more about organizational learning. The fifth chapter integrates the two studies – the case study and the career study. In this way ideas about individual influences upon an organization are considered. First, the importance of the influence of one individual, in relation to particular organizational events, is revealed in the following career analysis.

Chapter 4

ORGANIZATIONAL LEARNING: A CAREER BIOGRAPHY

Introduction: Expanding the Case Analysis

A socially-constructed view of organizations will sometimes depict a dialectic relationship between two phenomena - organizations and individuals. (See chapter one) A working definition of organizational learning, can delineate both dynamics: *Organizational learning can be associated with specific organizational activities, outcomes, changes, as well as many other factors directed, initiated and carried out by organizational members*. (See chapter two) In chapter three, the case study took a close look at the *organization* phenomenon – its activities, outcomes, and developmental changes. Now, this chapter takes a close look at individuals in relation to organizational learning by studying *organizational members directing, initiating and carrying their work*.

In this chapter, the career analysis of a leader is presented. The career subject is the Chair of the Board of Directors for the HC 2000 organization . . . the organization studied in the previous chapter. In this chapter, the focus shifts away from the organization and toward one leader and his career. Wagner argues that studying organizational learning is much more important than simply studying problem solving activities. It is helpful to briefly revisit his argument, that was presented in detail in Chapter two. Wagner states that when concrete and "useful" results from studies are sought, studies about learning, not just the problem solving activities and goals achieved, are necessary. Wagner admits that, "(W)hen people learn to execute problem-solving methods associated *with a particular goal*, there may not a generalizable way of achieving that goal." But, if we are to gain a better understanding of organizations and learning, problem solving methods associated with a particular goal hold various forms of transferability for individuals. (Wagner, 1991) Thus, Wagner suggests that studies should consider the transferability of activities and achievements. This can be done by studying ways when an individual transfers knowledge, over the course of a career.

Careers are studied and analyzed in a variety of ways; and a study about a leader's career presents its own peculiarities. By attempting to understand more about organizational learning, the information in this chapter is now organized around career development concepts, and considers, in limited ways, some contemporary leadership principles. The four heuristic learning categories (activities, outcomes, environment, and values),used in the case study, are now applied to career concepts. After reviewing several common, historically-derived, career models, the framework for study is expanded to include career elements to guide this next part of the study. While the four organizational elements (applied in the case study) are based on *contemporary* organizational ideas, the four selected career elements feature *long-standing* views about different career development concepts.

Also, a focus derived from the working definitions of organizational learning. (See chapter two) Learning for individuals *organizing, directing and carrying out* the work of an organization is considered. The transference of knowledge learned from one experience to another, in the form of problem solving endeavors, are of special interest in this career analysis. How does a leader use what he/she has learned from one experience, for another? How do certain life experiences translate into career activities? How is experience used to advance a career? The career biographical story reviews particular experiences according to same four learning categories first discussed in chapter two; and this analysis considers both career elements and leadership principles. Thus as this chapter shifts the focus away from the organization and toward an individual leader, another dimension of organizational learning is revealed.

Just as one organization was studied, (case study) one leader and his career is now studied. This chapter begins with a review of career analysis principles and describes several career models. Several contemporary leadership principles are related to general career issues, mainly because this is an analysis of an organizational leader. A brief discussion about narrative biography sets the stage for the analysis. Then, the next section of the chapter presents a career analysis, which for this purpose is called *a career biography*. The last part reviews the leader's career story in relation to the four learning categories devised earlier in the chapter. Both the career biography and the review of learning, include organizational considerations. Mainly, though, career issues are emphasized in this part of the study, without ignoring organizational issues. As for the case analysis, this career study is intended to be a stand-alone study.

CAREER ANALYSIS MODELS

Introduction

Careers are composed of lifelong experiences. To study a career is to study one portion of an individual's life, often a very significant portion. While some careers are carried out independently outside organizations, most are not. Organizations are potential places where careers develop, and thus offer learning opportunities for individuals. Organizational learning is now studied as a part of career development concepts.

Career analysis, as a way of understanding organizational learning, can compliment organizational analysis centering on learning. The definition of organizational learning, as set forth in chapter two, considers not only organizational activities, outcomes and changes as a part of organizational learning, (see chapter three), but the definition also defines the concept relevant to individuals who direct, initiate and carry them out. As individuals carry out their work within and around organizations, they are pursuing their careers. First this is a study about career development within an organization; but the study also relates certain career considerations to features of organizational development.

As discussed later in this section, most career studies do recognize both organizational and leadership features when conducting a career analysis. To achieve this same type of content, the following career biography represents both career and organizational ideas. But mainly, the career biography takes a slice out of one's life – the career portion -- describes it and tells how it changes over time.

Before providing the career biography, both historical and other common components of career analysis are reviewed. This information helps shape the following analysis including aspects of organizational development. Thus, part of this career biography asks, "What aspects of organizational activities, outcomes, environmental aspects, and values seem related to the process of developing one's career within an organization?"

The biographical approach to studying a career is used here and the reasons are presented just prior to the analysis. In addition to studying a career, the biography of an HC 2000 leader, is also intended to provide additional insight into the development of HC 2000. To this end, the analytical framework developed in chapter two and utilized in chapter three is extended to include career concepts. The career biography, thus, can be integrated, (compared and contrasted) to the organizational analysis. Findings discovered from this integration process are presented in the final chapter.

To begin, though, traditional career concepts are applied to the same heuristic categories used in the organizational analysis: activities, outcomes, environment and values. Just as a case analysis contains a variety of considerations, (see chapter three) so too does this study about the career of a leader contain a variety of considerations. After reviewing classical career themes, a cross-section of ideas were and organized around the four learning categories: activities, outcomes, environmental influences, and values.

Theoretical Models of Career Analysis

For the past forty years, career theories and models have not changed radically. An individual's career is studied during the course of a lifetime, often according certain stages or ages. Careers are also studied according to a multitude of influences, which are experienced prior to and during the career years. The importance of the multitude of influences upon a career, and over the course of a career, changes. Four significant ways of studying influences upon careers are now reviewed. After this, a career analysis model (and guide for studying a career), is presented as one useful way of thinking about this study of organizational learning. The four career models are: age and stage models, individual differences model, self-concept models and significant event analysis.

Age and Stage Structured Views. A review of career stages, in relation to organizational distinctions, often provides a framework for carrying out a career analysis. (Young and Borgen, 1990) One of the earliest career models, developed by Super in 1957, was a stage-structured, life span model. Super studied careers according to five life stages, which he also considered age related. (See table 4.1) Many stage-structured models have evolved from Super's model, and maturational factors, such as organizational tenure, position tenure, and age are, therefore, used when study developing careers in these ways. (Greenberg and Baron, 1990)

Career maturity concepts in relation to organizational considerations, such as hierarchy, and position tenure, continue to emerge. More and more life factors are being considered as a part of career analysis, including not only career education, but sex, socioeconomic status, health, and ethnicity, to name just a few. But most studies continue to be guided by certain age or stage considerations. Therefore, as maturation is studied according to various ages or stages, a great variety of career influences, constantly changing, are also studied. (Young and Borgen, 1990)

Individual differences model from multiple influences. Another way of studying different influences upon careers is to consider unique and individual influences that occur during career maturation. This is often called the "individual differences model." For example, Super states that a commitment to work is directly related to career maturity and believes this has important implications for career development theorists and practitioners. Yet, Super believes that knowing how important work is to an individual, at different stages and ages, is another important influence upon a career. (Super, 1984)

CAREER DEVELOPMENT MODELS

Table 4.1

Type	**Age and Stage Model**	**Individual Differences Model**	**Life Span Model**	**Integrated Model**
Theorists/Year:	Super, 1957	Schein, 1978	Miller & Form, 1951	Dalton & Thompson, 1986
Discipline/ Field of Study:	Vocational Development	(Individual needs vs. Organizational Demands)	Sociology	Business Management
Construct:	Self-concept & testing against reality; modify, preserve and declining roles and positions	Self perceived talents, motives, & values to guide, constrain, stabilize & integrate individual careers	Series of social adjustments caused by culture	Age vs. Performance Rankings for Career Stages: 1:Apprentice 2:Independent Contributor 3:Trainer/Mentor 4:Director
Categories of Analysis:	5 life stages 1:Growth 2:Exploratory 3:Establishment 4:Maintenance 5:Decline	Career Anchors 1:Technical-functional competence 2:Managerial competence 3:Security & Stability 4:Creativity 5:Autonomy & Independence	Five periods: 1:Preparation 2:Initiation 3:Trial 4:Stability 5:Retirement	Not age related, nor related to formal position (managerial vs. Non managerial)
Features of study:	Multidimensional features of careers	Study occupational choices to shape development	Stable vs. Unstable career patterns-multiple trial patterns	Movement through 4 stages requires changes in activities, & relationships; movement creates need to cope with new psychological issues
Populations studied:	Self-actualization role conflices Determinants of roles & situations - decisions points Role performance over time and emotional commitment	Subjects highly educated - thus with many work options grow within org. - acquire more skills & abilities; flee organizations; trade time & loyalty to org. for other more desirable things;	Emphasis on social class - predictor of occupational attainment (father's occupation, worker's intelligence, father's income & ed, assessable fin aid & social contacts, social & economic conditions, generally.)	Hypothesis: Four stages represent clusters of functions that are progressively more highly valued in organization - Stage 3 & 4 activities are viewed as more critical functions to organizations
Observations/ Conclusions:	Descriptive & explanatory	Self-perceived abilities determine organizational influences	Development is determined largely at birth	Age and performance are linked

In the 70's and 80's, Schein continued to expand the individual differences view by examining cultural factors and their influence on career patterns. Cultural factors include societal, occupational and even organizational cultures which he thought became important influences upon the development of a career, but in varying degrees. (see table 4.1) Schein said, "Both managers and career researchers must become more familiar with these cultural and social influences," and described them in this way:

> Countries and organizations differ in the degree to which they specify explicitly the external career paths that are to be followed by members of a given occupation. The kinds of motives and ambitions that are considered legitimate for pursuit of careers and the degree of prestige that is attached to different paths should be considered. Organization cultures will reflect, in part, the broader society cultures, and in a sense mediate between the larger culture and the occupational structure experienced by the individual. These differences strongly influence the way people feel about their careers, the kind of motivation that is considered to be appropriate for a career, how successful people will feel, and even how explicitly they experience having a career. Individual reactions, what we have called the 'internal career', are, therefore, a joint outcome of broad society forces, specific occupational or organizational forces, and each person's own experience. (1985)

Career theorists take a holistic approach to career analysis. (Miller and Form, 1951, Schein, 1978) Studies focus on various influences from many life roles, e.g., at work, at home, and in the community. (Hovet, 1990) Careers are studied according to the interrelationships among both personal and professional influences, and all are viewed along a continuum of time and maturity. This view advances the idea that each person possesses his/her unique set of influences and life experiences, over time, which produces different individualized career outcomes. Also by the mid-80's, career theories were extended even further to ideas of self-perception and self-actualization.

Self-concept models based on self-perceived abilities. Super's model of vocational development centers around ideas of self-concept and ways that individuals test this personal view against reality. Both vary according to various life stages. In 1978, Schein expanded the stage-structured construct, by developing what he called "career anchors." He, like Super, studied self-perceived talents and motives of "career incumbents." He used five career anchors to explain how careers are constrained, stabilized, and integrated into organizations. The anchors are: 1) autonomy and independence, 2) technical-functional competence, 3) managerial competence, 4) security and stability, and 5) creativity. Career changes were studied according the different "anchors," plus the affects of time and maturity. Schein believes that these anchors were based on individuals' self-concepts and their self-perceived abilities, which would change over time.

Significant events model. Finally, another view of career development recognizes the influence of significant events upon careers. According to this model, careers develop and change from conscious and unconscious, formal and informal events. Formal training and other "educational" moments, will guide many conscious career choices. Also, a great variety of important events affect careers, with some influential events occurring prior actual career years. Finally, events which are considered lucky or unlucky, paths that just happen to be crossed, and even unconscious reactions occur that continuously affect the formation of careers and are contained in this model.

The Miller and Form life span model of careers suggests that a series of social adjustments caused primarily by culture affect careers in significant ways. They study five periods of the life span, and search within each for both stable and unstable career patterns.

These five patterns are: 1) Preparation, 2) Initiation, 3) Trial, 4) Stability, 5) Retirement. They conclude that though much of a person's career development is determined largely at birth, and depends a lot on the social class into which a person is born, but events of all kinds, planned and unplanned, throughout life will influence the course of a career. (see table 4.1)

Most career models use a life span approach. This helps to examine a great variety of event types over the course of a live and in relation to a career. A life span approach, regardless if it is stage and age structured or a significant events model, or other models, can look at one set of experiences and ask if these are part of a pattern or a set of general responses in relation to career activities. Regardless of the career model, a life span study also helps recognize the uniqueness of individual lives in relation to career development theories.

Thus, within the field of career analysis, there are a great variety of models. The above models represent the most common that have evolved during the last half of this century. Career studies incorporate a great variety of topics and seek to understand their relative importance to career development. As described above, studies often look at careers according to factors of maturity and stages. These ideas are often combined with ideas about a great variety of personal and professional influences over a lifetime, and in relation to careers. Some events, planned and unexpected, become significant, and affect self-perceived abilities. Thus all, or some, factors are included, and considered, in career studies, resulting in a great variance of factors being examined in relation to career development.

Keeping in mind that this study not only seeks information about an individual's career but also the influence an individual has upon an organization, the integrated model, discussed next, provides useful ideas. This study asks, "How has a career affected an organization?" By centering ideas around the concept of organizational learning, both organizational development and individual development are considered. The integrated model, described below, also informs the heuristic framework developed, in this and previous chapters, for these purposes.

An integrated model of careers and organizations. One final approach used to study careers, that has a special bearing upon this study, is now considered. Career studies often can be grouped according to two types of constructions -- individual models or organizational models. Both types – individual and organizational -- consider the interaction between the two, but in very different ways.

This career analysis, is shaped around ideas related to organizational learning, and thus attempts to consider the interaction between the organization and the individual. What sort of organizational influences have had a bearing on a leader's career? Plus, how has the leader affected the organization? To help shape the analysis, a closer look at one study that specifically sets out to examine the relationship between individuals (their careers) and organizations is now reviewed. This is a four stage integrated model that is designed around thinking simultaneously about both organizational development and career development. Several ideas developed in this model become useful when the learning categories (activities, outcomes, environment, and values) are applied to career concepts.

Individual career models have always appeared alongside contrasting organizational models. Dill, Hilton & Reitman, in 1962, studied career development according to a series of interactions between individuals and organizations. These interactions included: individual decisions and actions, feedback, individual responses to feedback, new decisions and actions. By 1978, Schein, incorporated this "individual to organizational" thinking into a three dimensional "cone," which identified reciprocal influences according to three types of boundaries: hierarchical, radial (external-internal features) and circumference boundaries (across functions). Schein hypothesized that organizations affect individuals just before and during boundary changes and the individual affects the organization when no boundary changes occur. But in 1986, Dalton and Thompson presented a dramatic shift in this thinking, which is more representative of how career studies have shifted away from organizational developmental theories. (See Chapter one) A close look at the Four Stage Career Model is now provided to demonstrate one way of incorporating a great variety of factors, organizational and individual, into a career analysis.

Four Stage Career Model. Emerging from a 1986 study by Dalton and Thompson, the following four stage model was developed. This model is stage structured and considers performance issues of both the individual and the organization. At each of the four career stages (see table below), activities, relationships, between individuals and organizations are changing; also each stage calls for coping with new psychological issues that organizations will pose to its members and will affect their career maturation process. The hypothesis behind this model establishes a strong and dominant role of organizations in career development, which also is somewhat negative from a career development perspective.

Dalton and Thompson originally suggested that each of the four stages represent clusters of functions that are progressively more highly valued by organizations. Characteristics associated with each stage include features of the type of work, independence of action, organizational expectations and features of learning. The following table (4.2) summarizes the four stage career model. According to the model, the importance of the organization to a career, increases with age and experience. Similarly, the importance of a career to an organization increases with age and experience. Thus as a career matures, and tenure increases with an organization, the mutual influences also increase. (Thompson, Baker and Smallwood, (1988)

CHARACTERISTICS OF FOUR STAGE CAREER MODEL
The Four-Stage Career Model

Table 4.2

Stage I	Stage II
*Works under supervision of more senior professional *Work is never entirely his or her own *Lacks experience and status in organizations *Is expected to do routine work *Is expected to take initiative	*Goes into depth in one problem or technical area *Assumes responsibility for a definable portion of project, process or clients *Develops credibility *relies less on supervisor *Increases confidence and ability
Stage III	**Stage IV**
*Involved in his our her own work enough to make significant contribution, but begins working in more than one area *Greater breadth of skills and application of *Stimulates others through ideas and information *Involved in developing others, as leader, mentor or formal supervisor *Deals with outside to benefit others	*Provides direction for organization by highlighting opportunities and dangers *Manages the process by which decisions are made *Exercises power to initiative action of others and influence outcomes *Represents the organization in many ways *Sponsors promising individuals

Individuals versus Organizations. According to this model, the first two stages are learning periods for the individuals, who make only limited contributions to organizations. It isn't until stages III and IV that an individual begins to make a significant contribution to the organization. Prior to that, individual career development will take priority over the needs of the organization, according to this view. Dalton and Thompson, in 1986, described how careers can plateau in any stage. But if a career reaches stages III or IV, the knowledge and initiative by individuals are usually more important to organizations, even more important than to their own careers. They believe this is because at stages III and IV the career has, or is about to, plateau.

An additional hypothesis behind this model, equally interesting for this study, is the belief that at all stages, individual needs should always be emphasized over organizational needs. Throughout an entire career, even in the later half, individuals should always strive to change their own situations and engage in roles they personally desire. Individual influences based on personal desires should take precedence over organizational needs, according to this model. The authors do admit that this is sometimes difficult to accomplish. Dalton and Thompson, describe that the entrepreneurial spirit, found among self-employed and independent contractors, is a healthy attitude even when employed by organizations. Entrepreneurial attitudes help counteract a pervasive problem in our society – the domination by organizations. "We have a pervasive ambivalence toward organizations. We need to recognize that organizations are dangerous!" (Dalton, Thompson, 1986)

This four stage model, as well the other career models previously reviewed, now help shape this singular career analysis. The four stage model incorporates both organizational and individual considerations, just as the following career biography in this chapter. This model, like other career models, also incorporates ideas about stages and maturity, individual differences based on multiple influences, and significant events over the course of a lifetime. As appropriate, many different types of influences, considered in career studies, are considered here in the career analysis of one HC 2000 leader.

First the four learning categories are extended to incorporate a career model that guides the career biography. The theme of this career study is organizational learning, so not surprisingly the interaction between the leader and the organization, in relation to both a developing career and a developing organization is important. (See working definitions of organizational learning in chapter two.)

Four Learning Categories Extended to Career Analysis

Career analysis for the past several decades has emphasized stages, ages and different influences, and relationships. These features for career analysis are now considered alongside the learning categories developed in chapter two. The categories were first developed as a way of looking at organizational learning concepts in relation to organizational development and then were applied in a case study analysis of HC 2000. (chapter 3). These categories are now developed around certain career analysis concepts, reviewed above, and facilitate the development of a biographical career study of one HC 2000 leader. (presented at the end of this chapter).

The four broad learning categories are: activities, outcomes, environment and values. Descriptions about each of these in relation to career concepts are now presented. Organizing historically-derived, common career ideas according to the four categories, creates an heuristic framework for investigating individual influences upon an organization and in relation to one's career development. (See Table 4.3 below.) Also, this construct creates a relationship between two sets of information – organizational development and career development. After reviewing the framework, a short discussion about leadership principles is included. Since this biographical study is about an organizational leader, certain views about the role of leaders in organizations is helpful. Thus, the career analysis, in this chapter, accents particular leadership ideas, but primarily centers around organizational and career development.

LEARNING CATEGORIES

Table 4.3

CATEGORY ////////////////////////////// ELEMENTS	ACTIVITY	OUTCOME	ENVIRONMENT	VALUES
ORGANIZATION	Excitement for discontinuous and non-linear activities	Affinity for complexity to achieve the outcomes	Encouragement or integration into multi-layered environments	Favoring community -based values over profit motives
CAREERS	Self-concept & perceived abilities changing through self-direction	Maturation, with gains & losses, growth & decline	Personal & professional worlds	Individual needs vs. Organizational needs

Each learning category is now described in relation to career development concepts, not just organizational development concepts. The following information refers to the above chart, and describes how each learning category has been constructed around ideas found in career models and according to career theories. Just as the categories guided the discussion in the case analysis, they do the same in the following career biography.

Activities based on changing self-concept. Just as organizational activities may be discontinuous and non-linear, career activities shift and change due to one's self-concept. As described earlier, careers are often studied from the vantage point of self-directed activities. And self-directed activities are thought to stem, at least partly, from one's self-concepts and perceived abilities which are continually tested against reality. These activities change over time and over the course of a career.

Career theories suggest that, over the course of a career, a leader engages in learning activities, in part, because of his/her self-concept and perceived abilities. (Greenberg and Baron, 1990) As leaders engage in organizational activities, their experiences may be viewed as valuable learning experiences that may affect the leader's career and may alter the leader's self-concept and perceived abilities. Organizational activities that become learning experiences, over the course of a career, might include formal and informal educational opportunities. But all experiences and work carried out within an organization, may provide learning and cause a change in one's self-concept. Additional experiences outside organizations, e.g., health, family, community, age, socio-economic factors, etc., also become learning experiences for leaders that influence one's self-concept and, ultimately, the career. Activities become life experiences, that alter a leader's self-concept and perceived abilities, which in turn affect future career activities.

Studying self-directed activities, based on a leader's changing self-concept and perceived abilities, can increase our understanding about organizational learning. Information about self-directed activities, therefore, guides this career analysis. Self-directed activities, testing perceived abilities, and how these change over time, are isolated to help study organizational learning, as it relates to one leader's career.

Career outcomes: gains and losses. Just as complex organizational outcomes may pave the future of an organization, outcomes shape a career's future. (Blau, 1987) As individuals mature, they experience a variety of outcomes, both within organizations and elsewhere. Most careers include periods of both growth and decline, gains and losses, all thought of as career outcomes. Careers are not usually a series of incremental and sequential improvements. Simultaneous growth and decline, a shifting balance between career and personal lives, a myriad of interventions (personal and occupational), all produce an infinite variety of career outcomes.

By studying different historical periods of a life, various types of outcomes may isolate certain learning periods that affect a career. Times when careers grow or decline, or leadership experiences that produce gains or losses, can be times of learning. Important to note, also, is that learning can be associated with both desirable and less desirable outcomes; and, thus, <u>both</u> types may be marked with organizational learning. Career choices made throughout the course of a career may be for a variety of reasons and in anticipation of a variety of outcomes. The four stage model suggests that only in the later stages of a career will choices be made that are directed at the development of an organization, rather than the development of a career.

Personal and professional environments: Multi-layered environments have been associated with organizational learning for the organization. These organizational layers are found both inside and outside organizations. A career analysis considers both personal and professional worlds, i.e., multiple environments. During the course of a career, leaders maneuver through both contexts, (personal and professional environments), having a variety of effects on a career. This maneuvering may take the form of inner thoughts, or relationships with colleagues, family members and friends. Environmental influences to a career also include organizational, school and community experiences, health concerns (for self and others), and more. Environmental factors, such as personal achievements, educational opportunities and economic barriers toward achieving personal and professional goals, will also affect careers. A leader responds to, and manipulates, through a maze of personal and professional life experiences. From studying both environments, each containing a multitude of experiences, learning in relation to a career can be discovered. Learning experiences for leaders thus stem from their experiences with both their personal and professional worlds. As appropriate, personal and professional environmental influences are considered in this career analysis. This is consistent with most career models that recognize the importance and appropriateness of the many influences, personal and professional, to career development. (Blau, 1987)

Individual and organizational values: What is the relationship or connectivity between individual values and organizational values? Bennis argues that organizations must place an importance on values that extends beyond a profit motive. He believes organizations must value communities as they carry out the work or organizations. In recommending this, Bennis suggests that organizations will not only be helping communities, but their organizations as well. (1994) (See Chapter 2) Yet, when values are considered in relation to a career studies, we discover a clear dichotomy. Both ideas associated with valuing what is important for an individual career versus valuing what is important for an organization are taken up in this category. Unlike organizational thinking that encourages pursuits that will achieve more than what the organization needs, (community support) a career development perspective, suggests that career needs should be valued, ahead of organizational needs.

Career models recognize the interaction of organizational values and individual values. But, Thompson and Dalton, and other researchers, believe that individual life choices should first and foremost be carried out to meet individual career needs, rather than organizational needs. As noted earlier, they do recognize that by the third and fourth career stages, (of a four stage model), individuals may find it easier to do both. (See table 4.3) Pursuing opportunities to advance one's own career needs may include seeking ways to gain more abilities, talents, skills and knowledge useful to one's career. New experiences provide learning opportunities that could develop both the organization and career. The values category seeks ways knowing more about meeting individual career needs and organization needs. This fourth learning category, thus, examines the dichotomy between individual career models and organizational development models.

Each learning category has now been extended to career development concepts. These ideas have been selected because they are common ways of studying careers. They have been shaped around the same broad learning categories as the organizational analysis. As one leader's career history, including examples of activities, outcomes, plus consideration of environmental influences and values, all in relation to one's career development can now be carried out. Also, certain organizational factors can be related to career information according to the learning categories. In this way both organizational development and career development are considered simultaneously. Once the career story is told, an analysis of particular career experiences, in relation to each learning category is provided. The last chapter continues with the objective of examining ways that career-related information relates to an organization's development. Chapter five asks if career considerations are informing to an organizational analysis.

A biographical method of analysis has been selected to study a career, since careers are filled with lifelong experiences. Also, a career biography becomes another way of considering the concept of organizational learning – in this case, the relation of organizational learning to career development. Now that career concepts have been organized similar to the organizational concepts, a few guiding principles about leadership seem useful before proceeding with the career biography. The career biography is about a leader, thus certain leadership principles and how they also have changed in recent times need identification. These become supplemental to the career ideas just examined.

RELATED LEADERSHIP PRINCIPLES

Introduction

The career story of an HC 2000 leader, which follows in the next section, considers the career development of one leader. As this leader's career is scrutinized, information about both his career and his relationship to HC 2000 is portrayed. In the previous section, career development concepts, for all types of careers, were shaped around four broad learning categories. Before proceeding with the career biography of a leader, first career issues are related to changing leadership principles. These principles also help guide the career analysis in ways outlined below.

Changing views of leadership. Chapter one pointed out that many new challenges face most leaders, today. The complexity and type of challenges within organizations and for leaders are rapidly changing and even escalating into serious problems. Technological advancements are a main cause of this. Leadership analysis not only recognizes the difficulties that leaders face in the Information/Knowledge age, but some studies suggest there is a serious shortage of effective leaders in today's organizations. (Gardner, 1995; Bennis, 1992) As chapter one noted, leaders have lost some of their formal authority to these emerging organizational changes. Team and other group efforts, social and cultural views of organizations, plus new operations controlled by technological innovations have diluted leadership authority in today's organizations. Rather than directing and controlling, leaders are told to be coaches, facilitators and collaborators. What has not changed is the view that leaders are still important to organizations.

Mutual goals. Leadership analysis considers not only individual leaders roles in organizations, but also leadership as a career. Leadership development concepts suggest that leaders perform an important role, today – that of change agent. Leaders careers often hinge on their ability to guide group processes and group decisions. Also, leadership principles continue to assume there can be simultaneous optimization between meeting individual needs and organizational needs. Bennis believes that leaders are agents who create and sustain paths toward mutual satisfaction. (1994) And though changes in leadership principles parallel changing views of organization, (see chapter one), ways that leaders careers develop in also changing in these dynamic organizational environments. Thus, ways in which leaders achieve mutuality between organizational needs and career needs is also different.

Open design supports individual. Not only have rapid changes in organizations and new ways of pursing leadership careers emerged, as chapter two pointed out, the new organizational structures cause leaders to perform their responsibilities differently. This study is about a contemporary organization, that is structured in an open, flexible form. The organization has been designed around an ill-defined, complex, evolving problem – the need for health care reform. This less-bureaucratic design has only a skeleton hierarchical structure, and is intended to enhance the ability of many individuals to engage in effective problem solving activities. (See chapter two) All members of the HC 2000, not necessarily the formal or highest ranking leaders, are encouraged to utilize their knowledge and to influence organizational activities, in this type of design. Given this open design, leaders should be change agents. The career view suggests that leaders must find ways of achieving a harmonious co-existence between an organization's direction and maximized individual autonomy. This open, flexible organization seeks to sustain problem solving, from both individual knowledge held by its members and the collective use of this knowledge for organizational purposes. Thus this organizational design represents an important consideration when studying a leader's career development.

As several leadership ideas are related to career concepts, the contemporary design of the organization (in which this leader is studied) cannot be overlooked. Individual influence on an organization, i.e., the eventual purpose of constructing this career analysis, is related to the organizational design. Many factors may influence individuals in an infinite number of ways, (too many to study at one time). The intent here is produce a career study of one leader that includes ideas about his influence on an organization. By selecting one of the "formal" and "higher ranking" leaders, one could argue that his influence upon the organization is likely to be greater than most others in the organization, given his formal position of authority. (The career biography is about the Chair of the Board of Directors.) This may be true, but in balance, HC 2000's open, malleable design, is considered a design conducive to being influences by many. This design is thought to encourage the involvement and participation of many, and reduces formal, authoritative, directive control by any individual. Thus, this organization is supposed to be responsive to the influence of many organizational members, not just those with rank or formal authority. The formal leaders, according to contemporary leadership and organizational views, are to guide and encourage multiple influencing activities carried out by all organizational members. This group-based design, as suggested in chapter one, may actually dilute the formal authority and ability of the "higher level" leaders.

In either case, (having more or less ability to influence an organization), a career study about a leader first warrants some discussion about how leadership principles are related to career development concepts. This section briefly accomplishes this by taking up leadership ideas in two different ways – how the views have changed and examining a contemporary definition of leadership. Both help explain how simultaneously achieving, individual and organizational goals is thought possible in today's times. These two aspects of leadership concepts, enrich the career concepts presented in the last section, that are applied to the career analysis in the next section.

Transformative Leadership

Career theory describes many ways that careers develop and change over time. The pursuit of a leadership career contains particular and peculiar features. Technology has affected the careers of many individuals, including contemporary leaders. Leaders find their career development often hinges on their ability to solve more complex problems. The environment in which a leader carries out his or her work is often depicted as "changing with frightening speed," "rapid, unforeseen results," "unpredictable," and "chaotic." In this dynamic environment, leaders of bureaucratic organizations are discovering that former ways of carrying out leadership activities, (that were very effective in the past), are no longer sufficient. As leaders seek new ways to solve new problems, they sometimes find they must engage in new leadership behaviors.

Past views of leadership, like past views of bureaucratic organizations, are criticized as too rigid, too dictatorial and inflexible. Many leadership models are considered limited and restrictive, today. (Rost, 1991) Joseph Rost in his 1991 book, " Leadership in the Twenty-first Century," provides a rich history and a comprehensive critique of past leadership models. He notes that ideas about 'leaders as change agents' dominate our thinking today about effective leadership. These views are often referred to as a transformative view of leadership. Rost's definition of leadership, which follows in the next section, offers a contemporary view about transformative leadership. Unlike past models that depicted leaders as "possessors" of the knowledge needed to solve problems, transformation models of leadership characterize leaders as facilitators, collaborators and "seekers" and "producers" of needed knowledge. This new leadership view encourages leaders to find ways of utilizing the knowledge that others possess, as well as their own. The extraction of knowledge, collectively held and needed to solve complex problems, has become an important part of leadership activities. From this has followed the that leaders must create learning environments within organizations – a place where there is continuous learning. One feature of this view, from a career development perspective, considers individual abilities to produce changes that transform the workplace.

Business leaders are to be "rooted" in the future and always ready for rapid change. Leadership principles have changed and are expected to continue to evolve in this dynamic environment. Yet, many leadership studies suggest that a post-industrial view of leadership is rarely practiced. "Too many leaders still think, act, control, and decide on the basis of an industrialized leadership paradigm, which advocates control through consistency, order, structure, planning and predicting. The element of change is not accommodated in these leadership views. The industrial paradigm is not seen as rooted in the future nor able to support rapid changes." (Rost, 1991) Rost also believes that leaders need to go against the familiar and face up to future challenges in new ways. Finally, Rost concludes that both thought and practice about leadership still operate according to the industrial beliefs.

Thus while leadership views may be evolving, the practice of leadership may not be changing in similar ways. Career development concepts help reveal the possibility of a dichotomy between practice and theory. The career models, described in the last section (i.e., age and stage structured, individual differences, self-concept, and significant events), derive from "learning-through-experience" views. As leaders are expected to inspire new actions and facilitate new ways of problem solving, they recognize how threatening these new "leadership requirements" are upon their own personal career development. Required past abilities of leaders to create structure, produce consistent and coherent plans, and to coordinate efforts must now be converted. Leaders must be able to substitute these with being flexible, being able to encourage (not direct) others and to support unstructured and incongruent ideas.

This emerging leadership concept (transformative view) promotes ideas of learning, for the leader and for others. As career development become central to this analysis, concepts of adult learning, particularly transformative learning, are related to these leadership views. This further exposes the challenges that leaders face today in their own career development pursuits. Transformative learning, according to adult learning principles, deals with times with adults face complex challenges and ill-defined problems.

Jack Mezirow studies transformative learning according to both process and content. Essentially, Mezirow says that adults engage in transformative learning when they develop the capacity to understand how their experiences become knowledge for different future actions. This view, can be applied (related) to the above changing view of leadership. This adult learning view suggests that leaders must first try to understand their capacity for successfully using past experiences to guide future actions. (Mezirow, 1991) This thinking is consistent with career development concepts. Today, careers in leadership develop according to one's self-concept of self-perceived abilities, accumulating through experience. Leaders engaged in transformative learning, thus, would develop the capacity to garner knowledge gained from past experiences to develop better ways of applying this knowledge effectively to future situations of varying types.

Changing leadership views suggest that careers develop through transformative learning by an individual leader and by encouraging this type of learning in others. This feature of contemporary career development for leaders can be more fully explained by considering a contemporary definition of leadership, presented below. And though there is not one widely-accepted definition of leadership, a contemporary definition accommodates this new way of thinking about leadership. Actually, Rost (1991) believes that since the phenomenon of leadership is so complex, having a variety of definitions is actually informative. Using one definition, that supposedly considers both former and new views of leadership is helpful to this careers study. As the contemporary definition is considered, it should be noted that traditional views of leadership, will identify transformative leadership as a concept of morality. But contemporary views suggest that transformative leadership should be studied not just morally, but behaviorally as well. The following discussion about leadership in relation to career development ideas considers both.

A contemporary definition of leadership. A definition of leadership in contemporary times and to inform a career study, need to attend to both individual and organizational perspectives. The following definition is taken from Rost's 1991 book, "Leadership in the Twenty-first century" which is the foundation of his entire discussion about past, present and future leadership concepts. He believes his definition of leadership considers the accumulation of thinking from the past several decades, plus new leadership features. This definition is used as an effective way of considering leadership ideas to inform this career analysis. Rost, defines leadership in this way:

> *Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes*. (Rost, 1993)

The above definition contains four themes (underlined) that are discussed below. The following table highlights each of Rost's four themes. The following discussion considers how this way of thinking is related to both organizational development and career development.

ROST'S FOUR ELEMENTS OF LEADERSHIP
From "Leadership for the Twenty-first Century" (1991)

Table 4.4

LEADERSHIP THEME	DESCRIPTION
Influence relationships	*Influence relationship is multi-directional *Influence behaviors are noncoercive
Leaders and followers	*The followers are active *There must be more than one followers, and there is typically more than one leader * The relationship is inherently unequal
Intending real change	*Purposefully desiring real change *Substantive and transforming changes *To intend changes does not mean change is actually produced *Several changes are intended
Developing mutual purposes	*Mutuality is forged in noncoercive influence relationship *Develop purposes, not goals *Intended changes reflect, not realize, their purposes *Mutual purposes become common purposes

This definition is helpful for shaping this career analysis. Given the emphasis on organizational learning, Rost's definition offers a systems view of leadership with contemporary considerations about organizational change and development. For example, this definition considers that leaders may intend results that are not always produced. This definition suggests that a career analysis should pay attention not only to results and outcomes, but also to the intentions and purposeful behaviors of leaders. Thus, this definition enriches the career concepts, provided in the previous section.

Careers issues have been organized around four broad learning categories, (therefore, extending and connecting to the previous organizational analysis). (See table 4.3) The first learning category, activities, applied to career concepts emphasizes how self-concept and self perceived abilities will change through self-directed activities. Rost's leadership definition suggests that some self-directed activities may shift to being less controlling and more influencing types of behaviors among leaders. And that ways of *influencing* may change with experience; thus producing new perceptions about abilities. Second, this definition also suggests that career outcomes may develop, not just from realized gains and losses, but also from *intentions*. The third learning category, environmental factors, from a career perspective considers both *personal and professionals worlds*. The leadership definition suggests that both leader and follower roles, for the individual and in relation to others should be examined as a part of a leader's career. The fourth learning category, values, in relation to careers features the possibility of conflict and blending of *individual and organizational* values. This definition emphasizes the importance of establishing a mutuality between the two. Contrasting values that seem to originate from individual values versus organizational values may reveal interesting factors about a leader's career development. Thus, as a study of a leader's career is organized around four widely-accepted career features (self-concept, maturation, multiple environments, and individual versus organizational needs), contemporary leadership ideas are important to consider and incorporate into this analysis.

Leadership ideas are essential to the study of a leader's career. Leadership studies include both organizational and individual considerations. Therefore, the next section describes how a narrative biography format can accommodate both career development and organizational development issues.

By way of review, four learning categories were first constructed around contemporary organizational literature about development, change, and learning. Organizational elements were constructed around ideas that readily contrasted deeply-ingrained bureaucratic and industrialized ways of thinking about organizational development. In this chapter, these same learning categories were extended to career concepts. Then these historically-derived career concepts have been extended further by considering a contemporary view of leadership. Now a career biography is constructed about a leader. Features of this analytical format are first presented; followed by the biography. Given the above foundation behind the construction of this career analysis, reasons why this format is compatible with the goals of this study are now presented.

NARRATIVE BIOGRAPHY

Introduction

Narrative inquiry is increasingly being used for studies about educational (learning) experiences. (Connelly, 1990) A narrative biographical analysis is a reconstruction of lifelong experiences, in this case, experiences important to the study of a career. Narrative helps describe the phenomenon of a career and a narrative biography (career biography) is an exploratory method of inquiry. In this case, one leader's career is studied. John is a leader of the organization that was studied and analyzed in the last chapter. John is the immediate past Chair of the organization's Board of Directors. He was selected for this career study for reasons provided earlier. Admittedly, an analysis of other leaders could be equally revealing about the dynamics of learning.

By using narrative biography, John's personal, social and professional stories can be retold. This format also accommodates the desire to place a special accent on learning. In this case, the leader's story is primarily a compilation of personal reflections upon one's own learning experiences. John believes that certain experiences have been valuable to his career, (past, present, and future), and have enhanced his leadership abilities. The second purpose is to tell a story in relation to theoretical ideas, about careers, leadership and organizations. Thus, the emerging story, told in narrative form, discovers both particularized and generalized elements about a career. The story highlights ways that one leader thinks about various career experiences and how he transfers this knowledge to other experiences, activities, and ways of thinking. Also, these experiences are shaped around four learning concepts based on theoretical views of careers and leadership. (See table 4.3) The narrative biographical form supports these various forms of information.

The reasons for selecting a narrative biographical form, for a career analysis are described below. Also certain relevant methodological considerations are identified. A brief description of the biographical method, its advantages and disadvantages, are presented. Also in this section, the biographical methodology is introduced in relation to its construction around a career study. Career concepts along with contemporary leadership principles guide the narrative biography that unfolds in story form, about one leader's career. The goal of the career biography, here, is similar to the goal of the case method – to provide a rich, thick description about organizational learning in relation to one leader's career.

The biographical method: Defined and described. Biography is a written account of individual lives, or a written record of a life. Louis Smith, in the chapter on biographical method from the *Handbook of Qualitative Research*, (1994), admits there is a real contention about whether biography is both personal and general. Michael Erben writes about the problem of writing lives from a social perspective. He, too, describes that biography is a concern to sociologists, but believes it should be considered an effective way of understanding the interaction between life experiences and history. Erben goes on to explain that, "Biography attempts to render the illusive self as the allusive self, in its intriguing spiraling journey between the unique experience of the individual and the general experience of groups." (Erben, 1993) Thus, while biography, as a research method, has a tension between the personal and general, Erben explains that, "biographies are intriguing cultural documents."

Why career biography? The main reason for selecting biography stems from its instrumentality in studies about education and learning. Leaders' organizational activities and experiences are inextricably bound to their careers. Biography is a way of providing an accent on learning through the many details of the life and career of a leader. A second reason for selecting biography is its experimental nature in this type of research. As noted in Chapters one and two, organizational research actively calls for new and innovative methods of analysis. As with any methodology, there are advantages and limits which for the biographical method are briefly stated below. Then the process of "doing" biography in relation to this career analysis is provided. The format is considered an appropriate complement to the case study methodology, utilized in the previous chapter.

Advantages and Limitations of Biography

Paralleling the advantages of using a case study methodology, biography also draws from multidisciplinary theories and concepts. Biography can even be thought of as a type of case study method, in the sense that it is "an intensive, holistic descriptive analysis of a single entity," . . . a life. In this study, biography is a method for providing a deep analysis of a career, just like the case study has been used as a method to provide a deep analysis of an organization. (Chapter 3)

Admittedly, biography is messy and loaded with criticism as a research method. But on the positive side, Smith prefers to view biography as a creative, experimental method of reflective inquiry. He emphasizes in the *Handbook on Qualitative Research,* that biography has the potential of becoming a way of talking across disciplinary boundaries. Biography offers several advantages to this study, as did the case study method. Biography can acknowledge and emphasize or de-emphasize different life influences depending on its theme. Biography can describe the complexities of particular experiences. Also, this method of inquiry is holistic and multidisciplinary in both content and interpretation, thus supports multiple perspectives. Finally, biography is selective and can offer the opportunity to accent selected life experiences. These advantages, are carried into this study, serve to enhance and extend another "way of knowing," about organizational learning.

The disadvantages include standard criticisms of qualitative research. Biography is sometimes thought to be fictionalized data. For instance, a biographer may become too committed to his/her own role in the inquiry process. (Smith, 1994) Guba and Lincoln (1989) reject the idea that biography should be generalizable; instead they suggest that biographical inquiry offer qualities of transferability. Most critics of biography agree that biography, like case study (and other qualitative methods), relies heavily upon the researcher's judgment about meaning. Rather than viewing this fact as a disadvantage, Connelly describes biography as a "burrowing" process.

The reconstruction of a life story is reflective. Biography, according to Smith, therefore, is not logic in use, but reconstructed logic. This career biography is grounded in this thinking. Organizational leaders, asked to reflect upon their career experiences within a particular organization and over the course of their lives, reconstruct their thinking about their experiences. Leaders' reflections, along with those of the researcher, create the opportunity to reconstruct, study and reflect on certain career and organizational experiences (to burrow). In this way, new ideas about organizational learning, both for the individual and the organization, unravel through a biographical career story.

The Process of Doing Biography

In preparing to conduct a biographical analysis, certain procedural decisions were made. These decisions have been organized around Smith's six considerations, presented in his account of, "Doing biography," in the *Handbook of Qualitative Research*. The "craft of biography," as Smith calls it, involves (at least) six considerations: (1) Selecting a subject, (2) Creating and/or using an archive, (3) Finding and developing one's theme, (4) Finding the "figure under the carpet, (5) The form and shape, and, (6) The context and writing. Smith suggests that these are ways of reducing the various problems often associated with this kind of research, "problems (that) demand more of creativity than technical or rule-governed problem solving." (Smith 1994) As each consideration is presented, first the theoretical considerations are noted, then how these ideas were applied to this particular biographical analysis are identified.

1. Selecting the Subject - Most biographical work is about a hero or heroine, and the subject may be recognizable to large populations; but some subjects are only recognizable in smaller populations. Part of selecting the subject usually involves the researcher's personal issues or particular yearnings. Smith points out, though, that selecting an individual to be the subject is usually vague and ambiguous.

Selecting the subject of this career biography, as a way of identifying individual influences on an organization, was quite straightforward. The case analysis (Chapter 3) studies three significant organizational events of the HC 2000 organization. As it turns out, there was one Board Chair during the entire time that all three events occurred. His name is John. Thus, studying the experiences of the "top ranking leader" of the organization, at the time the significant organizational events occurred, helps create a more substantial relationship between the organizational analysis and the career analysis.

2. Create and/or use an Archive - Finding the data is an empirical exercise, according to Smith. Pools of data will be found in both likely and unlikely places. Connelly identifies many important data sources for biographers, such as field notes, interview transcripts, others' observations, story telling, letter writing, autobiographical writing, newsletters, etc.

Several sources of data have been collected for this study. An initial two hour interview with John was conducted according to a protocol designed around career development and organizational learning theories. (See appendix A) Following the initial interview, several informal interviews with John were held after various meetings being observed. Field notes were collected at meetings, where John was observed first in his role as the Board Chair and later in his subsequent role as Vice Chair. (His term ended two months after beginning the study.) Written records, memos and other company documents, many authored by John, provided more data. Finally, descriptions and opinions about John as a leader were given by other organizational leaders during their interviews. This also provided (unexpectedly) valuable information to contrast with John's perceptions about his leadership in HC 2000. Thus, as Smith suggests, important data has come from a great variety of places.

3. Finding and Developing One's Theme - This is called the plot, the slant or the perspective. (Bowen, 1968). Whatever theme is selected, the goal is to highlight certain issues and make decisions about what to feature in a life story. Connelly notes that when developing the theme for a biography, one problem is always deciding how far into the past and into the future is far enough? Also, deciding which community spheres or what depth of social data, is critical. Finally, Smith reminds us that even after the theme has been identified, the process of writing the "life" can transform the original theme.

John's views and opinions about his own experiences, related to learning and to his career, primarily guided the selection of the information for this analysis. After being asked to describe his career, John was then asked to compare and contrast other aspects of his career to his HC 2000 experiences. (See interview protocol in appendix.) Thus, this biographical career analysis comes from the information that John identified as important to his career in relation to his own ideas about organizational learning. The theme, organizational learning, is initially presented in the context of how John views his own learning. Then later, his views are considered in relation to theoretical concepts about learning, i.e., learning categories model presented in chapter two.

4. Finding "the figure under the carpet" -- Smith describes 'the figure under the carpet' as the way a biographical analysis is constructed. A biographer needs to search beyond overt behaviors and the facade of the subject, toward the underlying life myth and the untold story. In doing so, the question of truth -- whose truth – will surface. Connelly advises the biographer to engage in mutual storytelling. "The researcher needs to be aware of constructing a relationship in which both voices are heard." (Connelly, 1990)

In this career story, John's voice dominates. His opinions and perceptions about his career, organizational learning, his HC 2000 experiences, and the importance of all three to him as a leader and in his career, are central to the story. Comments and perceptions, offered by other leaders about John, are also shared to provide ideas that confirm and contrast. Finally, some personal interpretation, developed throughout the analysis of the entire HC 2000 organization, are woven into the career story. Searching for the truth is of less importance than attempting to create what Connelly calls, "a construction and reconstruction of a personal and social story." (Connelly, 1990) This biography tells a story about organizational learning, as one leader would like it depicted. The "figure under the carpet," is revealed as the leader's ideas, reflections and actions are contrasted with other leaders' perceptions and considerations.

5. Form and Shape -- Smith describes five forms of biography along a continuum: objective, scholarly-historical, artistic/scholarly, narrative, and fictional biography. (Smith, 1994) Connelly describes biographical forms as writing which "may be written in a demonstration mode or an inductive mode; the former adopting more standard social scientific forms and the latter opening up all sorts of possibilities . . ." (Connelly, 1990) Shades of distinctions along the continuum are infinite, each becoming a way of bringing into view the individual under study through the eyes of the researcher.

This study is prepared in the scholarly-historical form, but uses a narrative style. There is heavy emphasis on factual events and the chronology of events; plus recollection of past dialogue, discussion, and interaction relies on individual memories. These are most likely filled with omissions of some details and are bound up in political and social restraints. Thus, both the data and its interpretation rely heavily on outcomes, results or consistent recollections about past meetings or activities. In addition, historical events about the subject's career are merely selective highlights or examples intended to offer interesting, thought-provoking information about the career. John was asked to recall and comment on his career experiences according to constructs of collaboration and organizational learning. Therefore, above all, John's story about learning is about to be retold.

6. **Context and Writing** – Smith stresses that a life does not exist in isolation and the biographer must make decisions in keeping with the idea of totality. Connelly helps guide this consideration by suggesting a rule of thumb: "Avoid making generalizations and concentrate on the event." (A process he calls "burrowing".) (Connelly, 1990) As Guba and Lincoln point out, the issues for biography, as with all qualitative research, are less tied to issues of validity and reliability, and more with transferability.

The context of this biography is the leader and his career. The intention was to be sensitive and appreciative of the subject's life and his entire career while balancing a central story around the HC 2000 organization. Every effort has been made to tell the career story, as John told it. *His voice is presented in italics.* Others' voices, including the researcher, are not. Observations, personal interjections, confirmations and questions are added to his story. In this way, accentuating the theme of organizational learning is threaded throughout his career story.

The process of "doing" this biography was described above. The process of doing biography is reflective, and can be called reflection-in-action. (Schon, 1983) Similar to the ways that a case analysis relates historical situations, so, too, does biography. Just as the case analysis, provides an event-structured description of an organization, the following career biography seeks out the essence of a leader's experiences in relation these same events. Through all this, the career story does not completely ignore other interesting and important life experiences related to John's career development.

The Biographical Method: An Overview

The above description about biography as a method of inquiry, in many ways parallels the case study method of inquiry. A case study provides an in-depth analysis of a single organization; the narrative biographical analysis, provides an in-depth analysis of a single leader's career. Historical, social, and environmental influences are incorporated into both studies. Both provide a vehicle for searching out, from among the vast assortment, a few ideas, thoughts and activities to draw attention to features of learning in an organizational setting.

The next several pages recount and retell part of a leader's career. The leader, John, has held a significant role in the HC 2000 organization. *Direct quotes from John are presented in italics.* In this retelling of his career and learning experiences, occasional interpretative comments have been added to draw special attention to the research subject -- organizational learning. The following leader's story is separated into three main periods: (1) pre-career and early career experiences, (2) career development leadership experiences before HC 2000, and (3) career development leadership experiences within HC 2000. The biography has a particular accent on organizational learning. Also, the story is told, mainly according to John's perceptions and with his own words. Following this biography with an accent, John's views of leadership, learning and HC 2000 are summarized, again mostly in his own words. Then, the final section of the analysis is organized around the four career elements organized around learning categories. This section organizes John's experiences and ideas according to this framework for the purpose of studying more extensively, organizational learning. This is one leader's story about organizational learning, which includes lifelong experiences and an interpretive section. John's experiences with one organization are featured and related to the same organization that was the subject of the case study in Chapter three.

A CAREER BIOGRAPHY: A LEADER'S STORY ABOUT LEARNING

Introduction

Careers are carried out over the course of adult lives. Careers result from a variety of experiences that can be marked by calculated moves and adventurous bounds of activities. There are painful questionings and gainful insights, from both victories and retreats. Sometimes with fierce resistance and other times with courageous acceptance, personal and professional road blocks and unexpected opportunities present themselves to a career. Sometimes events that meet individual needs, may be accompanied by organizational benefits, but not always. There are bursts of experiences, like winning a contest, gaining public recognition, the death of a family member, or contracting a serious illness that can significantly alter a career. So, too, can steady influences during one's lifetime affect a career. Career development is continuous and encircling. No outward change in one's present occupation or current lifestyle may occur, but inner thoughts and new determinations may be forming from certain life experiences. Given such a wealth of information relevant to the study of a career, a biographical analysis readily and effectively helps portray a career as an interesting array of life experiences.

This career story, biographically recounted, is about a leader. This story is an historical, social, behavioral analysis that examines a few developmental, maturational and influential events from one leader's career experiences. A career biography (presented in this section) is about just one leader; but threaded throughout the story are others' interpretations about this leader's learning experiences over the course of his career. Thus, while writing this analysis, and telling this career story, an additional challenge was selecting those times when the leader's career changed or became enhanced after certain experiences.

The particular career, about to be studied, is about an important leader to the HC 2000 organization. His entire career and its overall development is of main importance to the story, but also the leader's effect upon the organization is integral to this career story. As a leader pursues a career, he or she has a hand in producing certain organizational outcomes. These outcomes not only affect the organization, but the career, as well.

It is important to keep in mind that the previous chapter studied the development of a particular organization, while this chapter studies the development of particular leader (within that same organization). Admittedly neither analysis can avoid incorporating information about both forms of development, since they are closely linked. Some background information on this leader and the reasons for selecting him as the subject are first identified. The career biography follows. After telling the leader's story, several observations are made according to the biographical analysis in relation to the learning categories.

The Subject :The Chair of the HC 2000 Board of Directors

The Board Chair of HC 2000 having the longest tenure in that position, was selected for this biographical analysis. There were several additional reasons for selecting John. Not only does he have the longest tenure, but he was the board chair during the entire time that the three significant organizational events, examined in the case study, occurred. (Chapter 3). Also, during the seven separate interviews with other board members, John clearly was seen as having been the most involved in HC 2000 activities, though was not necessarily considered responsible for producing the three outcomes. This is not surprising, nor inappropriate, given the design of the organization. Admittedly, being the Board Chair, suggests that the level of involvement and influence may be more extensive than other Board members or organizational members. (see chapter two discussion about HC 2000's design.) And since part of this study is about how an individual influences an organization, the selection of the Board chair is a legitimate concern that the findings may not be very transferable to other leaders. John may have had more opportunity (and ability) to affect the organization, due to his formal role as chair; but given the organization's small size and creative purpose, HC 2000 supposedly supports and encourages a high level of influence from all its members. Formal barriers are mostly absent in this organization. John may simply have been the vehicle that moved the accomplishments of others forward.

Another reason for selecting John's career to analyze was that, during his interview, he identified what he considered valuable learning experiences from his HC 2000 activities, and most other leaders (interviewed) judged their HC 2000 experiences as less significant in their overall learning experiences. Again, the reason may be due to the demands from being the board chair. John felt the organization had provided him several specific and important learning experiences. Most other board members, viewed their HC 2000 experiences as *pretty typical board experiences*. There may be several reasons for this difference among all potential subjects. Three of the other six board members interviewed, had just joined the board within the last year and had only attended one or two meetings. The other three have been, and still are, very actively involved in other community boards, much more so than with HC 2000. And finally, most anticipated that John's experiences were more extensive. All the leaders (interviewed) pointed out that by assuming the responsibilities of board chair, this automatically increased one's level of involvement well above that of simply being a board member.

There is one other contrast worth noting between John and other board members; one that may explain the perceived differences among the leaders regarding learning experiences from their HC 2000 experiences. John is not yet forty years old. All other board members, interviewed are over fifty-five years of age. If careers average thirty years, then the other board members have had twice as much time pursuing their careers (and having learning experiences) than John.

As Smith suggested, in his chapter about "doing" biography, (1994), the process of selecting a subject is somewhat arbitrary. John was selected because there was more data, related to the HC 2000 organization and to experiences viewed as developmental. *Again, John's words are presented in italics.*

A Career Biography: One Leader's Story About Learning

Introduction

John is a friendly man, small in stature, with slightly graying hair; he readily smiles back at you, when you smile at him. He has a quiet demeanor, sometimes. For those who come to know John, here or elsewhere, his career might seem like one to emulate. Actually, since we don't know the "end" of his career story, at first the historical details of his leadership career seem very mundane.

John is college educated, became a corporate accountant after college, was mentored by a corporate CEO to become a chief financial officer, and now is CEO of his own company. He's in the automotive supply business, which is part of an industry that has had very tumultuous times throughout the last decade. It appears, today, that John's company holds a secure and successful place in a fairly volatile industry. John is respected in the community, though not as well known as other board members; and he finds time from his busy life as a CEO, to *enjoy* his children.

What makes this career story more surprising and unusual than some others, is that John is only 36 years old. John is a very young CEO. As a member of the HC 2000 Board, composed only of CEO's, John is considerably younger than the rest. Most other board members are nearing or have surpassed the age of 60. Most other board members view themselves in their final career stages. So while John is asking himself, "What next," other board members are reflecting upon past successes. John isn't nearing the end of his career, but instead views himself right in the middle of it!

Not surprisingly, while the other board members have long lists of community activities, John has done considerably less of this type of work. His list of community activities is much shorter than the other board members. Interestingly, the President of HC 2000 (consultant) believes that John has been "hand-picked" by the other, more senior CEO's, to follow in their "community leadership" footsteps. Thus, some believe that John is being "groomed" to take over some of their community service roles, as several prepare for retirement.

Yet, John's service to the HC 2000 organization, an organization with a community-based agenda, significantly exceeds that of other board members. He has been the Chair of the Board during a very active period of the organization's history. His involvement, at least in the amount of time spent, is many times greater than any other board member. Everyone admits this openly. This is not surprising since he has been the Board Chair and, in that role, has been expected to give more time that other board members. Before describing John's experiences with the HC 2000 organization, some history of John's pre-career and early career years is helpful to this career analysis. John was asked to reflect on those years and to identify times, events and people that he remembers as learning experiences, and thus developmental to his career.

Pre-career and Early Career Years

John bought his own company at age 28 and has grown it into a multi-million dollar enterprise in just eight years. His company is considered financially healthy in an industry, that has been and still is volatile and very competitive. He admits to having lived through threatening times, some of the most critical occurring just after he purchased the company.

John is considered a young CEO. Most people don't achieve this level in their careers until much later in life, if at all. He is apparently a leader who is being "groomed" by older, CEO's, but no one is sure why. Why was John "selected" to be mentored, in this exclusive club of CEO/Community leaders? What is special about John that caught the attention of other community leaders? Unfortunately, this never becomes clear in this investigation.

Before we look more at John's career today, a brief look at John's earlier life reveals nothing very remarkable, nothing very unusual, nor outstanding. His childhood sounds average and drab. There were no awards nor recognition of any particular talents. When asked to describe childhood and adolescent experiences, and people that influenced him, he remembers one person – his father. His conversations with his father as a youth, were helpful in shaping his adult years as a leader

Certainly one person ... my father ... was very significant in my career. My father was a very successful person who worked in business. He worked for other people, which is probably one of the reasons why I am not doing that, because he wasn't necessarily happy in that aspect of his career. In terms of business, I get the majority of my insights from learning from my father. He was very good about bringing stuff home and bringing *the knowledge to the dinner table. You know we had regular discussions. I never realized what I was picking up when he was doing that. It was an amazing amount of information! And my father was a very giving person of his time. He was always active in local government on a volunteer basis - planning commissions, city council where we resided and those types of things. So community service was certainly something I picked up as a value from him.*

Though John apparently grew up in a stable family environment and was "exposed" early to thinking about leadership, the idea of being a leader never really took shape until his college years, according to John. This again may not seem unusual since many don't really know or decide on a career until either entering college or during initial college years, or later. Again, John's career choices within his life course seem typical. In fact, college years are often intended to help individuals shape their career plans and it seems that this is consistent with the time in John's life, when he began making consciously shaping his first career decisions.

A long pause followed a question about identifying a turning point or significant event that took place before his career years or early in it. Finally, he answered by remembering a time, during college, that was a "clue" about his future as a leader. He realized, in college, that he not only liked being a leader, but also might be good at it. This is John's description of a major turning point prior to his career years that he believes significantly influenced his career:

This was my first taste of leadership ... when I was student government president at the University of Detroit. It started off as an appointed position replacing someone *who had resigned and then being elected eventually to the position. It turned out to be very, very interesting work and a very, very good experience in terms of trying to work with a great variety of folks. University of Detroit was a unique campus. While this kid grew up in a very white suburb, Detroit had a 35% to 40% population of African American students. Typically they would live in and around the campus, where the white students were typically commuters coming in from the suburbs. So you really had two universities, at least in terms of what they like to do. Student government was involved in student activities, as one of our goals.*

My first work was, 'How do you bring two very different peoples together?' In some cases there was a lot of racism that existed, probably on both sides. I'm clearly aware that there were more racists on the white side than the black side, but my election was done mostly by African Americans because the commuters were less active and less involved in the school. So I was elected to the job, but was having to work with a very split group. I think we had a significant effect and I think we did a lot of good things to try to heal the divide. We did a lot of interesting joint activities that had never been done before at the school. What used to be either white events or black events, like bringing a rock band into town that was not going to be acceptable to the African Americans. So what we would do was bring two groups of entertainment, sometimes going on simultaneously. Sometimes we would mix and match. It just seemed to me with a very limited budget that to do an activity that worked with half the crowd didn't make a lot of sense.

This was a very interesting experience. I got an incredible amount of self-confidence from it. When I came out of college at a young age (20), I was extremely *cocky. I got a lot of self-confidence from my ability to influence that group of people and really to do leadership. I certainly was not an academic star and I got a lot more pleasure and self-esteem out of performing in that type of role than I did, you know, doing something more academic. I received a number of awards that the school gives out - kind of like the leader-scholar thing - and I was always thinking they had to probably really stretch in order to get the scholar part in there for me.*

In contrast to not having a clear direction in his pre-career years, today John describes how his career depends on always having a clear vision. *I think the two critical things about leadership is, one - having a vision, and two - the ability to communicate that vision. Everything else is style and I think that all kinds of styles would be effective.* John doesn't mention that his father had a vision, and admits to not having a vision while in college or even just after. He certainly doesn't suggest that he set out at the beginning of his career to become a CEO. Instead his story reveals that his career path has been, and maybe continues to be, rather vague. Yet, he believes that visioning has become critical to his leadership success, past and future.

When asked, John could offer no other turning points or significant events that he felt shaped his early career years. In fact, there seems to be nothing particularly remarkable during his pre-career or very early career years that he could attribute to his "faster than normal" rise to the top of an organization. His leadership experiences during college, simply seemed to confirm that John might enjoy and be good at being a leader. His father provided a forum of some stimulating discussion and thought about leadership, and John's college years, seemed to give him an opportunity to practice some of his leadership skills. Today, he suggests that his career has been successful because he has taken advantage of opportunities as they presented themselves.

John's Career Development from Several Leadership Experiences

Learning from another leader. After college, John went to work for a small manufacturing company as an accountant and later as its chief financial officer. His saw his future, start to take shape partly because of what he learned from Joe. *Joe was my boss from 1982 to 1988, until I bought this business. He was brilliant in a lot of very interesting ways; he had a very interesting leadership style. He was supportive of you as an individual; he gave you almost complete authority within the area you were responsible without much oversight at all. I took the job working for Joe when I was 23.*

This laissez-faire trusting style, that John highly respected and thrived under, also became Joe's demise. John learned that, too. John admits, as do most leaders, that he made lots of mistakes during the early part of his career, but that he learned a lot from these mistakes! *I made some pretty serious mistakes; but the interesting thing about those mistakes was, if you came to Joe and pointed it out, there was nothing ever said about it again. I think he recognized that each person was doing their best and as long as you were up-front with him about the mistake, he figured you had learned from the experience. And so that was a very positive experience from that standpoint.* After offering this testimonial about having learned a lot from Joe, described as a great role model as a leader, John's next comments are surprising.

John completes his description of Joe as one of the best leaders he can think of, by saying: *But, Joe was also one of the worst managers I have ever worked for.* John goes on to explain how it is possible for Joe to be both the best and the worst leader he has met: *Joe wasn't real judicious and he didn't manage the organizational leaders. He would have other people in his organization that were not necessarily as competent as maybe I was, (as I look back) and he would give them the same rope he would give me. This actually caused great conflict between his managers because you were constantly working to bail out another person. We never ever met as a group to talk about the organizational problems. Joe didn't like confrontational type stuff so he tended to talk to people one-on-one. We never talked about strategic direction and it was really management by lobbying. You would go and make your case and the other person whose area that might be affected would not necessarily be there and usually wasn't.*

I do have a lot to be thankful from him as an individual, but this was clearly not the most positive (leadership) style. He did certainly affect the way in which I manage. Anytime I have a problem, I take the exact opposite approach today in terms of managing organizations (than Joe). *The minute somebody comes to my office to tell me about something that is going wrong, I make sure that I gather up all the people that are involved and bring them in and say, 'OK, let's sit down and talk about it.' In this way you don't get into this, he said - she said, type of stuff. In some ways it was a positive experience that I got from Joe, but that's one of the reasons I still believe that his organization eventually failed. There was no management organization. During the six years I was there the company went from an $18 million tool shop to over $150 million. Five years after I left the company, it went into bankruptcy."*

John's story becomes very convincing story. This experience offers something more about John's concept of effective leadership. This is a subtle way of suggesting that John views himself as a leader who can be trusted. John has shared his views about some of the complexities of leadership, by recognizing that Joe was both a good and weak leader. Through his experiences with another leader, John learned early in his career that one leadership style, that worked for him, certainly didn't always work for everyone, nor for the company. This perception of learning demonstrates John's ambivalence about modeling both positive and negative leadership abilities. It seems that John has developed an understanding about his own positive and negative leadership attributes.

Learning through formal training. Today, John emphasizes how "having a vision" is an important part of his leadership activities. John admits that the vision behind HC 2000 was not his, but rather the vision of another leader whom he highly respected. He retained another leaders vision for HC 2000 organization as he carried out his work. Either way, the importance of having a vision to guide leadership activities remains high on John's list of important leadership qualities. Research often talks about the importance of setting goals and creating visions. But it is unlikely, that John came to this conclusion (about valuing visioning processes) from any management literature or course.

As we explore more about his leadership experiences, John is candid about his views of learning, from others and from certain experiences. When asked about formal education and training that enhanced his leadership abilities and his career, John is abrupt, (almost seems waiting for a reaction): *Quite frankly I have kind of an almost negative response to education, particularly as it relates to leadership! I think we develop our leadership abilities from learning from the experiences that people encounter in our lifetime, not from formal education.* John sees no value in formal training, at least with regard to becoming an effective organizational leader! He has taken an extreme position.

If a line representing a continuum was drawn, with one end representing learning from actual experiences and the other end representing learning from formal training, John would place his learning at the far end with learning only from actual leadership experiences.

Actually, the other CEOs, (interviewed), also would pick a point along a learning continuum somewhere closer to actual experiences. Many mentioned the possibility that maybe one or two seminars or educational retreats had "some limited value" and contributed "some" to their abilities as leaders. Most, though, eagerly ranked actual experiences, good and bad, and learning from others, as ways they best learned about leadership and which they believe have been significant contributions to their own career development. More sharply, John wouldn't credit even one formal educational or training experience as contributing to his leadership and his career.

The reason he holds this extremely negative position is curious: *I have come to the conclusion that you cannot teach leadership. I think, however, that leadership can be learned. It just can't be taught. And there is a big difference between learning about leadership and being taught leadership.* Couple this view with his confidence that he is a better leader today than ten years ago, one can conclude that he believes his success as a leader is due to his ability to learn from experience, not from someone trying to teach him about leadership. This perception, certainly, suggests that John's ability to reflect on and transfer new knowledge from his various experiences to future activities, has been crucial to his career development. One can conclude that John pays close attention to what he learns from his experiences with others, maybe more so than being "taught" new facts or information at formal educational seminars or workshops.

John shared a few additional insights in this extreme view, which explains a distinction he makes between teaching and learning. John seems to have a very narrow view of what he considers the "teaching" of leadership. As he continues to think about how he learns, he enthusiastically describes what he learned from two management consultants (and makes a distinction in what they tried, but failed to, teach him). *I brought in some people who work with a management style which is known as the Deming style. This was very helpful for us as an organization - to crystallize some general thoughts about how we are and to make sure that our workforce remains empowered. We created a culture which is what's important in our organization. Empowerment becomes natural; otherwise we might rely too much on the activities of one or two people and then the organization can't continue to grow. We worked with this group for two to three years and continue to work with them. This was a bottoms-up planning process so that now all things are very natural parts of the way we run our business.*

John goes on to describe why he thinks many people learn much more from having had the experience, rather than being taught about it. He discusses traditional learning, versus nontraditional, and his understanding about different types of learners. He describes how he supports the Myers-Briggs assessment tool that was provided to ALL his company employees, and also seems surprised that I have heard of the tests. *The people who work here were not particularly successful academically and have different learning styles. This assessment tool has become a very important tool for our organization. We use tactile-type training, which is a much-more hands on type of training.* He attributes valuing this type of training to the current success of his organization. Given his industry, automotive parts production, improved and adapted skills of his workforce were necessary because of many technological changes in the industry. *It* (hands-on training) *allowed them* (employees) *to think of themselves differently. Non-traditional learners typically don't do well academically and that tends to make them fearful and even perform worse in an academic setting. These are the kids who weren't going onto college. We went after them differently than in a traditional academic setting.*

Deming leadership concepts and Myers-Briggs tests are formal and widely respected leadership development ideas. John believes that the results from those training activities, have contributed to his own leadership development. Though he sees these as informal learning experiences, not formal teaching experiences. Finally, he said, somewhat jokingly: *Maybe good leaders are born, not made* (taught)*?*

Self-perceived abilities: confirmed and practiced. Career development concepts include studying self-perceived abilities. One of John's most significant abilities, that he talked repeatedly about in our interview, and observed at several different meetings, are his abilities as an effective negotiator. This aptly describes John's self-perception: *I'm a systems thinker. I take the big picture approach. That doesn't mean I don't get into the details. I say, "Here is what I think. Here is what we are trying to accomplish. Here's how I think we can accomplish it." And I am much better at arguing the case orally, than I would be to put it in writing."* John recognized his negotiating skills back in his college leadership role. Today, he values this skill and know that he regularly uses it.

John believes his own career has been enhanced by his negotiation skills. There is also another ability that he believes others attach to him, but that he modestly denies. Intelligence. He stresses that you don't have to be intelligent to be a good negotiator. He does not see himself as intelligent. Yet, he confessed, several times, that many others probably see him as possessing that ability -- intelligence. *When you are sitting in a room and people are trying to work something out in terms of a problem. Either you can come up with a solution or can present something that makes sense to people. I think they react to that and say, "Wow. That is really a good idea." And that gives the impression that you are much smarter than you really are. . . . I was at a high school reunion the other day, my 20th year reunion, and people were telling me "Boy, you were always so smart." I thought, "Gee you must have never seen the grades I had, 3.0 when I graduated, barely." I think I still have this reputation for being very cerebral, which I don't know where that comes from because I don't look at myself that way. I think that I would be characterized as extremely intelligent and I find that very funny.*

John describes additional abilities that he believes are important to his career development. *I certainly think I learn very well from situations because I am very very sensitive, particularly when I am in a group. I am sensitive to what direction we are going. And you know I can sit and listen to a discussion and often find a solution even though there might be divergent points. What is it that will get people to where both think that they are going in the right direction? You do that I think by pulling people back and saying, " OK. What is it that we are all trying to accomplish." I would certainly put that as one of my strengths.*

Finally, John offers interesting reflections about himself: *I don't think I would be considered warm and caring because that is not a side that people typically see. I'm not sure that I'm always seen as trustworthy, interestingly enough. I think others think that I have some other motive. I definitely think that of people who trust me, I would be very well liked, and if they don't trust me, I would be unliked. Trust is a real interesting one, because I think that I try hard for people to know exactly where I stand on something, but they are not really sure whether to trust me.*

John adds one more strength to his list: *I think humor would probably come up. I am very good at using humor to lighten up tense situations, poke a little fun at myself or even the other people that are there, and get them to lighten up.*

Unlike other board members, John didn't mention any technical knowledge, special memory or recall abilities, or admit to having any particular capacity for communicating information to others, except as noted above in the form of negotiating. However, at several board meetings, board members often acknowledged that John's knowledge of health care (consistently viewed as a complex subject) was much more extensive then their own. He is recognized as one of a few board members with a "very good understanding" of the health care industry. During discussions, John's comments gave the impression that, in fact, he did know and understood many details about the industry. He engaged in conversations, "intellectually," about aspects of health care pricing in relation to government regulations, hospital practices, and physician's roles in the marketplace. He discussed the politics of health care, nationally and at the state level. At meetings, he built convincing ideas about the similarities and differences in measuring quality within his own industry and in the health care industry. No other board members were quite as eloquent. And finally, during the other interviews of several board members, they graciously acknowledged that John's leadership contributions to HC 2000 have been significant and the primary factor leading to the organization's increased status in the local community. Several board members noted that board decisions would probably not have happened at all, if John hadn't provided the type of leadership needed, especially as conflicts arose.

Significant career event. John was asked to consider his entire career, and select a time that posed a serious threat to his future. He selected and described a time, that he believed his negotiating skills had provided the solution for overcoming the serious threat, which proved he thought had secured his company's future: *Soon after becoming CEO* (of his company), *GM, which was 76% of our business, asked for substantial price concessions from us. They threatened to take their business elsewhere if we would not agree to their demands. We could have lost the business and so it sticks out in my mind as a serious threat. I still remember it and still think about it at times. I went into negotiation mode which is certainly one of my better modes. At times, it got tense. I think we gave them more (concessions) than what we needed to because I didn't know how much they were bluffing. Did they really have somebody else to do it and for less (supply the products)? Ultimately the test is whether you keep the business or not. We did give them a reduction; although we didn't give them what they wanted. In retrospect, I think there was nobody who could have possibly done it for what we were doing it. We kept their business but that was certainly a very scary time because GM was such a big part of our business. A lot of lives were eating off that work.*

Admittedly John's career contains many more influences than those mentioned in this study. Though limited, these descriptions are offered as a sample of information about the people, training, situations and self-perceptions that John shared during our two hour interview. These thoughts, along with the following ones about his HC 2000 experiences, provides more detail about a career and personal perceptions about learning over its course.

Career Development through the HC 2000 Organization

Joining the organization. John acknowledges that when HC 2000 was formed, a vision had been already created by the organization's founder. John retained this vision and helped shape it into action and achievement for the organization. Along the way, at times, he described his experiences with the HC 2000 organization as *very challenging* and *times of learning*. His negotiating abilities, a self-described strength he brought to the organization, have proven helpful in his HC 2000 activities. Also, he believes that several experiences/interactions with other HC 2000 leaders 2000 and as he carried out his responsibilities as Chair were valuable learning experiences.

John's original reason for becoming a member of the healthcare board is very straightforward. *I joined because Jerry asked me to join, not because I had any interest in healthcare. Jerry is on my board and, you know, it's like, "You scratch my back and I'll scratch yours.' But also, I said, 'Hey, Jerry, if this is important to you, then I'll do it."*

John's interest in the organization was out of loyalty to another leader, not to solve a problem, achieve a particular purpose or the change the healthcare industry. After Jerry left, and after a short nine month tenure by another chair, John was chosen to became the third board chair. He was the third chair in the first two years of the organization's inception.

When John took over the "top" leadership position, HC 2000 had barely begun to function as an organization. Now, two years later, at a recent annual meeting, John stood before a small group of coalition members, and proudly announced several significant accomplishments of HC 2000, achieved during his tenure as Chair. He and others describe the financial health and future prospects for HC 2000, as much more significant now than when the organization began. He, and many others, predict that the organization will become a major "player" in the industry and become an important impetus that constructs needed changes in community healthcare reform.

The case study thoroughly describes the role of HC 2000. It was formed to provide a voice and a solution to the problem of rising health care costs; and members of this business coalition, look to the leaders of the company to achieve these goals. (See appendix and Chapter 3 description of HC 2000) Today, John's description of why HC 2000 is a good solution to a serious problem is consistent: *Jerry started it (HC 2000) as a purchasing cooperative but quickly decided that he needed to move it to a community model because there was some resistance. I think this community has an operating style, particularly in the business community, which is particularly collaborative. There is an amazing amount of cooperation among businesses which is very unique. So you have friends that are on the boards of these hospitals and then you have the purchasing cooperative and you don't really want to do battle. Yet, we've got to fix the problem of rising healthcare costs. So I think we kind of muddled around really that first year of trying to develop policy, etc. Then Jerry left.*

So we actually had a period of time that the organization in my mind almost fell apart. It was when I first took over as chair. What happened was the hospitals had decided that, in this vacuum of Jerry leaving, they might be able to disband us. So we had some very key membership resignations and the influence of Jerry was no longer there. We had gone out and tried to get a contract for lab services at the hospitals and we did it differently than the way Jerry had proposed that we operate. That was one of my first acts. We tried to deal with just one. Then we said, 'Nope, we're not going to do it that way. We are going back to the way we originally planned.' Jerry had been very public about the way in which he was going to handle the hospitals. I said, 'We have to stay with the way in which we formed and on that basis is how we will proceed.'

Learning to lead leaders. John took over as leader of this very new organization. He probably didn't intend, necessarily, that he would extend his leadership abilities by agreeing to become a leader of leaders; but maybe he did. Now today, he highly values this career experience. He thinks his HC 2000 experience has provided a valuable learning opportunity for him. Today, he laughs at his foolishness -- believing he could actually lead leaders. John says he was "persuaded" to take over the role of Board Chair, composed of CEOs, who represent much larger companies. All other board members are older and better known in the community, than John. There seems to be little doubt about being "qualified" for membership on the board; and any concerns he might have had about possessing limited knowledge about health care is now overshadowed by the realization that leading these other leaders proved to be the greater challenge. As it turns out his limited experience as a "leader of leaders," though, has not become his demise, but instead an opportunity for further developing his leadership abilities. In turn, he values these experiences as beneficial to his career.

John's comments suggest that learning how to carry out specific organizational activities in an industry he knew little about, were minor when compared to what he needed to learn about being a leader of leaders. Though John considers one of his strengths as being able to bring people together around divergent points, he admits that getting the board to do this, on several occasions, was like trying to *herd the cats,* which he laughingly admits is impossible.

John reflected on his experiences as the Board Chair, composed entirely of CEOs:

I had to recognize that I was leading leaders and I'm not sure that is possible without a collaborative process. I don't think so, because if you are not willing to work with that group of people - the type that says, "Hey, if you won't listen to me or take my thoughts into consideration and I can't somehow influence the process by my activity, then I'm out of here." I guess I never really reflected on the experiences in terms of what have I learned from it, but clearly I've learned some things in terms of dealing with that group of people in that type of setting, in getting to where we had to get.

Here is his account of a time when he feels he was successful at *herding the cats*.

It was very interesting how we agreed to the merger. We started with some in favor and others adamantly opposed. So we agreed that we had to condition our approval. As we sat around the table there was so much disagreement over what those conditions were. What we did was if we could not get unanimous support for a condition, we crossed it out. What we ended up with, interesting enough and somewhat accidentally, was an unconditional support for the concept of the merger - not the merger, but the concept of *the merger. What we ended up with in our public release statement was unconditional support, which was much stronger in support than we actually were. We sent a letter to the hospitals indicating the ten or so conditions which turned out to be a way of cleaning up some of our concerns by working with the hospitals. The outcome was somewhat accidental. I remember watching it happen in a meeting and not even reflecting on it until afterwards. We ended up with no conditions and that was the worst thing we could have done. I mean, you know, we certainly should have had those conditions somewhere in there, even though we didn't have the answer for them! The merger became something we could agree to under certain conditions. The only thing was we couldn't agree to was* <u>*what*</u> *those certain conditions were."*

Our reward was getting everyone (all board members) *to support the merger and to support the concept of what we were going to do with the hospitals. That was the reward and that was an extremely frustrating process. You know the only way you could do it was to make sure that everyone understood what we were trying to accomplish and that we did have commonality around that. This was something that we definitely had to keep reemphasizing. We were after lowering health care costs and yet ensuring the survival and success of all the health care providers. Fair pricing and not less or worst pricing than what other people out there had. And moving over three years to having pricing very close to other discounters."*

Learning through negotiating. John describes a time that his negotiation prowess proved critical to the HC 2000 organization. He considers this another valuable learning experience. He depicted it as an … *unplanned, but brilliant strategy. No other organization was coming out in favor of the two hospitals merging (which was being* *challenged by the Federal Trade Commission). So we came out in support of the merger, but still didn't get our purchasing contracts with them. We started meeting with the hospital boards, and we said, "Look, we are the only persons out there supporting you in favor of the merger and if you will not negotiate with us in good faith, how can we continue to be supportive of this merged organization, where you will increase your market clout. Yet now you refuse to negotiate with us in good faith." That's when they agreed to sign the contract and it all happened very quickly after that.* It seems that John's negotiation skills were critical to this organizational activity

John does not take credit for the idea of supporting the merger, but is credited by the other board members as being responsible for getting the board to reach an agreement on this issue. Also John is credited, by others, with developing a working relationship between each hospital and HC 2000 (purchasing contracts). It seems that his negotiating skills served him well both times, as he influenced the board members to support the merger or reach a consensus and negotiated with very powerful, initially reluctant, hospital administrators.

Learning from being involved. Finally, John described how one of his basic leadership principles were transferred to his HC 2000 experiences -- having and communicating a vision. John recalls what was involved in getting the board to agree to proceed with negotiating the hospital contracts: *We eventually got support out of the board and it was done collaboratively. We listened. We had tons of meetings. We would meet individually with people who were strongly one way or another. We allowed disagreement to occur and recognized that we wouldn't necessarily all agree. Eventually we got everyone to see that there was a way of dealing with this issue (the hospitals).*

After a very long year, one of the things - as we reflected on it - what this group of people did was eventually come together and see the vision, even if they didn't agree on everything!

By that I mean we agreed to deal with all four (hospitals). Deal with them equitably. Deal with them in a way that it shouldn't hinder any one of their abilities to survive. You know typically purchasing cooperatives start to steer their business (and patients). We have basically taken a 'no steerage' pledge which made it more difficult to negotiate, but was very critical I think to maintaining our organizational vision. I think this was the reason we got the contracts. We also came at the hospitals very hard with statements like, "We are a partner and are really trying to collaborate. We are not trying to hold anybody hostage here. What we are trying to do is get the best price for our companies and these are prices that in no case are less than the reimbursement you are now getting from Blue Cross-Blue Shield, Medicare or Medicaid. Therefore, you should not object to this or else you should stop giving those discounts to somebody else." That became our theme and we worked through that very slowly with the hospitals. We wrote up a timetable on when to have a contract and be ready to go. It took us a good year.

John has benefited, (and learned), he believes, because he got actively involved in organizational activities. Certainly John recognizes his way of learning is not necessarily by simply making direct observations, but by being actively involved and engaged in activities. *I sat on a hospital board for four or five years and I knew just a smidgen of what I now understand about healthcare and how it operates. Although the same people are sitting on those hospital boards, they clearly don't operate as strong, because the* *knowledge and understanding reside and remain in the hands of the administrators. We are probably a much stronger board than any hospital board in terms of being much more active. We had to listen and to get consensus from our group if we were going to go forward and march down the road. Where the (hospital) administrators can bullshit the board members to a certain extent because of their control of the knowledge. I would do things differently if I was on a hospital board today!"*

Reflections about Career Learning Experiences

John's reflections about his leadership experiences with the HC 2000 organization over the last two years depict a sense that this is a small success story, not only for himself but also, for the organization. Most board members interviewed indicated that the work and time involved in being a HC 2000 board member has either been "pretty typical" or even "less than" with some of their other boards. John indicated that his work for HC 2000 has been far greater than he expected and much more than his other "volunteer" roles. Along with this significant level of involvement, he agreed that some of his HC 2000 experiences have been learning experiences, that can be characterized as contributing to, not detracting from, his career.

John came to HC 2000 with several self-directed, perceived leadership traits and abilities. First, he describes his negotiation skills as one of his *strongest modes* and also suggests that being able to bring diverse views together and his use humor are already-possessed abilities. Also, he describes how he learns from a good debate. *I think one of the things that I use in situations, and that I am very good at, is using humor to lighten up tense situations. I poke a little fun at myself or even the other people that are there, to get them to lighten up. . . . Also, most people know I don't have much tolerance for a lot of* *chit-chat, but I love a good argument. I have never learned so much as when I am in a good argument. I think that is a great way of learning. Sometimes I will ask a question and already know the answer or think I know the answer, just to see how somebody else will answer it. A good way to start a conversation is to maybe get into a little bit of debate with them. I definitely learn that way.*

His other leadership ability, which John characterizes as critically important for him is *having a vision*. He breaks this down in two steps: *I think the two critical things about leadership is, one - having a vision, and two - the ability to communicate that vision. Everything else is style and I think that all kinds of styles would be effective.* John explained: *The key to leadership is creating a vision for the people about what direction to go in and why. And being able to communicate that in a way that people understand it and are willing to do that. Obviously if you have to put a fire out, you have to be more direct. I'm not sure that I even credit commanding and controlling styles as being leadership.*

John's ability to "communicate that vision for people to understand what direction to go in and why," he sums up in another way: *I am very very sensitive particularly, when I am in a group. I am sensitive to what direction we are going. And you know I can sit and listen to a discussion and often find a solution even though there might be divergent points. What is it that will get people to where both think that they are going in the right direction. You do that I think by pulling people back and saying, "OK. What is it that we are all trying to accomplish." I would certainly put that as one of my strengths.*

And finally, as John thought more about his own leadership, his ideas about being considered trustworthy kept surfacing. When asked how his employees would characterize him, without any hesitation, he said: *They see me as a visionary, but also as warm and caring. But they know I push real hard.* Yet when asked how people in the community would characterize him, he was thoughtful, and said: *I don't think warm and caring would come to mind; that is not what they typically see. I think I would be characterized as extremely intelligent. I'm not sure that I'm always seen as trustworthy, interestingly enough. They think that I have some other motive. Trust is a real interesting thing. I think it is not unusual for people to know exactly where I stand on something and I think it is because I am very clear, that I am not always trusted.*

Now after four years of involvement with HC 2000, (since the organization's inception) and two years as its "top" leader, John was asked to reflect on his leadership experiences at HC 2000, as both learning experiences and as part of his career development. Two concluding ideas are worth mentioning. First, John looked ahead to leadership activities with other boards and how his experiences at HC 2000 will benefit him. Second, he admits his frustration at trying to "lead leaders." In both instances, he describes how he has learned some valuable lessons by being involved with HC 2000 and would carry out both activities differently, better, in the future.

Here are John's reflections about leadership and learning at HC 2000: *I think I would be a lot better at it the next time. I have a much better idea on how to accomplish it in the future if I was faced with a similar situation. ... I think what we did was what I would call becoming a really good board. It would be interesting to take this style and some of the things you learn to the hospital boards. I don't think hospital boards operate this way. The whole idea was of how to get this group of very strong willed people to all go in one direction. How do you herd the cats? That was the real difficulty in our* *meetings. I think a lot of times we have other community activities with that same group of people and some did not take as active a role as they might have in the discussion. As a result, what you end up with is a top leadership decision of what's going to happen. Some people don't stay involved as a result because it's not going in the direction they want it to go, but certainly something can be learned from this experience. . . . It really is an ongoing development process. I mean I think its amazing the kind of stuff that you learn from participating. You know, I think, I enjoy community service because it was a value given to me by my parents. But some of the most interesting things that I do relates to this work. Partially its the variety and being different. That's a good part of it.*

It seems worth asking something more about John's dilemma of not always being viewed as trustworthy. It seems that maybe his HC 2000 experiences, have not provided much learning for him in this regard. John still puzzles over why more people don't trust him. He learned early in his career, by watching another leader put the same amount of trust into everyone and, yet, this was seemingly a part of his demise. Today, John attaches some value to being trusted, but is unsure how to secure it. So far, his leadership activities include *always being totally open and clear about where I stand.* In this way, he believes others should trust him. Yet, he admits that this openness raises questions about his motives, at least by some. By openly and clearly stating his views, he may be viewed as intelligent, but not necessarily trustworthy. He is continuing to search for ways that others will more readily instill their trust in him.

Finally on this question of learning more about gaining trust, the only data that alluded to the issue in relation to his HC 2000 experiences, was described as his frustration during some board discussions where he felt some members had not been totally open and honest about their individual positions: *It was real frustrating. . . . How do you get this group of very strong willed people to all go in one direction. How do you herd the cats? This is a difficulty in these kinds of meetings. When people don't take as active a role in the discussion, and as a result what you end up with is just a top leadership decision of what's going to happen, or the direction to go in. Then some people don't stay involved as a result because it's not going in the direction they want it to go. I certainly say that this is something I learned leading this Board.* This interview was being conducted at the time John was stepping down from the Chair position, but agreeing to remain "active" as the Vice Chair. His reflections about future learning in the HC 2000 domain are certain to change as his role changes.

Observations from the Research: Career Learning Experiences

The four learning categories as related to career issues have guided this career story. More directly, the learning categories, as applied to our thinking about career development through organizational learning, have informed the analysis in more specific ways. (see Table 4.3) In this career analysis, selected career elements of each learning category have represented particular career research concepts. In addition, some consideration of how these career aspects have affected the development of HC 2000 are mentioned. More about this dual relation is provided in the final chapter.

The four career elements are now summarized according particular factors in John's career. (The table, from previous section, is reprinted here to help guide the reader.)

LEARNING CATEGORIES

Table 4.5

CATEGORY //////////////////////////////// ELEMENTS	ACTIVITY	OUTCOME	ENVIRONMENT	VALUES
ORGANIZATION	Excitement for discontinuous and non-linear activities	Affinity for complexity to achieve the outcomes	Encouragement or integration into multi-layered environments	Favoring community-based values over profit motives
CAREERS	Self-concept & perceived abilities changing through self-direction	Maturation, with gains & losses, growth & decline	Personal & professional worlds	Individual needs vs. Organizational needs

Activities: Self-directed activities based on perceived abilities are thought to direct certain career activities. These activities carried out in an organizational setting are of interest to this study. Individual abilities (and self-perceptions) are both reinforced, modified, and improved, through practicing familiar activities. First, John has had the opportunity to practice and improve his abilities at negotiating through many career experiences, including his HC 2000 experiences. He recognizes that the value he attaches to his "negotiating" skills and seems to try to engage in that type of activity whenever possible. In this way he reinforces and extends his abilities. This type of activity is clearly a group, not solitary, activity. He recognizes his career successes from being a good negotiator. The contemporary definition of leadership suggests the importance of influencing and creating influencing relationships. John's negotiation activities are clearly one way of influencing. His ability to influence other leaders, has been enhanced by HC 2000 experiences. He believes he will be better at leading leaders when the next opportunity presents itself. While he describes how his ability to negotiate has enhanced his career earlier, his HC 2000 experiences have become additional developmental experiences for his career.

What does this tell us about the development of the organization? The most significant outcome of HC 2000 has been the creation of the purchasing contracts. (See Chapter three) This important outcome is a direct result of negotiating with each of the four hospitals. Have John's self-perceived abilities affected the direction and achievements of an organization? The probability of this seems high.

John's career has developed, in part, because he is good at negotiating. From his college years on, he found he was "good at it." As he provided effective leadership to an organization, consistent with the organization's mission, and serving its needs, he was utilizing abilities developed over his career. The fact that the HC 2000 organization's strongest achievement is closely tied to John's strongest ability, does not seem totally coincidental.

One other type of activity related both to John's self-perception and to organizational needs should be discussed. John found himself challenged in new developmental ways as he tried to negotiate with, or influence, other leaders. John admits his *foolishness* in thinking he could actually *lead leaders*, and describes the process as *herding the cats*. This suggests that John found he was taking some risk to his career as he tried to apply his skills to a new set of people. His successful HC 2000 experience, including learning how to herd the cats, has not only brought the organization some level of success with problem solving, but he sees this as a gain/win for his career future.

Outcomes: As a career matures, gains and losses, periods of growth and decline, may all accompany maturation. Career choices are made for a lot of reasons, but generally not to intentionally produce a loss or period of decline to one's career. Leaders may intend to produce certain outcomes, that may never become realized. Most likely, John was partly making a career choice when he agreed to join the HC 2000 board. He made another career decision when he agreed to chair the board two years later. Both intending to advance, not depress, his career (as a community leader).

John explains that when he agreed to chair the board of HC 2000, he saw the need to resign as a member of a local hospital board; other board members with dual memberships have not been compelled to do the same. Though John described this choice as a potential conflict of interest, most likely he also saw a greater career opportunity in chairing the HC 2000 board, an opportunity to create a working relationship with other CEOs/peers whom he had not worked with much up to this point in his career. He has now made a third career choice by not seeking a second term, (though several board members urged him to do so). He has chosen to remain active in HC 2000, agreeing to become vice chair. (I observed that board meetings don't begin until John arrives, even if he is late.) Most likely John realized that all three decisions had the potential of enhancing his career or he would not have chosen them. Although at no time in his interview did he suggest that these decisions were made for career reasons. Instead he described his involvement in HC 2000 as being "drafted" by other leaders.

John's initial involvement in HC 2000 was described as helping out another leader. *You scratch my back and I'll scratch yours.* He admitted to not knowing or understanding much about the "problems of health care." But as a board member he would not be expected, alone, to produce actual change. Chances are that when he joined the organization, he did not have any particular solution or outcome in mind, nor think that he held any special expertise that would be particularly helpful to the organization. In fact, he viewed turning down the request to join the board as possibly be detrimental to his career.

Possibly he also saw this as a potential career opportunity; one he pursued by being directly involved and eventually developing certain intentions/hopes of producing a success for HC 2000. His community status could be elevated and the opportunity to work alongside other highly respected community leaders, more senior than himself, could be positive to his career. It seems that he joined the organization thinking he might not be of much help to the organization, but certainly would not hurt it. He joined the organization because it made good sense for his career.

Therefore, John made a choice that might positively affect his career. Initially, his lack of knowledge about health care was precluded by this factor. Any concern he might have had about not being able, or lacking the necessary knowledge, to produce health care reform outcomes, does not seem to be much of a factor, initially. The potential outcomes for the organization, seem secondary to career considerations.

It seems that throughout his career, John has made many positive career choices. (He could not identify any events that had become serious threats to his career which may explain his fast rising career.) Earlier in his life, (pre career information), we learned that his father taught him to value community service. Along with this and the leadership principle, of intending change, helps explain why John would agree to participate, and eventually lead, this organization to which he felt no loyalty. As a leader, his intentions were to enhance his career, and this was not potentially a liability to the organization.

Thus, making this career choice to join the HC 2000 organization and to eventually lead the community-based organization, had the potential of benefiting both the organization and his career, and posed fewer risks than if he did not agree to join the board. If the career growth prospect had not been a part of the HC 2000 organizational experience, would John have still agreed to join the organization? This seems unlikely, if it posed a significant threat to his career. Also, the leadership principles help us recognize that when he decided/agreed to be more involved, his intentions were possibly to help the organization, though uncertain how this might happen. Later as a leader in the organization he took a career risk; but as a leader of leaders he seized an opportunity for additional career development. After two years as the board chair, the career outcomes may be exactly as he intended? Also the organizational outcomes, that he is identified with, have brought him respect by other board members.

It seems that John can rightfully take some credit for these first initial achievements of HC 2000. Other leaders credited him with these accomplishments. More importantly, John's career decision to join and lead the HC 2000 has enhanced his career through increased status as a community leader and having now worked effectively with a group of highly respected community leaders.

Environment: Careers are influenced by both professional and personal environments. These change as a career matures. The importance of personal versus professional environments also shifts as a career matures. John's career today has been guided by past personal influences and professional ones. John participated in HC 2000 activities, partly because his father demonstrated the value of community service, (personal). This pre-career influence has guided John to include experiences like the HC

2000 experience, as part of his career choices. Also, John's different professional environments, first as a corporate CEO and now as a community leader, are also important to his career. John readily acknowledged that both personal and professional environments, from the past and present experiences, have led to his career development.

The leadership principle associated with environmental considerations, includes relationships with leaders and followers. Though John did not believe he ever acts like a follower, he does believe his experience with other HC 2000 leaders helped him learn how to lead leaders more effectively; and he values this experience as important to his career development. He admits that if he were in a similar situation in the future (with leaders), he would *do it differently.* Finally, as part of his career story, he mentioned that other professional environments, as a former hospital board member, provided him only a fraction of the knowledge he now has obtained about health care pricing because of his HC 2000 experience. Thus he has learned more about the role of providing leadership to health-related entities.

One final professional environment that is career related, and was part of his HC 2000 experiences, was testifying before a circuit judge. He identified that his experience of testifying before the circuit judge, regarding the merger, had clarified his thinking and understanding about why it made sense to support the merger <u>and</u> improved his understanding about health care. Now he attributes this way of learning as stemming from *being involved.* Supporting the merger increased the presence of HC 2000 in the community and developed a better working relationship with the community hospitals. These were learning and career building experiences, as well. Again, chances are smaller that if testifying posed a significant career risk to John, he would not have agreed to do it. Through his career-motivated actions, he has affected the organization's development.

John's career activities, examined in the context of several personal and professional environments, have affected the organization. As John gains more experience from various environments and associates them with his organizational roles, not only has his career benefited, but so too may the organization. In this case, John's personal, pre career environments and other professional environments, have affected his career and an organization. This type of learning from different environments, is likely to affect one or several organizations over the course of his career. Thus, several environmental influences to a career, also seem important to an organization.

Values: Career development issues recognize that as a career unfolds, individual needs are to be valued over organizational needs. Career models, as organizational models, consider ways to produce complimentary goals. Times when there may be some conflict between the two sets of goals, though there may be an ambivalence, ways of resolving or making adjustments are considered. Career models also seek to explain how an ambivalence between the two sets of goals may affect career development. John did not provide individually-centered career goals, but instead described his desire to produce success for both his automotive supply company and for HC 2000. Yet, John's HC 2000 experience seems to have provided some career development and possibly met privately-held individual career needs, (e.g., increased community status, enhanced peer relationships). John has facilitated the HC 2000 organization in meeting its needs, (i.e., reducing health care costs and becoming a viable organization). Both individual and organizational needs have been met during the last two years of John's career endeavors.

Thus, these circumstances do not seem to present a situation where the two sets of goals are in conflict.

Recently John completed his term as Chair of the Board and chose not to continue in that role. (This was early in the study period.) When John announced he would not continue in the role of Chair, initially no other board member would agree to assume the role of chair. John was asked to reconsider but he adamantly refused. It was a period of over a month before another board member could be "persuaded" to become the next chair. John reduced his role, and involvement, with the HC 2000, which is not necessarily in the organization's best interests. Possibly John has found other opportunities that meet his individual needs better than HC 2000 would, prospectively. Thus, as the career models suggest, John's career development needs (individual needs) seem to have taken precedence over organizational needs. Unlike two years ago when his individual needs could be met jointly with meeting organizational needs, today, something in relation to his career (or possibly the organization) has changed. John has not abandoned the organization, but by choosing to reduce his involvement while the organization could still benefit from his accumulated experiences, he has not put organizational needs ahead of his own career needs.

As a leader, and according to leadership principles, creating mutual purposes, may have been accomplished by him remaining in a leadership role for HC 2000 rather then leaving altogether. The career analysis helps us understand that while John was providing significant leadership to the HC 2000 organization, he most likely was achieving mutual purposes. Organizationally, he helped everyone arrive at the knowledge that HC 2000 must remain a community organization, and not be guided strictly by low cost solutions. Personally, he confirmed what his father taught him – the value of providing community-based leadership. He admits that he is probably now better at leading leaders, but has chosen not to carry out this activity in HC 2000 in the future. His career needs, whatever they may be now, likely, are taking precedence over the HC 2000 organizational needs.

Though John may be personally motivated to step-down, the dilemma that this may be a continuing organizational problem – higher than desired turnover of HC 2000 leaders – the cause may really be due to the nature of the organization. HC 2000 is a volunteer organization serving many constituencies, but the leaders must first be loyal to their primary companies (the company they are the CEO). Yet, if most chose not to remain for extended periods of time in leadership positions, this analysis suggests that one of the main reasons will be to avoid a threat to their career, or that HC 2000 does not offer a career opportunity. At least for two years, HC 2000 provided a learning opportunity, plus enhancements to John's career.

Conclusion

Now John's career story has been told, plus several observations made about learning and features of John's career development. Certain aspects of his career have been considered and isolated alongside ideas of organizational learning and career development. Some interesting contrasts between chapters three and four can now be offered. The two chapters offer two different perspectives about learning within one organization – organizational achievements and a developing career. In some ways the two studies are complementary analyses, and in other ways, dissenting. Mainly, the integration of career issues into an organizational analysis reveals additional and seemingly important ways of thinking about organizational learning. The separate findings from each analysis – the organizational case study and the career biography – are reviewed in the next and final chapter. More significantly, contrasting the two studies creates a third set of ideas about organizational learning.

The heuristic framework used to develop specific learning categories was first shaped around an organization view, then around career concepts. The framework produces a way of integrating two sets of ideas about learning. The overall objective has been to understand more about how an individual and his career development may influence an organization. Organizational learning, both for the organization and the individual, have been considered. Now a relationship between the different ways of viewing learning -- organizationally and individually -- is described in chapter five. Findings from integrating the two separate studies are highlighted. These findings strongly suggest that a career biography provides new, important ideas that supplement an organizational analysis in significant ways.

Chapter 5

ORGANIZATIONS AND INDIVIDUALS: CONTRASTING VIEWS OF LEARNING

In what way is learning a part of organizational change? . . . Not change for the sake of change, but change that is developmental and progressive. Learning, both as a part of the organization's development and the development of a leader, has been studied. The term organizational learning has come to mean several things from parallel studies about learning and development. An organization becoming poised and ready to take on new ways of problem solving has been considered in relation to learning. A willingness to experiment and seek out change, even in the face of unknowns, has been one way of thinking about organizational learning. By defining and using the term, organizational learning, this study has collected and described a great variety of ideas, associated with the concept of learning within an organizational setting.

Following the construction of an analytical framework, the organized actions of an organization became the starting point for this analysis about learning. Moving backward from organized actions, many ideas about learning in relation to the experiences that led to certain outcomes, were described. The parallel study asked, "What were some of the organizational (i.e., collective) activities that provided a way of thinking about learning – in an organizational setting?" And, "What factors seemed like features of learning and were relevant to organizational outcomes (i.e., successes)?"

"How did environmental influences enter into the organized actions and provide opportunities to learn?" Finally, "How did values, of the organization and individual leaders, influence the organization?" By conducting two parallel analyses, both organizational issues and career issues were considered in relation to these types of questions. This chapter now explores how one study informs the other.

First, an organization has been studied as a distinct entity. Has learning benefited the organization? In what ways? Then, organizational circumstances in relation to an individual leader and his career development, has also been studied. Even though a similar analytical framework was used for the two studies, the information about learning revealed in the organizational analysis is different from the information compiled in the career analysis. This analysis does not attempt to prescribe which type of experiences should always be considered learning experiences, nor does it suggest what learning is best for an organization or for an individual. This study does offer an irregular description about organizational learning, such that both individual and organizational learning is considered together. Essentially, the career study produces an alternate, supplemental and complementary view about learning complements the organizational analysis.

This study first examines organizational experiences as learning experiences. Ways in which features of different experiences coincide with certain ways of thinking about organizational learning (according to certain organizational research concepts tied to learning concepts), have been identified. The organizational analysis features the more contemporary, less traditional, less bureaucratic ways of thinking about organizational development and learning. Also, the intent has been to focus on non formal learning experiences. Finally, the information in the organizational analysis stems from thinking about organizational learning as a part of organizational change . . . change that is developmental and progressive. This approach is consistent with other research about organizational learning that equates learning in the organizational domain to problem solving and the pursuit of new knowledge. (See chapter two)

In contrast, the career analysis included traditional research concepts about career development, including stage structured views, differences due to multiple influences, significant events and the integration of careers into organizations. (See chapter four) The career biography studied lifelong experiences that influenced a leader's career. Ways in which self-perceived abilities are initiated as part of his leadership activities, plus his values, career losses and gains were considered in relation to organizational learning concepts. The traditional views of career development, according to career theories, guide the development of the career biography.

First, this chapter reviews the "effects" of learning discovered in the case analysis. (Chapter three) Then the "effects" of learning for the leader, identified in the career biography, are restated from chapter four. The balance of this chapter contrasts the two ways of thinking about learning -- the organizational view and the career view. Differences between what was featured as organizational learning from the organizational perspective versus the career perspective are highlighted.

The distinctions are very revealing and suggest that organizational analysis, without career considerations, is limited. By creating a dual analysis of the organization and a career, information about learning is more comprehensive and offers more meaningful details about development in the organizational domain. Also, by adding a career analysis to an organizational analysis, the observations and interpretations from the organizational analysis seem limited and possibly misleading. After discussing these findings in more detail, the final two sections of this chapter (and this study) include reflections and recommendations for future study.

FINDINGS FROM A CASE STUDY - WAYS THE ORGANIZATION LEARNS

The "effects" of learning recorded in this study, about the HC 2000 organization, have been tied to either past or future organizational accomplishments. An investigation into past achievements, considered progressive and developmental improvements for the organization, reveal interesting ideas about organizational learning.

The organizational case study identified some problem solving times when unplanned events occurred, and other times when there was an absence of a complete understanding about the health care issues. Yet in both instances, problem solving actions proceeded. Some turmoil and dissent resulted. Eventually though, the organization took several actions in a confident and determined fashion; actions that today are considered organizational successes. For instance, experiences associated with making a decision to publicly support a controversial proposed hospital merger and the decision to proceed with negotiating new types of direct purchasing contracts with the hospitals, provided several interesting ways of thinking about organizational learning. These were:

- Reaching a consensus without full agreement created a mutual and continuing desire to obtain more information, to understand more of the details and eventually created additional new solutions/actions. (Supporting merger, then continued efforts to understand implications of this action.)

- Striving to simplify the use of complex information seemed to limit future actions. But maintaining and using complex information to create new solutions, even when it was not fully grasped nor understood by some leaders of the organization, provided a spark that led to additional dialogue and continued efforts toward more actions and acquiring more knowledge. The challenges experienced from using complex information, provided a base of confidence and resulted in a more intense confirmation of a solution. This increased confidence and support, now inspires future plans for future similar solutions. (Direct contracting with hospitals; hopes for direct contracting with physicians)

- Immersing certain problem solving activities into new and different environments, stimulated thinking from alternate perspectives. Though this immersion caused new problems and challenges for the organization, the net effect was that the organization learned more about its viability as a community-based, problem solving organization. (Supporting merger first, then hospitals challenging direct contracts)

- Acting on stated values of the organization, i.e., community-based values, guided certain problem solving activities in very specific ways. These values influenced the leaders and helped them consider their solutions more carefully and thoughtfully. Confirming the organization's community values ensured that not only the organizational purposes were being served, but seemed to guarantee that the needs of the community were truly considered in each organizational action. Challenges to certain motives by outside influences created more dialogue, more discussion, leading to clearer visions and additional future actions. (Defending merger in court.)

Explaining and understanding organizational learning according to organizational outcomes, is described as ways of learning that inform new and future directions for HC 2000. For example in its earlier stages of development, HC 2000 dismissed the feasibility of addressing the problem of rising health care costs by negotiating directly with physicians. Contracting with individual physicians was considered too great a task because of the dispersed and independent ways the physicians are organized. Instead, with just four local hospitals, actions to control the health care costs originating from the hospitals was considered a more viable solution. The ability to secure hospital contracts proved tenuous at times, but, according to this study, provided developmental learning opportunities. This learning has progresses the organization to the point where it now feels ready to pursue the more challenging solution of affecting health care costs that originate from the physicians, which admittedly is a much more complex task.

Now after four years, most members of HC 2000 are extremely confident that the HC 2000 organization is capable of devising a way to contract directly with local physicians. Committee members have now learned that the local physician's organizations are willing to discuss direct contracting. Though most organizational members admit the uncertainty of outcomes from this approach, everyone still is very willing to try. The committee has learned that many physicians do see a need for health care reform measures and cost containment. Given this similarity in goals, HC 2000 members now eager to engage in more reform efforts that involve the physicians. The problem solving approach, rejected four years ago, is confidently being pursued. Learning activities from past related experiences may be one explanation for this change. The learning has been such that a successful problem solving approach from the past is being adapted to the physicians.

Finally, the organizational study suggests that this confidence toward similar solutions, is because HC 2000 has not had smooth sailing in the past. Actually, this study about learning suggests that because of certain difficulties, not in spite of them, the organization seems better equipped to pursue more uncharted territories with some familiar landmarks. In the last two years, the organization's motives have been challenged (merger support); decisions have been threatened in areas where only limited understanding about the complexities of pricing and costing concepts existed (hospitals challenging initial efforts to enter into purchasing contracts). Also, strong internal disagreements have existed around proposed actions (hospital contracts and merger).Emerging from this is not despair, but rather, organizational members who are more loyal and more enthused about the potential of HC 2000. These problems have all been "worked through." These experiences have taken considerable time and required a high degree of commitment by many organizational members. The four somewhat tumultuous years have moved the organization one notch closer to the reality of reducing health care costs. So, why have these limited successes, filled with disruptions and problems, inspired, not discouraged, future efforts toward better solutions? The organizational model offers some insight, but the career analysis helps consider these questions from a new perspective.

Before reviewing ideas about learning from the career perspective, future problem solving plans from HC 2000 are worthy of mention. As negotiations with physicians are beginning, one considered approach is to establish more informal partnering activities.

Ways of establishing formal contractual arrangements between the employers and physicians are being considered, and favored. The few models (similar contractual agreements) known about across the country, (there are few) are being reviewed. Thus, there are many unknowns in this approach. And most committee and board members expect some conflict between the physicians and the businesses as they attempt to work toward mutual solutions. Regardless, past (learning) experiences of HC 2000 have provided new ideas and new ways of understanding that are anticipated to sustain this effort and continue to achieve more effective health care reform. Past "learning" experiences have increased the level of confidence for this organization, inspiring them to push toward more change, even in the face of many unknowns and possible conflicts. According to the case study, the organization seems to have learned developmentally and progressively partly from complexities, discontinuity, and conflict. The organization has learned in ways that will transfer to future efforts seeking greater successes.

In contrast, the career analysis reveals that these same experiences (studied from the organizational perspective) have really been a part of learning for one leader of the organization. More importantly, rather than the dynamics of the organization being central to the process, the career analysis suggests that one leader's knowledge and learning has produced these organizational and is at least partially responsible for them.

FINDINGS FROM A CAREER BIOGRAPHY - WAYS THE LEADER LEARNS

The career biography revealed that learning by one leader is viewed differently than what the learning by the organization. If viewed within the context of his entire career, John has learned through his HC 2000 experiences by reinforcing and practicing his self-perceived abilities. John highly values learning from direct experience and has found his HC 2000 leadership role offered new developmental experiences. John values learning from experience more than other ways of learning. Thus, the first-hand HC 2000 experiences have affected his career in challenging ways and in ways John highly values. John believes he has learned important lessons about effective leadership; the HC 2000 experiences have enhanced his career. In particular, John values the experience of leading other leaders. He also values the learning he gained from being highly involved in the organizational activities. John started out tackling a problem that he knew little about, and now recognizes that he has become more expert in the subject of health care reform. (In fact, he tackled a problem that he admittedly cared little about, at first.) The career biography revealed these types of career benefits, including features of learning, for John:

- By leading leaders, John has improved an ability he already values in himself as a leader -- the ability to get a group to come together from diverse opinions and help them reach some agreement. John learned that the way he carries out this leadership activity among other leaders, (rather than followers), needed to be significantly adjusted from his past ways. Though he attempted to use his negotiating abilities in this organizational setting, he discovered that these self-perceived strengths were significantly less effective, at first, in this setting of all leaders. John admits he stumbled through some of these initial experiences, and now believes he is more poised and ready to provide leadership to other groups of leaders in the future. Thus, John believes he learned from the experience of leading leaders. He learned how leaders have and hold onto their views – that they all want seriously considered, not ignored, nor forgotten. John has now learned ways he can move a group with strongly-held, diverse opinions and provide leadership that results in action, even if disagreements persist. Thus, John believes he strengthened his leadership abilities through his HC 2000 leadership role.

- John values his direct involvement in the activities of HC 2000 as additional opportunities to learn. Negotiating with the hospitals, providing testimony to a circuit court judge, convincing the board to support the hospital merger -- are all experiences he has directly led even though much of the critical information was new and something he initially knew little about. He recognizes that his "technical" knowledge about health care has increased from these experiences, and he now uses this knowledge to guide his thinking and actions in new ways. From this new level of understanding about the industry, he can help guide the future of HC 2000. His involvement has increased his commitment to the organization and in helping fulfill its purpose. His experiences with this community-based organization affirmed his previously held leadership belief, that having a vision is essential to being an effective leader. Through learning, he now has a clear vision about the future of HC 2000.

- Finally after this HC 2000 learning experience, John ponders the question of his image in the community. The career biography described one of John's current dilemmas – he believes he is not always viewed as a person to trust. The HC 2000 experiences did offer any new ways of thinking or understanding for John in this self-identified career development need. John continues to seek ways of understanding why he is not sometimes trusted by some. He is perplexed about why some seem to trust him and others do not. Most likely a future experience will provide a way of learning such that John will know how to more readily gain others trust. John wants to learn how to garner others' trust and is looking toward other experiences for this.

John's learning experiences over the course of his career and within HC 2000 have been mostly filled with wins and gains. He provided no examples of losses or set backs, thus far in his career. Coupled with this, John's overall sense that he learns most effectively from personal experiences, rather than through study or reflection, is demonstrated in several ways. His HC 2000 experiences offered him some surprising insights into his self-professed abilities, specifically his negotiating abilities and his ability to help groups reach a consensus that results in organized action. Thus, as John considers his experiences at HC 2000 within the context of his overall career development, there have been rewarding and developmental experiences, i.e., small wins and gains in his overall career development.

Given these two sets of ideas about development and learning (organizational and individual), the next section offers a contrast between them. by contrasting the organizational analysis with the career analysis new and significant considerations surface, including new considerations about learning. This contrast extends both studies and our understanding about the concept of organizational learning.

FINDINGS FROM PARALLEL ANALYSES - DIFFERENT VIEWS OF LEARNING

When career issues are incorporated into an organizational analysis, a new set of ideas are exposed. This supplemental way of studying organizations -- incorporating a career perspective -- produces alternate and possibly contradictory conclusions. A comparison between the two studies, also, reveals the importance of integrating career ideas into an organizational study. As more ways of understanding organizational learning and change are pursued, career issues should not be ignored. This study demonstrates that when career issues are considered, (alongside an organizational analysis), new ideas emerge. Career issues produce "additional" and important ways of thinking about organizational development.

In this study, the organization has been viewed as a distinct entity, with power and influence, and with the potential to learn and develop. By adding a career analysis, the information collected from a traditional case study grows dim and appears overshadowed by certain fundamental career concepts. By integrating and comparing the conclusions and observations from the two studies, (organizational case analysis and career biography), three significant findings are identified. Career development issues inform the organizational analysis. Information about how career decisions affect organizational achievements are noted. Thus, an enriched understanding of organizational learning results when career issues are added to organizational considerations.

Here are three additional findings produced when comparing the two studies:

- **A complementary understanding of organizational change emerges when career ideas are attached to an organizational analysis.** The organizational analysis examines ideas about learning in relation to change. The case study format, used here, is a widely-accepted methodology for conducting organizational analysis. The potential benefits and drawbacks for an organization engaged in learning, and as a way of problem solving, have been included in the case analysis. How changes and solutions were shaped, implemented, evaluated and sometimes adjusted, have been identified and studied. In contrast, the career analysis, i.e., a career biography, provides new and complementary ideas about change in this organization. The career analysis describes additional reasons, outside those presented in the case study, regarding why a particular organizational change may have been preferred or selected over another. The career analysis reveals the potential effectiveness of certain organizational change initiatives, when the skills, abilities, and talents of an individual organizational member are considered. As organizational changes and solutions are studied, these changes seem partially rooted in decisions surrounding individual career development.

- **A career analysis suggests that important ways of learning in an organization, may be adapted or even may not recur, as a career matures.** The organizational analysis identified particular ways of learning, that were a part of organizational achievements. Ways of learning that supported and sustained organizational change were identified in the organizational analysis; such ways of learning were deemed potentially effective ways of learning that could support future organizational changes. In contrast, the career analysis exposed the possibility that these past ways of learning, may not recur or may change form, as a career matures and develops. Thus, the career analysis suggests the possibility that past ways of learning within an organization may not recur because of one's developing career. While the organizational analysis suggests that successful past ways of learning should be considered as potential ways of achieving future successes, the career analysis suggests that individual learning experiences produce new knowledge that, in turn, alters future behaviors. These new, adapted behaviors will change the shape of the organizational activities. Thus, in the absence of a career analysis, the organizational analysis may elevate and value learning that would be applied to future problem solving activities, in a form that may not recur as an individual learns and adapts.

- **Career analysis identifies the importance of an individual's ambivalence upon organizational development.** Unlike organizational analysis, career analysis identifies how certain career experiences create a judicious ambivalence, or a sense of balance between organizational needs and individual career needs. Other career experiences create times of conflict, or a wavering between obedience or rebellion toward an organization, often due to the incompatibility of career and organizational needs. Both types of conditions create an ambivalence that affects not only career development, but also organizational development. A career analysis, integrated into an organizational analysis, provides a way of examining how individual ambivalence is conditional and relates to organizational development.

All three findings suggest a heightened value in expanding organizational research to include career issues. These findings are now described in greater detail:

#1 - Organizational change ideas are complemented when career issues are considered. As noted earlier, organizations recognize the need to change, continuously. Studies that attempt to understand organizational learning have produced new ways of thinking about and planning for organizational change. The concept of organizational change, often featured in contemporary organizational research, is multi-disciplinary. Organizational studies attempt to understand more about different types of changes, why and how they came to be, and ways they can be improved. A career analysis reveals additional ideas that can be associated with organizational change. This study demonstrates how career considerations augment original observations about learning in relation to change, from the organizational perspective. Additional, new, and valuable insights into the concept of organizational change are found in the career analysis. In the absence of career considerations, interpretation and understanding of learning seems restricted.

By way of example, features of learning associated with one organizational change initiative, were described in the case analysis very differently than in the career analysis. The HC 2000 case study described a problem-solving activity, i.e., community-based purchasing contracts, and described associated learning experiences. Learning through this change initiative, in certain ways, was identified as developmental for the organization. HC 2000 initiated a change by creating a purchasing contract that contained community-based prices. This type of change, is now viewed as an effective change model for the organization, and guides future change efforts of the organization. The organizational analysis identified how the value behind this change initiative -- creating community-based pricing, not necessarily lowest prices – was educational and developmental for HC 2000. The case study suggested that this type of change initiative reinforced how important it would be for HC 2000 to continue to place community needs ahead of seeking lowest possible costs or higher profits. Both the organizational and leadership literature confirm that values stemming beyond a pure profit motive are more sustaining and long lasting; thus are often a part of development and learning.

Furthermore, the organizational analysis revealed how this type of developmental learning accompanied the change initiative. The organization was founded on community-based values, and, when one solution was initially pursued, retaining this value was seriously challenged. (Each hospital wanted to retain individual competitive pricing schedules, that would not reflect the "best" community prices.) Through discussion and study (and learning), the organization firmly established that this founding principle must not be abandoned. The organization seemed strengthened by this experience, and seemed to have learned that the community agenda, rather than a profit agenda, would sustain the future of the organization. Therefore according to the case study, seeking a solution in the form of community-priced purchasing contracts was a developmental experience for the organization. Knowing the importance of retaining and acting in accordance with community values, as solutions are "worked out," has been learned through this experience. Such knowledge guides future organizational activities.

Furthermore, the case analysis demonstrated that when this value was challenged, another opportunity for organizational learning resulted. This change initiative was initially challenged by the hospital administrators, who alleged that the prices were not reasonable and would create significant financial difficulties for their businesses. HC 2000 considered abandoning the initiative. Other solutions could have been pursued. The organizational analysis suggested that because the initiative included community values, it provided the impetus for understanding why this was an effective change initiative and one that should be pursued. Thus, when the change initiative (solution) was seriously challenged and at risk of becoming a failed solution, learning associated with community values was confirmed and thought significant for future organizational development.

In contrast, the career analysis offered a different explanation of why this type of change initiative, even when in jeopardy, was retained and pursued by the organization.

This type of change initiative tapped into John's strengths. John's career is laden with using negotiations as a way of problem solving. This was another reason why the organization should retain this type of change initiative, not just because they were seeking community pricing. A determination that there was a greater likelihood for success because of John's already developed negotiation skills was identified in the career study.

The career analysis implies that one type of change initiative is retained because it utilizes the existing abilities and strengths of an organizational member. The career analysis also suggests that as individual abilities change, the type of change initiative is likely to change in accordance with new sets of individual abilities. For instance, if a different leader had been chairing the HC 2000 board, at the time when the decision to negotiate contracts with the hospitals was challenged, this initiative might have been abandoned or not pursued. A different leader, or group of leaders, may have thought that alternative solutions could have been more feasible. And, (according to the career study), this would have been based on other types of abilities held by different leaders.

This point is not mere speculation. Comments from several other board members confirm this opinion. Two board members, when describing HC 2000 activities, described how two other board members viewed the purchasing contracts as too confrontational. They surmised that when HC 2000 decided to proceed and negotiate contracts with the hospitals, this decision probably caused the eventual resignations of two board members.

Therefore, the type of change initiative carried out by HC 2000, is very compatible with John's abilities, according to the career analysis. Even when this initiative was challenged, the career analysis suggests that John would work to retain this type of problem solving approach, over any other, because he knows his likelihood for success is greater. John knows he is likely to successfully initiate a change through a process of "negotiations" more so than another way. According to his career experiences, it seems that John would often pursue a negotiation-type of approach. Not surprisingly, John would want to pursue a change initiative that would utilize his existing strengths.

Given the multitude of ways HC 2000 could have tried to initiate change, or engage in problem solving activities, the decision to negotiate a community-based pricing schedule may stem from holding certain organizational values, (as the organizational analysis suggests); but another reason for engaging in this type of change initiative is possibly because John believed this was how he could successfully lead the organization, (as the career analysis suggests). Each explanation is helpful; both explanations enhance our understanding of organizational learning.

One additional contrast demonstrates how a career analysis offers additional information about development in relation to organizational change. The nature of health care reform is complex and reasons associated with rising health care costs are ill-defined. A great variety of problem solving approaches are feasible. Reasons why HC 2000 has pursued certain ways, and not others, are explored through the career analysis. What if there had been a different board chair when the hospitals balked at the purchasing contracts? What if the other chair possessed different skills, which is very likely. What if the "other" chair had developed strong analytical skills in the past, either through experience or formal education and was adept at knowing how to analyzing complex pricing and cost information. Or what if the "other" chair was knowledgeable in organizational assessment? The possibility exists that instead of holding onto the idea of negotiating purchasing contracts with the hospitals, as originally planned and later challenged, HC 2000 might have abandoned this one and opted for a different change initiative.

The organization might have more aggressively pursued developing the information database to provide a better assessment tool for the hospitals. Through this approach, HC 2000 could have "encouraged" more effective cost cutting strategies and pursued passing these cost reductions on to the payers. A different leader with experience and ability in assessment, information management, or cost reduction strategies might have abandoned the idea of negotiating contracts and favored the development of an information database to better assess how and where to reduce costs.

Quite a different scenario is produced about learning and development in relation to change initiatives, when career development is considered. Alternate types of initiatives could also produce learning that informs future organizational activities. To suggest that the contracts were the best (and only) possible solution for HC 2000, is not reasonable, given the complex nature of the problem. But, given the existing set of skills and abilities among the organization's leader at the time, the likelihood of pursing certain types of activities are more readily explained. The case study suggests that learning through community-based values produces effective change. The career analysis states that development through practicing already-possessed abilities is likely. Both ideas produce significantly different sketches of organizational learning in relation to the same event. And both are valuable contributions to understanding learning in the organizational domain.

The career analysis suggests that certain organizational values may or may not be retained by an organization. Individuals pursuing their careers may have more control over resulting activities (and values) than an organizational analysis suggests. For instance, the career study suggests that the type of change initiative might be quite different, given a different leader. If instead of pursuing purchasing contracts, developing a tool to assess costs might have been developed; and the emphasis on meeting community needs might have been abandoned by HC 2000. As each of the four hospitals reduce their costs at different rates, the amount of savings they might pass on to purchasers would be different, (and possibly competitive). This could have placed HC 2000 in a more competitive mode where each provider competed on price, based on their own level of cost savings The community-based values may not have prevailed with this organization if this type of change initiative had been pursued.

Finally, the career analysis suggests the possibility that the type of change may be different due to differing individual abilities. A new assessment tool to cut costs, created from a new information database containing accurate charge information, might have immediately produced significant savings through cost cutting strategies. The savings might have lowered the charges even more than the community-pricing schedule did. Thus, a different leader with different abilities might have guided the organization toward a totally different type of change initiative, which when studied organizationally might have produced better results. The career analysis shifts the thinking away from the concept of organizational values, and more toward studying individual skills and abilities, regularly carried out in organizations. By utilizing existing skills, more learning opportunities might produce more effective forms of organizational development.

Adding the career perspective to an analysis of organizational change and seeking reasons about why one type of change initiative versus another type has been selected, produces different ideas about learning. A career analysis shows how the change initiative depends, at least in part, on the abilities of the leaders or ways they prefer to carry out their work. This means that initiatives will change quite significantly as individual organizational members change. Self-perceived strengths and preferred modes of operation among individuals become critical to organizational change initiatives. Problem solving initiatives may be more successful if career issues are incorporated into organizational decision making processes. As individuals are encouraged to assess their strengths and abilities, accumulated over the course of their careers, and overtly consider how these can be incorporated into organizational solutions, the development of organizations may be enhanced.

Ways that learning relates to aspects of organizational development have been of particular interest in both the case study and career biography. The case study identifies processes and activities that seem to contribute to successful organizational achievements. Ways that organizational activities have been shaped in the past, is considered important to understanding learning that will inform future work. The career analysis, instead, recognizes that careers mature. As experience provides learning, new ways of pursing career-related activities result. Thus, the career analysis suggests that past activities may not be repeated in the same way because learning produces new knowledge and abilities; thus informs change.

This idea is contradictory to the organizational analysis. As organizations engage in successful processes that produce desired results, applying the same or similar processes to future activities is advised. The second finding continues this thought and suggests that as careers mature, certain organizational activities will not be repeated nor be as desirable.

#2 - A maturing career alters the ways of learning for an organization. The organization is central to, and dominants, our thinking about organizational learning. In the case study, particular ways of learning were described around a socially-constructed analytical framework. This framework examined activities, outcomes, environments and values. In the case analysis, several ways of learning were associated with the same organizational achievements, considered developmental in the organizational case study. After attaching a career analysis to the organizational study, certain ideas from the case study, identified as important ways of learning, seem less important and possibly insignificant in relation to future organizational pursuits.

Before considering career issues alongside organizational factors, the case study identified certain ways of learning that could be associated with particular organizational achievements. For example, several ways this organization had learned and developed were associated with HC 2000's decision to support the controversial hospital merger proposed for the local area. One way of learning, according to the case study, was described as follows: Even after a decision has been made, future investigation and inquiry into features of the decision, were educational and developmental in unanticipated ways. The case study revealed that after several discussions about whether the organization should or should not support the hospital merger, the decision was made to publicly support it, though uncertainties persisted. After these discussions and the decision, additional information was sought by organizational members. This resulted in additional learning that produced new forms of organizational development.

First, the complexity of predicting what might happen if a merger was to take place, denotes that this was an ill-defined problem. Then, the admission by board members that they possessed limited knowledge about the health care industry caused uncertainty. Finally, there was continuing discussion about the quality of the decision, even after a formal consensus had been reached. Thus, this decision led the organization into new forms of inquiry, which in turn led to additional and valuable learning opportunities according to the organizational analysis. Essentially, the organizational analysis portrayed how the decision making process created an awareness and understanding of a problem, and without total agreement nor a full understanding, additional study became a very effective part of the decision making activity (and learning for the future). The case study suggested that this way of learning actually facilitated additional and unforeseen organizational development activities, and future similar ways of learning were desirable for this organization that would be dealing with many other ill-defined problems.

According to the organizational analysis, learning through subsequent inquiry after a decision has been made, can be developmental for an organization. Study about the merger continued even after deciding to support it; more concerns were raised and additional follow-up discussions created even more questions. According to the organizational analysis, the learning and development resulting from the board taking a position on the merger in the face of dissent, was developmental and beneficial to the HC 2000 organization in positive unforeseen ways. And ultimately, this way of learning produced another organizational achievement which was to seek a voice for HC 2000 on the new hospital board (merged entity).

Ways of learning that produced additional and unforeseen organizational successes, spilled out from supporting an idea (merger) that was only vaguely understood. This action even created learning outside the organization, i.e., among the hospital administrators. They admitted that the board's questions about specific aspects of the merger plans, and subsequent discussions, strengthened their own planning and development processes. Thus, the decision to support the merger, (even without a full grasp of the resulting effects), was followed with additional discussion, inquiry and analysis. In turn, new knowledge was created to aid future problem solving activities for this organization.

The case analysis studied how the process of engaging in further investigations even after a decision had been made, created additional new ways of learning. This idea about learning, revealed in the case analysis, examined how reaching a consensus even when dissenting opinions persist is a developmental process. But this assessment of organizational learning, created from an organizational analysis, starts to look very different once a career story is placed alongside the same event.

Unlike the organizational analysis, the career analysis paid attention to self-perceived abilities and ways that an individual leader will practice and test one's abilities against reality. Abilities, already-possessed, are both reinforced and modified through experience. In this case, John has had many past career experiences that presented opportunities to hone his "negotiation skills" and to "help individuals with diverse ideas to agree." This same event, according to the career biography, was viewed as important to John's learning and career development. John led discussions around a controversial issue, and lead the group to eventually support the merger in the face of controversy. John tells how this process provided new experiences and produced new abilities for himself. John had to learn how to lead leaders, which he first found to be a new career challenge. He recognized, later, that this experience has improved his abilities. He knows he will be better in the future at "leading leaders." He even reveals that the decision to support the merger without attaching any conditions was probably not the best way to proceed.

Thus, the career biography considers that this set of follow-up activities, valued in the organizational study, are likely to change, in the future. In the future, when John attempts to lead leaders to reach a consensus on some other controversial issue, the need for future investigative (i.e., learning) activities may go away or be less necessary. If John is better at guiding a dialogue that produces more complete knowledge, and leads the group toward a better-informed decision, then subsequent learning activities may not be needed in future instances. Thus, what the organizational analysis depicts as an effective learning activity (post-discussions and follow-up), may not be needed if the original decision making process is more effective.

Though the organizational study suggests that this type of follow up and continued studied may be beneficial learning opportunities and thus to be undertaken in the future, the career study proposes that as a career matures and new abilities accumulate from different experiences, new and improved ways of carrying out organizational activities are likely. (John admitted he would do things a lot differently based on what he learned from this experience.) While the organizational analysis guides us to look for learning through follow up activities, the career study guides us to investigate more about how one type of experience informs and alters future activities. This is to say that, as John's ability to lead a discussion among leaders with dissenting opinions improves, carrying out further investigations (or even the presence of dissenting opinions after a decision) may not occur. John may develop new ways of facilitating decision making processes that will provide a richer and fuller understanding of the issue, *prior* to making some decisions. The career issues, thus, contradict certain ideas about learning produced in the case study. Other ways of learning, portrayed through a career study, should alter our thinking about the ways of learning discovered in the case study.

In a more general sense, career maturity should often improve individual performance and thus should be a desired organizational feature. Career maturity is part of understanding organizational learning. Problem solving methods that lead to stronger and better decisions are desired by organizations. Though there appears to be a contradiction between the two analyses, it seems more likely that both types of learning are important ways of learning that ultimately affect organizational achievements. Thus, the parallel analyses inform each other. In this case, now that John is better at leading leaders, he may also recognize that engaging in follow-up investigations, even after certain solutions or decisions have been made, remains important to an organization's development. Also, he may have learned that even when dissenting opinions persist, the value in planning future inquiries outweigh the benefits of trying to reach a full consensus initially. Either way, both analyses inform our ways of thinking about learning.

There are numerous ways of describing learning associated with organizational achievements. Without adding the career issues, the organizational study may be inaccurate, or, at least, incomplete. For HC 2000, future controversies that are important to an organization, may not be handled through follow up inquiries. The reasons for this altered approach may not be clear if only a traditional organizational analysis is conducted. The maturing of a career -- that produces more effective organizational activities – is one aspect of organizational learning that should not be overlooked. Thus, incorporating a career analysis into an organizational development study seems imperative, maybe essential. Without a career analysis, certain features of organizational learning are elevated in importance and possibly over valued; the career analysis suggests that the carrying out, and modification of one's self-perceived abilities in new settings and in new ways will not only enhance a career, but will improve the organization.

A third finding, derived from contrasting the two studies, suggests that organizational analyses, without career considerations, tend to overlook times when an individual's ambivalence may either strengthen or deter an organization's success. The third finding from this study identifies how varying ambivalent attitudes toward organizations, in relation to career development, can significantly influence an organization's development, but not necessarily in detrimental ways.

#3 Individual ambivalence affects an organization's development.

Organizational analysis does not usually identify nor consider when career conflicts might affect organizations. Organizational analysis assumes that any conflicts will ultimately be resolved in the organization's favor, or that an individual pursuing his or her career will make the proper personal adjustment, to resolve any conflict between organizational need and career needs. In contrast, career analysis typically identifies shifting periods where these two sets of needs (organizational and individual) simultaneously conflict. As the individual works toward a desired state of judicious ambivalence not only is the career affected, but so too is the organization. A career analysis, integrated into an organizational analysis, can reveal more about times of ambivalence toward organizations. This dual perspective not only studies a career dilemma, but also considers its impact on an organization.

Organizational analysis, carried out within a human relations framework, recognizes the value of people to the organization. For instance, contemporary organizational studies take up social issues about organizational cultures; but these studies tend to examine how individuals learn to become part of an existing culture. If they try to influence or change an organization's culture, this is usually thought to be a long arduous process, that has limited potential. Leadership issues recognize the need for servicing both organizational and personal needs. But, both sets of ideas fail to recognize that when the organizations pose significant threats or deterrents to an individual's career, the individual will usually respond in ways most favorable (or secure) for their careers. These responses may be directed at saving, salvaging, or advancing a career; but whatever the response, it will be a part of organizational actions.

Actions stemming from conflicting goals, may seek to balance career interests and organizational interests. But career-motivated actions may create actions that move away from obedience and toward a form of rebellion, possibly a rebellion toward the organization. Rebellious career initiatives, intending to preserve or enhance a career, could cause serious consequences for the organization. A career analysis, placed in relation to organizational development, begins to inform this type of thinking that is critical to an organization's development.

An organizational study, that includes career considerations, helps recognize how career decisions may produce both a compatibility and an incompatibility between the individual career needs and organizational needs. While career choices may intend to restore a judicious ambivalence, other choices may be for different reasons. At HC 2000, the existence of a congruent fit between organizational and individual needs is not clear in either analysis of the organization. Also, the contemporary design of the organization, does not help in such determination. As individuals in HC 2000 are encouraged, through the organization's design, to generate new ideas and produce creative solutions, whether this is a threat or an opportunity to individual careers is not clear. There is continued enthusiasm for the organizational activities, even though measurable tangible reductions in health care costs have not been realized. Possibly the opportunity to experiment and test new ideas in this organization are less imposing than if tried out in their primary organizations. Also, given the voluntary nature of the membership, if the organization posed a significant career threat, an individual could easily disassociate with HC 2000 without making a significant career change. Given these two factors, members of HC 2000 are more likely to view their work in this organization as an opportunity, rather than a threat, to their careers.

The case study of HC 2000, does not reveal much about any conflict that may exist between the goals of the organization and the goals of individuals. The career analysis reveals that the organizational needs and John's career needs at least for a while were compatible. John, as Chair of the Board, seemed to achieve a desired judicious ambivalence between his career needs and the organizational needs. As suggested earlier, this may have changed since he did not choose to continue as Chair, even though his knowledge and experience would most likely have been very beneficial to the organization.

In contrast to John's career needs, other board members (interviewed) implied that the HC 2000 experiences were not significantly different from other board experiences they have had with other "community" organizations. Though most admitted that the goals of the organization -- to reduce company health care costs -- were extremely important to their companies. This fact can be borne out by studying features of their limited involvement with the HC 2000. All six of the remaining board members interviewed, confessed they had not been able to devote much time to HC 2000; though the importance/potential of this organization could be very consequential to their respective organizations. All six leaders admitted they were unable to attend all or even most board meetings, and none suggested that this would be changing in the future. Three board meetings took place during the course of the study, and attendance was poor at each. Only five or six members, of the (now) ten member board were present. Each time the five or six attending were different. Also, the leaders decided at the strategic planning session (that only four board members attended, and three other board members sent representatives), that they would no longer meet bi-monthly. Board meetings are now semi-annual, and executive board meetings composed of only the Chair, Vice Chair, and HC 2000 Director, would be bi-monthly. This behavior suggests that these leaders have chosen not to make the HC 2000 activities a significant part of their careers. These decisions, (choices), have a significant affect upon the organization. By limiting their involvement in the organization, they are favoring career choices, over organizational needs.

To support this contention, first, the interviews with the other board members revealed that most do not plan to actively participate in future HC 2000 activities. They will continue to support the organization by remaining affiliated with it. Also, one board member allocated "free" office space at his corporate headquarters, so that the HC 2000 organization would have a physical presence in the community. All board members agreed this would enhance the organization's perceived stature. Also, two other board members have "asked" several knowledgeable staff members from their organizations to chair the HC 2000 committees and provide whatever additional staffing resources the committees determine are needed. But a fourth board member, from the banking industry, (and the newest member), admitted he has joined HC 2000 to keep a watchful eye on how this "business cooperative" proceeds, and simply to learn how the organization was planning to involve itself in future hospital merger activities. He noted that the hospitals are important bank clients. A fifth board member, admits he is nearing retirement and thus suspending many of his past community activities, including his role on the board. The last (sixth) board member, interviewed, said he would finish the remainder of his term, and then resign. (He has not attended one meeting during year.) He admitted that HC 2000 is attempting to carry out a very important service to the community. Yet since his organization had only one hundred employees, reducing health care costs at his company is not as important for him as pursuing some other community issue. He added that there were several other "community" endeavors he preferred to support. Given the circumstances of the remaining board members interviewed, satisfying both career needs and needs of their primary organizations seems to be taking precedence over the needs of HC 2000. If any of these six individuals were to become more actively involved in the HC 2000 organization, they would very likely begin to affect the organization in significant ways.

Knowing more about career considerations, as a way of assessing the organization and its development, seems helpful. If an individual holds ambivalent feelings toward the organizational needs in relation to career needs, some characterization of these feelings can be very important to an organization's development. At HC 2000, career-related needs or desired among board members is limiting their involvement with the organization, while other organizational members also operating in ways that may favor their careers. For instance, the data and quality committee members may be discovering that the HC 2000 organizational goals and their individual career goals are incompatible. If career information about the committee had been gathered, an additional explanation about the committee's general lack of success may be better understood.

The organizational analysis describes the committee's limited progress as partly due to the absence of learning opportunities . . . at least of the type identified in this study. The committee failed to increase the usefulness of the information database that they created; and yet they profess an interest in wanting to utilize it more fully as a cost cutting tool at their hospitals. The organizational analysis suggests that past experiences did not contain learning opportunities, at least of the type studied, that might have facilitated more success in this regard. In contrast, the negotiating committee did make significant progress and engaged in learning experiences, according to the organizational analysis. These learning experiences seem to be an impetus behind future potential successes.

If the analysis had introduced career considerations about committee members, the possibility of compatible and incompatible goals (career and organizational) might provide another explanation. Possibly the individual data and quality committee members are hesitant to proceed in the direction that HC 2000 wants them to proceed, because such actions pose threats to their own careers. If committee members proceed to create an information database, that historically has been confidential, some outcomes are unknown from this step and these unknowns may seem threatening to their careers. A career study might explain their reluctance, or explain more about the absence of progress. A career analysis (of the committee members) might reveal that finding new ways through the use of a new database to reduce hospital costs may require different skills and abilities of the individuals, such that they fear failure. This would be a new type of task that they would be expected to carry out in their respective organizations. The fear of failure may preclude the need for both the hospital organizations and HC 2000 to begin being able to make cost comparisons. In the absence of a career analysis of the committee members, the organizational explanation about why this committee has not been more successful is probably incomplete.

Unlike organizational analysis, career analysis provides the opportunity to consider aspects of ambivalence that an individual may hold about an organization. Career analysis exposes when and how ambivalence toward the organization, may affect the organization. Career analysis looks at the maturity of careers, and career choices made from a variety of influences over the course of a career. These factors, important to understanding career development, also seem important to understanding organizational development. New explanations about why certain directions within organization are pursued, or not, emerge when career issues are considered. Integrating career considerations into important organizational ideas potentially increases the level of understanding about organizational achievements, as well as ideas associated with learning. Organizational analysis rarely considers career ideas in this way.

Before offering concluding thoughts, there are two other considerations that further demonstrate the value of adding career development ideas to an organizational development analysis. These become suggestions for future studies, that would potentially substantiate or refute the above three findings.

Career models anticipate organizational outcomes. The four stage career model (presented in chapter four) attempts to integrate ideas about the individual and organization, just as this last chapter has done. Through this type of integrated model, only those individuals in stages III or IV are thought likely to affect the organization in significant ways. This model suggests that the individuals who will primarily engage in activities and pursue developmental outcomes for the organization, over personal career needs, are those individuals who have already matured and advanced in their careers (stage III and IV). Individuals in the earlier stages of their careers, with fewer developmental experiences, (stages I and II), will center their work around personal individual development. This model, therefore, suggests that only after organizational members acquire more experience, authority and responsibility, will they engage in organizational activities that are a direct benefit to the organization. However, this study disputed this model. Even those board members (clearly in later career stages – III or IV), are making career choices over organizational choices. Thus, choices make to meet organizational needs, versus career needs, may not be related to career stages.

Regardless, integrating career issues into an organizational study is possible and offers a more comprehensive and complete way of studying organizations.

Industry considerations. This study did not collect information about the career stages of the data and quality committee members. What is known, though, is that health care reform is in its infancy. Few members of the health care industry have successfully managed to create effective and sustained cost containment strategies. (See appendix) Few examples of measuring the quality of health care are available. Such work is in its infancy. Thus even if career issues associated with accumulated experiences and self-perceived abilities had been identified, the needs of the health care industry may pose career threats to many individuals attempting to design new strategies. As noted earlier, this organizational design may be one of the best opportunities for reducing this career threat. If the committees are able to test and experiment in ways that do not require major business changes or cause the hospitals or physicians to alter their activities, then successful cost cutting approaches may result. A career analysis may reveal that this organizational design, especially in this industry, is very conducive to producing effective outcomes. Thus the conditions and characteristics of a particular industry is likely to be an important factor in any study of organizational learning and development.

Organizational loyalty or career development. Another possible way of studying careers as a part of organizational development, is to build a closer relationship between careers and motivation. An organizational analysis, might describe conflict between the organization and the individual as the absence of worker loyalty or a lack of motivation. Career concepts could suggest something quite different. Careers develop when an individual can test self-perceived abilities against reality. In this way, individuals develop their careers by practicing and modifying valued skills. They seek to gain new knowledge from experiences. Careers mature. Individuals make career choices based on multiple influences, and will pursue certain activities (make career choices) based on those that offer the greatest likelihood of success and thus are most likely to aid one's career. Though new challenges may be inviting, if they seriously threaten or may infringe upon the security of an individual's career, a decision to take on new challenges may be avoided. (Thus, one reason why people are often perceived as resistant to change.) Rather than believing individuals, who are acting certain ways or not taking certain actions, are disloyal or lack motivation, individuals may simply be pursing their careers in ways that produce a sense of security. These ways, though, may be of concern for the organization if choices to retain a status quo interfere with needed changes. Career decisions need to be more openly considered to understand motivation and organizational loyalty.

Career choices. Finally, if career issues really do inform organizational analyses, a study of career choices could be related or associated directly with an organization's development. The career biography noted that, at first, John's career choice to become chair of the HC 2000 organization did not seem to pose threats; in fact John most likely say this as a career opportunity. His career choice definitely influenced the organization. The career threat that he identified from his past, was outside his realm of control, (a large customer demanding lower prices for his company product); this suggests that he finds ways of avoiding career threats and is astute at seizing career opportunities. John's unusually fast rise to the level of CEO has never fully been explained even in the career analysis. However, maybe his career is laden with calculated decisions and choices that have always resulted in career successes and he constructs ways of making his career needs compatible with organizational needs. If there are times of ambivalence, he has learned how to make career choices within an organization that do not negatively reflect on the organization.

Career analysis is a way of understanding more about the role of career development in organizations. Organizations can enhance or sustain careers. But careers are affecting organizations in unknown and unstudied ways. Organizational learning is a part of organizational development and should be better understood. Critical information about career issues may surface along with organizational considerations as more studies about learning in the organizational domain are carried out. The two forms of analysis – organizational case study and career biographical analysis – together created a more comprehensive understanding about organizational learning for the HC 2000 organization. The two analyses also provided ideas about career development within HC 2000. Given that some career information seems to extend the information, often collected, the following reflections about organizational research as a way of informing practice seem appropriate.

REFLECTIONS

Conceptualizations derived from organizational analysis and related literature is often considered and applied to organizational situations. Ways of organizing and carrying out organizational work is often guided by theory. Yet, over the course of my career, all too often, it seemed that organizational conceptualizations did not provide much real value when attempting to use the information to guide actual practice; nor was it very helpful when compared to the realities of organizations. Human relations models enhanced the ideas contained in classical theory, and began to offer more "complex" views about this phenomenon -- organizations. Human relations factors seemed to "explain" some reasons why theory deviated from reality. By introducing the human element is introduced, predictability is reduced. But, when actual practice still deviated from human relations models, continuing doubts about the value of organizational analysis resurfaced. Finally, contingency theories offered very useful excuses about how theory and analysis did not really tell the whole story, nor have much generalizable, predictive value.

I have stood before groups of leaders who want "why" explanations and "what to do" information, so they can be able to predict outcomes from future actions. They wanted cause and effect answers. Too often, after some discussion of theory and models, a contrast with what really might happen, caused me to feebly admit that most outcomes really cannot be predicted, and, in fact, are likely to be inconsistent with theoretical models. It seems there are just too many variables that affect outcomes. How many times did I respond to leaders, "It depends!"

If organizational theory does not help explain, nor mirror reality, then of what use is it? Before beginning this study, I had already reached one significant conclusion about the usefulness of organizational analysis and theory to inform practice, a conclusion that had evolved from several doctoral courses. This conclusion came from learning about the power of stories. Stories may be based on actual experiences and can be framed according to certain theoretical ways of thinking. Not a case analysis, (though there is a resemblance), but stories filled with thoughts, emotions, opinions, history, – all carefully constructed – as a way of informing practitioners. I came to believe that stories could be a very powerful learning tool within the organizational domain . . . maybe more useful than theoretical models.

I came to understand that a story may be informative and instructive, and what can be learned and carried away by the reader could be individualized into practice. Such application varies depending on the listener/reader, but nevertheless stories can inform practice. I became convinced that a story, once told, will hold special meaning for each individual and may add new insights into a person's life. Personal insights gained from stories are very likely retained and sometimes applied. For now, it seems okay that what is actually thought about, learned, or applied to "real life" is highly individualized. The important first step, here, has been to learn how to tap into this resource -- stories -- as a way of providing more insight and understanding about what we can learn through study and practice.

This study has been directed toward that goal. In what ways can stories help inform organizational analysis and actual practice? Stories that are filled with details about life experiences, but are told in such a way that they have a relationship to organizational activities, has been the objective. Stories about most careers usually means that a career story will be about organizations. Thus, this study has been one attempt to coordinate the development of a career story within an organizational analysis framework.

The importance of a career upon the organization has been the focal point. This is different than valuing people within the organization or recognizing their differences. This is also different than recognizing and effectively utilizing the "human" resources of an organization. Both of these ideas are already a part of organizational analysis. This is a study about organizational development and the question asked here is whether career information is useful to understanding this complex phenomenon -- organizations.

I believe this attempt to integrate parallel analyses, (of an organization and then a career), elevates the value of career information in organizational analysis. There seems to be little doubt, from this study, that as organizational activities, outcomes, environmental features and values are studied, in relation to organizational development, that some attention to the career development of organizational members should not be omitted. But in organizational analysis, this is too often the case.

Thus, this study suggests there should be new ways of incorporating career stories into organizational analysis. Recommendations on how this might be accomplished follows.

RECOMMENDATIONS

Questions about why careers are not regularly considered alongside organizational studies have guided the following two recommendations: First, better accepted ways of isolating and featuring career issues within organizational studies are needed. Next, issues around differences in career maturity and organizational members' needs should be viewed beyond the scope of personal developmental issues and be added to other organizational considerations.

First, we must find ways of incorporating career issues into organizational features. Too often career issues are the "hidden" agenda among organizational members, especially when considering organizational development needs. When career development needs are identified alongside organizational development needs, openly and as a part of organizational problem solving, individuals run the risk of being judged incompetent, unqualified or even disloyal. If an organizational member announces that a certain organizational action is desired because it will enhance or strengthen some personal ability, his/her motives are questioned. We are supposed to engage in certain actions, and in certain ways that are considered best for the organization. What we don't admit is that we will take up certain actions within an organization because they are good for our own career development. Also, we will avoid those actions that seem too risky, at least for now, to our careers. By providing some legitimacy for career considerations as a part of organizational development, more information about their interaction with organizational decision making and problem solving activities can be informing.

A second advantage for incorporating career issues into organizational analysis is that learning needs become more clear. Right now individual learning needs are held onto closely, not openly discussed, and only carefully and selectively revealed within the organizational setting. If circumstances present themselves, such as through an effective performance appraisal system, an individual might identify training and experience needed and desired for personal career development. Otherwise, individuals are not encouraged to incorporate particular personal developmental needs or desired areas of learning, within in discussions about meeting organizational needs. By coordinating and legitimizing these two ideas -- career development needs and organizational development needs -- the possibility of understanding more about organizational learning is enhanced.

This second recommendation suggests that career maturity issues need to become a part of organizational analysis. The maturing process for a career not only needs to be couched in terms of personal development considerations, but should also be considered alongside other organizational development ideas. Personal development issues should be more highly valued as a way of striving to meet organizational needs. This study suggests that this is already the reality, but not readily talked about or admitted! If a person is forced to chose between an important organizational action that would definitely restrict his/her career, or an important career action that might restrict an organization, common sense tells us that people are more likely to find a way of doing what is best for their careers, especially, when forced to chose or unable to find a compromise.

More and more often we read about how workers today are not as loyal to organizations, as in the past. If we come to understand, value, appreciate and support career development, as a part of organizational development, then career choices and organizational direction might become more closely related. By considering both the organization and individual careers, benefits to both forms of development are more likely. Many leaders modestly suggest that their career successes has mostly been due to "luck." This recommendation is just one way of saying that we need to learn how to place the right people, in the right places, at the right time – to improve their "luck."

The two recommendations, described above, are not insurmountable. There are a great variety of methodologies for conducting organizational analyses. Also, there is a continuing call for new and better ways of studying organizations and their deve pment. Embedding career stories within the framework of organizational studies may provide important new insights into our organizations – how they learn and develop. Career development is a significant part of an organization's activities and deserves more attention in our studies about organizational development and learning.

APPENDICES

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APPENDIX A

APPENDIX A

INTERVIEW PROTOCOL

INTRODUCTION (to be read to interviewees)

As you know, I am a graduate student at MSU in the College of Education. I am doing research for my dissertation which is about collaborative leadership especially as it relates to adult learning & adult development.

As a member of the Healthcare 2000 Board of Directors, you are engaging in a leadership activity which is addressing a problem that is considered a very complex dilemma . . . the problem of health care cost containment while (at the same time) improving the quality of health care -- in this case for West Michigan residents.

The purpose of this interview is to collect information about your leadership experiences as a member of the Healthcare 2000 board. We will examine to what extent you consider the activities of the board to be collaborative and possibly a form of learning for you.

(SHOW CARD WITH COLLABORATION DEFINITION.) Before we begin, I think it helpful to share a short definition of collaboration. One definition I like is: "Collaboration can be thought of as a collective learning process ... one which involves developing enough consensus around diverse interpretations for organized action to result." (Baltes). Later on, I will ask you what you think of this definition.

During this interview, we will look at processes that have led the board toward reaching some type of consensus.

The questions are grouped in three categories. The first two categories serve as a backdrop to my analysis about the Healthcare 2000 board activities. I hope we can spend about 30 minutes on the first two sections. The last category - I hope we will have at least an hour to discuss - which is the main subject of my study. The three categories are:

1. General information about your career history
2. Your opinion about Leadership concepts

And the main subject of this interview:

3. Your perceptions about collaboration & collective learning in relation to your Healthcare 2000 board experiences.

PART I. PERSONAL CAREER HISTORY

Throughout the course of one's life, many events and people shape a career. A career results from many influencing forces which are conscious and unconscious, formal and informal. Time does not permit us to examine all influences that you might consider significant to your career. Instead, I am seeking a representative sample of some key events in your career that relate to my study.

QUESTIONS	NOTES/PROBES/ EXAMPLES
WORK & SCHOOL EXPERIENCES	
1. Briefly list the most significant positions you have held during your career. Describe the type of work you performed for some of the jobs, and those you consider the more important ones to your overall career.	Analysis guided by: Super - self concept & tests against reality Dill, etc. - Career development is due to interactions between individual and organizations
2. In addition to your past positions, what post-secondary education, seminars, training, and/or workshops do you believe influenced your career? If any? Describe some of these formal educational experiences and how they affected your career.	
INTERACTIONS - RELATIONSHIPS	Related to career development
3. Give an example of one or two people who had a significant effect on your career. What kinds of things did this person do to enhance your career?	
4. Give an example of 1 or 2 experiences that made a significant impression on you and your self-image as a leader. ⇨⇨⇨⇨⇨	For example, taking on a specific role in the community, or a book you read, a speaker you listened to, a hobby
COGNITIVE FEATURES	
5. As an adult, what ***subjects*** have interested you? What kinds of things have you done to learn more about these subjects?	Formal and informal learning: curiosities, hobbies, reading preferences, ways you to learn more about something.
6. Describe at least one event in your life that posed a serious threat or challenge to your career success as a leader. How did you respond and what did you learn from it? Does the event still influence your leadership activities? How?	

7. Describe what you believe is your best way of learning. For example, do you learn, retain and apply new knowledge best because of your -- your memory & recall abilities, or information processing skills, or your intelligence, or problem solving abilities, or some other way that you think you learn the best ?	Maybe ask them to describe collaboration? Characteristics of how you learn? Which type of learn comes easiest to you?

PART II. COMMON FEATURES OF LEADERSHIP

Now that you have described some information about your career, lets briefly look at interactions with others, both in organizations and in the community.

QUESTIONS	NOTES/PROBES/ EXAMPLES
TRAITS/DESCRIPTORS	
1. Within (your company) (Meijer, Steelcase, Old Kent, Autocam, etc.), how do you believe employees would characterize you as a leader? What adjectives might they use to describe you?	Gardner - Leading Minds theorizes that leaders are tied to their audiences; they seek a relation between the stories they tell and traits they embody, and want to have power through choice of people rather than brute force.
2. Within the GR community and among colleagues outside your company, how might others describe you as a leader? What adjectives might they use to describe you? How is different or the same as your leadership within (your company)?	
3. Who else or what other groups of people are important to you in your leadership role and how might they describe you?	?customers? ?government leaders? ?family members?
LEADERSHIP DEFINITION	
4. How do you define leadership? What do you consider the most important features of good leadership?	

5. We hear a lot today about Organizational Learning, which is usually defined as an organization's ability to learn and adapt. Organizational learning is thought to be highly dependent upon the individual members abilities to learn and adapt. Thus, leaders who are successful at setting new directions for their organizations, are often thought to be those who are effective learners ... as well as people who are able to effectively act upon their new knowledge. And how do you believe organizational learning is related to individual learning? If at all.	Question seeks importance they attach to both organizational learning concept (textbook) and their behaviors & attitude that they believe supports their learning
6. GIVE CARD WITH LEADERSHIP DEFINITION. Along these same lines of thinking about "Leadership" concepts -- In the 90's, Leadership is sometimes defined as follows: "Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes." There are 4 key phrases in this definition (underlined) that I would like you to consider: Influence Relationship, Leaders & Followers, Real Change, and Mutual Purpose. I want you to apply these four ideas to yourself & your behavior particularly in group settings (including HC 2000 board?). Also, to provide any examples that describes the importance you attach to the ideas and to tell me how you would rate the importance of each concept to leadership success, in general.	Rost & Transformational Leadership Theory give them a card with definition typed on it and 4 key words underlined Tie these questions more to collaboration features?
7. First - **Influence Relationship** - As a leader, please give an example of when an "Influence relationship" (as opposed to another type of relationship - like directing or controlling) is important; plus tell me how important you believe the idea of influence is in leadership situations.	Changing opinions of others, adjusting other thinking persuasion versus new knowledge
8. Next - **the roles of leaders & followers** - As a leader, what are your expectations about followers? Do you ever find yourself in the role of a follower? If so, please describe this.	Examples Ranked as important consideration?
9. **Intending real change** - Why do you think some organizations are able to produce "real change" and others are not? What role do individual leaders (including yourself) play in such different outcomes?	Examples Ranked as important consideration?
9. **Mutual purposes** - How do you think shared purposes come about? Please give some examples of when members of a group have moved from diverse goals or even conflicting purposes to shared goals and purpose.	

PART III. COLLABORATION (Collective Learning & Adaptation)

Your work and thoughts about the Health Care 2000 board will be our focus for the remainder of this interview. Collaboration is currently being touted as a notable benefit to companies.

> "A well-developed ability to create and sustain fruitful collaborations gives companies a significant competitive leg up."(Kanter, 1994 HBR).

Also, the process of collaboration is thought to amplify the importance of leadership abilities, not reduce them, as some have suggested.

I believe, the activities of the Health Care 2000 board can be thought of as a process of collaboration. Leadership theorists state that one of the compelling reasons to use the process of collaboration is when facing a problem or goal that has competing forces. HC 2000 states it's mission as "providing high quality health care to West Michigan and at the same time to contain and/or reduce health care costs. These have the potential of being competing forces.

As a member of the HC 2000 board, I am interested in the challenges you have faced and anticipate facing in the future. Also, I hope to look at your experiences with HC 2000 in relation to the leadership definition that we just examined (influencing, followers, real change, mutual purposes) and the idea of collaboration (collective learning).

QUESTIONS	NOTES/PROBES/EXAMPLES
HISTORY & OVERALL (GENERAL) THOUGHTS	
1. When did you become a member of the HC 2000 board? Why did you decide to be a member? Why do you continue to be member? And, how long do you plan to remain a member? Why?	Probe for differences between Jerry Myers initiative versus today?? *similarities/differences in cultural & philosophical beliefs? complementary strategic intent? (competitive model in health care?)
2. Please describe some of the "highlights," stages or plateaus that the HC 2000 organization has experienced since its inception or, at least, since beginning your association with the board. Have you been involved in other "organizations" or groups that function similar to this board? Name them. In what ways are they similar? Different?	Context & outcomes from collaboration system-wide needs? broad ranging implications? crises? (Bass, Avioli, p.34) *?comprehensive planning

3. Describe the extent of your involvement with this board. Such as the amount of time, preparation, and other efforts your membership has required... Is this different than what you expected before you joined the board? Why?	percentage of time vs. anticipated Importance of relationships vs. dealing with substantive issues?
4. Describe some of the challenges, rewards, frustrations, etc., for you, (as a member of this board). Were some of your experiences more personally challenging - than professional? Please describe? Examples: ambiguities, lack of information, conflicting information,	Cognitive values, mission & culture - tradeoffs, ambiguities, consensus on one dimension and not on others? Challenges, rewards, successes, frustrations

DECISION MAKING PROCESSES OF BOARD	
5. Given that there are really no prescribed solutions to lowering health care costs while still maintaining quality service, describe some of the most significant decisions that have been made by the HC 2000 board, that were intended to control healthcare costs and/or ensure quality service? Describe how the board has arrived at some of these decisions. Would you characterize most board meetings as a negotiation process among members or series of discussions, or something else?	Suggestions? Decisions board has made or discussed 1.Support of merger of two hospitals 2. Hospital purchasing contracts 3. "new" information database about health care costs - 4. Certificate of Need (Alliance for Health) - all capital expenditures have to be approved by a group? Type of exchanges that have gone on among board members (negotiation vs. discussions)Stages of collaboration: explore needs of all board members find common ground (solutions/ideas) & improve relationships among members
6. Generally, how would you describe the decision making process by the Healthcare 2000 board? How has consensus been achieved on certain issues? (Process, type of dialogue, etc.)	Give & Take One person takes lead & controls & is then supported?
7. In retrospect, which decisions do you believe have been better than others? Which decisions have you most agreed with? Most Disagree with? (or had concerns about)?	

8. Individual leaders are sometimes called upon to provide inspiration, creative ideas, and encouragement to others. What examples can you give when other HC 2000 board members were inspirational, creative or encouraging in ways that helped the board reach a consensus? What examples can you give when you believe you "turned" or influenced a decision - i.e., actions that inspired, were creative or provided encouragement?	From a need for more knowledge? Inspirational comments? Compelling reasons presented? Outside influences - not from board members??? (legislation?, community activities?)

RE: LEADERSHIP DEFINITION	
9. If leadership is a process involving an exchange between leaders and followers (noting that those roles do shift), can you contrast times when you felt more like a leader versus other times when you would assume a more follower-type of role with the HC2000 board ?	Seek indicators of collaboration Influencing examples & learning/teaching experiences? control versus nurture? give and take processes?
10. How would you describe the activity of "influencing" as it relates to the HC 2000 board activities. Who or what have been primary "influencing" forces affecting the board's decisions and actions? Why do you think these forces or people were influential?	Local considerations versus generic industry (health care issues???
11. RE: Mutual purpose - If sometimes your goals or purpose were sometimes different than other board members, how have you responded/reacted or dealt with this? If there was no difference in your goals and other members of the board, why do you think this is?	co-opting? responses to public/press?
12. Real Change - Recognizing that the results of many decisions and actions are not fully known for several years, what changes do you believe have come about (or will come about) as a result of Healthcare 2000 board actions?	

LEARNING & ADAPTATING CONCEPTS	
13. I am really interested in whether your experiences as a member of the HC 2000 board has produced any change for you as a leader? To pursue this question, we will consider the idea of "adaptive competency." GIVE CARD ON ADAPTIVE COMPETENCY. **Adaptive competency** refers to an individual's learning capacity and their ability to respond (with resilience) to challenges arising from one's body, mind and/or environment - or the ability to change. One researcher (Baltes) refers to adaptive competency as "increasing the range of functioning of a given person in response to an ill-structured dilemma." The problems surrounding health care issues are ill-structured and truly a dilemma. Thus, the following questions are about the producing real change -- within ourselves and when we see a need to adapt -- First, has there been any new or significant learning for you because of your experiences as a HC 2000 board member? Why? Either: How has this learning changed you, even in some small way -- or does an experience have the potential to change you? Or: If little or no learning has occurred through HC 2000, what other group experience has caused you to adapt or change in some way? Please briefly describe.	Start thinking about after learning, how does the learning translate into changed behaviors
13. What part of your board experiences have been more routine or common experiences (i.e., similar to other board or leadership experiences)? What part have been unique? To what do you attribute these differences?	
14. In contrast, what are some core leadership behaviors that you believe you always use regardless of the setting and problem before you?	
15. Please describe any other thoughts you have about your experiences with the HC 2000 board -- anything that you think is important for me to consider.	

FINAL QUESTIONS	
INTRODUCTION: In responding to these final few questions, I would like you to, again, consider your entire leadership career. You may want to select one or two significant events that affected you, in some way, as a leader. (Pause)	
1. Can you think of any major events (historical, social, religious, physical, family-related, etc.) that occurred in your lifetime and that you believe contributed to your ability as a leader? Please give several examples.	
2. Were there any turning points in your career as a leader? What caused them? How did they affect your career?	looking for resiliency & attitude Redundant question?
3. In what ways do you see yourself as a "source" of knowledge, or does knowledge come to you from outside yourself? Please explain.	looking for contrast from inner strengths versus outer support/detriments
4. One final question: Which of the two ways do you believe has been your best way of learning & specifically how you best have learned to adapt or change yourself to meet leadership challenges -- Do you best learn through collaboration with others? OR Do you best learn through your own individual thinking and processing abilities? . . . Asked differently, "Have you adapted and changed as a leader more as a result of collaborating with others, or from solitary study and reflection?" Why do you conclude this?	Do the drawbacks of group efforts outweigh the benefits - in their opinion

APPENDIX B

APPENDIX B

ORGANIZATIONAL DESCRIPTION - HC 2000

The following information presents information about a specific local organization that is attempting to change the health care industry. Its structure, formation, and intended role in the industry are described.

Organization Name: HC 2000
Incorporation date: 1993
Organization Type: Non-profit Michigan Corporation
Description: Coalition of area employers
Assets (9/30/96) $88,241
Revenue: Membership Fees, based per employee rates
Income (9/30/96) $14,436
Organizational Structure:
President - Paid consultant
Board of Directors - Nine volunteer CEO's of member companies
Committees: (all volunteer)

Table A.1

HC 2000 COMMITTEE	COMPOSITION
Negotiating Committee	6 member business representatives
Data & Quality Committee	20 business & hospital professionals & physicians
Health Information Implementation Committee	9 member subgroup of Data & Quality Committee
HIS Provider Advisory Group Committee	9 member subgroup of Data & Quality Committee
M.E.D.I Steering Committee	14 member companies' Benefits Administrators
M.E.D.I. Provider Advisory Committee	24 hospital administrators & physicians
Medical Technical Subcommittee	30 business & hospital professionals & physicians

Note: Many committee members serve on multiple committees. In some cases the business representatives are also providers of health care support services, such as ambulatory or laboratory service companies.

Organization Members:
Sustainers - full voting rights, 75+ companies, representing 100,000+ lives
Colleagues - no voting rights, 18 companies

Mission Statement: To create a community agenda on health care, representing the interests of employers by achieving cost containment and cost reduction while preserving and improving the quality of care delivered.

THE FORMATION OF HC 2000

The reason for forming the HC 2000 organization was described in a "position paper," written March, 1993, by the President and CEO (Jerry) of the largest employer in this mid-western community. (This international company is a Fortune 500 company and has its headquarters in the local area.) The paper was written and distributed to selected area business leaders. The position paper described that "for the past eighteen months a coalition group of four large employers in the local community have been meeting and addressing healthcare issues. . . . The group had been engaging in cooperative efforts with the four area hospitals and a number of physicians."

The author of the paper goes on to describe the need for this organization as a direct response to the nation's medical bill rising by another 11% in 1992, four times the overall inflation rate and three times the growth in the economy. He notes: "Healthcare in the United States now consumes almost 14% of our gross national product. That's a higher percentage than any other developed country in the world." The position paper states that other communities are trying to bring these escalating costs under control. He also addresses this question, "Isn't national healthcare reform on the way?" And concludes that even if it is, and even though the healthcare costs in his locale compare favorably with other communities throughout the country, "they (healthcare prices) are still too high and the rate of increase is unacceptable." The solution to this national problem is a local one, says Jerry.

Jerry concludes that employers must join forces to establish a competitive "counterbalance" to hospitals and physicians. "We should recognize that they (hospitals and physicians) must make decisions and take actions that are in the best interests of their own organizations. We do the same. This new organization is needed to provide better competitive balance - to stimulate hospitals and physicians to respond to the needs of employers and to optimize healthcare resources at the community level."

With this inauspicious organizational beginning, that involved many of the largest employers in one local area (CEOs), HC 2000 was incorporated in 1993.

ROLE OF HC 2000 IN HEALTH CARE INDUSTRY

HC 2000 is an organization described by both its members and by community members as a purchasing cooperative. To many people, this organization is another managed care entity, which in the health care industry carries a negative connotation. However, the current leaders of HC 2000 describe the organization as "unique" and "something new," and if they are managed care, they offer a new and better type.

There are three main entities in the health care industry: the providers, the purchasers (payers) and the users of health care. For each type of entity there are many varieties of organizations. The health care industry is considered a very complex industry. Providers primarily consist of physicians and hospitals, but providers also includes nurses, home care providers, ambulatory services, laboratories, pharmacies, medical equipment suppliers, etc. The purchasers or payers are predominantly private insurance companies, Medicare and Medicaid, but also include HMOs, agents or representatives of payers, employers who are self-insured, PPOMs and Preferred Provider Organizations (PPO). The consumers or users of health care are primarily the individual patients (those who are sick), but also includes individuals who are well and seek out health care services to both maintain their health and prevent future health problems.

HC 2000 considers itself a purchaser of health care. It sees itself as a unique purchaser because of the desire to purchase health care directly from providers, not through an insurance company or an HMO, which is more typical for purchasers of health care. The best explanation of how HC 2000 views itself as different from other purchasers is to note their overall long term goal, which is: HC 2000 wants to return the physician and the patient to the center of the pricing structure of health care. Another generally held opinion by most HC 2000 leaders is that the organization was started because insurance companies, HMO's, and other purchasing agents have too much control over prices in the industry and currently add no value to the system.

Recently, a board member was quoted in HC 2000's 1996 annual report as saying, "The wide range of costs and prices for the same service was immediately surprising." The current President of HC 2000 describes the organization as being driven by "value," which he defines as quality over cost. The President is quoted from the same annual report: "We are striving to have the highest quality health care delivered at the best price - which is not necessarily the lowest price." Unlike other all other purchasers, HC 2000 has established a goal to "negotiate standard prices with providers." Thus, the goal of creating a community-based pricing structure, is believed to set this organization apart from all other purchasing organizations or managed care entities.

The result of this goal (community-based pricing) has led the organization to follow two main principles in their decision making processes: eliminate cost shifting and no steerage. Both of these elements in the health care industry are widely practiced and generally accepted. Cost shifting is a descriptor for charging different prices to different groups. For example, Medicare pays hospitals less than commercial insurers are paying hospitals for the same services. PPOs are charged less than small indemnity insurers. Thus cost shifting is considered price discrimination. Steerage is the process of steering toward or preferring one provider over another. HC 2000 believes that with standard prices for all providers, they will have to compete on quality and service, which means that quality and service should improve. Standard pricing means that the consumer will steer their business for reasons other than coverage or cost. Part of the challenge for HC 2000, is to find ways to establish a fair market price for each of the various health care services. Most opinions circulating at meetings and in reports on the industry suggest that standardizing prices based on costs is probably impossible.

APPENDIX C

APPENDIX C

DESCRIPTION & ACHIEVEMENTS OF COMMITTEES

Introduction

At the top of the organizational chart of HC 2000, if there was one, is a Board of Directors. Several committees and advisory groups form the rest of the organization. There is one paid staff member, the President, who is a consultant splitting his time between this coalition and another similar group in a neighboring community. Each group of leaders (committee) is separated by function and expertise. Responsibilities are not clearly defined, and there are no written operating procedures. There seem to be no rules or regulations to limit any groups activities. Each group seems autonomous.

Since the organization's beginning in 1993 until the fall of 1996, the Board of directors met bi-monthly. In the fall of 1996, the Board decided to meet less often (semi-annually), with a smaller executive group meeting bi-monthly. Along with this decision, the Board gave more autonomy to the committees and the (new) President. For example, the negotiating committee, all volunteers from member companies, have been told to proceed to seek ways to lower costs and secure better values from any health providers they deem necessary. Who and what type of agreements to pursue was left to the discretion of the committee. Final approval of any formal agreements would require Board approval.

The action of giving the committees more autonomy, I believe, was taken because of the Board's satisfaction with all committee activities to date. However, it could be due to a lowered interest in the organization's activities or a sentiment that the organization was not effective and thus not worthy of their time. The following information describes each committee and the type of activities they have engaged in during the last three years. The results of their work is also described. The final section describes the pricing concept that HC 2000 has used in the past with the hospitals and plans to continue ascribing to in the future.

Negotiating Committee

Description: This committee is composed of six business leaders, each from a different employer in the local community. Their responsibilities at their respective companies range from financial and accounting administration to human resources and fringe benefit planning and administration. The committee is charged with the authority to negotiate pricing contracts with the different providers of health care. Though they seek final approval of contractual agreements from HC 2000's CEO Board of Directors, they have the autonomy to develop and negotiate contracts.

Achievements to date: The most significant achievement of this committee was accomplished in Spring of 1996. Contractual agreements for a fixed fee schedule with all four acute care hospitals in the area were reached. The chair of the committee, who is the Chief Financial Officer for a major grocery business in the area, refers to these contractual agreements as a significant milestone for the organization and its members. "The contracts guarantee standard pricing for 50 inpatient admission categories, those which account for an estimated 75% of all inpatient charges. The agreements include: fixed prices for three years; billing at the negotiated price which eliminates the cost of a third party repricer; and the ability to coordinate contract with existing PPO arrangements. As a result of the pricing agreements, there is an improved process evaluation and hospital efficiencies.

Data & Quality Committee

Description: Given the large number of products and services in the health care industry, comparison data that could be used to help determine "fair prices" and "good value" is extremely limited in this industry. This committee is charged with defining and interpreting information in ways that will ultimately benefit the entire community.

Achievements to date: Information provided by this committee was the primary source used for establishing actual prices used by the negotiating committee for the pricing contracts described above. The chair of this committee, a Professor of Economics at a local private college, described it as an earnest effort to collect data that became a substantial base of information for tracking the key price, quality and performance indicators of the four acute care hospitals in the area. In the 1996 annual report, he describes the resulting achievement of the committee's work: "We've made it possible to finally achieve a fair, standard rate for the whole community."

M.E.D.I Steering Committee

Description: This is a community leadership group that receives assistance from HC 2000 and other business coalitions in surrounding communities. Their purpose is to identify measures to reduce administrative costs related to health care for the payers.

Achievements to date: In 1994 the committee piloted one of the nation's first privately funded Community Health Information Networks (CHIN). The goal was to take cost out of the claims transaction process and improve turnaround time for payment. A paperless system for claims processing between several local employers and one local hospital was the first attempt to take a electronic data interchange concept from the drawing board to implementation.

M.E.D.I. is planning to extend its efforts to include data collection and the ability to electronically transfer imaging, lab results and clinical records between health care providers. These initiatives have the potential to improve the quality of healthcare and reduce administrative costs. This group has not met during the period this study has been carried out.

Pricing Concept for Hospital Contracts & Future Contracts

The Data and Quality Committee started the processes that could lead to this pricing concept. This committee met with representatives of all four hospitals, and are representatives of the hospitals themselves, and designed a system of collecting "charge" information on the most common in-patient procedures, (i.e., services) that the hospitals provided. This is referred to as the 50 DRGs (Diagnosis Related Group) that make up over 75% of all the in-patient hospitals services. (This group of fifty procedures was identified by the hospitals, but guided by a mid-west regional information database service.)

Using the DRG coding system is not without its problems, but advisory members and members of the committee agreed it was the only standard coding system available. (This classification system was created in the 1980's by Medicare for a more consistent payment system.) For example, one DRG (#143) represents the charges for a patient admitted with chest pain. Another DRG (#370) is a cesarean section and DRG (# 372) is a vaginal delivery without complications. DRG (#72) is bronchitis and asthma for ages 18-69 without complications and DRG (#98) is bronchitis and asthma for ages 0-17. The advantage to using DRGs is that the same group of procedures will be used by all four hospitals for each DRG. This makes cross comparisons possible between the hospitals; or as they say, "They are able to compare apples to apples."

In 1993, HC 2000 created the Data and Quality committee which included representatives from all four hospitals, both administrators and physicians (Chief of Staff). Committee discussions centered around the need to begin collecting charge information for the purpose of determining where there might be excess costs that could be removed. The hospitals agreed to provide this information and now pay $100 per month (to a computer service) to receive quarterly summaries about their own charges, as compared to severity-adjusted charges in the mid-west. They do not receive information about the other hospitals in the local area, only their own information! four hospitals. (The idea of sharing this information among their "competitors" is still unsettling to the committee members, i.e., hospital representatives.) HC 2000 receives information on all four hospitals.

Using twelve months of charge information from all four hospitals, HC 2000 analyzed the rates by DRG. From the actual charges at the four local hospitals, compared to regional charges and to each other, (and the data was severity-adjusted), an "average" or "fair" price was established. (See graph on Community-based Pricing Model - Chapter 3.) The prices that HC 2000 proceeded to negotiate were not the lowest prices, but a fair price as determined by past charges among all hospitals. The contracts also included a three year sliding scale for those hospitals charging above the negotiated price, to allow a more gradual movement toward the desired rate. Those hospitals that were currently charging below the negotiated price could either continue to charge their lower price or move up to the negotiated price. As might be expected, depending on the DRG, a hospital may be agreeing to bring down a charge for one DRG, but is also able to raise their price for another DRG.

Given this model, the negotiating committee proceeded to initiate conversations with each of the hospitals to establish a three year pricing contract. Negotiations lasted over twelve months; with several unexpected detours. Committee members admit there were times when they felt they would not accomplish what they set out.

Plans are underway to apply this same approach to several local physician groups, which are thought to represent the at least half of all physicians in the area.

APPENDIX D

APPENDIX D

THE HEALTH CARE INDUSTRY AND CURRENT REFORM MEASURES

Introduction

The health care industry has received significant attention, especially during the last five to ten years. This is mainly due to rapidly rising costs in the industry. What the future holds for this industry is precarious and the stakeholders in the industry (and there are many) are unsure about the fallout from any reform measures. Predictions of what is likely to happen, are thwarted because currently there are many experimental and trial reform measures with unforeseen consequences. Certain health care reform measures being initiated by businesses are of special interest to this study. What are they? What has been their effect so far on controlling the rising costs? And what strategies are on the horizon by businesses? More specifically, what have other similar organizations , generally referred to as business alliances, set out to do and accomplished? What are the future prospects for this type of organization?

A chronological look at the health care industry is a good way to begin to try to conceptualize this industry.

CHRONOLOGY OF HEALTH CARE INDUSTRY

Prepaid health care coverage is provided to many workers in the United States. The following chronology highlights a 60 year history that began by hospitals offering a monthly fee for health care coverage for workers. The story of the industry is still being written and many believe that significant changes are on the horizon. Who would have guessed that such a simple beginning (prepaid health care), would have led to the multi-tiered, heavily bureaucratized, complex network that exists today.

The health care industry has been characterized as a dysfunctional and disorganized system. Needed reform measures usually center around the need for greater integration coordination among the numerous health care entities. It is likely that reform measures will result in the demise of some organizations operating in this industry, but reform actions appear to be giving rise to new organizations, as well. The prospect that the industry will be less complex is very unlikely.

Health care is a national problem, but most believe that the best solutions will be local. Health care is an economic, social and political issue. Below, several major national events are identified. Many significant health care events appeared at different time in different parts of our country. This chronology features both major national and Michigan events, since Michigan is the state where the HC 2000 organization, the subject organization, operates. Similar patterns of events were occurring at approximately the same times, in most other states.

Table D.1

YEAR	EVENT
1929	First prepaid health care coverage offered to workers: Baylor University Hospital in Texas develops prepaid health care coverage for group of Texas school teachers. For a small monthly fee they were guaranteed health care, and the hospital was assured of payment for services to subscribers.
1938	First prepaid hospital services in Michigan: Detroit District Hospital Council forms an association (Michigan Society for Group Hospitalization) to provide prepaid hospital services; and Michigan State Medical Society begins work on a medical prepayment plan to reimburse physicians.
1939	Beginning of system to accept reimbursement as full payment: Employees of John Hancock Mutual Life Insurance Company can prepay at a rate of $1.90 per month, for he and his family to have 21 days of hospital care in a semi-private room. Participating hospitals agree to accept reimbursement as payment in full for care. Prepaid health care plans legalized as non-profit and tax exempt entities: *Michigan Public Acts 108 and 109 or 1939 become law. Governor Dickenson is quotes as saying: "I signed these bills with much satisfaction because they form the foundation of a new service which will afford to families of moderate income the assurance of adequate medical attention and hospitalization. Under

	present conditions, the very poor and the very rich are looked after. The poor are provided for through relief agencies and special appropriations for the care of the indigent. The rich have not trouble meeting the fees of the specialists." *PA 108 and 109 establish that prepaid health care plans are nonprofit and tax exempt; they are called charitable and benevolent in the laws are community-based hospitals, to justify the tax exemption.
1940	Significant membership growth for prepaid health care: Michigan Society for Group Hospitalization announce enrollment of 175,000 subscribers in 350 employee groups, including Michigan Consolidated Gas Company, Detroit Bank, Federal Reserve Bank, Socony-Vacuum Oil Company and Ford Motor Company joins soon after. This association begins using the Blue Cross symbol with the seal of the American Hospital Association superimposed, (a blue cross & blue shield). Physicians accept reimbursement as payment in full for services to members with family income not exceeding $2500, which applies to 90 percent of the members. The remaining 10 percent could be charged slightly higher fees, with the difference to be paid by the subscriber.
1945-1950	Continued growth of prepaid health care: Blue Cross and Blue Shield, formerly Michigan Society for Group Hospitalization, starts community enrollment program and individual contracts are marketed. .
1958	Multiple reimbursement levels: Due to rising incomes, Blue Shield establishes three income ceilings - $2,500, $5,000, $7,500 - each with different reimbursement levels and subscription rates.
1959	Senior Citizen coverage: BCBS markets contracts for individual senior citizens.
1962	Health care spending equals 5.4% of gross domestic product New Guarantees for catastrophic illnesses: Master medical coverage is introduced to guarantee payments for catastrophic and long-term illnesses
1964	Control of plans shifts from hospitals and physicians to customers: Blue Cross shifts majority control from hospital and physician representatives. Customers (businesses) and subscribers now hold 52 percent of the seats.
1966	Administration of Medicare and Medicaid changed: Blue Shield selected by U.S. Department of Health, Education and Welfare to administer Medicare Part B (physician services) and Medicare Part A (hospital care) in Michigan and to administer Medicaid, the federal-state health insurance plan for the needy. (later this responsibility was turned over to the state of Michigan)
1968	Shift from income based fee schedules to "customary & reasonable" fees: To eliminate the need for constant upward adjustment of income ceilings, Blue Shield introduces a "variable fee" reimbursement. BCBS pays physicians what is considered "customary and reasonable" based on a prevailing range of fees charged by doctors of the same qualifications in the same geographic area. In return the participating physician accepts the reimbursement as full payment for services to members.
1970-72	Health care spending equals 7.5% of gross domestic product More controls shifted to consumers: Blue Shield board of directors, follows Blue Cross actions, and restructures its board of directors, giving customer-subscribers 52% control. Decision making authority is shifted to the consumer.
1975	Incorporation of insurance providers: Michigan Blue Cross and Michigan Blue

	Shield form a single corporation, and increase majority control of 59% to its customers and subscribers.

1976	The start of managed care groups (HMO's): Blue Care Network of Southeast Michigan, Michigan's first health maintenance organization (HMO) is formed by BCBS
1979-1983	Additional Blue Care Networks are established across the state
1980-82	Health care spending equals 10.3% of gross domestic product: According to a report by Families USA, a nonprofit health care advocacy organization, the average family spent $1,742 on health care this year.
1985	Insurance companies no longer tax exempt: PA 350 declared legal and replace PA 108 and 109. PA 350 eliminates federal tax exemptions for BCBS plans. They are declared "stock, property and casualty insurance companies."
1989	Capitation plans, rather than fee for services, begin: BCBS starts offering hospitals a new reimbursement contract that replaces cost-based, global payment system with a fixed-payment-per-case system; eventually all community hospitals agree to participate.
1990	Alternate managed care groups developing: Physicians and other health care providers are offered a new participating agreement that includes a simplified payment schedule and an advisory committees composed of physicians. Eight out of ten physicians in the state accept the participation plan. *A PPO (Preferred Provider Option) is offered to individual, non group subscribers for the first time.
1992	Health care spending equals 13.8% of gross domestic spending, (double the rate in 1972) Preventive health care extended: care BCBS begins sponsoring free preventive health care for children and continuing medical education for physicians
1990	A reported 56% increase in health care cost for the average family since 1980: According to a report by Families USA, a nonprofit health care advocacy organization, the average family in the US spent $4,000 on health care this year.
1994	Health care costs fell for first time in five years. Clinton's Health Care Plan announced and immediately is doomed: BCBS buys the Accident Fund, a worker's compensation insurance company, which is the largest "privatization" in American history.
1995	Managed care plans, which include preventive care such as office visits, well-baby care and immunizations, are offered *Integrated health management is identified as a concept of assisting people who are well to stay well, identifying those at risk for health problems and reducing the risk through lifestyle changes and managing the care of the chronically or seriously ill persons
1996	National bills proposed on Medicare reform, health insurance tax deductions, and malpractice regulations

This chronology identifies 60 years of growth resulting in a very large and complex industry. Private and public groups have affected the changes, as have national and state governments. Health care in our country has become a major expense and most recently is an expense that has been growing out of control. There is little doubt in most people's opinions that the "system" is broken and needs fixing. Just how to "fix" this large and complex entity of society, while not creating new (more serious problems) is the question being considered by many.

CURRENT ISSUES OF THE INDUSTRY

Rising costs and inefficiencies in the health care industry are at the heart of all other concerns. The quality of health care, generally, is considered some of the best in the world. But the questions seem to focus on why does the cost of this high quality care keep going up? There are many reasons why the costs are going up. Most often identified are: technology, aging population, litigation, unnecessary or inappropriate care and a growing uninsured or underinsured population. In addition, pressure on providers and government to pass costs along to businesses is a verifiable reality (cost shifting). Major economic issues tend to deal with cost containment in a multiered system, decisions of allocation (who pays), and labor market effects from different ways of financing health care coverage. Social issues confront questions about the uninsured, freedom of choice and quality care. Finally, and most pertinent to this study, business issues deal with cost, quality unknowns and consumer attitudes. (Conference board, 1995)

Health care costs actually fell in 1994, but rose again in 1995 and 1996 However, the rise was slower (single-digit increases), than several years earlier (double-digit increases). Cost containment strategies seem to be working, but long term strategies are still being identified. As government proposes to cut government health spending, especially for Medicare and Medicaid, businesses are anticipating that hospitals and doctors (the providers) will demand that employers pay a even greater share of total health care costs. See charts on: "The Nation's Health dollar: 1994; Where It Came From and Where It Went."

During the 90's, a national health care system proposed by Clinton was quickly rejected. The generally acknowledged need for universal health care is stymied by questions about who should pay for it and how much should it cost? Criticism of the various stakeholders in the industry abound. Hospitals are known to cost shift, e.g., giving deep discounts to those with the most leverage, only to pass that difference along to another payer. With a well-ingrained third party pay system, the insurance companies and HMO's are making out pretty well these days. They have found ways to hold costs down, but seem to be holding some of that savings in their own reserve, rather than passing the savings along to the payers. The identifiable cost cutting measures are too numerous to list. Most people argue that cost cutting has really be cost shifting and the removing excesses in the form of administrative overhead, or better utilization of services is much less frequent than the easy method of cost shifting. So what is the business' response to this national problem?

A 1996 front page headline in the Wall Street Journal, states: Firms Cut Health Costs, Cover Fewer Workers. Though squeezing the excess cost out of the health system is considered most desirable, fears abound that some cost containment measures are also reducing quality of care. This article identifies what businesses are doing. "Not only are employers shifting more costs to their workers, they simply are covering fewer workers. At last count, medium-size and large employers provided health insurance to 82% of their full-time, permanent workers; as recently as 1989, they covered 92%. . . . the folks least likely to have insurance are the ones whose wages have been falling. High-school graduates are twice as likely to lack health insurance as people with bachelor's degrees.:" (WSJ, 1996) Businesses, in their vigor to reform health care appear to be contributing to an even greater danger . . . access to care and greater numbers of uninsured in our society.

FUTURE PREDICTIONS ABOUT INDUSTRY

Reform measures are infinite and certain. Several seem to dominate the literature. First, returning the direct provider (the physicians) and consumer (patient) to the center of the cost structure is often recommended. "Individuals need to be more involved in the costs, the true costs of providing health care and managing his own costs, managing his own health." (Subcommittee hearing, p. 39) Appropriate care, not excess care, should be determined by the physician and the patient. A system that supports this notion of quality, plus incentives for prevention is generally considered a long term strategy toward greater health care value. Techniques that include measures of customer satisfaction and outcomes are thought to encourage that type of system.

Risks associated with any reform measures are also being considered. Cost reductions have been achieved through efficiencies in medical management and administration, but there are excess costs through excess use and excess capacity. As processes of delivering care are "reengineered" the risks will be shared. Business leaders are convinced that just as they are able to reduce unnecessary capacity, improve efficiencies that lead to cost savings, that quality of care can be improved and the consumer will be better off than they are today.

BUSINESS ALLIANCES

One health care reform strategy

One response to the concern of health care costs, and most pertinent to this study, is the formation of business alliances. (The New York Times, in 1995, describes this type of response as scarce.) These are employer-led community-based reform measures that are market driven, sometimes referred to as a "managed competition model." Businesses are creating strategic alliances and partnerships primarily with the providers and consumers. They are also, as purchasers, seeking consistent measures to evaluate quality and service.

One feature of the alliances is to have joint working committees of employers and providers who intend to reduce administrative costs and complexity in the health care system. Another activity by these groups, are quality initiatives that include data collection and analysis. For example, from employee surveys, the business alliances are preparing consumer report cards that assign grades to health system features on: health plan coverage, quality of service delivered compared to costs, satisfaction with physician and hospital care, and promotion of preventive health services. These activities seem fairly common to the few business alliances groups that have formed in the United States.

A few principles also guide these business groups, at the present. First, those who deliver care are the ones who should manage it. This means shifting the current power base from third party cartels, to the physicians. Next, valid comparative information on cost and quality, about consumer satisfaction and provider outcomes is a prerequisite to improvement. This data must include strong operational definitions to evaluate performance and needs to be shared, not hoarded. And finally, enhanced customer responsibility that is achieved by creating more user-friendly information will promote better quality decisions. These alliances believe they can improve the current system, in these ways, through competitive purchasing initiatives.

Future Goals of Business Alliances

The Conference Board is a global business membership organization that enables senior executives from all industries to explore and exchange ideas that impact business policy and practice. In 1995, executives at The Conference Boards' Inter-Council Symposium examined the role of employers in purchasing *value* in health care. Business leaders identified their overall goal as creating new incentives for fostering improvement in the performance of the health system, to encourage employees to be more responsible for their health and their use of health care, and to use information to define the "product" it purchases. Not surprisingly, they identified health care reform measures from a business perspective.

Business alliances believe that by creating partnerships and new information, much like they have had to do in their own businesses, that health care costs can be contained and become more affordable for more people. In addition, they believe that health care delivery can be improved. Prevention programs will empower employees to become more responsible for their health and use of health care. Business alliances are applying a competitive model, with an allowance for "human" considerations, to the health care industry, using the knowledge they have about competition within their own industries. But to carry out their objective within this competitive framework, they will strive toward a more integrated health care delivery system. In addition, businesses need to develop the skills and knowledge to support innovations in both purchasing and delivering health care. As purchasers they will put pressure on health plans and providers to restructure, to eliminate excess capacity, adjust physician mix to better meet the needs of enrollees, and to reengineer processes of delivering care. When the symposium concluded, information management was identified as the first and foremost source for achieving desired performance. (The Conference Board, 1995)

APPENDIX E

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GLOSSARY OF HEALTH CARE TERMINOLOGY

BUSINESS COALITION/ALLIANCE - Productive partnerships or strategic alliances made up of diverse industries to pool their economic interests and create more leverage in the marketplace. The partners have shared incentives, focus on local market relationships and allow for a variety of products and financing options.

CAPITATION- As one form of managed care, capitation means "payment by the head" which means the provider (hospital or physician) receives lump sum payments to care for a certain number of patients. If many of the patients are healthy and do not show up for care, then the provider receives payment for doing nothing. If many of them fall sick, then the provider may work many long hours for the same pay. Though variations exist, this is a simple concept. Sometimes the lump sum includes laboratory services, others do not; some have bonus and incentive systems. There is also risk-adjusted capitation, which is more complex, where rates are based on the health risk of the population. This concept has been the principal mode of paying general practitioners for the past 50 years in the United Kingdom's National Health Service. In the U.S. this has become a high-risk, high-stakes proposition in some health care markets. Ethical issues are surfacing in prevalent medical journals because this payment system sometimes rewards providers for less care.

CONSUMERS - The user and/or purchaser of a good or service; in the case of healthcare the user and the purchaser may be different people. Generally, since the 1960's U.S. consumers have been more discerning and because they have more choices, producers have to woo them.

COST SHIFTING - Charging different prices to different groups. Dynamic cost shifting is behavior and occurs when providers raise prices to one group of payers because another group of payers is now paying less.

DRG (Diagnosis-related group) - Classifications of diagnoses in which patients demonstrate similar resource consumption and length of stay patterns. The systems was developed in the early 1980's for the federal government to standardize payment of Medicare and Medicaid claims. Currently there are over 400 DRG's and the descriptions of some plus addition of new DRG's is on-going. One DRG has a unique number and name and represents a combination of activities carried out within a hospital or clinic, by a physician, and includes medical supplies and testing services needed for the procedure. An example would be the charge associated with a cardiovascular disease.

FEE FOR SERVICE - A method of reimbursing providers based on charges for the services actually provided to patients, as contrasted with capitation payments, fee schedules, per diem payments, etc.

GATEKEEPER - The primary care provider responsible for managing medical treatment rendered to an enrollee of a health plan. Alternatively, this term has been use to describe third party monitoring of care to avoid excessive costs by allowing only appropriate and necessary care to be rendered.

HEALTH MAINTENANCE ORGANIZATION (HMO) - A health care delivery system that provides comprehensive health services to an enrolled population frequently for a pre-paid, fixed (capitated) payment, although other payment arrangements can be made.

INDIVIDUAL PRACTICE ASSOCIATION (IPA) MODEL HMO - An organization that contracts with individual health care professionals to provide services in their own office for enrollees of the HMO.

MANAGED CARE - Any form of health plan that initiates selective contracting between providers, employers and /or insurers to channel employees/patients to a specified set of cost-effective providers (a provider network).

M.E.D.I. (Medical Electronic Data Interchange) - A community health information network started as a pilot program in 1994. The network includes regional employers and was created to provide a cost-efficient mechanism to electronically transfer healthcare claims, payments and clinical information.

MULTI-OPTION PLAN - A health benefit plan developed by a single carrier that offers employees the opportunity to choose from a range of health benefit plans. Employees have financial incentives to use the most cost-effective plans.

NETWORK - A group of providers that mutually contract with carriers or employers to provide health care services to participants in a specified managed care plan. the contract determines the payment method and rates, utilization controls and target utilization rates by plan participants.

POINT-OF-SERVICE PLAN (POS) - a health benefit plan through which several different types of insurance coverage are available. Rather than choosing one plan for the duration of a contract period the employee chooses the insurance plan and provider at the time health care services are sought.

PREFERRED PROVIDER ORGANIZATION (PPO) - Selective contracting agreement with a specified network of health care providers at reduced or negotiated payment rates. In exchange for reduced rates, providers frequently receive expedited claims payments and/or a reasonably predictable market share.

PRIMARY CARE - basic or general health care offered at the time a patient seeks treatment.

PROVIDER - Any health care facility or professional licensed to provide one or more health care services to patients.

PURCHASING COOPERATIVE - A membership partnership used to make group purchases and, by doing so, attempting to lower the costs for the members, i.e., quantity purchasing. According to a Harris Survey conducted in 1996, there were four distinct types of group purchasers: local business groups on health, chambers of commerce, trade/membership associations and state governments/large municipalities. The survey concluded that group purchasers play only a modest role in their local markets and are not as influential as they expect they will become. They provide services to their members, other than reducing healthcare costs; monitoring laws, gathering pricing and quality information, lobbying state legislatures are the most common.

QUALITY OF CARE - One of the most disputed and least clear cut health care concepts, with universal standards still in its infancy. Sophisticated measures are not commonly used, nor widely accepted . Quality generally includes the appropriateness and medical necessity of care provided, the appropriateness of the provider who renders care, the clinical expertise of the provider and the condition of the physical plant in which services are provided. Sources of quality information include: patient feedback, price, reputation of providers, outcomes, mortality and morbidity rates, complicating conditions, general health of patients. Few purchasers are designing their own quality measures from raw data, although according to the Harris Survey, one in three say they are likely to do so in the future.

RISK SHARING - The process of establishing financial arrangements, utilization controls and other mechanism to share the financial risk of providing care among providers, payers and users.

SEVERITY ADJUSTED RATES - Information that reflects the type of population in terms of the severity of illness is used to minimize the differences among patients. The information is adjusted to be able to compare the outcomes between healthcare services. The intent is for providers to use the severity-adjusted information to analyze and reduce the variation in care and resource consumption for similar patients with similar conditions. Variance factors that affect the outcomes from health services (including the charges) include age, general or overall health of the patient, history of past health conditions, length of stay, complicating factors.

STEERAGE - Initiating actions that are likely to cause business to move toward one provider and away from another. Reasons for wanting to steer business are numerous.

UTILIZATION REVIEW - An independent determination of whether health care services are appropriate and medically necessary on a prospective, concurrent, and/or retrospective basis to ensure that appropriate and necessary health care services are provided.

APPENDIX F

APPENDIX F

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