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Practical Experience, Observation and Research

by

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The history of science contains numerous instances where the observation of spontaneous natural or social phenomena by thoughtful practitioners and researchers have triggered profound insights that have then been articulated and tested as a new and persuasive theory about some aspect of the natural or social world.

For well known examples think of Darwin, his voyages and the theory of natural selection; or Archimedes, his bathtub and his buoyancy principle; of Fleming and his chance observation of the effect of *Penicillium* mold on bacteria cultures; or Frederick Winslow Taylor and his observations and development of practices that became labelled as Scientific Management.

Within the field of management, observant practitioners and researchers have acquired many significant insights from their own contact with organisations, their interaction while teaching executive programs, and consulting assignments. Those insights inform and enliven their research.

The research and teaching by Dennis Turner is part of this broad tradition where practical experience leads to insight, which is followed by a process of articulation, testing and refinement to demonstrate the validity and improve the usefulness of the ideas.

When Dennis arrived at the AGSM, with many years of successful management experience in a number of public and private sector organisation in

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Australia and the UK, he already possessed a solidly grounded understanding of organisations. At the same time he was mindful of the research skills of his new colleagues and their peers, keen to learn from them and to adopt their research discipline. In so doing, he moved from being one of numerous good managers with powerful practical skills and understanding, to a management researcher able to put his experience-derived perceptions to the test in a robust manner.

Research on Change

In 1990 Dennis and I started a research project on corporate change and performance, within the AGSM's Centre for Corporate Change. As our initial thinking developed it drew on the literature of the time about change, personal competencies, and competition. Importantly, it also drew on insights derived from prior managerial and consulting experience and observations.

Our initial thinking on the topic can be seen in a working document we drafted for our own benefit in 1990. While covering much of the then relevant literature, and outlining an extensive scope for research, it flagged a number of themes that would remain throughout the project and have prominence in the resulting book *Change Power*.

- We observed that for most organisations change was not separable from conduct of their ongoing business, so most managers had to 'manage changing organisations' rather than 'managing change'. This statement may seem obvious yet much of the prior research and commentary about change treated it as though separable from ongoing operations.
- We noted that much of the existing literature was managerially weak despite offering real insights about change. So the project set out to give strong attention to ideas that would actually help people who were responsible for 'managing changing organisations'.
- Consequently, two important elements would be *processes* used in managing organisations and change, and the concept of organisational *state* and how it might be measured and used to guide action.
- We stressed the idea of competencies and posed the question of 'what competencies, if any, were important for successful change?'. In particular, we emphasised the idea of both personal and corporate competencies and their contribution to organisational performance and to managing changing organisations.
- And we posed the question: 'If there are special competencies needed to manage organisations through change, how do these competencies differ from those needed to manage organisations in more stable situations?' There was a definite sense that there would be differences though their nature was unclear at the time.

These were not just casual ideas. They were strongly grounded in observations from extensive managerial experience. Dennis' own time as a manager had included leading change in various organisations and in his experience the changes were always inextricably interwoven with the continuous conduct of the business. On that basis there was an expectation that in most cases business activities and

change would be linked together. This jointness was apparent in all of the case studies conducted for the research as well as in the reported experience of more than 200 executives who have attended courses about corporate change based on the research.

Having looked at the literature on corporate change, Dennis was also conscious that most of it offered little advice that would have been helpful to him as a manager. For instance, the suggestion that usually the CEO and/or a number of senior executives need to be replaced in order to achieve effective frame-breaking change (Tushman, Newman & Romanelli 1986) is a powerful statement. It may be an accurate statement but it still provides little managerial guidance. How is it judged, and by whom, that frame-breaking change is really necessary? If it is necessary, what new orientation is appropriate and which executives should go? Changing the wrong executives or bringing in a new CEO with an inappropriate new approach is very likely to result in failure. And if the CEO and much of the top management team is wrong for the situation then there is a real question about the capacity of an organisation that reaches such a position to make good decisions about all of these matters.

While Dennis was very conscious of the need for action in managing organisations, as are most managers, he had a very definite view of this as an outcome of competence. In addition, his experience had impressed on him the existence of personal and corporate competencies, both of which were important for success in any endeavour undertaken by an enterprise.

This was bolstered by a growing literature on the subject of managerial competence, some by academics and some by corporations anxious to discover, for purposes of selection, development and training, how they could produce more effective managers. Most of the work (e.g. Mintzberg 1980, Kotter 1982) was directed at the competencies of individuals and much stemmed from attempts to describe the actual roles, fundamental requirements, organisational environments, contexts, demands and constraints of managerial work.

Boyatzis (1982) worked from a list of 21 competencies developed from assessment studies of various kinds and related these to performance achievement using a number of clusters, for example, a leadership cluster, goal and action management, and directing subordinates. Kolb's work (Kolb, Hublin & Spoth 1986) focused on managerial skills and levels required to cope with a rapidly changing agenda and environment and the consequent need to learn new ways of managing. Schroder (1989), building on Kolb's work developed a hierarchy of competencies.

Work such as this resonated with views Dennis had formed from his corporate experience about the competencies of individuals. But he was also readily able to point to situations in the past where he had drawn upon enduring strengths of a number of organisations. Similarly he could identify many instances where this was also true of other managers. At the time, people like Prahalad and Hamel were writing of corporate competencies that were essentially based on technical abilities. Dennis' own experience left him in no doubt that while these were important, so also were corporate competencies that affected how managers and staff interacted, made decisions, coordinated and applied resources, and felt about the business. This awareness led to the decision to search for the contribution of both personal and corporate competencies as factors affecting change effectiveness and near-term business performance.

This was expressed in the statement in our 1990 notes: 'It is our hypotheses that successful, and hence value creating, change is aided by a range of competencies owned permanently, or for long periods, by the organisation as an entity and which help or enable it to assess its own performance critically, sense the need for change, create new vision and strategy, implement these changes and sustain them.'

As the research and ultimately the articulation of results developed, these themes were refined and new details emerged that were not anticipated at the outset. Nonetheless the themes guided much of what was done, were largely validated, and remained important in the conclusions that emerged. In so doing they highlighted the importance of the insights that Dennis had brought to the research from his managerial experience and the significance of that experience in shaping the research direction.

While managerial experience was a major factor in generating hypotheses, testing them was another matter. That relied on the collection of a large data set (243 cases) sufficient to support rigorous statistical analysis, together with a number of detailed case studies to help understand and exemplify what the data analysis revealed.

Even here the research benefited indirectly from Dennis' experience as a manager. For much of the time after joining AGSM, Dennis was director of the School's executive programs, as well as teaching on a number of them. His deep, practical knowledge of public and private sector management made him very credible and respected. So when data was needed for the research, there were a lot of executives disposed to help.

Finally, when the analysis was completed, Dennis' experience in management provided a host of examples to illustrate the conclusions reached.

Results

The primary results from the research supported the initial beliefs. Those results were:

- The existence of a small number of what came to be termed capabilities (essentially macro-competencies), each encompassing a number of individual competencies (such as communication, or planning) whose strengths tend to covary. These capabilities are:
 - Engagement;
 - Development;
 - Performance Management;
 - Marketing & Selling; and
 - BizTech.
- These vary across organisations in the extent to which they primarily depend on key individuals (personal capabilities) or are more corporate characteristics.
- These capabilities differ with respect to their importance for managing change and for production of near term business results, with Engagement being the

single most important for effective change but much less important for near-term business results.

- Those capabilities are in turn linked to specific actions and corporate states (such as anxiety, conflict, and esprit de corps).

We did not explicitly test the practical relevance of the results, but executives exposed to this framework in courses and other forums have made clear the fact that they find it accessible and a practical guide to action, satisfying one of the other intents of the research.

For instance, the idea that communication and motivation were important for successful change has long been argued by academic and other commentators on change, but so have many other actions, leaving those involved with changing organisations potentially overwhelmed with possibilities. The concept of Engagement that emerged from the research has given managerial focus to many types of action and skill.

Thus while the results that emerged from the research were not wholly novel, yet the framework has made the ideas accessible and practical for managers and other staff to apply. In so doing it has completed a cycle to the source of many of Dennis' ideas and the basis of the research.

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