

Action learning as a core process for SME business support

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This is an account of the work of NetworkNorthWest, a £1m project at the University of Salford that ran between 2004 and 2007 and was developed to address the issues relating to poor take up of traditional business support by small to medium-sized enterprises (SMEs) and low levels of engagement of the business community with Institutes of Higher Education. Originally funded by the North West Development Agency (NWD), NetworkNorthWest was specifically developed to improve innovation, entrepreneurship, enterprise and wealth creation in the Northwest's SME business community through educational micronetworking – networking to learn from, and with, others in a similar position in other SMEs using action learning techniques that allow the participants to set the agenda for what they need to learn. At the same time the project was able to benchmark best practice in this form of business support regionally, nationally and internationally. Working with six delivery partner universities across the North West of England, the support was multi-disciplinary and multifaceted (including applied research, knowledge transfer, management and professional development and provision of sector specific training for employees) and there was potential to deliver support in the form of face-to-face contact or online resources. The project, seen as exemplary by the NWD, has since delivered support for Manchester Chamber Business Enterprises to a further cohort of SMEs across Greater Manchester and the core process has been adopted as the basis for the second level of intervention for leadership development by the Northern Leadership Academy. It also significantly improved the profitability of the SMEs who took part through the impact of innovative processes and developments enabled by action learning.

Keywords: mid-career professional learning; action learning; business bridge; effective learning

Background to the NetworkNorthWest project

There had been concern for some time within the North West Development Agency (NWD) that while innovation in big business was being well supported, little was being done to develop innovation in small to medium sized enterprises (SMEs) in the region. Meanwhile anecdotal evidence from business link advisers and others working with SMEs suggested that traditional business support was being seen to be intimidating or inappropriate and failing to meet the needs of the majority of the region's SMEs, with engagement with businesses with less than 50 employees around 14%, while for those with less than 10 employees it was likely to be below 5%. The national figures for engagement with universities were equally low, with only 20% of businesses following that route to develop their business skills. Further anecdotal evidence from traditional support providers indicated that when SMEs were asked why they did not see Institutes of Higher Education as a source of further knowledge, besides the time commitment required the main issues appeared to be the perception that offerings were too theoretical; academics were out of touch with the reality of running a business;

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language used in resources made them less accessible; or that previous poor learning experiences indicated that ‘university is not for me’.

The challenge therefore, was how the project could go about engaging with SMEs who failed to seek business support, in a way that they might learn how to be more innovative for wealth creation. Previous studies at Salford (Powell et al. 2007) had shown it was possible to engage and empower small businesses in a cost effective way by developing a peer-to-peer approach, based around action learning, which answered the SME’s ‘what’s in it for me’ question, fitted their normal ways of working and informal networking, but also set them realistic and fund-earning challenges and, finally, used a real-world language and ‘just-in-time’ learning approach.

The NetworkNorthWest project was keen to engage at an early stage with stakeholders from across the north west: the NWDA; North West Universities Association (NWUA – the Universities collective Agency for the City/Region); the Business Links; the Learning and Skills Councils; and the Small Business Agencies and many were included in the scoping process, as by using action learning as a core process there is potential to be flexible enough to meet a number of agendas as part of the project delivery. It was also agreed that as part of the terms of reference it would be a condition of tender that partner institutions had formed links with local Business Links and chambers.

The project, once established, was to be guided by a steering group made up of representatives of key stakeholders in the region, including the NWDA, to enable rapid dissemination of project findings and to ensure high-level engagement from traditional providers of business support.

The approach

At the time of the original stakeholder consultation there were a range of complementary peer-to-peer (SME-to-SME) educational micro-networking approaches based around a core action learning principle, operating throughout the region that appeared to offer a way of engaging and educating a significant proportion of the North West region’s SMEs to improve their innovation and enterprise for wealth creation. However, it was difficult to quantify the precise effectiveness of the different approaches and there was no proscribed overarching methodology. While the precise way of delivering the peer-to-peer educational micro-networking in particular groups (sets) might or might not be critical, it clearly depended on sets being facilitated, their contexts and situations and the experience and capability of the facilitators. The role of this project was to explore and define the processes currently used across the region by establishing, through six Institutes of Higher Education delivery partners, 19 micro-networking sets of approximately seven SMEs per set, allowing the range of approaches then being used to be represented (a further six sets were established in a subsequent extension to the project but were not included in the evaluation).

To enable the detailed evaluation of these sets and to provide a training opportunity for future facilitators/coaches, each set would not only have a facilitator (or coach), but also a recorder or scribe (who wished also to be trained as a facilitator). These recorders were to be trained by the project to record and submit, after each session, detailed reports, known as action minutes, on the learning processes and learning outcomes, within each set. These reports formed the basis of the evaluation process. Also, to aid their own understanding of the developing action learning ‘on the ground’, the present authors and the core research team often acted as participant observers and observing participants in the cases explored.

In order to put the project in a global context, benchmarks were undertaken of two similar approaches to a balanced learning approach for SME’s in Brazil and South Africa; the findings were compared with our major studies in the UK and a benchmarking exercise with a branch of the Academy of Chief Executives in the North of England.

The balanced learning we observed in both the overseas countries used a combination of facilitated action learning, traditional and e-Coaching and e-Learning materials developed specifically for small contractors.

Brazilian action learning

The Brazilian case was based upon the joint working between the Universidade Federal do Rio Grande do Sul and University of Salford (Hiroto 2001; Lentleme 2004) supported by the British Council; a firm partnership had been developed between both institutes, who were considered to be developing best national practices for their own country for construction. The Brazilian researchers had a period of apprenticeship at University of Salford to learn to become set advisors in the context of action learning and then arranged action learning supported by coaching on two cohorts of construction professionals. In particular, the Brazilian action learning offered the opportunity to take time out of the business and 'disengage' with the operation, allowing them to become more strategic. The challenge in this case was concerned with how the University of Salford (and its partner Universities such as the Universidade Federal do Rio Grande do Sul) could be creative about engaging with SMEs who failed to seek business support, in a way that they might learn how to be more innovative for wealth creation.

South African 'Business Bridge' meetings

The South African case was based on a process originally developed in Liverpool, known as 'Business Bridge'. Business Bridge is a peer-to-peer network used in and around Johannesburg that seemed to have been used with much effect to encourage innovation and wealth creation in South African SMEs. Business Bridge is a process essentially similar in nature to action learning. Twenty-eight South African small businesses became partners in an educational programme delivered in a form not dissimilar to action learning, however, the precise methodology used was not as prescribed as the one NetworkNorthWest adopted. The South African approach was prepared to be much more flexible about many aspects of delivery, as long as core principles were adhered to, it was felt that flexibility not only allowed the team to capture best practice but also allowed participants to customise their own experience to meet their needs. Just as in the British and Brazilian action learning, there are facilitators who keep the learning process developing carefully and progressively, however, in the Business Bridge they also take on an extremely proactive, and sometimes more directive, role, especially between meetings, in providing coherent support for any SME's actual enterprise development and in setting up themes for future meetings. Similarly, in Business Bridge, as in our NetworkNorthWest action learning, the use of 'action minutes' gave feedback of the actual learning from any meeting and was seen by the South African facilitator to be extremely helpful and constructive in supporting constructive change processes in her SMEs.

UK northern branch of Academy of Chief Executives

As part of their monthly meetings the Academy of Chief Executives uses a process similar and complementary to, but slightly different from, action learning to enable members to share problems and develop an action plan to move their original issue forward. Led by business coaches, there are often as many as twenty members at the meeting so each member proposes a problem to be discussed. Using a ballot system the meeting identifies the order of topics to be considered on that day, with those with the least votes unlikely to be discussed in the time available. There are then two rounds of open questions from all members in the room followed

by a proposal for an action to move the problem forward from everyone in the room. The problem owner then selects the solution that they think is most appropriate to their situation. Unlike action learning, there initially appeared to be no formal reflection in the process and there was no feedback at the next meeting.¹

Data from all these benchmarks and were collected for external project evaluation and formed the basis of the more general findings mentioned later in the paper. The benchmark cases and the main UK study were fully evaluated by an independent evaluation team, led by professor Richard Thorpe of the University of Leeds. This team evaluated the different perspectives and implementations of processes in these sets and the resulting findings would not only allow the economic benefit of this form of support of SMEs to be quantified, but also would determine what was critical when it comes to educational micro-networking. These findings would subsequently inform the production of sensible guidance in the form of an educational resource to be developed for existing and future facilitators/coaches on operating protocols to deliver quality education of this form for the region's SMEs.

Results

One of the most interesting overall findings of the present study is summarised in Figure 1. It represents many of those who took part in our action learning programme 'bouncing down' King Street in Manchester in the middle of the rush hour. They did this because they had become so delighted with the process that they wanted to encourage other SMEs to come to an event to mark the end of the formal learning processes. It shows the enjoyment they all felt in taking part in this influential programme of learning and is a representation of the name that they collectively gave to their learning experiences, namely 'bouncing higher'. For them, action learning was the educational process that enabled them to 'bounce ideas off against each other' and learn in a relaxed way with 'partners in adversity' to become more innovative in their work for wealth creation.

During the course of the initial project, 118 SMEs had been prepared to invest more than 30 hours contact time to the project, while the remainder had between three and 30 hours; this is a



Figure 1. Bouncing down King Street, Manchester.

considerable commitment from business people who are frequently unwilling to give up even the most minimal time for training and education. Similar commitments of time and effort were also noted in the benchmark cases. All participants grew in confidence and every participant had a different but rewarding learning outcome; see Table 1 for just some of the many examples of successful delivery, outputs and outcomes.

For a SME to spend such amounts of time engaged in mid-career professional learning is a key finding in its own right, since so many traditional training courses fail to get anywhere near this level of engagement and commitment.

It is interesting to note that several of the sets were so enamoured of the process that they elected to continue the meetings after the end of project support, taking over the facilitation of the meeting themselves. These sets were still in existence some two years after their formal support ceased.

Table 1. Examples of some of the learning outcomes reported by the evaluation team and facilitators.

Management development	Adoption of longer-term strategic focus and longer-term goals, development of a range of skills including time management, delegation and building confidence.
Realisations	Understanding of the customer's perspective, that computers were not to be feared and could improve business performance, the impact an effective marketing strategy on business performance, how new technologies might support business growth, the importance of reflection and the fact that 'experts' are not always the answer and that they are experts on their own business.
Technology	Introduction of computers into business. Use of new software packages, websites and internet marketing.
Information transfer included	Alliances formed between SMEs and between SMEs and universities with a view to future joint ventures, community awareness and information on where to gain help and advice and how to find potential investors. Development of knowledge on software packages and funding opportunities, limited companies, VAT, outsourcing, opportunity costs, Business Link service, use of techniques such as futurising and action learning to stimulate innovation.
Tangible outcomes include	New products and services, increased turnover, building alliances with former competitors to bid for larger contracts, new alliances with companies from different backgrounds, employment of new staff to free up manager's time or to meet increased workload, purchase of new premises, employment of set members, introduction of IT and e-marketing.

Specific and positive findings

The action learning process is clearly an extremely good way of getting those who are traditionally weak learners, including those who have failed in the traditional educational system, to fully engage and grow in capability and competence. Once the confidence of our SME owner-manager's grew, it was quickly possible to offer them taster sessions and lead them back into more formal learning environments. The research also revealed some more specific findings with respect to the learning of mid-career professionals. These findings are reported item by item below:

- The precise process was less important than the fact that there needed to be action points agreed and a process of reflecting on the outcome of these actions, which would be shared with the group at the next meeting.

- An option for larger groups was to introduce a ballot to identify order of topics to be discussed at a particular meeting.
- Experience in both the NetworkNorthWest action learning and the Business Bridge Meetings in South Africa found the neutrality and responsiveness of the facilitator to be key in developing powerful enterprise learning experiences for our small enterprises. It is also important that facilitators of all forms of educational micro-networking for SMEs: have empathy and personal professional expertise to share with their SMEs; are capable of coaching, rather than advising their SMEs; and are willing to be supportive in difficult areas of their enterprise development. However, even fairly inexperienced set facilitation can lead to best practice in SME learner development if they stick to the basic principles of action learning as espoused by professor Reg Revans (1980, 1997). This finding complements previous findings by Powell et al. (2007) and the NetworkNorthWest evaluations (Houghton and Powell 2007).
- Key skills of the successful facilitator in this type of intervention are: managing the initial recruitment and membership of the set (if this is an option); neutralising the early effect of strong personalities; and assessing to what extent the group are happy to deal with emotional issues. While significant therapeutic and personal development seems to occur, no matter what kind of set process is used, experienced set facilitators know how to carefully refocus individuals to be able to face up to real work issues, problems and challenges. In the Brazilian benchmark (Lentlme 2004) learning charts were developed, which have helped give the necessary feedback to facilitate better development in this respect. Such focusing is essential in ensuring the earliest 'return on their investment' for the participants in action learning, and especially for their companies.
- The facilitator in the Business Bridge meetings in the South African case took an extremely proactive role, especially between meetings, in providing coherent support for any SME's actual enterprise development, encouraging them to carry out agreed actions and to overcome barriers and in setting up themes for future meetings. This is much like John Whatmore's (2007) active coaching and between-meeting support in his Creativity Clubs. Action learning facilitators in the UK could learn from this with effect; the power of the telephone in supporting early constructive actions for change, stimulated by set members, is also seen to be valuable. Furthermore, the use of action learning minutes to give immediate feedback of lessons learned directly from the meeting themselves, as exemplified by both the South African and NetworkNorthWest cases, is seen to be extremely constructive in SME enterprise development.
- Even for sets lasting for some time, the role of the facilitator still continues to be useful in 'shaking members out of their complacency', ensuring the core process is adhered to and focusing them onto work relevant issues with the right kind of searching at the right time. However the facilitator's style may change from a more guiding approach in the early set meetings to a lower profile monitoring role as the set reaches maturity. It was particularly important for the facilitator to make sure that set members became 'authentically present' in the problems/issues of others and in asking 'penetrating questions'.
- Some of the action learning sets in this study focused more on the psychological, self-awareness and emotional intelligence of action learning while other groups were less happy to cover this ground and mainly restricted their work to 'hard' issues. However, in any form of business support of this type it needs to be recognised that it is impossible for all small business to separate the personal issues from the technical and, indeed it may be extremely counterproductive so to do.
- It is clearly important for set members to want to participate in an action learning set voluntarily. Those who left sets did so for a variety of reasons including having insufficient

time available, having already found a quick fix from the set allowing them to move on to implementation or because they moved jobs. As the results of any set meeting involve putting change processes into action within the business, not having the support of a business to enable the testing of new actions at work makes it impossible to follow through educational purposes with effect. This is unlike traditional workforce training, which requires no implementation, so any learner must have the full support of his/her company, supervisors and management to take full part in the process.

- Our experience of the right frequency of the learning process shows that monthly action learning meetings are ideal to keep up the momentum of understanding about action learning, although later sets in the second phase of the programme were run weekly over a three-month period out of necessity and still worked well. Indeed, one manager in these later sets felt that weekly meetings had set him tight deadlines and forced him to move on issues that might have otherwise lost momentum and stalled. More frequent meetings were also found to be beneficial in the Brazilian example.
- Those who had experienced action learning in this experiment enjoyed this unusual and counter-intuitive process; counter-intuitive in the sense that they were learning from each other, rather than a teacher. They also found it valuable to their own self-development and put themselves in charge of their own learning – an experience unlike any other they had found in conventional training. Many became quite evangelical about the process and were sufficiently enthusiastic to introduce it into their own company or community's activities with positive effects. Spreading these positive experiences of action learning by 'enthusiastic word of mouth' or through short promotional videos highlighting their own experience firstly indicates their own positive evaluation of the process and secondly shows their willingness to share this experience with others. The Brazilian example, as in the case of NetworkNorthWest, has shown this form of marketing for SMEs is the best way of attracting new participants into this novel educational process.
- In the South African example, coach facilitators also act as intelligent brokers to bring corporates and their SME suppliers together to facilitate a process which enables them to explore areas where there are difficulties in the business relationship and then learn from each other in a virtually beneficial way to resolve these issues.
- Businesses in the sets should not be in direct competition but should be from similar sectors or sectors that are different but who still understand each other, to allow useful networks to build up. It should be noted here that the impact of a naive question from a manager from another sector can be very powerful in getting a participant to question their own traditional practice. The possible exception to this was for participants from digital and creative industries who preferred working with other managers from creative backgrounds. It also appears that the sets that contain a mixture of inexperienced and experienced set members tend to work well together. However great variation between the sizes of companies is not useful as the smaller members often feel inadequate in the group and the larger SMEs feel that they have little to learn from such small companies.
- Once established and confident in their sets, several of the NetworkNorthWest sets asked to have joint meetings with other sets and found the shared understanding of the common action learning-based core process a useful foundation for networking with SMEs from other sets irrespective of their sector.

It is clear that action learning, in the very different forms studied in this project, leads small enterprise owner-managers to develop new enterprise perspectives, often better ideas for innovative new products and processes and quite dramatically changed constructive working practices because of the insights gained, especially through the collaborative aspects of this

type of learning. However, nurturing and developing action learning in the SME owner-manager's was not always easy or straightforward. The next section of the paper presents a critical questioning of certain aspects of this kind of learning process and its implementation.

Critical questioning of the action learning process

This section of the paper reports a more critical questioning of the action learning processes adopted in both the NetworkNorthWest and international cases, particularly focusing on the nurturing and development of the action learning sets themselves. In so doing it poses questions that still remain unanswered to us, even after such a comprehensive evaluation. The following framework reports our attempts to answer concerns with respect four key questions, namely: What did not work? What do we still have doubts about? Could the action learning sets have had a more constructive composition, format and content to aid fuller learning? and What do we, as a research team, now need to learn to do better next time round?

What did not work?

Recruiting sets consisting of less than seven businesses meant that, as the learning progressed, there were sometimes not enough members at set meetings to keep them functioning in an optimal manner. It was difficult to incorporate new members into such sets with any real success, so a fall-back position would be needed in any future developments with SME learning because of what seems to be an inevitable drop out when working with busy business people. This drop out was around 20% across the cases we explored, often due to a sudden unavailability of individuals on a particular day. Despite making it clear to participants that regular attendance was a requirement, business demands and personal crises did seem to be unavoidable from time to time. Our proposition, to cope with this inevitable situation with small business learning, would be simply to engage a minimum of 8–9 participants, rather than our usual 6–7, in the initial recruitment to the sets.

It was also found that having a whole set made up of participants who all came from start up businesses with no previous practical business background meant they did not have enough experience to bring to the table for this sort of learning process. A minimum of twelve months trading experience is necessary even to participate in action learning with effect and then a balance of more experienced SME owner-managers is really needed to create a beneficial learning context. Furthermore, our research also shows that having a great variation between the size of companies in the mixture of experiences is counterproductive and should be avoided; this is because those representing very small companies often feel inadequate in the company of colleagues from very much larger companies and also because larger SMEs feel that they had little to learn from smaller companies.

What did we have doubts about?

Our formal action learning support actually lasted for only one year, with its evaluation going on for a further six months. On the other hand, the learning processes we are trying to engender are long-term in nature and, in our view, fundamental to the success of any organisation that seeks to flourish in the knowledge economy. So, ideally we would have spent more time understanding the long-term changes in how SME managers think about and approach how they do business and how their business processes actually improved over time. To attach short-term targets to the process for business growth, as required as an output for funding, we believe misses the point that the intervention is about a long-term change with a concentration on the development of an SME manager being particularly important.

Furthermore, the actual impact of a learning intervention is unpredictable in the short-term and often varied from participant to participant, which caused us some concern in terms of the sustainable impact of our studies. Nevertheless, learning can be both instantaneous as well as being seen over a period of time. However, there was important short-term impact of the action learning we explored, either directly or indirectly, which amounted to an average increase in productivity in a sample of SMEs of some 24.5% in terms of Gross Value Added (GVA) – the UK government's chosen single figure metric to best represent impact. While such a measure increase is clearly significant after only a short period of learning, it is also questionable as to whether GVA, or increase in sales as an alternative, similarly captures the full long-term economic benefit of the process to the SME. Indeed we believe our research does indicate there was a significant improvement in both managerial and leadership skills of the action learning SME owner-managers, with the improved GVA being more likely to be caused by business streamlining in organisational processes prior to growth, than raw growth through innovation.

Additionally, despite extremely positive feedback from the independent evaluation team (Clarke et al. 2006; Powell 2001), the project core research team had concerns as to whether some of the action learning done as part of the project was in fact action learning or merely group facilitated learning, which has a valid role in SME learning, but was not what the project was trying to assess. Again there was insufficient evidence to enable us to answer this question at this stage, although it is something we are building into our future explorations of this important learning arena.

What do we need to learn next?

Building on the comments of the previous section, it would be interesting to us to investigate the impact of the action learning process on the long-term profitability of any small business – does it improve their ability to survive, become sustainable and to flourish? The authors are presently trying to find funding to undertake another summative evaluation of our original participants to understand how they are progressing three years after the project finished and to ascertain whether action learning is still proving its early value to the companies. There is some existing anecdotal evidence which suggests that, with minimal support, such sets can become self-facilitating and long-lived, again it will be interesting to learn whether communication between set members continues and whether they have developed mutually supportive networks, either physically or virtually.

As was alluded to in an earlier comment, one of the key issues for SMEs is finding a regular time to work in any sort of learning group over a series of meetings. Despite their best efforts, many of our SMEs had to miss meetings because of critical business commitments or personal crises. We had started to explore the effectiveness of low-cost video conferencing as an alternative to face-to-face meetings once set relationships had been established. Early indications suggest that the technological know-how associated even with the relatively simple process we explored was still likely to be a barrier to engagement for the majority of SMEs. Consequently, further work needs to be done in this area to find a very user-friendly method to enable this form of interaction to augment face-to-face meetings and overcome the issue of participants missing meetings. Again the authors of this paper are presently working on a proposal to fund this more in-depth study.

Improving action learning set composition

In the previous section we reported a number of lessons learned from this study relating to the optimum composition of action learning sets. These are repeated here briefly to stress their

importance, before taking a more critical stance. In short, it is clear that SME owner-managers should join sets:

- made up of colleagues from similar industries or co-operating industries BUT not in direct competition
- made up of colleagues with a mixture of experience and inexperience
- of a size that make them relatively compatible
- not all composed of firms or individuals mostly at the start-up stage.

It was also found that where action learning involved owner-managers from ethnic minority or 'women-only' groups, they benefited a great deal from working together within this type of self-managing and extremely inclusive style of learning process. Action learning also brought a deal of cohesion to much community-based work. However, while all these points are extremely positive in their support of action learning, the authors are still not able to define precisely: (1) the composition of the action learning set to achieve optimal learning development – ones that would quickly and effectively drive improved SME learning with respect to more innovative working for wealth creation in the knowledge economy – hopefully leading to sustainable wealth creation for all involved organisations; and (2) the benefits resulting from individuals becoming involved in other action learning sets, which either include or exclude other SME action learning set participants. These two issues will become the basis for some fuller research by the present authors.

Improving the format and content of set meetings

Similarly, with respect to the format and content of meeting, the research again offered a number of points relating to the approach taken to set facilitation and design, which are again worth repeating in summary form, because of their importance to those seeking to develop action learning for SMEs:

- There can be a variety of approaches towards action learning and all can be equally effective; however, the approach taken must satisfy both the needs and demands of the participants relating to their latest problems and issues.
- Where the approach to action learning adopted 'insightful questioning' and reflection, it was found to be most useful in encouraging highly significant learning among the participants.
- Where opportunities were taken to incorporate some practical, as well as formal, inputs into the learning process, especially on a owner-manager demand basis, they offered the most important opportunities to the SME owner-managers, enabling them to properly contextualise information when it was of most value to them.
- Sets appeared to be much more successful when they took the opportunity to discuss some level of personal issues, alongside the managerial and technological, because they mainly affected the business in a collective way.
- Finally, most of the evidence from sets showed how individuals benefited from the opportunity to take time out from operational aspects of the business. The consequence was that the managers were able to think more strategically and may become more strategic.

Unfortunately, this form of learning, while clearly extremely powerful and empowering to SME enterprise development, seems almost counter-intuitive and often inappropriate to those from government agencies who normally fund SME training. As a result, getting processes such as action learning funded through mainstream provisions, rather as part of piloting and evaluation, continues to be a huge problem for its advocates, including ourselves. It is only hoped that

research, development and evaluation projects such as NetworkNorthWest's will begin to change funder's beliefs in such learning, so that SMEs can truly 'bounce higher' in learning together for their own mutual benefit, supported by caring university coaches who can give them confidence to develop innovation for their own wealth creation.

Independent evaluation

In a fully independent longitudinal qualitative evaluation Clarke et al. (2006) showed that 'the discursive and reflection set learning environment appeared to be of great utility and importance to SMEs on the NetworkingNorthWest learning programme. Sets also had an optimum level of interaction, which helped them find 'common ground'; once common ground had been established, set members often continue to network and form alliances outside the set environment. Owner-managers often wished to discuss both personal and business matters in parallel. Action learning offered the opportunity to take time out of the business and 'disengage' with the operational, allowing them to become strategic. This formative evaluation confirms all the findings of the present paper and further argues that the focus of action learning on 'real-world issues' is a way of contextually embedding new parties into cooperate partnership. It also provides owner-managers with a suitable learning environment for regional SMEs whilst enabling government agencies to sensibly support for SME development. This evaluation also reveals that this innovative approach is more useful than simple 'informal learning on the job', which is often devoid of critical reflection. Furthermore it may also give the learners a false sense of security in their judgements.

Conclusion

This case study provides a powerful benchmark revealing the value of an 'action learning type' approach to engaging and empowering typical SMEs with a whole range of capabilities and levels of knowledge to learn from each other, and their supply chain corporates, for mutual benefit. The similarities of the underlying learning process between the UK, Brazil and South Africa in implementing such an approach is clear and reinforce other evaluations of its overwhelming success in engaging busy managers to learn how to participate in many new ways, both tactically and strategically. New skills developed include learning how to: question others in a penetrating and useful way; to actively listen to peers, bosses and subordinates equally and act with understanding as a result; and to learn from all their actions. These skills now seem to have been embedded in useful ways to the benefit of their mainstream working. Other interesting detailed learning points have arisen when comparing the more proactive, professional disciplinary and advisory role of facilitators. These learning points have been fed into the educational packs developed for the training of future coach facilitators for 'education micro networking' in the North West and beyond; these packs are available from the author.

In their evaluation, Clarke et al. (2006) suggested that this type of intervention has considerable value and that its style is particularly useful for women and ethnic minority businesses, who are the groups least likely to engage with tradition business support. Analysis of data for a small sample of our SMEs demonstrated a 24.4% increase in business performance as measured by GVA.

Over 150 Stakeholders and SMEs attended our final event to celebrate the end of the project. This in itself reflected our success and, as a senior member of the NWDA commented, participants in funded projects are normally in a minority at such events, but our SMEs were happy to attend and share their knowledge and experience that learning can be relevant and fun.

Note

1. Subsequently, as a result of discussions with this project and especially resulting from its findings, the branch changed its approach to conform with good practices revealed in this work and introduced feedback to all its future meetings relating to the impact of agreed actions. Interestingly, their own formative evaluations of this change showed a general consensus that this was of great benefit to their mode of learner support.

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