# Professional learning: a morphogenetic approach to analysing managerial learning in the context of dynamic capabilities

PLEASE CITE THE PUBLISHED VERSION

PUBLISHER

University of Leeds

VERSION

AM (Accepted Manuscript)

PUBLISHER STATEMENT

LICENCE

REPOSITORY RECORD

Meriton, Royston Francis. 2019. "Professional Learning: A Morphogenetic Approach to Analysing Managerial Learning in the Context of Dynamic Capabilities". figshare. https://hdl.handle.net/2134/26858.

# Professional Learning – Reflexive Managerial Learning in the Context of Dynamic Capabilities

Royston Meriton; Leeds University Business School; May 2015

## Introduction

Learning is fundamental to human beings (Leitch *et al.*, 1996) and to life itself (Thøgersen, 2010). It is thus no wonder that Fischer and Immordino-Yang (2007) assert that it is the specialisation that we use to become fully human. In the organisational context learning takes on a special significance and it is commonplace to speak in terms of organisational learning. Organisational learning means the process of improving actions through better knowledge and understanding (Burnes *et al.*, 2003; Easterby-Smith, 1990), in other words it means changes in what the organisation knows and how it acts (Vakola, 2000). It is precisely against such a backdrop linking learning with change that organisational learning finds currency in the strategic management domain. More precisely organisational learning is the linchpin of dynamic capabilities. For instance Zollo and Winter (2002:340) define a dynamic capability as a "learned and stable pattern of collective activity through which the organisation systematically generates and modifies its operating routines in pursuit of improved effectiveness." To Teece (2007), 'sensing' requires learning about the environment and about new technological capabilities. For Eisenhardt and Martin (2000) speed is of the essence, thus dynamic capabilities involve the creation of new, situation-specific knowledge by engaging in experiential actions to *learn* quickly. Essentially, these authors variously recognise the value of an *organisational learning capability* to ensure the successful acquisition, assimilation, transformation, and exploitation of specific knowledge (Jones, 2004). The fact that dynamic capabilities are linked to sustainable firm performance illuminates the strategic importance of organisational learning. But just how do organisations learn? Learning is effectively a human phenomenon (Jarvis, 2006). In fact Grant (1996) shares a similar concern noting that knowledge creation is an individual activity. Indeed Grant's view is sympathetic to Simon's (1991) observation that all learning takes place inside individual human heads. Accordingly Simon suggests that an organisation learns in one of two ways: "(a) by learning of its members, or (b) by ingesting new members who have knowledge the organisation didn't previously have"

(1991: 125). With this understanding Grant advances his knowledge-based view (KBV) of the firm on the premise that the firm is an institution for knowledge application, thus the firm primary task is to integrate the specialised knowledge of multiple individuals. Therefore to Grant an organisational capability is an outcome of knowledge integration. Grant's theory focuses on the individual as the basic unit of analysis in the study of organisational phenomena but more importantly it provides a framework to relate learning at the individual level to organisational capability. This is a particularly illuminating approach in the context of this paper as it provides for an organisational setting where professional learning can be critically analysed.

Thus this paper is structured around the different conceptualisations of organisational capabilities and how these shape understanding of professional learning. In particular the emphasis is on managerial learning and the paper argues that current conceptualisations of organisational capabilities do not reflect the true dynamics of professional learning in organisations potentially leading to misleading conclusions. It is proposed that a morphogenetic approach to organisational capabilities provide a more nuanced understanding of the interaction between structure and agency in organisational life thereby exposing human reflexivity as deserving attention in the study of professional learning.

**Bounded Rationality – In Search of Ontological Security**
Conceptualising the dynamics of *organising* seems to have been incongruent and at times emotive oscillating between the poles of individualism and collectivism. Contemporary debate in the field is inspired by the evolutionary economics view of the firm advanced by Nelson and Winter (1982). Motivated by the work of Cyert, March, and Simon (Cyert and March, 1963; March and Simon, 1958), Nelson and Winter formulated a theory of industry and technological change (Dosi and Marengo, 2007). The evolutionary perspective is founded on the rejection of the cognitive assumptions underlying the rationality of the 'economic man'. Instead the 'real man' has restricted computational and cognitive powers (Nelson and Winter, 2002), his capacity to acquire, store and process knowledge is limited (Grant, 1996). Impoverished by computational restraints social actors come to know about the

world by acting within it, social practice is central to knowing; about the self and others. Routines give actors automatic responses to stimuli providing individuals with ways of knowing and how to act, and a felt certainty that enables purposive choice (Mitzen, 2006). The notion of organisational capability in this tradition is premised on behavioural continuity or alternatively structural inertia (Hannan and Freeman, 1984). A firm at any time operates largely to a set of decision rules (Nelson and Winter, 1974). These rules enshrine action possibilities, they are the dominant logic from past searches and serve to constrain and enable actions of current actors including managers. Given the bounded nature of managers' cognition they are not assumed to have accurate foresight (Nelson and Winter, 2002). Through the combination of experiential path dependent learning and local search managers become sufficiently knowledgeable to instigate change in the decision rules; satisficing (Fagerberg, 2003; March, 1978) is the new name of the game. A manager's ability in selecting new routines given an environmental stimulus is the essence of *entrepreneurial function* in the evolutionary sense (Teece, 2012). But this is entrepreneurship in a very limited sense given that foresight is not a commodity that managers can afford while search efforts remain local, *reflection* is therefore highly constrained. Theorising firm level events such as firm growth and firm profitability in terms of collective concepts like routines and indeed capabilities inevitably leaves the evolutionary theorists open to scrutiny. The evolution of markets based on the advocacy of universal Darwinism (Winter, 2011), selection and retention for instance which favours uniformity over variety sketched in the evolutionary story seems at odds with a Schumpeterian competitive dynamic which seems to emphasise discontinuity and diversity. This has led many to question the explanatory power of incremental change and routinized practices imbued in dynamic capabilities. According to Schreyögg and Kliesch‐Eberl (2007) frame-breaking changes are called for to overcome the strong inertial forces of capability. Eisenhardt and Martin (2000) for their part suggest that in high-velocity environments dynamic capabilities should reflect simple, experiential, unstable processes that rely on quickly created new knowledge and iterative execution. As such from the vantage view of capabilities and routines the capability paradox appears to be located in the inertial effect of the path dependencies associated with the *learning processes* (Tripsas and Gavetti, 2000). But this understanding is also potentially myopic and incomplete without an account of the

roles of the individuals. As Bandura puts it, "faced with prescribed task demands, they act mindfully to make desired things happen rather than simply undergo happenings in which situational forces activate their sub-personal structures that generate solutions" (Bandura, 2001: 5). In fact the most persistent critiques of the evolutionary theory is directed at the deterministic view of human functioning implicit in habitual action, more specifically to the lack of consideration of individual-level components (Felin *et al.*, 2012).

The rise of the micro-foundation project is viewed in reaction to methodological collectivism inherent in the evolutionary agenda. Responding to this primacy of macro level explanation, the basic motivation for the micro-foundations research agenda (Foss and Pedersen, 2014) is to explicate how routines are created and emerge (and change) from individual action, and how they evolve with the subsequent interaction between individual and collective (Felin and Foss, 2005)

Notwithstanding, the management literature as a whole has recently faced stern criticism from Hodgkinson and Healey (2011) who likened strategic management in particular to a series of rational and dispassionate activities. Setting their arguments against Teece's (2007) micro-foundations framework they argue that it alludes to an outdated conception of the strategist as a *cognitive miser*. Attributing the blame to Simon's seminal notion of bounded rationality, Hodgkinson and his colleague note that the current understanding of dynamic capabilities privileges effortful form of reasoning and dispassionate analysis as the means of overcoming cognitive bias and strategic inertia. This has meant a heightened emphasis on the development of rational and analytical models and theories as aid to managerial learning that in most cases have served to impede rather than facilitate decision making and by extension strategic renewal. As such they have called *for managerial learning tools* that recognise the role of *emotions* as well as *thoughts* in the decision making process. Specifically they called for a "systematic program of work that conceives *metacognition, emotion management, and self-regulation* as core *dynamic managerial capabilities*" (Hodgkinson and Healey, 2011: 1511). While it is surprising that in spite of the intervention from Hodgkinson and his friend little progress has been made on the part of the dynamic capabilities scholars to respond, elsewhere

other scholars frequently speak in terms of *reflexive* managerial learning. In fact in making a case for reflexive learning Cunliffe argues that "we need to help managers to recognise the wider discursive structures in which they act, that they are acting beings within those structures, and can make sense of their actions in practical and responsive ways from inside experience" (Cunliffe, 2002: 40). Effectively Cunliffe is suggesting a rethinking of the notion of learning to take into account embodied rather than purely cognitive understanding. Her idea of a *reflexive dialogical practice* involves recognising our own place and ability to shape knowledge, learning and organisational realities. The notion of a reflexive dialogical practice do indeed appeal to questioning the taken for granted assumptions or tacit knowledge long associated with cognitive myopia. Speaking about reflexive practice is one thing, achieving it another, in fact Cunliffe offers no guidance. However she assumes reflexivity to be metacognitive property uniformly accessed by all humans, Margaret Archer approaches reflexivity from a different perspective.

**An Internal Conversation Approach**

Archer discusses human reflexivity against the backdrop of the morphogenesis approach. The *morphogenesis approach* (see figure 1) is a methodological device premised on the interaction of three autonomous cycles of emergent powers; that of structure, culture and agency, in the context of this paper structure and culture can be argued to be indexed in an organisational capability. It signifies the understanding that people always act out of structural and cultural circumstances, which their very actions then proceed to modify or sustain (Porpora, 2013). Time is important in this framework, $T^1$ represents the antecedent circumstances either structural or cultural or both (Porpora, 2013) termed structural conditioning. People act within their socio-cultural circumstances over time $T^2$ - $T^3$ in doing so gradually altering or sustaining those circumstances. The results at time $T^4$ are the altered or sustained circumstances (elaboration or reproduction) that comprise the antecedent conditions for any further analysis of action. In the context of organisational capabilities this means that a capability ($T^1$) shapes the action ($T^2$-$T^3$) of the actors who proceed to reproduce or change it ($T^4$), thus a capability is reproduced in the action of individuals.

T$^2$    Socio-cultural interaction    T$^3$

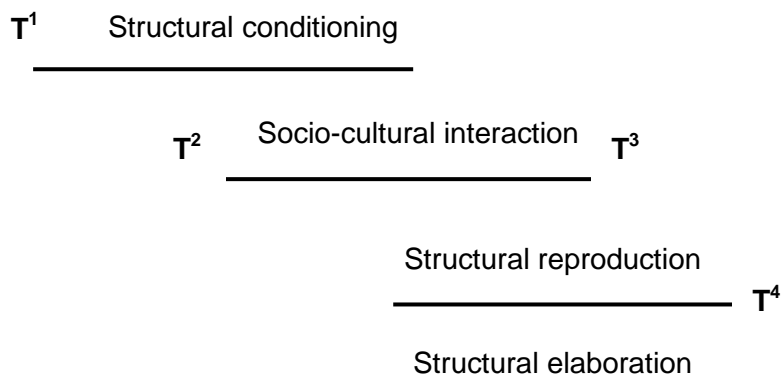Structural reproduction

T$^4$

Structural elaboration

**Figure 1:** The Morphogenesis Approach – source Archer, 1995

But agents are not generally social dopes; they do not simply frame actions against the structural and cultural dispositions of their environment (at T$^1$) as the evolutionary perspective of capabilities would have it. Through their emergent properties individuals actively *reflect* on the circumstances facing them. It follows therefore that there are two causal forces at work in shaping social actions, the *objectivity* of the social and the *subjectivity* of the individual. For Archer this subjectivity is the essence of our *reflexivity,* and indeed our *humanity. R*eflexivity in Archer's term is the regular exercise of the mental ability, shared by all normal people, to consider themselves in relation to their (social) contexts and vice versa. Internal conversation is the conduit of reflexive thought with human *embodied consciousness* at its core, thus it carries emotional imprints. It emerges from the dialectical interplay between the *natal social context* and the *interest* of the human subject. For Archer internal conversation is a silent and private conversation with the self, "I says to myself says I" is a matter of privacy (Archer, 2007). It is through this private self-conversation that the influences of the objective structural or cultural powers on social action are mediated. Individuals can therefore reflect on their own experience in this lone conversation and decide one course of action over another because they are not determined by their environment, neither are they slaves to their pasts. Compared to Cunliffe who stresses reflexivity as a homogeneous metacognitive practice in humans, Archer distinguishes between three dominant types of reflexive modes. Communicative reflexives are those individuals whose internal conversations require completion and confirmation by others before resulting in courses of action. In turn those individuals who sustain self-contained internal conversations leading directly to action are

6

labelled as autonomous reflexives. The third mode of reflexivity identified by Archer is referred to as meta-reflexives. Those are the individuals who are critically reflexive about their own internal conversations and critical about effective action in society. Termed fractured reflexives those individuals' internal conversations intensify their distress and disorientation rather than leading to purposeful courses of action. Of interest here are the distinctive ways each mode of reflexivity interacts with social structures. The communicative mode serves to mediate actions in the *continuity* of the work environment, and therefore tends to reproduce and reinforce existing socio-occupational structures (de Vaujany, 2008). While they do engage in internal conversation the communicative reflexives tend to endorse the status quo, they do not seek to engage with the taken for granted tacit assumptions or ideologies. This is because their thought and talk is completed externally, they do not trust in themselves to complete their internal conversation and tend to seek emotional comfort from others. On the other hand Archer (2007a) remarks that the autonomous mode acts strategically towards the constrains and enablements of the social and tends to mediate actions that result in structural discontinuities (de Vaujany, 2008). These are the individuals who are knowledgeable about the social context they are placed in. They are independent *learners* and confident in their own self-talk so much so that they do not need confirmation from interlocutors. They are not afraid to challenge existing norms and often their action leads to organisational improvements. Where the communicatives are evasive and the autonomous are strategic, meta-reflexives are subversive (Hewitt, 2004). This means that they will overcome constraints but forego enablements (Bovill, 2012). As such meta-reflexives tend to repudiate the "market hegemony of exchange relations over human relations (Archer, 2007a: 265) often lending supporting to creating social movements outside mainstream employment structures (e.g., Greenpeace, Amnesty International etc.). Fractured reflexives for their part are unable to take a stance towards the society, they are passive subjects to whom things happen. These various mediatory tendencies reveal the autonomous reflexive mode as a potentially crucial resource for management learning. In fact the idea of autonomous reflexivity speaks to the notion of reflexive dialogical practice albeit in a more refined if not nuanced way. Although the idea of internal conversation is fairly new emerging empirical evidence has linked lone internal conversation psychological capital. Perhaps more intriguing is its association with creativity, innovativeness and entrepreneurship. For instance

in a study of designers in the super yacht industry by Delbridge and Edwards (2013), the authors found the designers that displayed autonomous tendency to be more innovative and creative than the designers who displayed more communicative tendency. Furthermore the entrepreneurial spirit of the autonomous reflexives is exposed in the historical exploration of Sir Andrew Barclay Walker, the driving force behind the brewers Peter Walker & Son conducted by Mutch (2007).

**Discussion**

Human reflexivity appears to have a key role in management learning not least owing to its propensity to questioning the status quo. However reflexivity seems to take on different shapes, reconciling Cunliffe's reflexive dialogical practice with Archer's internal conversation suggests autonomous reflexivity as a positive resource that individuals can draw on for self-development and self-regulation. Managers can draw on this metacognitive resource to help regulate their decision making process. However modes of reflexivity are enduring in the sense that they are acquired at a young age and seem to persist into adulthood. Nonetheless context has a hand to play in particular the experience of contextual discontinuity in the workplace seems to be propitious to autonomous reflexivity. In other literature such as the self-determination theory in which the autonomous orientation can be paralleled to autonomous reflexivity scholars speak in terms of autonomy supportive environment. In fact the notion of autonomous reflexivity is not to suggest an unrestricted entrepreneur portrayed by homo economicus, to the contrary individuals always act out of structured situations. But an autonomy supportive environment serves to enable rather than constrains autonomous reflexivity and it is from this congruency that the benefits are mutually reinforcing for both the individual and the organisation. Thus for organisational capabilities, maintaining the ontic differentiation between the capability itself and the individual allows for the conditions for action to be rendered analytically separable from action itself, so enabling their interplay, as opposed to their mutual interpenetration, to be explored (Herepath, 2014). The argument advanced here is that the experience of contextual discontinuity at work promotes *autonomous learning* facilitating organisational learning and in turn adaptive organisational behaviours. While the relationship between the autonomous mode of reflexivity and organisational outcomes in particular as regards to

organisational change remains to be investigated it may be useful that organisations consider facilitating rather than impeding the development of autonomous reflexivity as the benefit might be substantial.

ARCHER, M. S. 2007. *Making our way through the world: Human reflexivity and social mobility*, Cambridge University Press Cambridge.

BANDURA, A. 2001. SOCIAL COGNITIVE THEORY: An Agentic Perspective. *Annual Review of Psychology,* 52**,** 1-26.

BOVILL, H. 2012. The importance of internal conversations and reflexivity for work-based students in higher education: valuing contextual continuity and 'giving something back'. *International Journal of Lifelong Education,* 31**,** 687-703.

BURNES, B., COOPER, C. & WEST, P. 2003. Organisational learning: the new management paradigm? *Management decision,* 41**,** 452-464.

CUNLIFFE, A. L. 2002. Reflexive Dialogical Practice in Management Learning. *Management Learning,* 33**,** 35-61.

CYERT, R. M. & MARCH, J. G. 1963. A behavioral theory of the firm. *Englewood Cliffs, NJ,* 2.

DE VAUJANY, F.-X. 2008. Capturing reflexivity modes in IS: A critical realist approach. *Information and Organization,* 18**,** 51-72.

DELBRIDGE, R. & EDWARDS, T. 2013. Inhabiting Institutions: Critical Realist Refinements to Understanding Institutional Complexity and Change. *Organization Studies*.

DOSI, G. & MARENGO, L. 2007. Perspective-On the Evolutionary and Behavioral Theories of Organizations: A Tentative Roadmap. *Organization Science,* 18**,** 491-502.

EASTERBY-SMITH, M. 1990. Creating a learning organisation. *Personnel Review,* 19**,** 24-28.

EISENHARDT, K. M. & MARTIN, J. A. 2000. Dynamic capabilities: what are they? *Strategic management journal,* 21**,** 1105-1121.

FAGERBERG, J. 2003. Schumpeter and the revival of evolutionary economics: an appraisal of the literature. *Journal of evolutionary economics,* 13**,** 125-159.

FELIN, T., FOSS, N. J., HEIMERIKS, K. H. & MADSEN, T. L. 2012. Microfoundations of Routines and Capabilities: Individuals, Processes, and Structure. *Journal of Management Studies,* 49**,** 1351-1374.

FISCHER, K. W. & IMMORDINO-YANG, M. H. 2007. *The Jossey-Bass reader on the brain and learning*, John Wiley & Sons.

GRANT, R. M. 1996. Toward a Knowledge‐Based Theory of the firm. *Strategic management journal,* 17**,** 109-122.

HANNAN, M. T. & FREEMAN, J. 1984. Structural inertia and organizational change. *American sociological review***,** 149-164.

HEREPATH, A. 2014. In the Loop: A Realist Approach to Structure and Agency in the Practice of Strategy. *Organization Studies*.

HEWITT, J. P. 2004. Structure, Agency, and the Internal Conversation. *Contemporary Sociology: A Journal of Reviews,* 33**,** 731-732.

HODGKINSON, G. P. & HEALEY, M. P. 2011. Psychological foundations of dynamic capabilities: reflexion and reflection in strategic management. *Strategic Management Journal,* 32**,** 1500-1516.

JARVIS, P. 2006. *Towards a comprehensive theory of human learning*, Psychology Press.

JONES, C. 2004. An alternative view of small firm adaptation. *Journal of Small Business and Enterprise Development,* 11**,** 362-370.

LEITCH, C., HARRISON, R., BURGOYNE, J. & BLANTERN, C. 1996. Learning organizations: the measurement of company performance. *Journal of European Industrial Training,* 20**,** 31-44.

MARCH, J. G. 1978. Bounded rationality, ambiguity, and the engineering of choice. *The Bell Journal of Economics***,** 587-608.

MARCH, J. G. & SIMON, H. A. 1958. Organizations.

MITZEN, J. 2006. Ontological Security in World Politics: State Identity and the Security Dilemma. *European Journal of International Relations,* 12**,** 341-370.

MUTCH, A. 2007. Reflexivity and the Institutional Entrepreneur: A Historical Exploration. *Organization Studies,* 28**,** 1123-1140.

NELSON RICHARD, R. & WINTER SIDNEY, G. 1982. An evolutionary theory of economic change. *Harvard Business School Press, Cambridge.*

NELSON, R. R. & WINTER, S. G. 1974. Neoclassical vs. evolutionary theories of economic growth: critique and prospectus. *The Economic Journal***,** 886-905.

NELSON, R. R. & WINTER, S. G. 2002. Evolutionary theorizing in economics. *Journal of Economic Perspectives***,** 23-46.

PORPORA, D. V. 2013. Morphogenesis and social change. *Social morphogenesis.* Springer.

SCHREYÖGG, G. & KLIESCH‐EBERL, M. 2007. How dynamic can organizational capabilities be? Towards a dual‐process model of capability dynamization. *Strategic Management Journal,* 28**,** 913-933.

SIMON, H. A. 1991. Bounded rationality and organizational learning. *Organization science,* 2**,** 125-134.

TEECE, D. J. 2007. Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic management journal,* 28**,** 1319-1350.

TEECE, D. J. 2012. Dynamic Capabilities: Routines versus Entrepreneurial Action. *Journal of Management Studies,* 49**,** 1395-1401.

THØGERSEN, U. 2010. Desire as Response to Experience: On Motivational Aspects of Learning. I M. Horsdal (red.), Communication, Collaboration and creativity. Researching Adult learning. Odense: Southern University Press.

TRIPSAS, M. & GAVETTI, G. 2000. Capabilities, cognition, and inertia: Evidence from digital imaging. *Strategic management journal,* 21**,** 1147-1161.

VAKOLA, M. 2000. Exploring the relationship between the use of evaluation in business process re-engineering and organisational learning and innovation. *Journal of Management Development,* 19**,** 812-835.

WINTER, S. G. 2011. Problems at the foundation? Comments on Felin and Foss. *Journal of Institutional Economics,* 7**,** 257-277.

ZOLLO, M. & WINTER, S. G. 2002. Deliberate learning and the evolution of dynamic capabilities. *Organization science,* 13**,** 339-351.