



**Middlesex
University**

**Augmentation of Chinese Community Relationships (*Guanxi*)
in Learning Organisations—
Case Study of a Private Kunshan (Shanghai) Company**

A DPS5360 project submitted to Middlesex University

in partial fulfilment of the requirements for the degree of

Doctor of Professional Studies

(Management Development)

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Institute for Work Based Learning

Middlesex University

January 2015

(Total word count 72,087)

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Abbreviations

AR	Action research
CFA	Confirmatory factor analysis
DLOQ	Dimension of Learning Organisation Questionnaire
IT	Information technology
PCA	Principal component analysis
PLS	Partial least square regression
SME	Small/medium enterprises
SMM	Shared mental model
SSM	Soft Systems Method

Glossary

Acculturation – A process of cultural modification, adaptation and traits leading from a group of people to another individual or another group of people. This is a merging of different cultures through prolonged contact.

Business Feel – An emerging discipline in corporate leadership emphasising holistic understanding in company orientation.

CATWOE – A consolidated term for **C**lient, **A**ctor, **T**ransformation, *W*eltanschauung, **O**wner and **E**nvironment, which is part of the Soft System Method. Clients are key customers able to offer contracts and profits to sustain the environment concerned. Actors are company members and stakeholders, providing services and products to fulfil customer requests. Transformation helps to engage customers from one sector to another to establish a long relationship. *Weltanschauung* (or worldview) is the switching point to looking for new opportunity or change, such that the current business adapts to change through a new business model or utilising new research outputs. Owners of this transformation are the resources providers and service creators. Environmental constraints are the challenges to the owner and stakeholders to be overcome over a foreseeable time period. It is part of the Soft System Method.

Caution Money – Chinese management practice where corporate owner sets aside financial resources for employees to alleviate the impact of corporate change.

Confirmatory factor analysis (CFA) – A special form of factor analysis in statistics in social research. The objective is to test consistency in constructs and measures.

Diffusion – A business process for a novel idea or new product to be accepted by the market. The rate of diffusion indicates how fast a novel idea or product is moving from one consumer to another.

Ganqing – Affection among people, and one of three classical *guanxi* attributes, from a cultural perspective.

Guanxi – Social networks among Chinese for both personal life and business.

Leximancer – Australian-based computer software able to identify ideas and cluster key points from information collected from research. Structured reports deliver the best results

Mental Model (Shared) – A representation of objectives for cognition, reasoning and decision making in people. A common mental model is known as ‘shared’.

NVivo – A computer application providing a tagging function on information collected in research, without automatic classification and identification.

Renqing – Reciprocity among people. *Ren*, as in *renqing*, represents two-way benevolence. It is one of three classical *guanxi* attributes, from a cultural perspective.

Shuren – Familiar people with close personal ties among community members. Chinese people prefer amenable social relationships and give priority to business and social contacts who are members of their close group

System Thinking – The process of understanding how research context and objects influence one another, as a whole.

Social Adaptation – The diffusion of ideas and paradigms among community members.

Xinyong – Long-lasting fidelity credit and one of three classical *guanxi* attributes, from a cultural perspective.

Abstract

The Kunshan factory enjoyed remarkable success over the past 24 months. The quick response, superior teamwork and scouting capability for opportunity and risk on the part of all staff outperformed that of their counterparts in multinational companies. Family ties, community affection, social 'face' and personal recommendations co-ordinated company members well. Chinese community relationships had a consolidating and stabilising function in the factory, enabling a convergent corporate movement. This phenomenal practice is explored here to understand quantitatively the roles of Chinese community relationships (*guanxi*) and learning organisation practice towards corporate performance.

In this research, the bricolage method was adopted to cater for the diverse and vibrant nature in the research context. Ethically, this insider research had to ensure that all factory members received fair treatment in the course of the research. Their comments and reflections on learning organisations and Chinese community relationships had to be objectively recorded for examination. An assurance was made that there would be no impact on their job security and access to company caution money remained unchanged during the research, so that they remained in control.

Guanxi encourages participation in community activity, at the same time advocating action learning. In research methods, repeated actions, a form of action research, are performed in cycles with input from stakeholders to develop a directed course of further actions. Soft Systems Method, and associated structural tools such as rich pictures and CATWOE, help factory members to dissect the business challenge. Qualitative interviewing was carried out among key managers to devise a master plan for divestment. All employees were recompensed for the disruption caused. New corporate spin-offs were established through the exchange of favours and scouting for opportunities. Later, a focus group was undertaken to evaluate progress in the business units and to examine the contribution of learning organisations and Chinese community relationships.

Seven relational outcomes are identified in this research in this Kunshan factory. They are: 1) 360-degree dialogue; 2) group-level exchange of favours; 3) action learning; 4) acculturation; 5) community-prompted foresight capability; 6) personal recommendation; and 7) outside-in mentality. Collectivism on the part of the Chinese community's participants equalises individual interests through acculturation to establish a common societal and business goal. Sharing a vision and a goal is a pragmatic means of attaining organisational integration and

operational excellence. Self-organised vision and mission are attained swiftly through these seven factors to save the effort of initial ice-breaking and team-building activity.

A Chinese social system is regarded as a high-context social system – it depends less on precise wording than collective understanding. The Chinese term '*guanxi*' is used interchangeably in this thesis with 'Chinese community relationships' to describe the subtle and delicate interpersonal social interactions perpetuated among ethnic Chinese people in mainland China and overseas in settlements such as Hong Kong, Singapore, Taiwan and elsewhere. *Guanxi* comprises two aspects. One is a social construct of Chinese society and the other is the value generated by *guanxi* in action. In combination these position Chinese community relationships as a mediator of organisational transformation such as the implementation of a learning organisation and improved business performance. Historically, *guanxi* is perceived as having three characteristics: affection (*ganqing*, in Chinese), reciprocity (*renqing*) and credit (*xinyong*).

The learning organisation paradigm describes a continuous process of corporate transformation through collective staff learning, aiming to anticipate and cope with the disruptive commercial challenges of today's business world. When employees are committed to their organisation, it favours business sustainability. Operational and business risks are mitigated through shared vision and mentality. The attributes of individualism and collectivism substantially influence the implementation of a learning organisation.

This research uncovers the mediating effect of Chinese community relationships on learning organisation effectiveness for fast business performance through acculturation and personal recommendation. It reveals the social systems in a Chinese community to empower learning organisation practice. The integrational capability of the seven relational outcomes augments *guanxi*'s mediating effect in empowering learning organisation practice so as to raise corporate performance substantially.

Keywords: *Guanxi*, Chinese community relationships, learning organisation, Shanghai

Acknowledgements

Professor Paul Gibbs has been my supervisor on this Doctor of Professional Studies (DProf) programme. His wholehearted guidance, care and consideration have contributed greatly to the success of my doctorate journey.

In addition, Dr Joe Leung has kindly acted as my local consultant during this DPS 5360 project.

31st January 2015

Daniel Ng

Chapter 1 Introduction

1.1 Overview

The Kunshan factory's business performance jumped exponentially in the past 24 months. My staff's quick response, superior teamwork and scouting capability for opportunity and risk outstripped that of their counterparts in China's conglomerates and multinationals; moreover, it was the outcome of ten families. The family ties, community affection, social 'face' and personal recommendations constructed a mesh of relationships between company members. A high level of team work was observed, first when the whole team relocated from Guangdong, South China, to Kunshan, the new acquisition, and second in the abrupt departure of four founding managers.

Chinese community relationship exerted a consolidating and stabilising influence to enable a unified company movement. *Guanxi* is positioned as a utility. Chinese community relationships, commonly known as *guanxi*, are explicitly observed among Chinese societies in both mainland China and overseas settlements. A thorough knowledge of *guanxi*'s intrinsic infrastructure is beneficial to the expansion of the companies and the wider Asian market.

Senge (2006, p 14) says a learning organisation being is perceived as total staff participation aimed at continuous learning, so the whole enterprise functions as a single body to correct problems and exploit emerging opportunities. Arguably, the personal lives and families of an organisation's members are expected to be integrated closely with the corporate vision so that there is a single goal for staff at any moment and any place.

This study aims to trace the influential role of Chinese community relationships in the course of setting up a learning organisation to improve business performance. This is similar to the recommendation to enhance business foresight (Bootz, 2010, p 1589-1591), moving to a higher level in the learning organisation framework. Similarly, this demands staff members' concentrated commitment, resources and a convergence of social cultural values to achieve and maintain higher performance through the tidal wave of disruptive competition and market volatility. Ultimately, the goal is to develop sustainable competitiveness. Furthermore, the author argues that a state of business foresight arises naturally when there are five dimensions of learning organisation

(Rohrbeck, 2010, chap. 2): 1) information usage; 2) interpretation of collected information; 3) informal networks to acquire and disseminate information of change; 4) knowledge of how organisations interpret and use the collected information; and 5) a corporate culture oriented to the future. It is an autonomous framework of business anticipation (Dreyfus, 1982, pp. 140-143) involving sustainability, and formal and informal organisations (Gulati and Puranam, 2009, pp. 422-423). A similarity is noted between the innate characteristics of Chinese community relationships and the capability for business foresight.

It would be interesting to map the impact and interaction of Chinese community relationships on business performance in an acute and pragmatic corporate change programme such as the implementation of a learning organisation. The three classic attributes stemming from ancient Chinese teachings are affection, reciprocity and fidelity credit, deriving from personal relationships, family ties and social organisations that pass from generation to generation. Both Chinese community relationships and learning organisations thus demand of staff members a high degree of self-driven and voluntary participation in their company's operations and strategic projects.

This research intends to establish a pragmatic quantitative framework on Chinese community relationships (*guanxi*) and learning organisation practice directed at achieving commercial performance.

1.2 My Business Profile

From 2008–2011 I was a director of a family textile mill listed in Hong Kong. An important Japanese retail customer, Uniqlo, demanded fundamental changes to the factory's operation, technology and organisational structure. Ultimately, a four-fold improvement in cash flow and net profit was attained in less than 18 months and share prices increased by a factor of 11. This was a rare but rewarding business experience and to make it a success my dedicated subordinates gave me their wholehearted support. Later on I invested all my interests in this family enterprise and in mid-2011 I teamed up with two directors from a company listed in China to acquire an ageing textile printing factory in Kunshan, near Shanghai City (Figure 1.1). My loyal team of 150 experienced technicians, consisting of ten managers and members of their families, opted decisively to follow me on my next journey by relocating the 760 miles from Southern China to my new venture in Kunshan.

On a day-to-day basis this Kunshan factory has a stereotypical Chinese family orientation (Tan and Fock, 2001, p. 125). At the company level, 'town hall' meetings are held regularly to sort out critical disputes or business issues. This practice, where

members of a community come together to discuss issues of common concern, extends on a rotation basis to venues across Shanghai City, Kunshan and Guangzhou City at all five business units created by a major divestment. Arguments between business units are evaluated and mediation undertaken to achieve swift settlement. This practice reflects the management team's focus on our co-operative and collaborative culture. Specific attention is paid to personnel conflicts and demarcation disputes; an immediate investigation is always launched to verify the socio-political context and the impact of confrontation, in the hope of remedying the situation as soon as possible. In addition, a process of acculturation (Lonner and Adamopoulos, 1997, p. 66) is propagated through weekend team outings and work improvement dinners. Periodic job rotation is arranged to stimulate an empathetic understanding of other's roles and functions in the form of a social construct facilitating small group learning (Bandura, 2001, p. 19), so that company members learn from each other to achieve a shared vision. Good rapport between staff is explicitly recognised in the factory community.

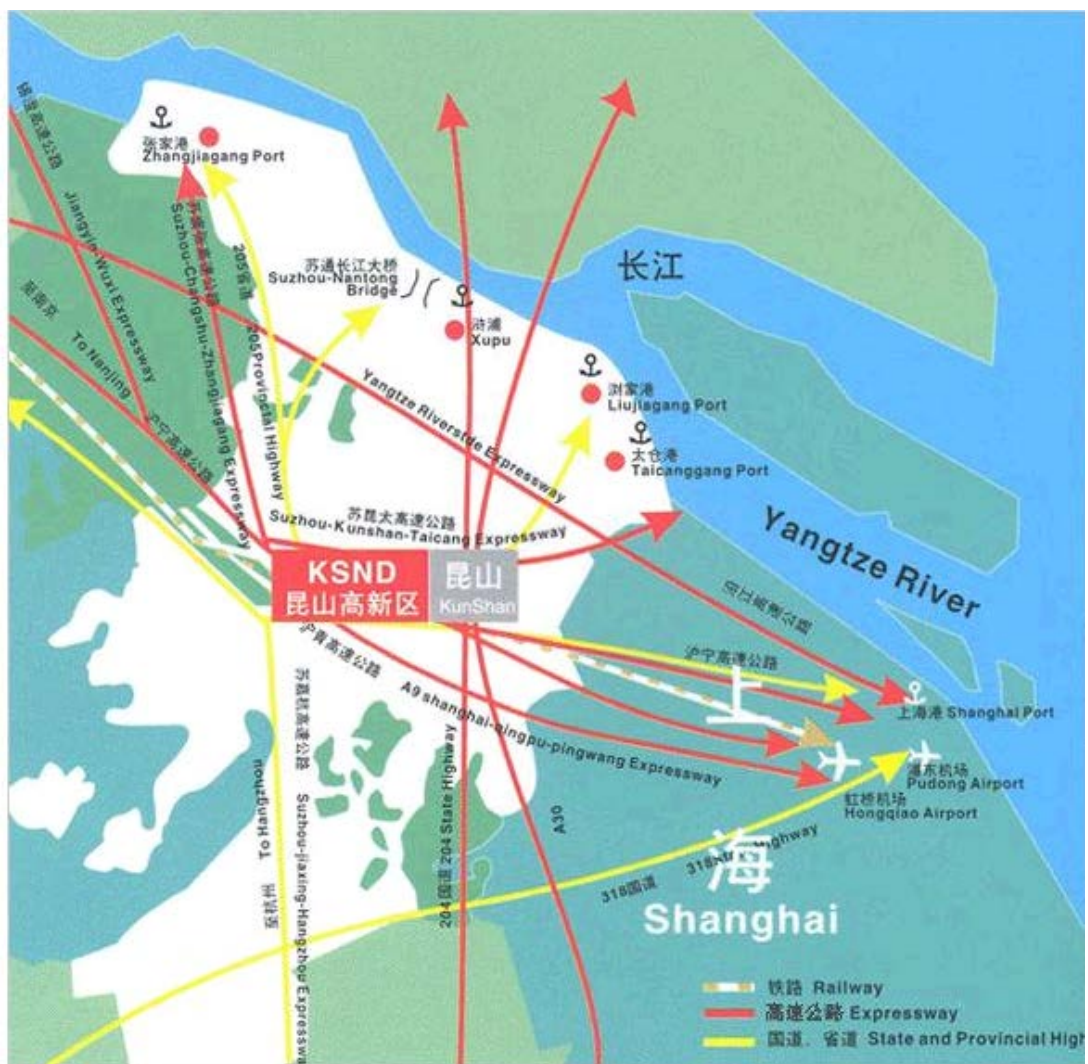


Figure 1-1: Kunshan

However, upon acquisition the factory's financial situation was poor; it had had a deficit of RMB 3 million for two consecutive years. The chief activity was the contracted printing of T-shirts, sportswear and ladies lingerie textiles (Figure 1-2). A damaging 'brain drain' took place shortly before the acquisition when fifty experienced technicians departed, with another sixty skilled workers and technicians choosing to take retirement during the takeover. My 10 loyal managers and family members learnt the ageing factory's routines swiftly and professionally, since they were a team of technicians experienced in digital textile printing. The staff worked together to re-engineer all machinery and equipment to improve manufacturing performance, calling upon their nearby relatives to help on an intern basis during the peak shipment season and periods of urgent production. As a token of my appreciation for the 150-strong workforce's dedication and swift adaptation to the new venture, the company offered bi-monthly medical services through a group of Hong Kong registered doctors, my high school classmates. This act was an exchange of favours.



Figure 1-2: Textile printing

The mission of the three founding directors, including myself, was to identify high growth business opportunities in order to secure high revenue and profit. From the start we cascaded this mentality downwards through our 150 fellow staff members. In addition to supporting the ageing Kunshan factory, all 150 workers were asked to seek external opportunities through their personal and professional connections. Ultimately, a major divestment was to take place to expand our single company into five businesses across industries spanning textile printing to retail internet technology, IT services to petroleum. Each member had a common vision and this led to a shared mental model (Senge, 2006, pp. 90).

Upon acquiring the Kunshan factory, the founding management team wanted to increase the sense of ownership in the workforce, perceiving this as a stabilising factor during substantial organisational change. Company members were duly reassured of their security in the event of future volatility. My 10 founding managers were invited to join the management team as minority shareholders, enabling them to take an active part in the establishing the direction of the new venture. In return, they voluntarily committed to the shared goal of growing the company rapidly, continually seeking further lucrative new ventures. Personal communication was encouraged among the extended 13-strong management team and there was no barrier between management and factory members. All company staff were encouraged to comment on critical matters and strategy in meetings and an open culture was advocated.

By 2011–2012 the local business environment had worsened and the management team wanted to find a breakthrough by establishing diversified ventures capable of high growth in profit. Through the self-organised collaboration among 13 management team members, front-line workers and associated personal communities, many new opportunities were identified. Some were sourced through company members' private networks, such as family connections and alumni associations. All new opportunities were evaluated through rigorous financial modelling and justification of the relationship. Trials were undertaken, ultimately leading to the establishment of four new business ventures in different industries.

1.3 Motivation for Research

The textile industry is a mature sector with limited revenue growth, since in China there are many direct competitors, putting tremendous pressure on management to achieve sustainable profit. When the Kunshan factory was acquired, all staff had a shared vision of growth to connect the company to external opportunities through their personal Chinese communities. Fortunately, this eventually led to majority investment by a Taiwanese conglomerate in our Kunshan factory and new business ventures: private room sales of UK high-end fashions in Shanghai City, engineering of internet scanning devices for the Guangzhou telecommunication authority, a management buyout of an IBM partner company in Hong Kong and the engagement of a Russian oil company.

Four founding managers had left the company during the challenging economic situation in China at the end of 2011. Fortunately, my fellow staff voluntarily sourced replacements through their personal networks to make up the staffing shortfall swiftly. Interestingly, the staff had a common view on sustaining the company through

collaboration and private resource sharing: a common mental model for business excellence in the Kunshan factory. Job security was a prime focus, and after divestment the total number of staff in my group stood the same at 150, as follows: 1) 100 staff remained in the Kunshan factory under the new major shareholder from Taiwan; 2) 10 staff set up a private party sales operation in Shanghai City to promote brands from UK, Europe and Japan to a group of 500 wealthy youngsters in that region; 3) 30 staff joined me in Guangzhou City, South China, to launch an internet technology firm for a local telecommunication company; 4) five staff moved to Hong Kong to support me in taking over a Hong Kong information technology firm and running a partnership with IBM; and 5) lastly, five staff supported me in running a business unit in Moscow and Hong Kong covering complex business projects, including Russian petroleum product imports into China, a jewellery courier service and mobile e-commerce.

With hindsight, I realised that the performance of the Kunshan team contrasted markedly with its counterparts in the multinationals I had worked for previously, such as the Netherland's Philips Electronics and SAP Software. In these multinationals it was usual for it to take months to achieve dedicated commitment to sharing knowledge, forming a common vision, maintaining a common thinking model and a willingness to take risks by going into totally different industries to secure sustainable business performance and high profit growth. It was surprising to find the Kunshan factory team performing so well in such a short time and it was regarded as being due to Chinese community relationships acting as a strong catalyst in raising people's dedication and willingness to take risks. This prompted me to embark on this research project to examine the link between Chinese community relationships and learning organisations directed at achieving fast commercial gain. Further, it is intended to explain the group dynamics and fast foresight outcomes in the Kunshan factory divestment.

1.4 Overview of Subsequent Chapters

Chapter 2 starts with an evaluation of the literature on Chinese community relationships, or *guanxi*. This element is a given in the divestment process at my factory at Kunshan and forms the basis of this research. Its history is traced to identify the twin characteristics of *guanxi*, that is, its social construct and value in action. Since a learning organisation is perceived as a total employee change programme, this chapter examines contemporary related literature concerning the development and implementation of learning organisations in both international and Asian contexts. Several models are evaluated to ascertain the mediating effect of Chinese community relationships. The foresight capability of the Kunshan factory is the measure of the

performance of implementing this learning organisation under the influence of Chinese community relationships. Literature on the link between Chinese community relationships and business performance, such as level of innovation, is examined and the research gaps identified for future research.

Chapter 3 concerns the details of various research methodologies, and their orientation to research problems and research methods, which are the realisation of methodology in the research domains under scrutiny. The bricolage methodology is adopted in this research. Qualitative interviewing, content analysis, focus group, hypothesis testing and partial least square methods were used to evaluate the adoption of learning organisations by company staff and to uncover which core variables of Chinese community relationships had the most impact on the Kunshan divestment.

Chapter 4 details all project activities, including introducing the learning organisation and the two rounds of business changes, plus SSM's rich pictures, 'CATWOE' analytical statements, qualitative interviews, content analysis, the focus group and the internal survey. The chapter concludes with the main factors of Chinese community relationships, identified at the highest level of statistical significance.

Chapter 5 is a thematic analysis of the qualitative and quantitative findings from Chapter 4. It takes a holistic approach to evaluating the interaction between Chinese community relationships and embedding a learning organisation in order to become a fast growing company with high revenue and profit. Themes are drawn from the evaluative qualitative interviews and focus group discussion.

Chapter 6 is a summary of project outcomes through all research activities, actions undertaken and thematic analysis. It is a distillation of Chapter 5's thematic analysis in seven succinct statements.

Chapter 7 states the contribution of this research to literature. Chinese community relationship, or *guanxi*, exerting a mediating effect in corporate performance programmes such as the learning organisation.

Chapter 8 presents concluding remarks on the thematic findings regarding the mediating role of Chinese community relationships on learning organisations for business performance. Surprisingly, the role of external peers is ranked highly in terms of the success of business divestment, teamed with the personal recommendation to pursue new ideas and opportunities in my company. The limitations of the research are noted for improvement in future.

Chapter 9 is an account of my reflexivity. My DProf journey started in 2011 and, after Project Approval Panel agreement, research began in the summer of 2012. It was an excellent experience to review all the learning from my past before undertaking this thesis; I had achieved several Masters degrees and it was most productive to spend a year consolidating the past two decades' learning to cope with the demands of this research. In this chapter I share findings about myself personally, the company and the industry at large. New areas of learning are identified to prepare me for my next career challenge.

1.5 Ethical Considerations

At the project proposal stage a detailed ethics review was undertaken. All company staff were assured that there would be no impact on their work from participating in this research. The option was presented to all participants to withdraw from involvement in the project at any time at will. Their contribution to the company and this research was honoured during and after the conclusion of this research. All individual comments were recorded in strict confidence. Collected data are stored in a controlled manner with strict access limits, and comments provided for this research were not, are not and will not be released to any third party without formal written consent. This research report will be shared internally across all 150 staff members after the DProf conferment.

All staff set expectations for this research. They wished to make use of this research to find ways to wade through the troubled economics in the Kunshan area. A concurrence was reached with them to position this research project as having both academic purpose and a corporate change intention.

Access to Singapore caution money remained for all 150 staff. They could view the latest updates on fund balances and earnings from investment. As an insider researcher I cannot alter any details of the caution money without security control from every member of staff. This safeguards the independent and objective viewpoint of the participants of qualitative interviews and focus groups.

1.6 Exploration

There is a substantial literature on Chinese community relationships (*guanxi*), much of which falls into the category of psychology and personality studies (Bao and Shi, 2008, p. 1019). Attention is directed towards the cognitive response in interpersonal relationships. Li and Wright (2000, pp. 370- 72) write about the influence of *guanxi* and individual career development, yet very few studies have undertaken any structural study of *guanxi* from cultural and societal perspectives (Chiao, 1982, pp. 351-353).

Recently, there has been research extending the structure of Chinese community relationships into the workplace (Chen and Chen, 2004, p. 308).

The inherent nature (Dunning and Kim, 2007, pp. 330-331) of *guanxi* determines the prevalence of this Chinese-dominated social behaviour in both mainland China and major overseas settlements. However, most studies take a sociological angle (Jun and Si, 2010, p. 564) in observing *guanxi* behaviour. There are a few studies on the interaction between *guanxi* and business operation (Lee, Pae and Wong, 2001, pp. 52-53), but nothing that undertakes a live ethnographic journey to take a practitioner deep into *guanxi* to observe group dynamics under its auspices. This research rides on the urgent commercial need to improve the ability of this company to survive, and it attempts to profile the correlation of *guanxi* and corporate exercise, such as learning organisation implementation, in both a qualitative and a quantitative manner.

1.7 Summary

As stated above, this research is an ethnographic attempt to explore the social behaviour of the Chinese community at the Kunshan factory in the interests of surviving in today's volatile economy in China. It was my good fortune to form the Kunshan company from ten families accustomed to working under my supervision at my former Hong Kong-listed textile mill. Good friendships were established over a long period and the staff showed commitment to my new venture, not solely for financial reward. A sense of personal engagement is noted and I am indebted to this community for its compassionate dedication to my new business and subsequent divestment actions.

The literature on *guanxi* mostly comprises social-cultural study, and successful learning organisation cases are limited. This research comes at the right time to explore the inherent social-cultural behaviour of *guanxi* using an ethnographic approach in the form of research. The systematic interaction of *guanxi* with corporate operations and change management exercises, such as a learning organisation, can be examined through planned actions.

Chapter 2 Literature Review

2.1 Introduction

Chinese community relationships develop from a family-oriented social structure with networks such as alumni, co-workers and friends (Yeung and Tung, 1996, pp. 56-60). Influence may be cascaded through generations, so that in all Chinese-dominated communities across mainland China, Singapore, Hong Kong, Taiwan and major Chinese settlements in USA, Europe and Africa there is a horizontal societal structure (Zhuang, Xi and Zhou, 2007, pp. 40-42). An exploratory study in Singapore (Tan, 2000, chaps.2-4) highlights the heritage of Chinese community relationships, or *guanxi*, in overseas settlements. Dunning and Kim (2007, pp. 330-331) argue that the strong interdependency observed among Chinese ethnic communities stems from historic Chinese ethics teachings. The first cultural trait in *guanxi* is utilitarianism, pointing to the role of exchanges of favours between two Chinese individuals as a means of building interpersonal ties. Reciprocity comes next, emphasising the return of a favour, and may continue the interdependency into perpetuity. All personal favours and relationship may cascade through an intermediate person or a group of Chinese people in a community.

Embedding a learning organisation aims to transform a company, yet the methods and tools cannot generate value without a social structural driver. The mediating effect of Chinese community relationships, or *guanxi*, expedites a corporate change programme and it is the *guanxi* that influences the diffusion of a management paradigm such as a learning organisation and the acculturation of shared views among participating Chinese people. The intimacy of Chinese in a community exerts a type of group thinking to rationalise divergent ideas into a state of congruence.

This chapter starts with a detailed exploration of Chinese community relationships (*guanxi*). Classic views are discussed to introduce the development of *guanxi* through Chinese history, where the family is the nucleus of all communities. The exchange of gifts and favours promotes the growth of care and influence throughout the community and this informal relationship passes from generation to generation in Chinese ethnic groups around the world. The development of personality is moulded significantly by Chinese community relationships, to the extent that a modern business framework may have been passed down intact from the staff's forebears. Luo (2000, pp. 66-69) notes a value creation process in Chinese community relationships that establishes an essential attribute, empowering all Chinese people to act collectively in business

communities. The role of 'face' in *guanxi* is evaluated. All the key ingredients of *guanxi* are combined in an intrinsic acculturation in the Chinese community, leading to the establishment of privileged groups for trade and decision preferences both for business deals and personal friendships. Nonetheless, all *guanxi* development can be cultivated through a three-stage framework of affection, reciprocity and trust. When they enter markets such as Taiwan, Singapore and mainland China, Chinese community intimacy drives existing market participants, giving priority to known parties when striking a business deal (Liu, 2009, pp. 101-108). Affection and reciprocity in *guanxi* overrule the objectivity and individualism that is commonly practised in western countries, and the success of embedding a learning organisation in my factory depended on the mediating effect of Chinese community relationships.

Various paradigms for learning organisations are examined to reveal the connections between business performance and Chinese community relationships. The learning organisation model, 'Fifth Discipline', was chosen. Next, the ability to identify better business opportunities and achieve higher performance, or the capability of foresight, is explored to examine the true drivers in business growth. Asian learning organisation practice is discussed, as its implementation and execution is not mechanistic in nature; people without emotional engagement cannot function well. The three classical attributes of Chinese community relationship, that is, affection, reciprocity and credit trustworthiness, result in an emotional connection between community members that enhances the extent of voluntary commitment. A shared corporate vision and mentality are then acculturated, deepening among community members swiftly and enabling the company to cope with potentially disruptive challenges to both business and environment. As a result, a proactive team learning environment is created that facilitates the company's search for new opportunities.

2.2 Chinese Community Relationships (*Guanxi*)

Law et al. (2003, pp. 46-50) articulate an interpretation of Chinese community relationships from a social perspective. Chinese scholars split the word *guanxi* into its two component parts. The first portion, *guan*, translates as 'gateway', while the second portion, *xi*, means 'to link together'. Combining these characters, the metaphorical interpretation is that strong connections and relationships are closely mingled in bridgeheads, doors and gateways. Luo (1997, p. 44) argues that the ultimate definition of Chinese community relationships might be personal interaction with the community at large towards fulfilling private and individual objectives collectively. Xin and Pearce (1996, pp. 1643-1650) describe *guanxi* simply as a simple one-to-one relationship or 'private and individual connection' that transforms a formal structure into an informal

institution. Li and Zhang (2003, pp. 318-323) confirm this finding in their empirical study of clerical work in Chinese communities, where the dyadic link between two members of a community evokes a delicate and private relationship. Yang (1995, p. 23) notes an escalation of *guanxi* to a higher plateau of sociological construct that binds participants through intensive interaction in a process of acculturation. Chinese community relationships also provide a means for an external person to join the community in order to meet their personal requirements, revealing a fundamental reciprocity in the exchange of favours.

Hwang (2009, chap. 2) argues that Chinese community relationships, or *guanxi*, develop from a context that is fundamentally personal into a wider social arena of Chinese-dominated business locations across mainland China and overseas settlements. *Guanxi* is a collective word that signifies a collection of intrinsic behaviours and associated value systems. Family, friends, favours, relatives' emotional support and gregariousness are the key elements of Chinese community relationships. Group performance is anticipated through acculturation into this collaborative group behaviour.

In an empirical study on *guanxi*, Bedford (2011, p. 152) identifies two operands relating to business performance. The first is 'working *guanxi*', while the second is 'backdoor *guanxi*'. These differ in terms of frequency of interaction and exchanges of favours, and the degree of transparency. 'Working *guanxi*' mainly serves community relationships in the workplace, whereby Chinese-dominant companies are observed to demonstrate intensive personal interaction, private communication and off-duty social gatherings. It is a way to build up ties to Chinese companies to establish a common vision among staff members. Unfortunately, extensive exploitation of 'working *guanxi*' will lead to 'backdoor *guanxi*', akin to nepotism and sectarianism that, unlike working *guanxi*, involves unfair treatment of company staff. Nonetheless, *guanxi* is widespread in companies comprised of Chinese people everywhere and Wong (2010, p. 420) describes it as a complex representation of historical social interactions among community members, neatly indicating the imprecise nature of predicting Chinese communal behaviour.

In business Chinese community relationships, or *guanxi*, are regarded as having two layers (Nie et al., 2011, pp. 543-545). The first is the *guanxi* construct, composed of theoretical ideology and traditional values, while the second is *guanxi* use, or value realisation. The foundation level functions as a general concept while the top layer, *guanxi* use, represents specific behaviours. This two-layer structure reflects participants' expectations and behaviour; understanding this *guanxi* mechanism facilitates a smooth social integration in the interests of business and operational

change in a particular community so personal value is recognised by the closely knit members (Lee et al, 2001, pp. 52-53).

In a Taiwanese study, Jacobs (1979, p. 238) reveals the traditional connections and associated attributes embedded in a local community of ethnic Chinese people. This social network is especially important among close relations, referred to as 'expressive ties' (Hwang, 2009, chap. 2), and is the foundational set of relationship types within the community. The cornerstone is affection, the driver of social networking; the warmth of involvement, the safety in being part of the community and links to powerful people networks are critical to individual members (Hwang, 1987, p. 949). Superimposed is the concept of *guanxi* use, manifested within the Chinese community and directed at achieving a particular context-bounded goal. Expressive ties are carefully manipulated in a process-oriented conceptualisation for community engagement, influence on decisions and result solicitation (Chen and Chen, 2004, p. 308). *Guanxi* use has a lifelong mandate to maintain the availability of Chinese community relationships, before and after the transaction. The extent of integration and common areas of influence is expected to grow between participants, thus it has the primary aim of obtaining immediate support from people closely connected interpersonally, known as 'instrumental ties' (Hwang, 2009, chap. 2).

The core objective of these two *guanxi* ties, expressive and instrumental, is to obtain a short-term return from connected community participants. Subsequently, *guanxi* use converts this short-term return from *guanxi* concept into a long-term community influence. One application of this long-term *guanxi* use is to distinguish between relationships of closeness and acquaintance (Yang, 1995, p. 23), initially exerting personal influence in offering unsolicited help or favours to foster interpersonal relationships then taking the utilitarian step of asking for the favour to be returned in the long term.

The relationship between the *guanxi* construct and *guanxi* use involves substantial action designed to foster relationships (Chang and Holt, 1991, p. 253). It starts when a person initiates *guanxi* use through family connections for extra-familial linkages. Yang (1994, chap. 1) discusses how doing favours for others in a Chinese community network acts as the central theme in the execution of *guanxi* use and this kind of reciprocal favour appears frequently in Chinese community relationships (Hwang, 1987, pp. 940-950). In short, *guanxi* is taken to be the reciprocal route to help friends and to maintain harmony. The reward for such a relationship might come later in a person's life, perhaps years later. *Guanxi* constructs and *guanxi* use are macroscopic behaviours.

The following are specific *guanxi* characteristics that interact intensively in a Chinese community towards *guanxi* development and sustainability.

2.2.1 Classical attributes

Lee et al. (2001, pp. 52-53) regard *guanxi* as the convergence of personal identification, family background, place of birth, schools attended and employment history. An element of *guanxi* is created whenever a Chinese community is identified within which interpersonal relationships may arise. These elements include family *guanxi*, social *guanxi*, business *guanxi*, and working relationship *guanxi*. Chiao (1982, p. 345) argues that *guanxi* is the status of individuals or organisations interacting with their counterparts and giving rise to mutual affection and gain, citing three classic characteristics of *guanxi* behaviour: 1) an ego-centric nature, indicating that *guanxi* development is dependent on individual egos, consciously through cognitive thinking and outward behaviour; 2) voluntarism, indicating that all individuals build *guanxi* at their discretion; and 3) particularism, indicating some sort of attachment embedded within the *guanxi* connection.

Luo (2000, pp. 66-69) comments that *guanxi* is associated with established trust and credit possessed by participants. This historic structure acts as the foundation of its nature. Bao and Shi (2008, p. 1019) provide a summary of historic teachings by ancient Chinese scholars to identify three classical *guanxi* attributes from a cultural perspective, that is: 1) affection among people, or *ganqing*; 2) reciprocity, or *renqing*; and 3) long-lasting fidelity credit, or *xinyong*. *Ren*, of *renqing*, represents two-way benevolence. It supports social conformity, adopting a non-litigious society coined as the 'rule of man' in Chinese communities. The final critical value of classic *guanxi* is *xinyong*, an iconic indicator of interpersonal trust within a Chinese community. *Guanxi* enriches *xinyong* through personal connections, social relationships, reciprocal action and support.

These *guanxi* attributes developed alongside each other throughout Chinese history (Table 2-1).

Table 2-1: *Guanxi* attributes

Attributes	Properties
Utilitarian	Personal interests are purposefully driven
Reciprocal	Reciprocal obligations are tied up with an individual's reputation
Transferable	Relationship is transferable via a third party through a form of referral
Personal	Individually based
Long-term	Cultivated long-term and passed down through generations
Intangible	Ruled by unspoken obligations and commitment.

(adapted from Dunning and Kim, 2007, p. 331)

Chinese society is a high-context culture (Zhuang et al., 2007, p. 39), where group interests are valued over personal preference and the value of a single word is not vital. Social sustainability is one of *guanxi*'s foremost contributions to maintaining Chinese business and social relationships; indeed, word-of-mouth messages actually enhance the level of trust between staff and management. This integrates *guanxi* into business and social networking via communication in the form of repute and personal recommendation. *Guanxi* commonly has two forms, that is, person-to-person and firm-to-firm (Li and Wright, 2000, pp. 370-373). Businessmen well versed in *guanxi* attributes tend to achieve trade success in China easily (Zhuang et al., 2007, p. 39), demonstrating another of its contributions to business performance. A key point indicated in Table 2.1 is that *guanxi* develops downward through six layers of attributes, from a personal level to the domain of organisations.

2.2.2 Chinese perspectives on *guanxi*

Hwang (1987, pp. 940-950) argues that the family is the basic social construct in Chinese communities around the world. Engagement with the family facilitates an explicit development of *guanxi*.

Yang (1995, p. 24) argues that fellowship is a form of social generalisation among Chinese community members. Friends are the next tier of relationships after family; when an individual wants to resource support, friends are approached if family members cannot help. This reliance on friends for support has Chinese heritage. Hwang confirms that emotional attachment develops fellowships in a Chinese

community (1987, p. 952), indicating a social and communal tie that obliges Chinese people to support ethnic members out of social affection. Another observable behavioural component in *guanxi* is an unconditional yet transitive brotherhood through friendship, which involves a person taking care of a friend of a friend, or the friend's family, purely due to the *guanxi* connection. Group competence and exploratory behaviour are critical to the perpetuation of Chinese community relationships, because social networking among Chinese demands an initial engagement of acquaintance, that is, exploratory behaviour, and subsequent assistance to settle issues, that is, social competence. Therefore, positive and encouraging support from family develops self-esteem and competitive capability in participants in Chinese community relationships, facilitating an engagement in long-term *guanxi*.

King (1991, p. 63) considers that the phenomenon of social exchange occurs through the reciprocity of Chinese community relationships. An economic transaction may be seen as a commodity exchange involving a transparent veil between the object transacted and the donor, so that a social exchange of gifts may lead to the aspiration to engage in a quality relationship between donor and recipient. Gift exchange is a frequently seen event in a Chinese community. Bond and Hwang (1986, p. 224) state that if a Chinese community member is asked to disseminate resources, *renqing*, or favours, complements the activity within the *guanxi* network. This may lead to offering perks or fringe benefits exclusively to receive benefits. However, Lee et al. (2001, p. 51) explain that the unique Chinese social bond is nurtured through this reciprocal award of special favours and serves to accelerate the development of *renqing*. In order to try to break down *guanxi* behaviour, *renqing* is often equated with *guanxi* favour exchange (Wong, 1998, p. 27).

Hwang (1987, p. 940) finds *renqing* has three different formats in Chinese community relationships: empathetic; resource sharing for the sake of social exchange; and preserving social norms for those in dire need. However, it is preferable to treat *guanxi* behaviour more broadly than merely asking for and giving favours in return for perks (Chen and Chen, 2004, p. 308).

Social 'face' or *mianzi* is an equivalent of an individual's reputation and respectability in the Chinese world (Ho, 1976, p. 870). People possess 'face' so long as others respect them and its value may be regarded as a person's reputation and social identity within a particular Chinese community. If an individual 'loses face', it is a public embarrassment. This social disaster impacts not only on the individual but associated stakeholders such as employees and spouses. Chinese people take it seriously, owing to the nature of their collectivism. 'Face' engineering, or social reputation management,

is regarded as a precursor to *guanxi*. Bond and Hwang (1986, p. 224) identify six social actions related to 'face' in Chinese community relationships. They are:

- 1) allowing an individual's 'face' to grow
- 2) helping others to enhance their 'face'
- 3) experiencing the misfortune of having a person 'lose face'
- 4) adversely hurting another's 'face'
- 5) facilitating the informal community to save an individual's 'face'
- 6) collaborating within the informal community to save another's 'face'.

The process of enhancing and saving another member's face in a particular Chinese community stimulates stronger community relationships as well as creating goodwill. These two 'face'-oriented behaviours definitely lead to further enhancement of all members' reputations and strengthen community relationships.

2.2.3 Acculturation informing a working community

From a social psychology point of view, *guanxi* is used as an acculturation process to unify the vision of a particular company or community (Bao and Shi, 2008, p. 1019), reflecting the social learning attributes within a Chinese community. Chu and Ju (1993, chap. 2-3) report on their significant empirical study involving both urban and rural Shanghai residents. It found that an overwhelming majority (92.4%) confirmed their involvement with personal *guanxi* in daily living and business activities; strict objectivity is not usual in the Chinese local trade environment.

Relationship reciprocity is commonly found in Chinese working communities. One good example is co-worker's support, seen where company members offer mutual emotional, instrumental or moral support, and a strong sense of social belonging is achieved by co-workers through emotional engagement. A high level of loyalty is observed in a Chinese community, as relationships are hard to redeploy in a different context (Chan, 2006, p. 10). Close personal ties are found among community members and this generates a sub-group, termed *shuren*, or 'familiar people'. Chinese people prefer amenable social relationships and give priority to business and social contacts who are members of their close group, deriving satisfaction from *guanxi*-based social harmony in the Chinese community. Members may maintain a better quality of life through active participation (Chu and Ju, 1993, chap. 2-3), motivating them to strive for a higher degree of esteem, prestige and recognition. Self-actualisation and self-expression

emerge from their group performance and this *guanxi* behaviour determines their satisfaction with life; success is ultimately measured by their longitudinal *guanxi* manoeuvres.

Whether Chinese or not, in order to join a community any external individual needs to undergo an acculturation process through intensive interpersonal communication and team activities to create a common vision and a shared mental model. When a Chinese person wants to start a business or goes away to study, there is a tendency to locate known individuals through relationships. Sooner or later, groups are formed that are composed of people from similar backgrounds who will prioritise the interests of that community's members. *Guanxi* is a layer of the fundamental sociocultural infrastructure shaping the social behaviour and cognitive thinking of all Chinese (King, 1991, p. 63).

Lonner and Adamopoulos (1997, p. 66) describe acculturation as a core process to converge people from different backgrounds into a goal-sharing community. This process is mirrored in Chinese community relationships through sharing opinions, comments, preferences and considerations. Interpersonal relationships and a commitment to community are rationalised over pure profit. Core components in the acculturation process noted within Chinese community relationships are:

- The evolution of its ecological context points to the gradual mutation in Chinese relationships through sporadic interaction with the social environment.
- The evolution of the mind, language and belief systems of its people dictates the development of communal relationships under the influence of phonetic or symbolic language. Chinese languages evolved via simulation of natural objects, so there may be various interpretations of the same Chinese word. This creates a subtle layer in Chinese culture to facilitate diversity in relationships.
- The evolution of its socio-political context is the most controversial aspect. In principle, Chinese people favour diverse political standpoints on the periphery, yet boundaries are constructed by means of informal networks.
- The biological and cultural adaptation of its people over time describes the continually evolving and adaptive nature of Chinese relationships. The high mobility of Chinese both on the mainland and overseas triggers a mingling of original relational beliefs with emerging cultural groups.
- Genetic transmission is a key driver of the dialect-based cultural divide. Dialects originated from different races, yet have converged over thousands of years of Chinese history.
- Cultural transmission describes the influence of a powerful community. For instance, the Beijing dialect is used as the national language.

- Acculturation is a consolidated process that eases the convergence of different dialects in study, employment and marriage, so that divergent ideas and thinking are harmonised across the community.

Dialogue and activities may alter the thinking of individual members of networks or communities. This kind of group operation arises in Chinese community relationships so that *guanxi* is constructed and nurtured across the various dialects, local customs and minority ethnic preferences (Chan, Cheng and Szeto, 2002, pp. 329-331). This informal network predisposes people to converge to share a mental model within a community. This applies both to Chinese races or foreigners wishing to join a Chinese group. Previous habits, practices, conceptions, values and preferences will be mediated through *guanxi*, that is, affection, reciprocity and credit, to adapt to the mainstream practice in that community.

This Chinese acculturation in the development of *guanxi* is a special tactic comprising social behaviour and economic benefit. *Guanxi* is a type of self-organising mechanism to stabilise an information flow for serious corporate development, new product lines and operational efficiency (Chen and Chen, 2004, p. 308). Acculturation integrates key ingredients of Chinese community such as biological age, place in the hierarchy, degree of authority and the need for thrift and 'face' maintenance. These are blended and interact with others progressively in a business environment. Engagement and indulgence in *guanxi* are a trade-off of convergent thinking and a single focus for ideas (Yeung and Tung, 1996, pp. 56-60); unfortunately, in business these have an adverse impact on the generation of ideas, imagination and divergent thinking.

2.2.4 Key characteristics

Chinese community relationships are not one-offs, formed solely to make a deal, but have a continuous nature. Moreover, a company has to maintain, enhance and thoroughly contemplate all established relationships. Wang (2012, p. 83) describes a staged process in China's marketing sector to develop and nurture *guanxi* through community interaction and exchange. It involves the fulfilment of promises and trust among members of Chinese community. There are three steps (Table 2-2) in building of Chinese community relationship, or *guanxi*, namely initiating, building and using *guanxi*.

Table 2-2: *Guanxi* development model

Stage	Objective	Interaction	Principle
1. Initiating	Establishing bases	Knowing each other	Disclosure
2. Building	Quality	Instruments and transactions	Reciprocity
3. Using	Gain benefits and re-evaluate	An exchange of favours	Equity

(adapted from Chen and Chen, 2004, pp. 308-310)

This three-stage model has a corporate development point of view, yet may be applied to a casual community, such as a freshman class assembling at the start of a university semester or in a workplace. The difference between this model and the conventional family-oriented *guanxi* development is the reduced emphasis on family relationships, replaced by encouragement of deep personal friendships to get to know other members. Mutual support and favour exchanges build a strong reciprocal relationship among members so that a sense of social equity is attained by individuals. In the process of using *guanxi*, the favour exchange is periodically reviewed to assess the extent of *guanxi* among members.

2.3 *Guanxi* for Business

A learning organisation leads the change diffusion through the company to yield better performance (de Toni and Nonino, 2010, p. 90). Ideas and business foresight are prompted through total staff participation. This diffusion takes the form of narrative between clusters of people (Greenhalgh et al., 2005, p. 420), and this acculturation activity is commonly found in a Chinese community's private activities. The process builds up firms' organisational foresight capability and facilitates swift outcomes, both incrementally and radically (Madjar, Greenberg and Chen, 2011, p. 735). Chinese community relationships nurture a long-lasting adoption of high performance by means of organisation-wide team work, the collective ability to share knowledge, handling of customer requests swiftly, aiming at rapid delivery (Wolfe, 1994, p. 410). It is the total company participation that motivates the collective foresight capability, achieving higher corporate performance (Crossan and Apaydin, 2010, p. 1156).

There are limited studies on the role of Chinese community relationships directed at achieving enhanced business performance. *Guanxi* acts as a well-oiled machine by which reliable information and knowledge sharing facilitates business change in the

competitive dynamic market, resulting in innovation and a swift customer response. Chinese community relationships mediate the process to achieve better business performance and innovation (Rhee, Park and Lee, 2010, p. 66). The affection and favour exchange processes have a self-organising effect throughout the Chinese community that may boost business performance and profitability (Bartol and Zhang, 2010, p. 863).

Structurally, there are four critical perspectives in coupling Chinese community relationships to strong corporate growth and achievement, as follows.

2.3.1 Management in the office community

There is limited literature identified in eastern literature on management behaviour in Chinese community relationships. Empirical study is used to extend the corporate preference when working with close partners in community.

In dynamic and competitive business environments, company management tends to assign tasks to subordinates on the basis of levels of community relationships (Bejou, Wray and Ingram, 1996, p. 138). This behaviour exerts a significant impact on staff's job satisfaction and morale that may lead to a low level of commitment (Smith, 1998, p. 56). Staff with close ties to management are selected for an 'inner circle' of company members, thus enjoy more power and authority, while those with a low level of community relationships are offered less delegated responsibility and have a bleak chance of promotion.

2.3.2 Workplace and *guanxi*

This third perspective focuses on the interaction between Chinese community relationships and the workplace situation. Yang (1994, chap. 2) argues that Chinese community relationships build mutual respect between management and staff in a corporate environment. If a positive interaction exists between management and staff, a high level of closeness will be fostered in the company and the phenomenon provides an environment that stimulates interpersonal relationships in the workplace.

Xin and Pearce (1996, pp. 1643-1650) found that Chinese community relationships influence the employee attrition rate and the extent of staff contributions. Tsang (1997, p. 75) finds that Chinese community relationships act as a mediating variable between leadership effectiveness and staff performance.

2.3.3 Social adaptation

Intensive interaction, adaptation and change to personal behaviour are common among business activities, private networks and the use of different dialects (Jun and Si, 2010, p. 563). The phenomenon is detected in both overseas and mainland Chinese and represents a strong learning attribute in Chinese community relationships (Knight and Yueh, 2008, p 392-398), facilitating a shared vision among all participants, despite frequent critiques of sectarianism and nepotism levelled at *guanxi* (Nie et al., 2011, pp. 543-545). *Guanxi* establishes a network of people who undergo all kinds of difficulties together and from these grow complex social and emotional links between workers, families and friends (Chan et al., 2002, pp. 329-331). *Guanxi* functions as a focal point for domains of activities and social interactions concerning a parent's ancestry, race, dialect, location of residence and employment, profession or occupation, sectors, and educational background and connections (Chan et al., 2002, pp. 329-331).

2.3.4 Personal recommendation

Another perspective is that personal recommendation is a well-regarded group behaviour in a Chinese community (Knight and Yueh, 2008, pp. 392-398). The informal human aggregate behaviour of idea exchange, experience referral and trust inheritance is a matter of self-development embedded in Chinese culturally evolved action (Chen and Chen, 2004, p. 308). Asian business groups, an extended version of informal Chinese networks with governmental sponsorship (Hsieh, Yeh and Chen, 2010, p. 567), favour a leadership attribute known as verbal recommendation, or personal recommendation, in participants (Lai and Chang, 2010, p. 495); this activity is observed in historic and current conventional Chinese informal social networks (Chan et al., 2002, pp. 329-331). Reciprocity, or *renqing*, is presumed to be the ultimate return to personal recommendation in Chinese community relationships and involves either an initial monetary transaction or, the most treasured result, long-lasting fidelity credit known as *xinyong*. The complex adaptive nature (Wong, 2010, pp. 423-425) of Chinese community relationships leads to group self-organisation in *guanxi*, generating a self-learning capacity to enable this unique social artefact to flourish, adapt and perpetuate. Personal recommendation is a common way of exchanging social favours. In a Chinese marketing study on *guanxi* Keng (2001, p. 1980) finds there is a people and business affinity embedded in Chinese community relationships, therefore a type of nepotism and sectarianism might appear in business practice in that there is closed-loop co-operation among community members. Top priority will be given to fellow members of the community by virtue of proximity and the exchange of favours. This practice may be expressed succinctly as a kind of voluntary and periodic benefit

exchange, leading to *renqing*. It is reciprocal in nature and may pass from father to son, that is, from generation to generation.

2.4 Learning Organisations

'Belongingness' is increasing in firms. The stock of skills and knowledge in the hands of its individuals and groups enables the development of interpersonal relationships to contribute to an organisation's economic development (Francois, 2002, pp. 6-19).

Learning is recognised as a means to strengthen people's relationships in a particular social structure, such as a company, industry or professional body, that cultivates critical items of trust, shared values, norms and mutual understandings within its communities (Cohen and Prusak, 2001, pp. 50-65).

In the interests of embedding a learning organisation, three facets of ownership are conceptualised (Nahapiet and Ghoshal, 1998, p. 245): 1) structural facet profiling of non-personal connections between people or organisational units; 2) relational facet profiling, entailing personal relationships, spanning from obligations, expectations, respect, norms, friendship and sanctions, upon which assets are created and leveraged; and 3) cognitive facet profiling of shared interpretations, presentations and systems of meaning among various social units.

The format of the profiling could be the language and codes in use. Learning through social interaction is a competitive advantage in firms, containing knowledge, information, intellectual property and experience capable of bringing in new wealth when companies adopt a particular course of operation (Steward, 1997, pp. 43-48). Firms' intellectual assets are products of their human resources, human capital and intellectual property (Despres and Chauvel, 2000, pp. 58-60). Their intellectual capability is the collective of their communities and professional practice; this develops the knowledge component of human capital in areas of knowledge acquisition, skills learning and capabilities growth in human capital management (Nahapiet and Ghoshal, 1998, p. 245).

2.4.1 Achieving a learning organisation via organisational learning

Various academics have researched topics relating to learning organisations and organisational learning. Cyert and March (1963, p. 35) report that 'Organisational learning is a change in behavior in response to a stimulus....', while Argyris (1977, p. 118) writes that 'Organisational learning is a process of detecting and correcting error...' and Argyris and Schön (1978, p. 90) comment, 'An organisation learns through the collective capability of its members to learn and there is no organisational learning

without individual learning. That individual learning is a necessary but insufficient condition for organisation learning’.

Hedberg (1981, p. 11) holds that ‘Organisational learning includes both the processes by which organisations adjust themselves defensively to reality and the processes by which knowledge is used offensively to improve the fit between organisations and their environments...’, while Fiol and Lyles (1985, p. 810) define organisational learning as ‘the process of improving actions through better knowledge and understanding’. Levitt and March (1998, p. 323) comment that ‘Organisations are seen as learning by encoding influences from history into routines that guide behaviours...’, while Stata (1989, p. 68) writes that ‘Organisational learning occurs through shared insights, knowledge and mental models; Build on past knowledge and experience, that is, memory...’. Villinger (1996, p. 186) maintains that ‘Organisational learning is the process of developing a potential to improve actions and behaviours through better knowledge, understanding and cognition...’.

In short, organisational learning studies focus on the methods and tools for a particular organisation, whether commercial or charity, to acquire, store and manipulate information and knowledge collected from organisation members. A learning organisation appears to be a summary action to capture information and no specific business aim is stated. ‘Double-loop learning’ represents a milestone in learning organisation development (Argyris and Schön, 1978, p. 90) involving questioning the governing variables in organisations. On the ground level of this learning framework, single-loop learning is restricted to incremental change in the course of an organisation trying out new approaches, tactics and attempts, and quick feedback is important to solicit continuous adjustments and adaptations, while double-loop learning refers to more radical changes in strategic direction (Argyris, 1996, p. 83).

Exploration and exploitation are the twin mirrors of organisational learning and learning organisation, whereby exploration leads to the long-term strategic establishment of corporate strategies and operational knowledge, and intensive exploitation might generate huge short-term profits (Levinthal and March, 1993, p. 323). The socialisation power of information-based learning is another approach to organisational learning to liberate people’s interactions within the communities in question (Zuboff, 1988, p. 53–72). Organisational learning focuses how people make sense of their working exposures, which means that stakeholders have to make a synthesis of both explicit information, such as financial reports, and tacit forms of situated practices, observations and socialisation into communities of practice (Blacker, 1993, p. 865).

Hence, organisational learning is perceived as a kind of societal construction, a political process and is deeply implicated within organisational culture (Lave, 1993, chap. 2-3).

When starting, a learning organisation has a specific orientation. Huber (1991, p. 93) remarks that 'An entity learns, if, through its processing of information, the range of its potential behaviours is changed....'; Cook and Yanow (1993, p. 380) state, 'The acquiring, sustaining, or changing of inter-subjective meanings through the artefactual vehicles of their expression and transmission and [through] the collective actions of the group...'. Lastly, Lipshitz, Popper and Oz (1996, p. 296) define 'A learning organisation is an organisation and institutes Organisational Learning Mechanisms and operates them regularly...'

A learning organisation is thus goal-oriented. with a framework to rely on, while organisational learning acts as its toolbox. The tools are geared towards the human aspects of companies, communities and organisation, and describe their qualitative characteristics to identify the methods of engagement, data acquisition, change and alteration, and behavioural management. Moreover, no specific business goal or organisational vision is embedded in the organisational learning exercises; the key objective is to mobilise organisation members to adopt an awareness of various individual and team learning methods and techniques.

In short, organisational learning focuses on processes at individual and group levels, while a learning organisation is oriented towards a business aim; a shared vision and mental model are the expectations of a learning organisation.

2.4.2. Comparing the workplace

The social-cultural context of learning in the workplace, also the focal point of a learning organisation, has attracted corporate management attention since the narrow scope of individualistic activity is unable to address the issue of group dynamics and workplace norms (Alfred, 2002, p. 10). Workplace learning is a rich and varied context, demanding consideration of the broader picture along with deep understanding and acknowledgement of the social and cultural milieu where learning takes place (Raelin, 2000, chap. 1-2). There are four key characteristics of workplace learning: 1) lessons learnt from action; 2) the appropriation of tasks; 3) collective activities; and 4) a transparent process allowing all participants to challenge assumptions (Kooker, Ley and De Hoog, 2007, p. 163).

Learning organisation practices in the workplace assume the accommodation of diversity in staff members by adapting to a divergence between the three domains of

knowledge: propositional knowledge; process-based knowledge; and dispositional knowledge, illustrating differing values and attitudes (Billett, 1993, pp. 89-97).

Mansfield's job competence model (Mansfield, 1991, p. 85) defines four aspects of competence to encompass: task or technical skills; task management skills in planning, decision making and prioritisation; contingency management skills in handling the unexpected and events beyond the scope of routine instructions; and lastly role and environment skills to understand and make use of underlying organisational and cultural environments. These two frameworks highlight the need for workplace learning to distinguish the true forms of knowledge in social learning and critical knowledge, from those that are only trivial in developing a firm into a learning organisation. Propositional knowledge and procedural knowledge are used in routine daily activities (Andersen, 1982, p. 373).

The third form, dispositional knowledge, traces a separate conceptualisation of three core forms of workplace learning (Mezirow, 1991, p. 224): instrumental learning focusing on learning aiming at skill development; dialogic learning involving learning about individuals' organisations and their positions; and self-reflective learning promoting an understanding of oneself in the workplace, prompting questions about personal identity and the need for a transformation happens in one's self-image. These three forms of workplace learning are fully integrated when workplace learners reach a critical stage of reflection, or a strong sense-making capability. They evaluate *de facto* to solve real problems in a kind of transformative learning, becoming able to challenge prevailing beliefs and to create unprecedented meanings for inclusive, integrative, discriminating and open-to-alternative viewpoints (Mezirow, 1991, p. 224).

2.4.3 Workplace relationships

Group structures and community relationships are noted in the literature. Community relationship is manifested in workplace and it is worth examining the effect of interpersonal relationships in workplace generally. In a study on general workplace relationship, it is noted that corporate management delegates tasks to staff members at various levels, based primarily on the extent of their relationship, connection and 'closeness' (Dansereau, Graen and Haga, 1975, p. 47). Similarly, Stamper and Masterson (2002, p. 876) argue that the insider relationship is the core determinant by which to appraise staff members; those with better community relationships are the preferred candidates for responsibility, promotion and fringe benefits. This management manoeuvre affirms a particular corporate member's career in the company. Subsequently, a worker who is charged with delegation and responsibility by management is seen to have status in community relationships, earning honour and

respect from fellow staff. Finally, Brass (1995, p. 45) comments on the higher level of interpersonal interaction leading to greater social closeness in this context. In turn, trust and commitment develop quickly in the organisation.

2.4.4 Business orientation

This idea of a learning organisation is a company initiative promoted as encouraging people to extend their knowledge, understanding and capability to achieve outstanding business results; to nurture new ideas and new thinking; and ultimately to engage in collaborative learning to maintain a shared vision (Senge, 2006, pp. 57-67). It generates organisational characteristics of automatic selection and execution of choices, judgments, skill and actions in human resources so that firms can access the latest knowledge in related professional domains, understanding the need for sharing and benefiting engaged individuals and organisations. Nonetheless, three competences in learning prevail (New, 1996, pp. 45-47): job-specific attributes are the expertise to carry out a particular duty; general management competency refers to how an individual interacts with others within the organisation; and a corporate-specific characteristic is how individuals adjust themselves to operate within the culture of an engaged organisation.

A learning organisation acts as the combination of two words, 'learning' and 'organisation'. It is concerned with normative goals for organisational performance and competitiveness, with an action orientation geared to specific diagnostic and evaluative methodology to help with the identification, promotion and evaluation of the quality of group learning and reflective performance on the organisation as a whole (Tsang, 1997, p. 75). By contrast, organisational learning is concerned with processes and mechanisms to equalise knowledge and experience, both tacit and codified, among company members, concentrating first on external observation then process analysis. Both individual and collective learning within organisational boundaries are involved.

Ultimately, the characteristics of self-organisation and network nature in *guanxi* interact greatly with practices and frameworks to create a unique scenario for a learning organisation to develop. Therefore, one approach is to connect *guanxi* to a learning organisation through cultural aspects of conventional Chinese community relationships. Western culture is structurally different from oriental. It is notable that most Chinese prefer working with people they know and trust: friends and referrals are better than strangers. A heavy reliance on such relationships drives most western companies to develop good relationships with their Chinese counterparts before business deals take place. *Guanxi* behaviour acts as an operational definition for an informal Chinese social

network and has evolved through the promotion of personality and social psychological variables, influenced by family members, friendship and favour exchange.

2.4.5 Directives

Three aspects of socialisation are noted in operating a learning organisation. First, incorporating a social element in organisational learning can complement the bluntness of formal instruction or corporate routines when new business situations arise (Brown and Duguid, 1991, p. 45). Informal exchanges among the stakeholders of organisations, both within and outside the corporate walls, take place through anecdotes and stories (Orr, 1990, p. 173), so the tacit knowledge residing in the heads of the staff can be shared. During the establishment of a learning organisation a political element is a possible constraint (Senge, 2006, pp. 57-67), in that there should be dialogue among different occupational cultures (Schein, 1996, p. 235); nevertheless, it is inevitable in any social process to find political activity. Knowledge is generated through individuals and groups or people in the form of iterative social processes, and different people have different interests. This leads to various and restricted interpretations of organisational learning, aiming to balance the interests of all stakeholders (Coopey, 1995, p. 197). Third, a cultural artefact is a manifestation of a social perspective in organisational learning through workplace interaction among existing members so that newcomers will navigate the informal community and the process of socialisation (Lave and Wenger, 1991, pp. 75-83).

A bridging model is introduced to connect a learning organisation with organisational learning in four steps (Dixon, 1994, pp. 80–97): 1) internal and external performance information dissemination; 2) continual effort to marry up organisational information through training and conferencing systems to the company context; 3) collective attempts to interpret the integrated organisational information iteratively under a simple company hierarchy; and 4) encouragement of individuals and groups to react upon shared beliefs. Ultimately, learning is a promising area for all to reach new plateaux of comparative advantage in terms of their capability for organisational performance (Dodgson, 1993, p. 379).

2.4.6 Fifth discipline

Another conceptualisation of a learning organisation is provided by Peter Senge, who describes a learning organisation as:

a group of people who are continually enhancing their capacity to create the results they want. This statement has two parts to it: One, you have to know what you want to create, so you are continually

reflecting on your sense of purpose, vision. And secondly, you have to be continually developing the capability to move in that direction.... (Senge, 2006, pp. 57-67)

There are five key parts to Peter Senge's framework, namely 'system thinking, personal mastery, mental models, shared vision and team learning' (Senge, 2006, pp. 90-100). It would be difficult to pass down all these concepts to factory staff, yet the format of telling parables is used to convey the spirit and energy of a learning organisation. Many business operation problems are described in Peter Senge's book, *Fifth Discipline* (Senge, 2006, pp. 14) and some striking examples follow that win an empathetic reaction from all staff:

- There is nothing new under the sun. Many of today's problems have their solutions in the past
- The force of resistance increases if one party pushes too hard
- People's behaviour usually gets better before going astray
- Sometimes a medical cure is worse than the disease
- If someone wants to move faster, the result may be going slower
- The times for owning a piece of cake and the moment of enjoying may fall in different time zones
- If an elephant is divided into two, the result will not be two small elephants
- There is no blame in daily life.

A key teaching in Peter Senge's framework is to inspire learning capabilities through the five stated components at both individual and group levels. The mental model in this work is the attainment of collective learning in the interests of increasing a learning organisation's capability. Since factory personnel prefer tangibles, it is best to use a structural 'roadmap' to illustrate the interaction between individual learning and group collective learning. Experiential learning (Kolb, 1984, pp. 67-80) is the first idea to take to the whole company regarding the establishment of a learning organisation and the approach is pragmatic, since all company members can use their previous experiences of both employment and social life.

2.4.7 Asian model

A learning organisation comprises systems, processes and structures in constant collaboration. The root discipline originates in systems thinking, where all business resources, human capital and business environments interact in a confined context (Senge, 2006, pp. 14). There is a substantial literature on installing learning organisations in multinationals, and local small and medium enterprises, but few

studies from Asian countries and limited coverage of China. In the theory of evolution an organism can succeed in an uncertain future and environment through a process of adaptation (Schliesser, 2011, p. 17) that sees the central feature of self-determination evolve. Likewise, within organisations company members act in a unified manner to combat new challenges and to capitalise on opportunities through seeking and using constructive feedback loops for development (Argyris, 1964, pp. 10-15).

Extensive research in Europe has been undertaken to link business competence to implementing a learning organisation (Larsen, 1996, p. 663). Market competition in general actually drives the quest for learning for multinationals (Whipp, 1991, p. 173) and the quality of learning is oriented towards staff participation and awareness of the external environment. This is in line with the contemporary learning organisation practice of instilling routines among staff members so their self-prophesising abilities are channelled towards the company and become proficient at detecting unknown risks (Cegarra-Navarro and Dewhurst, 2007, pp. 1727-1730). This self-organisation functions through company norms with artefacts such as documented baselines for performance enhancement. The rise of the services economy consolidates many human resources change practices in a blueprint for learning organisation implementation. An experiment was undertaken with Spain's small and medium enterprises (Cegarra-Navarro and Dewhurst, 2007, pp. 1727-1730) and found knowledge exchange, with customers driving internal organisation processes to making binding relationships, similar to Chinese community relationships, or *guanxi*.

A learning organisation is the underlying infrastructure to complement a supply chain operation. Corporate strategy and core competency (Prahalad and Hamel, 1990, p. 83) collaborate through learning organisation processes to achieve a high level of customer satisfaction, business performance and profitability, and the growth power of innovation. In the Escape model (Figure 2-1), the paradigm of a shared vision combines individuals and organisational activities into a single entity. Therefore, both shared vision and mental edge are seen as necessities in shaping shared organisational values (de Toni and Nonino, 2010, p. 90).

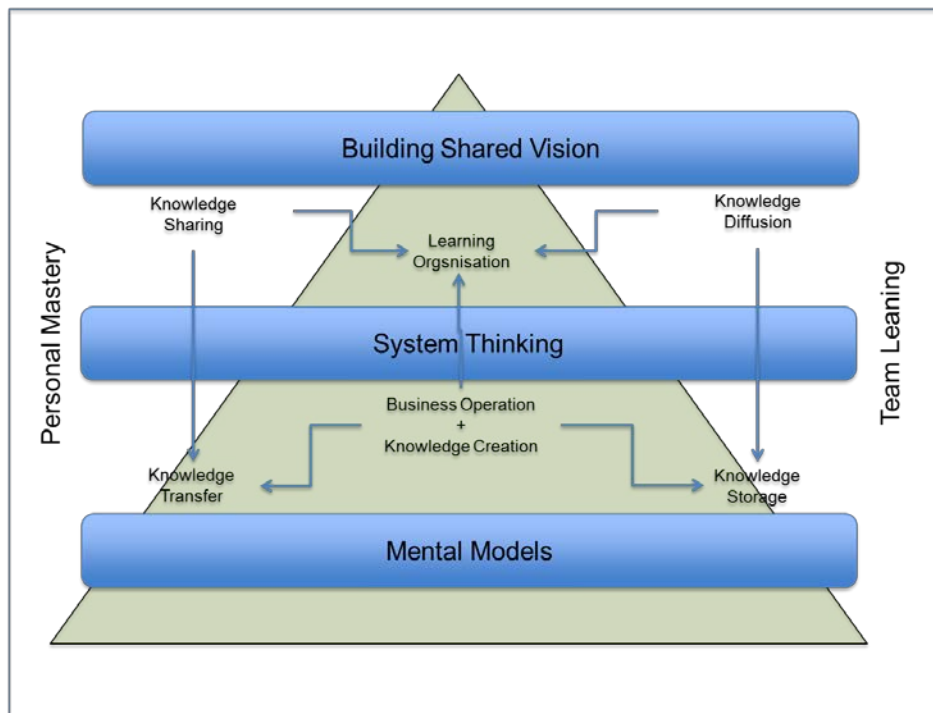


Figure 2-1: Integrated model

(adapted from Liao, Chang and Wu, 2010, p. 3795)

A new conceptual item has developed in this model to transform tacit knowledge into explicit knowledge through empowerment. Learning organisation routines are a core routine in this Asian framework that combines a knowledge system and a decision support system to facilitate faster thinking for better decision making.

2.5 Literature Gap

The global economy has not fully recovered since the credit crisis of 2008. The capability of business foresight (Bootz, 2010, p. 1590) is deemed to enable business recovery and exploration of new opportunities. It involves all of an organisation's members and resources to enable it to detect discontinuous and disruptive changes and threats faster than the competition. In turn, the company can stay ahead of market volatility and react effectively (but not efficiently) to ensure a business sustainability, raising the chances of survival. Workplace learning organisations have attracted the attention of practitioners in strategic foresight. Group reflexivity (Dewey, 1963, pp. 60-75) is constituted to enhance the capabilities of self-adjustment and self-clearance among organisation members facing ambiguous situations involving conflict. This coincides with the action orientation in learning organisations geared to specific diagnostic and evaluative methodology in the interests of identifying, promoting and evaluating the quality of group learning and reflective performance (Tsang, 1997, p. 75). Ultimately, Dreyfus' framework of workplace learning describes expert learners who act

intuitively with a deep understanding of situations in which to outperform others (Dreyfus, 1982, p. 137). Hence, organisation members form communities of learning and communities of practices to deploy their peers' experience, to conduct tacit knowledge sharing and to increase substantially corporate performance (Tosey, 1999, p. 409). A convergence is noted between business foresight and learning organisation operation.

There is no literature empirically connecting Chinese community relationships with learning organisations to achieve business foresight to boost corporate performance; the literature is compartmentalised into either *guanxi* or learning organisations, with no integrated exploration of the mediating effect of Chinese community relationships. It would appear worthwhile to investigate both qualitatively and quantitatively the relationship between learning organisations for stronger business performance and the perpetuation of Chinese community relationships, or *guanxi*.

2.6 Research Questions

In this research the fundamental objective is to investigate the implementation of a learning organisation in the Kunshan factory. The role of Chinese community relationships, or *guanxi*, is taken as an independent variable and the list of research questions is as follows:

- Which *guanxi* elements are critical to learning organisations leading to enhanced business performance?
- To what extent of *guanxi* mediating effect on learning organisation execution?
- How may I ensure that all staff feeling confident they will experience no intervention in the course of the study?
- What is the degree of voluntary participation in implementing a learning organisation?

I Chinese community relationships, or *guanxi*, are observed to function as a variable of mediation rather than a simple independent variable and the adjusted research orientation hopes to discover a management framework evolving through a series of actions aiming to manage and expand the textile printing operation into totally different industries. Associated operationalised variables are defined in the context of the Kunshan factory, mirroring business progress in business divestments and spin-offs.

Qualitatively and quantitatively, the mediating effect of Chinese community relationships on learning organisation diffusion, adoption and execution should be

examined critically. Constructs and operationalised variables are defined with company members to reveal the most influential through two cycles of action researches.

Guanxi is an anthropological behaviour that takes place in Chinese communities. It influences individual members' value systems to commit them to the corporate strategy. A shared mentality is a natural outcome of Chinese community relationships and this could facilitate the swift adoption and diffusion of learning organisation routines across a company. This project attempts to bring both perspectives into action in the development of a Chinese small business.

2.7 Summary

Chinese community relationships (*guanxi*) grow anthropologically over centuries from family constructs. Three basic attributes in *guanxi* are closely connected to basic human instincts. Affection comes from family ties, extending to relationships with alumni and colleagues. Reciprocity takes the form of favour exchange, including actions and gifts, similar to that found in the western world when celebrating seasonal festivals such as Christmas. This exchange of favours is a conduit to enhance interpersonal communication and mutual respect, subsequently leading to fidelity credit, or credit trustworthiness. A unique characteristic of *guanxi* is the ability to cascade the relationship to the next generation.

Two reinforcements in *guanxi* relationship are noted. 'Face', or social glory, is positive feedback from the community to an individual to recognise a previous community contribution. Community leaders are developed through this system. It is a disastrous event if a member destroys the social 'face' of a senior individual in the community. The next reinforcement is preferred members. Chinese community members feel reassured by remaining in a particular communal *guanxi* relationship and are thus willing to contribute more to the community. Both reinforcement factors cultivate and ferment the acculturation process in Chinese community relationships.

The development of the *guanxi* network has three phases and the principles of disclosure, reciprocity and equity apply serially. Some studies of Chinese management find that *guanxi* exerts a substantial effect on staff career development and managers' delegation of tasks. Social acculturation happens in Chinese-dominated workplaces to adapt newcomers into an existing *guanxi* network. This ensures that all new communal members re-align their internal value systems to the prevailing group's beliefs. To engage deeper with the *guanxi* network, personal recommendation is a commonly-used tool to solicit social 'face' and reciprocal values.

A learning organisation is oriented towards group performance and was identified as a potential means of reviving stagnant business performance. The shared vision and team learning from Peter Senge's teaching acted as a solid foundation for the whole company to move forward. Learning organisation is a management orientation at strategic level aiming to converging all staff's mentality onto a shared vision. This can harmonise all company resources to achieve corporate objectives in the short term.

Strategic business goals in a learning organisation are facilitated through the constructivist, organic company structure. Any learning organisation will end in failure if there is no explicit corporate goal, vision and mission in both the short- and long-term. The corporate capability of evaluative inquiry is a core measure of the successful installation of a learning organisation and is a collective behaviour among corporate members. The learning organisation model is examined. It is Peter Senge's Fifth Discipline, and action-oriented and demand the full participation of all company members. An Asian variation is described to indicate the action-based attribute.

Guanxi is an anthropological behaviour that takes place in Chinese communities, It influences individual members' value systems to commit them to the corporate strategy. A shared mentality is a natural outcome of Chinese community relationships and this could facilitate the swift adoption and diffusion of learning organisation routines across a company.

Chapter 3 Methodology and Methods

3.1 Introduction

Chapter 2 found that research on Chinese community relationships and learning organisations was dominated by the themes of organisational management, and social psychology and team learning. These are concerned with people organisations in general. The former hinge on affectionate interactions between people while the latter rely on a general assembly of stakeholders. Individual particulars are not exploited by learning organisation practice as its attention falls on consolidated team performance, assuming a contribution by many members. Therefore, an investigation of the aggregate effect of Chinese community relationships and learning organisations directed at achieving enhanced business performance will involve a variety of methods delivered in the workplace. The approach I take is perhaps best defined as bricolage research (Kincheloe, 2001, pp. 679-683; Rogers, 2012, p. 1-4), which includes iterative organisational activities and reviews and an implementation, which is within the notion of *guanxi* and the everyday practices of the company.

Structurally, the project had a two-stage format involving the company's community change objectives. It involved an initial brainstorming session with the management team to introduce the learning organisation paradigm and to form a shared company vision for the business transformation. Qualitative interviewing was the key tool in understanding the perception of key managers regarding the value of the learning organisation framework's contribution to the company at large. This enabled the researcher to reveal the extent of cognitive acquisition in key managers and any potential conflict of interest in company members and related communities. To promote the shared company vision defined in the initial session, the business divestment was advocated through the help of company members. New ideas were solicited from staff; new shareholders were invited through a manager's personal contacts; and new opportunities were identified through staff's social networks to expand the Kunshan factory into a diversified group of five business units. In the later stages of this divestment exercise, a small focus group evaluated the mediating effect of Chinese community relationships in the installation of a learning organisation framework, aiming to enhance business performance and to anticipate new venture opportunities.

This approach of contextualising research methods under the collective umbrella of bricolage allowed company members to share their perspectives and reflect on factors of success in the establishment of this learning organisation under the auspices of Chinese community relationships. This was undertaken in the final stage of this project to uncover hidden factors of how Chinese community relationships mediate the establishment of a learning organisation towards enhancing performance and diversity. All company members were reassured that there would be no misuse of collected data and that participation was optional.

3.2 Ontology and Epistemology Considerations

Research methodology is the means to resolve a research question concerned with social and scientific research matters. Ryan, Scapens and Theobald (2002, pp. 17-23) remark that a research framework is constructed in order to collect facts, to dissect and to discover the associated meanings of research methodology and procedural frameworks comprising research methods, rationale and philosophical assumptions. Research methodology is a formal orientation to research questions, since scientific study is undertaken through assumptions and rationales that correlate to two main perspectives, ontology and epistemology (Chua, 1986, p. 605). These concepts are the key determinants in developing the research methodology and designing the research method (Grix, 2004, p. 66).

Ontological matters concern the innate nature of the physical world. People and related social contexts are put under the spotlight of research. The central issue is the physical context of social entities together with social actors and related perceptions (Bryman and Bell, 2011, pp. 20–23), of which there are two associated attributes. Objectivism views social outcomes as independent of social actors; and constructionism takes a subjective view, asserting that social accomplishments continually affect social actors' performance (Bryman and Bell, 2011, p. 19). Epistemology, by contrast, is the process of soliciting knowledge under a given context of reality. It is of a bounded nature, both physically and temporally. A particular concern is whether the social world can be examined, as in the case of natural science (Bryman and Bell, 2011, p. 614), as there is an assumption that social contexts are external to social participants, such that the objective of epistemology is to create a position from which to make solicited observations to answer research questions. An implication is that researchers are independent in the course of the inquiry in order to achieve positivism (Remenyi et al. 1998, pt 1). There is a subjective aspect to epistemology, leading to constructivism, advocacy/participation and pragmatism (Table 3-1).

Table 3-1: Four epistemological perspectives

Epistemological perspectives	
<p><i>Positivism</i></p> <ul style="list-style-type: none"> • Causal relationships • Universality • Accurate predictions • Objectivity (value-free) 	<p><i>Constructivism</i></p> <ul style="list-style-type: none"> • Interpretation • Contingency • Relativism • Situated • Reflection (acknowledging values)
<p><i>Advocacy/participatory</i></p> <ul style="list-style-type: none"> • Political • Deals with issues of power • Team-based • Change-based 	<p><i>Pragmatism</i></p> <ul style="list-style-type: none"> • Handling consequences of actions • Problem-based • Practical orientation

(adapted from Creswell, 2009, p. 6)

There are three major approaches to social research methodologies: positivistic, interpretive, and critical/emancipatory (Neuman, 2005., chap. 2-4). The first assumes that the research context is objectively given and that measurable properties are independent of observers and associated instruments, in that an objective view of ontology and epistemology is reflected. The interpretive approach focuses on researchers using their knowledge to interpret the reality as presented by the participants, and where generalisation from a sample to the whole is not proved but insights for understanding are revealed. Finally, the critical/emancipatory approach examines fundamental conflict of a societal context (Chua, 1986, p. 605) in evaluative inquiry to uncover issues. Interpretive and critical/emancipatory approaches have a subjective philosophical standpoint.

The research context of this dissertation is my company; the research is intended to reveal practice as an issue that can be engaged with to improve performance. The purpose is to enable the company to learn through action and change. It is practical to employ interpretive, critical, participatory, constructivist and pragmatic research paradigms. The approach used should operate through sharing experiences of the team and be both epistemological sound and remain practical and contextual.

From an epistemology point of view, constructivism and pragmatism are in line with this research orientation. Crotty's framework (Table 3-3) introduces various methodologies to cater for all stakeholders' participation.

Table 3-2: Crotty's framework

Epistemology	Theoretical perspective	Methodology	Methods
Objectivism	Positivism (and post-positivism)	Experimental research	Sampling
Constructionism			Measurement scaling
Subjectivism	Interpretivism (symbolic, interactionism, phenomenology, hermeneutics)	Survey research	Questionnaire
(and their variants)		Ethnography	Observation (participants, non-participants)
	Critical inquiry	Phenomenological research	Interview
	Feminism	Grounded theory	Focus group
	Postmodernism	Heuristic inquiry	Case study
		Action research	Narrative
		Discourse analysis	Visual ethnographic methods
		Feminist standpoint research	Statistical analysis
			Data reduction
			Theme identification
			Comparative analysis
			Cognitive mapping
			Interpretative methods
			Document analysis
			Content analysis
			Conversation analysis

(extracted from Crotty, 1998, p 30)

3.3 Insider-outsider Research Approaches

The research was conducted by the owner of the company and concerned issues that were relevant to all employers. Because of the relationship between employer and employee and the *guanxi* ethos of the company, it would be impossible to achieve the

research goal if the methodology represented a barrier between the subject and object of the research. This issue is compounded by the research being directly relevant to the participants. For this reason, issues of insider research need to be considered.

The debate between insider and outsider research can be highlighted in a quote from Kikumura (1998, pp.140–141):

On the one hand, advocates for the outsider perspective generally argue that access to authentic knowledge is more obtainable because of the objectivity and scientific detachment with which one can approach one's investigation as a non-member of the group. On the other hand, proponents of the insider perspective claim that group membership provides special insight into matters (otherwise obscure to others) based on one's knowledge of the language and one's intuitive sensitivity and empathy and understanding of the culture and its people. (Kikumura, 1998, pp.140–141)

A social and business researcher faces a dilemma in taking a clear stance as an insider or outsider. A fluid situation is observed in that an outsider social researcher could turn into an insider researcher after installing several rounds of designed actions, and a straightforward type of participation observation might be ineffective in executing change management directives.

Structurally, there are three perspectives from which to consider the insider–outsider research approach. The first is power perceived in research context. Bailey (1994, pp. 100-120) states that the researcher has the power to adjust research items, while research targets should only receive instructions. The second perspective is on knowledge. An insider researcher is presumed to have inside knowledge (Flick, 1998, pp. 59–61) in a research context, which is good for fast-paced change. The third one is about anthropology. Lett (1990, p. 131) describes the delicate balance in analysis capability between insider and outsider research, in that an effective outsider researcher should take a stand as an insider researcher in order to achieve effective and effective social and business research.

The nature of *guanxi* mandates down-to-earth participation, so a pure outsider research approach is not trusted by existing company members. A participating insider research approach seems the most appropriate approach, although concern as to the validity of the research remains a major consideration.

3.3.1 Ethics considerations for the insider researcher

This is insider research, stating that the research falls within the scope of the research. Insider knowledge can be solicited easily. The aim of the qualitative interviews is to

understand the perception of all staff in the process of picking up the learning organisation paradigm. Benchmarked case studies on learning organisation are evaluated and it will be good for staff representatives, that is, key managers, to represent their team to express concerns and other comments.

Before undertaking the qualitative interviews, all staff were informed. They were encouraged to consolidate their opinions with their team managers. The insider researcher briefed the whole company about the qualitative interviews beforehand. All interviews were recorded and passed back to interviewees for respective internal circulation.

The insider researcher made a promise not to tie the interviews to staff job appraisals and access to the caution money. All staff were assured of their right to restore their job position back to before changes were applied.

Interview summaries were circulated among all staff to assure public access.

3.4 Bricolage

Fundamentally, this research needed to tackle the real issue of geniality and it also desired to make use of academic framework to revamp the business downturn of 2011.

There were numerous activities scheduled, such as the adoption of the learning organisation paradigm, experience sharing using external cases, 'town hall' meetings and small discussion groups, key managers' commentaries through unstructured qualitative interviews, business breakthrough brainstorming sessions using aspects of the Soft System Method, establishment of caution money as a reflection of reciprocity of group exchanges, divestiture through all company members' opportunity scouting, focus group and an internal survey.

Tashakkori and Teddlie (2010, pp. 564-567) comment on the diverse research context, as having substantial ethnographical works necessitates a mixture of methodology and methods of a qualitative, quantitative and action-oriented nature to handle the complicated situation. This mix of methods to secure the desired form of research is conceptualised under the notion of bricolage. This research methodology, theorised by Kincheloe (2001, pp. 679-683) can be considered a critical, multi-perspectival, multi-theoretical and multi-methodological approach to inquiry.

Bricolage is more complex than a simple eclectic approach, for it allows a multiplicity of epistemological approaches. Following Kincheloe, the onto-epistemological positions of knowledge are created in a contextualised space. This means that knowledge is

temporal and culturally situated (Kincheloe, 2005, pp. 323-333). The process he adopts is implicit in this research and is a design that explores how contexts and relationships constitute the phenomena to be investigated.

3.4.1 Bricolage for this insider research

The bricolage approach makes use of multi-methodologies and inter-disciplines Kincheloe (2001, pp. 679-683) to discover the truth in a research context. Chinese *guanxi* is a type of interpersonal influence involving cultural and emotional elements such that it might be difficult to segregate in conventional positivistic research framework. Bricolage excels in examining complex issues closely from multiple perspectives (Kincheloe, 2005, pp. 323-333).

This research involves multiple methods ascribed in the bricolage framework. It makes use of a multi-perspective approach to understanding the influence of *guanxi* on learning organisation installation and high corporate growth.

3.5 Research Design

The objective of this study is to trace the mediating effect of Chinese community relationships in the development and adoption of the learning organisation paradigm and practice in the interests of a diverse and enhanced business performance at the Kunshan factory. The bricolage research methodology was chosen. The investigation involves many interactive and iterative people activities. Political issues are also presented.

There are two types of research orientation. One is social research, aiming to understand the underlying social world, hoping to contribute to current knowledge and literature. Such knowledge and understanding is well reflected in associated academic disciplines. Another perspective is applied research, with the objective of providing expertise to sort out problems and improve matters. It has an intended practical orientation and is often seen in industry practitioners in the resolution of identified problems and situation improvement (Sekaran and Bougie, 2010, p. 97). Singleton and Straits (2005, pp. 57-67) contrast the characteristics of these two research perspectives (Table 3.2).

Table 3-3: Basic versus applied research

Attributes for consideration	Basic research	Applied research
Intrinsic motivation for researchers:	Curiosity and satisfaction when advancing intellect and knowledge	Excitement of resolving a problem or issue resolved
Fundamental goal:	The identified knowledge can be generalised	Settling problems cost-effectively
Employed methods' rigour and flexibility:	Scholarly protocols and norms of scholarship	Uses to which results may be put
Preoccupied with:	Internal validity	External validity
Ideal research arena tends to be:	Laboratory	Real-world setting or 'the field'.

(adapted from Singleton and Straits, 2005, pp. 57–67)

An applied research orientation suits this dissertation, working well in constructivism and pragmatism.

This research takes an ethnographic starting point through my role as one of three founding directors. The family-based structure creates a unique environment to reveal the deterministic contribution of Chinese community relationships to corporate change management, such as the learning organisation exercise and boosting commercial achievement through divestment from textile printing to five operational units. Nonetheless, the research targets are my fellow factory members. Following sound ethical practice, they were informed of, and their consensus solicited for, voluntary participation in this *guanxi* research. A few dropped out at the start of the programme, but the majority of the founding factory members stayed and contributed wholeheartedly to nurture the business capability of the group of companies.

3.5.1 Research methods

There are several *guanxi* characteristics and elements, learning organisation attributes and business performance to be examined with the key managers of my company. Instead of frame-based questioning, an ethnographic approach was most beneficial in that I, as an insider–researcher, could participate in open dialogue with key managers. Having no boundaries and being free from pressure are the key factors of successful unstructured qualitative interviewing, and this method was appropriate to explore factory representatives' perception of learning organisations at large. The delicate influence of Chinese community relationships is also discussed in the qualitative interviews; the strong family relationships among staff might lend a different

perspective to the establishment of learning organisation routines, and this open dialogue with key managers might provide another channel through which to observe concerns on the part of the community of factory workers. This could help the management team to design action plans adapted to the existing corporate members and to cater for emerging group ideas on enhancing organisational routines and building up foresight to locate new business opportunities. The research design for this research is shown in Table 3-4. Most methods and tools are selected to the best achieve the goals of the research.

Table 3-4: Research design

Actions	Activities	Bricolage methods and tools	Timing
1 st action - Engagement	Learning organisation introduction Insider research articulation Managers' promotion to shareholder role Debrief the adoption of research methodology to solicit all staff members' participation	Case studies on external learning organisation programmes Brainstorm and reflection sessions on learning organisation Open dialogue on concerns	September–December 2012
Analysis	Scenario analysis Complex business issues examination	SSM, such as rich picture and CATWOE (Flood, 2010)	January–June 2013
Precaution	Caution money for business ethics Establish internal structure to operate learning organisation	Establish financial asset to raise reciprocity level in company <i>guanxi</i> trust	
Interim evaluation	Develop scouting capacity for opportunity and risk Identify draft constructs on the relationship between <i>guanxi</i> and learning organisation paradigm	Unstructured interviewing Computerised content analysis (Leximancer)	August–November 2013
2 nd action - Business expansion	Divestment of factory into five business units	Weekly all-level group meetings Weekly knowledge sharing session within/ across business units Group evaluative inquiry and correction	November 2013–June 2014
- Constructs refinement	Cross-evaluation on divestment performance and mistakes Refining constructs between <i>guanxi</i> and learning organisation paradigm	Focus group discussion	April 2014
- Quantitative analysis	Identifying core influential factors	Internal survey Partial least square regression analysis	June–August 2014

Within the bricolage approach, repeated action is a key. The iterative nature and the full participation of all stakeholders and factory members are embraced in the research design (Table 3-4). SSM (Flood, 2010, pp. 278-279) is an adaptive method providing a systematic orientation to the execution of iterations of research steps and is a variant of a classic approach (Graham, 2003, p. 4). Action relies on participants' existing knowledge to evaluate and comment, leading to correction and change. In the case of complex situations such as cut-throat competition in the current consumer market in China, it will be a 'trial and error' situation. Maqsood, Finegan and Walker (2001, pp. 998-1000) illustrate the application of SSM in the construction industry, representing a complex and fast-moving commercial scenario. It shows the versatility of SSM structured tools in facilitating the perception by all stakeholders of the strengths, weaknesses, opportunities and threats in the dynamic and complex business world.

Unstructured qualitative evaluative inquiry can explore how company members receive the paradigm of a learning organisation. Fundamentally, the focus of this research is to detect variables and correlations during the transfer of learning organisation practices to my factory staff.

Content analysis such as categorisation, text matching and clustering was used to analysis all reports from the qualitative inquiry. The syntactic clustering and semantic interpretation was anticipated to reflect the mentality of key managers towards the company's foresight and exploration of new opportunities under the auspices of learning organisation routines, and content analysis of the unstructured qualitative interviews gives a straightforward outcome.

An approximation of the relationship between *guanxi* and learning organisation operation was achieved after the unstructured qualitative interviews and the computerised content analysis. This developed the first set of research constructs for evaluation in the next action. Divestment action was scheduled to transform the company, leading to high commercial growth through the shared mentality characteristic of Chinese community relationships and the learning organisation.

The focus group was a collective evaluative inquiry session undertaken to examine the performance of the divestment. Research constructs were refined to identify the core variables connecting *guanxi* and the learning organisation.

The aim of this study's research questions is the formulation of a quantitative relationship of Chinese community relationship (*guanxi*) and learning organisation practices directed at high business growth. While the population at the Kunshan factory is small, just 150 members, it was worth performing an internal survey using existing questionnaires to evaluate the learning organisation (Marsick and Watkins, 2003, pp. 137-140).

3.6 Repeated Actions

Chinese community relationships are a social matter involving iterative intervention and an interpretive approach. The diverse nature of bricolage seems appropriate for the nature of the research. The activities and outcomes at one stage influence the others. A social system is an episteme, demanding that participants express their viewpoints at the beginning in a structured manner. An action-based framework is deemed suitable for this constructivist and pragmatic research project.

Initially, some actions call for stakeholders to collaborate and contribute to the detection of problems and proposals for changes to avert confrontation. The learning organisation was a new paradigm for my factory's members, and may have conflicted with existing Chinese community relationships among the ten founding families that could have extended to their external personal networks. Nonetheless, a shared corporate vision was formed in the initial brainstorming session to expand the company significantly and rapidly. The mediating effect of Chinese community relationships on the implementation of learning organisation practices directed at achieving commercial performance can be exploited through team trials, and repeated action, a method variant of action research, was chosen to tackle this challenge. Fundamentally, the measurement of the mediation was gauged by how well business was improved and to what extent there was awareness of foresight capability. The characteristics of repeated actions are the identification, promotion and evaluation of business risks and business opportunities when applying planned actions.

Repeated action is one key component of this research methodology. Parsons and Brown (2002, pp. 15-25) find a close relationship between reflexivity and the repeated action process. The following is a notable quote in undertaking action research (a.k.a. repeated actions):

Action research is a form of investigation designed for use by teachers to attempt to solve problems and improve professional practices in their own classrooms. It involves systematic observations and data collection which can be then used by the practitioner-researcher in reflection, decision-making and the development of more effective classroom strategies. (Parsons and Brown, 2002, pp. 15-25)

There are four schools of thought on action research (Rapoport, 1970, p. 500). The first is Tavistock's experience convergence; the second the operational research thinking of multidisciplinary works in the fields of engineering and psycho-biological studies; the third is the group dynamics stream from Kurt Lewin (Adelman, 1993, pp. 10- 12) on power, group and identity; and the final is applied anthropology. Nonetheless, Stringer

(2007, chaps. 1 & 2) describes a common framework for all types of action research undertaken:

- a) An area or operational focus carrying short-term and cumulative effects is selected
- b) Existing data are collected across multiple sources; data are acquired regularly; collective data ownership is advocated; and all data collection are monitored heavily
- c) Data are organised as per counting frequency, occurring instances, types of events, and number of artefacts; tabulated and charting displays are performed; all data are categorised
- d) Data are analysed and interpreted collectively in a professional practice; deciding the points of attention; and determining the actions area(s) to be deemed a priority
- e) Data are reconciled with the professional literature to steer the study in the correct research direction, with appropriate mitigating actions
- f) Action is taken through data analysis, professional literature review and reaction
- g) Rrepeat.

There are many cyclic processes (Susman and Evered, 1978, p. 583) that investigate all matters in focus, dissecting and planning action, taking corrections, evaluating and noting the lessons learnt (Figure 3-1).

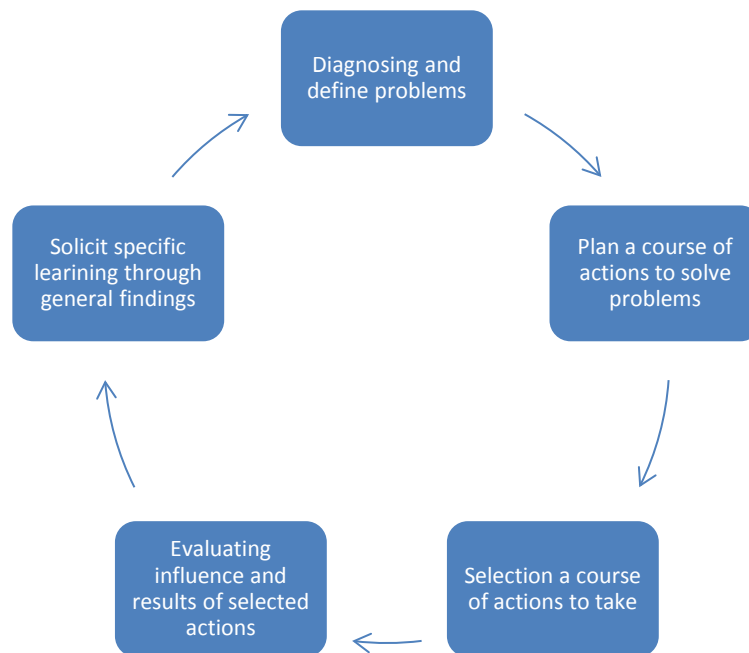


Figure 3-1: Action research cycle

(adapted from Susman and Evered, 1978, p. 583)

Baskerville and Myers (2004, p 330) develop criteria from the above action research cycles:

- Postulate 1: The first focus is on the utility of future systems from the perspective of participants
- Postulate 2: Action research generates knowledge for practice alternation
- Postulate 3: Action research's key items are first making corrections, then evaluating immediate outputs
- Postulate 4: All research tasks are executed in a collaborative mode by researchers in the target environment
- Postulate 5: Action researchers make changes to plans when a new reality or conditions arise, such that the end goal of a new system is met
- Postulate 6: Researchers intervene in the situational setting.

The above six postulates become characteristics in the course of designing and implementing an action research project (Hult and Lennung, 1980, p. 243). The first characteristic is to aim for a better perspective on social scenarios and the community effect, with a complex and multivariate nature in terms of the social setting. The second characteristic is a concurrent approach to practical problem-solving and widening the knowledge domain. This facilitates the development of interpretive assumptions on scientific observation to enable the action researcher to intervene in the problem setting. The third characteristic is a collaborative performance for enhancing competencies in specific domains, which in turn determines the running of action research in reverse. The fourth is a thorough understanding of changes in social systems, while the fifth is continual feedback of data in the cyclical flow of action research tasks; the final characteristic is a mutually acceptable ethical framework. All action research should be conducted ethically regarding the human subjects.

This study is applied research originating in the commercial objectives of the Kunshan factory. The exceptional group performance of my fellow factory members indicates the huge effectiveness of Chinese community relationships on corporate exercises such as learning organisation programmes. Tangible results are expected from this study.

This dissertation is applied research aiming to dissect complex consumer market issues at the start, to facilitate all company members to understand and to contribute their resources and ideas for development. Flood (2010, pp. 278-279) elaborates that SSM provides a systematic and swift workflow in action-oriented research.

3.7 Soft Systems Method

Graham (2003, p. 4) identifies three common types of action research. The first is of a technical nature, aimed at informing stakeholders of the scope of participating deeply in the research; the second is of an interpretive nature to let participants understand current situations in order to contribute ideas; and the third has an emancipatory nature to transform a particular business issue. Unfortunately, there are clumsy and repetitive steps in the standard action research framework. With a view to developing a connected approach with the key ingredients of enquiry, action and learning and SSM (Flood, 2010, pp. 278-279) was chosen.

Professor Peter Checkland (Checkland, 1989, pp. 53-58) developed structural tools in the course of studying the adoption of information systems by large companies, where the focus moves from tangible routines to intangible networks and communications among operators. Hard systems are normally found in technology-based landscapes, while soft systems deal with problem situations of a social, political or human nature. Hard problems have the key characteristic of well-defined issues and an expectation of achieving a definite solution, and specific goals can be accomplished swiftly and systematically. In short, hard problems anticipate a specific solution from the very start; the 'What' and the 'How' of such problems may be developed during the early research stage. By contrast, soft problems cannot be defined simply and straightforwardly by the community of system users as there are numerous social and political components. They are normally treated as problem situations whereby, classically, the 'problem' is taken as an 'opportunity'.

SSM (Flood, 2010, pp. 278-279) aims to tackle perceived social situations in an organised way through consecutive improvements. The complexity of social problems is not static and contains multiple interacting perceptions of 'reality'. This is sensible since different people have varying assumptions about the world; one person may interpret an instance as terrorism while another may take it as 'freedom fighting', and after any dramatic event worldviews will change. This is a typical epistemological issue with a different ontological structure. Therefore, in the very first stage of SSM an analysis has to be performed on participants' worldviews, taking only a short time. Another important human characteristic of concern is the purposeful action of people in a specific context, not by instinct or as a random reaction to a social problem, making use of their cognition to act. There are seven stages in soft systems structure (Checkland, 1989, pp. 53-58):

Stage 1 – Identifying the problematic situation, delimiting the problem area, establishing the key players and the operation of processes, and the key outcome to provide a rich picture or an intuitive representation of the information collected

Stage 2 – From rich pictures, formulating a root definition using the CATWOE model, involving **C**ustomer, **A**ctor, **T**ransformation, **W**eltanschauung (Worldview), **O**wner and **E**nvironmental constraints

Stage 3 – Investigating the situation from different perspectives using root definitions to prepare for conceptual model construction

Stage 4 – Constructing conceptual models of future systems in order to fulfil all the root definitions identified, covering 'Whats' before moving on to 'Hows', and using the connected activity model

Stage 5 – Comparing developed conceptual models against reality and constraints, and retracing the outputs from Stage 4 to 2 repeatedly, validating the logical dependencies of linked activities

Stage 6 – Spotting feasible and desirable changes in a social orientation, indicating flows between dependent links so as to improve the problem and opportunity situation

Stage 7 – Setting up recommendations for actions and implementation plans through reconciling root definitions against conceptual models.

. The full adoption of the SSM does not contribute significantly to this research, thus only two of its tools are employed. The first is the use of rich pictures and the second the CATWOE acronym detailed above. Outputs from these two tools describe current business challenges in a clear and concise manner.

Rich pictures are diagrammatic (Figure 4-2), cartoon-like representations of real-world situations. Unlike 'hard' system information composed of factual data, SSM information is a subjective interpretation of situational aspects such as conflict, emotion, gossip and comment, providing a holistic impression through imagery. All listed activities in rich pictures are identified with labels describing their interdependency. It is preferable to expand from the centre outwards and all key happenings, before and after a process, are clearly indicated to model all ideas and worldviews through standard diagrammatic symbols (Checkland, 1989, pp. 53-58). Root definitions are the activity descriptions necessary for the system to operate, that is, about 'Whats'. CATWOE is part of the root definition and the following is a detailed elaboration of each of the elements.

[C] **C**lients are key customers able to offer contracts and profits to sustain this environment in concern; [A] **A**ctors are company members and stakeholders, providing services and products to fulfil customer requests; [T] **T**ransformation helps engage customers from one sector to another to establish a long relationship; [**W**] *Weltanschauung*, or Worldview, is the switching point to looking for new opportunity or change such that the current business adapts to change through a new business model or utilising new research outputs; [O] **O**wners of this transformation are the resources providers and services creators; and finally [E] **E**nvironmental constraints are the challenges to the owner and stakeholders to overcome in foreseeable time period.

Conceptual models are the end products of SSM that describe activities the system must perform in order to fulfil root definitions (Wand and Webb, 2002, p. 367), and all activities are described structurally in a hierarchy. A key element of the conceptual model is the verbs. The objective is to assemble a minimal list of verbs about the activities to facilitate the execution of root definition-bounded activity. This rich picture enables a shared vision across the whole company regarding new business ventures.

3.8 Unstructured Qualitative Interviewing

Qualitative interviews with key managers were the first intervention in the journey of the Kunshan factory's research. The aim was to understand how well company members comprehended the models of a learning organisation, the interaction with Chinese community relationship, and the resultant mediating output developing new business to ensure the company's survival. In this research the primary focus was to identify which *guanxi* elements are able to influence the establishment of a learning organisation leading to better business foresight capability so as to enhance corporate performance.

Chinese community relationships are complex by nature. This case study was centred on the Kunshan factory, where there is a strong influence by local employees at the factory, rendering it unlikely that conventional quantitative structured interviews and surveys would function effectively. Thus, a qualitative inquiry was chosen to detect tacit social elements in Chinese community relationships following the first intervention.

The ethics arrangements were straightforward. Team managers representing their corresponding family group shared their experience of the learning organisation. All their comments were kept confidential and the content was promised to be used only for this research. This was to promote a sense of minimal intervention in this research. All team managers were assured of freedom to comment, and I undertook not to misuse their comments for other undisclosed purposes. Each company member was

able to voice any concerns through the focus groups and the internal survey right up to the final stages of establishing the learning organisation.

3.8.1 Qualitative interviewing

Kvale (1996, pp. 10-15) defined qualitative interviews as a specific type of research action attempting to acquire details of the whole scenario from the stakeholders' standpoint; to discover intrinsic views of subjects' previous exposure and learning; and to uncover details of their environment prior to scientific explanations. In executing interviews, researchers may obtain useful and in-depth information through obtaining the stories behind the participants' experiences. Qualitative interviewing in itself is an instance of ethnography; it works to detect the reasoning behind the story, and the feelings and thoughts of the participants can be uncovered during the process. Generally, researchers conduct conversations with interviewees to collect data necessary for their research. They raise various open-ended questions and let interviewees express their views freely. Answers are treated as a source of raw data, collected and analysed to generate empirical results for the research questions.

The qualitative interview is a data-gathering technique to satisfy the need for the development of new ideas or hypotheses, or to discover new dimensions concerning a research problem (Miller and John, 2003, p. 61). It can complement and support other research methods when responsible researchers have a strong wish to create valid and understandable questionnaires through further study. Furthermore, it can be taken as a form of subsequent research to reveal issues emerging from questionnaires. The main reasons for adopting qualitative interviewing are its high adaptability; response follow-up; motives and feelings investigation; exploring more from the subjects' native signals of responses, such as speaking tone, facial expressions, body language of hesitations and so on, such that clarification and validation are sought. In addition, qualitative interviewing is strongly preferred when:

- 1) prescribed theories cannot be validated purely through surveys or experiments, as in symbolic interactionism, ethnomethodology and postmodernism
- 2) concepts or theories cannot be developed enough to build hypotheses to test
- 3) information is insufficient to build questions or designs
- 4) concerning social beliefs or cultural values, and
- 5) it is not suitable to do surveys or experiments for sensitive topics, such as suicide or sexual preference and identity.

When conducting interviews, a researcher assumes that people perform constructivist activity from their experiences so as to create their own reality. They can share those experiences and reality, which are valid and reliable, to make the research more meaningful.

Burrell and Morgan (1979, pp. 110-120) suggest that qualitative interviews are primarily interpretivist rather than positivist. Surveys and experiments are deterministic in nature and so are not considered qualitative interviewing, which looks for patterns to build explanations instead of verifying some truth, multiple truths, realities and meanings (Rubin and Rubin, 2011, p. 186). This method tries to help our understanding of the physical world. Structured interviews, semi-structured interviews, unstructured interviews and in-depth interviews are the chief types of qualitative research techniques (Bryman and Bell, 2011, pp. 20-23). Structured interviewing uses a tight, structured schedule of questions where the interviewer reads a script and asks all interviewees the same questions, in the same way, to obtain brief answers.

This method is appropriate for quantitative research in order to deduce results, therefore is not an option in this qualitative inquiry; the primary data collection method in qualitative research is the semi-structured interview. Open-ended questions are time consuming since it is not easy to create uniform conditions with all respondents. The analysis of data from these questions is difficult, thus conducting the interview, analysing the data and the development of the interview schedule must be carefully considered.

Unstructured interviews tend to enable interviewees to feel relaxed while the interviewer obtains information concerning observed behaviours, artefacts and interaction with questions. In-depth interviews give context to other data and a more vivid picture of what took place. For example, this style of interviewing may be used to examine how out-patients in a clinic experience consultation services from a medical officer. It represents an effective qualitative method to start people talking about their experiences and feelings. For research problems surrounding *guanxi* and learning organisation implementation in the context of raising business performance with full staff participation, unstructured interviews and in-depth interviews can quickly uncover perceptions in company members to learning organisation models and other hidden matters in factory's internal Chinese community.

Qualitative interviews are differentiated from other qualitative research approaches, such as those described by the work of Hutchinson, Wilson and Wilson (1994, p. 162) by their way of:

- (a) delivering a cathartic effect to induce the expression of side opinions
- (b) providing acknowledgement and validation upon own controls
- (c) co-creating an emerging need as the research purpose
- (d) promoting individual awareness
- (e) generating empowerment and delegation
- (f) giving research subjects a feeling of healing, and
- (g) revealing the truth for the voiceless and disenfranchised.

Research subjects are prompted by a strong sense of research ownership throughout qualitative interviews.

3.8.2 Criteria for achieving high quality in qualitative interviews

Qualitative research is commonly critiqued for being subjective, demonstrating bias and being unreliable. Owing to the nature of the research problem, constructivism and subjectivism must be adopted in the epistemology in order to identify all the Kunshan factory staff's concerns and ideas in order to construct the *guanxi* and learning organisation conceptual framework. The criteria for performing a quality research project are deemed vital. Bryman and Bell (2011, pp. 20-23) argue that research demands reliability and validity at its core. Qualitative approaches are not renowned for their definiteness, but are geared towards sensitising concepts (Blumer, 1954, pp. 4-7), that is, a quest for sensible meaning rather than numbers. This attracts common criticisms such as subjectivity, imprecise analysis, the difficulty of replication, extra efforts required to make generalisations and low data transparency.

Research is about measurement of data. This deterministic nature of reliability and validity conflicts with the qualitative approach and downplays the evaluative conditions of external and internal reliability and validity (Lecompte and Goetz, 1982, p 36-40). Bryman and Bell (2011, pp. 395–399, 700) state that the following quality criteria are deemed to be of high importance in qualitative interviews such that trustworthiness and authenticity become a realistic evaluation benchmark:

1. Credibility
 - A similar concept is internal validity. The focus is to ensure multiple viewpoints on the same social context so as to ensure there is no variation if a situation changes. Common techniques are respondent validation and triangulation.
 - Triangulation is critical. The level of data validity can be enhanced by checking multiple sources. Multiple observations and collection processes pave a solid foundation for generalising the data collected.

2. Transferability

- This covers the scope of external validity so that findings in a narrow context are applicable to other social contexts. Rich content description is expected.

3. Dependability

- This is similar to the reliability requirements of quantitative study. One condition is to keep the records of all qualitative research securely. Auditing could come afterwards.

4. Confirmability

- This is similar to objectivity, that is, researchers should make every effort to reduce the influence of personal values and beliefs in the course of data collection, interpretation, proposition refinement and finding results.

5. Authenticity

In this category of critique criteria, the focus is on whether the qualitative researchers obtain genuine response from subjects. All items below can be evaluated as a whole:

- Fairness for authenticity, to ensure all research subjects express their viewpoint.
- Ontological authenticity; to ensure all subjects are able to grasp the structure of the knowledge being exploited and explored.
- Educative authenticity, to make subjects spread research knowledge through the subject community to inform the thinking of the group.
- Catalytic authenticity, to check whether subjects are motivated in the course of their work during research.
- Tactical authenticity, to check whether research subjects take initiative to carry out the intervention.
- Reflexivity. Reflection is the retracing of the research process in order to identify the influence of the researcher's personal values and beliefs and to try to improve the process.
- Ethics considerations. Qualitative research has a high level of interaction with subjects, and the degree of intervention may be considerable. Detailed ethics planning is expected to protect the interests of all stakeholders and to reduce the risk of exploitation (Kitto, Chesters and Grbich, 2008, p. 244).
- Impact and Importance. All researchers aim to contribute to literature, and this forms a core quality assessment factor (Pratt, 2009, pp. 857-860).

3.9 Focus Groups

A focus group is qualitative research by its nature (Puchta and Potter, 2004, pp.1-24). The researcher asks participants questions and expects open responses in the interest of conveying thoughts or feelings. In conducting a focus group, researchers are seeking more complete perspectives on the research's interim results. More general interpretations and use of the research need to be exploited in focus group results.

Qualitative interviews transcend key managers' concerns, expectation, vision and dream. They relate what is feasible to develop the company in the short term and establish new business lines to improve profitability. Chinese community relationships among key managers are a critical success outcome from this research project. No analysis of individual qualitative interviews can represent the thinking across the entire company, so a semi-structured focus group was scheduled after the first intervention when company divestment and spin-offs had been completed.

3.9.1 Aim of focus group

In this project, the focus group mediator posed a series of questions intended to obtain insight into the way the group perceived the effects of establishing a learning organisation and how the factory's Chinese community relationships exerted influence. As a representative sample of company members, the focus group offered insights consistent with those shared in key managers' qualitative interviews. Focus group mediators should always endeavour to put questions in such a way as not to lead group members to provide what they perceive to be the desired answers, but rather honest and insightful responses (Stewart and Shamdasani, 2007, pp. 92-96).

Theme analysis was next employed to dissect focus group results and to match them against initial qualitative interviews from key managers. A set of fine-tuned constructs and operationalised variables were identified to describe a model for the learning organisation influenced by Chinese community relationships.

The role of insider researcher exerted no influence in this focus group discussion. Ethically, all staff employee were assured there would be no misuse of their opinions collected in the course of this insider research, including opinions from group discussion and 'town hall' meetings, unstructured interviews and focus group discussion. Explicit installation of caution money is an assurance of greater job security. This caution money is under the direct control of all employees. Chinese culture of serving food during formal business discussions was honoured and this exerted no influence over the focus group participants.

Since this was insider research, it was impossible to ask an external person to act as a moderator for the focus group discussion.

Guanxi involves inter-personal friendships, passion and commitment. The aim of this focus group meeting was to evaluate the performance of divestment and critical factors. The establishment of caution money represented a move by the management to share the business with all the staff, therefore the focus group session was in the interests of all staff; the insider researcher could not exert influence on representatives, since the company is their own business.

3.9.2 Issues of implementation of focus group to Chinese workplace

Empirically, there are standard steps in focus group preparation, execution and reporting. A standard focus group assumes the participants are strangers to each other. The nature of insider research and the closeness of participants in the Chinese community within the factory needed some adaptation to enhance reliability. The steps in the factory's internal focus group with adaptations are as follows:

In the preparation phase, the objectives of the focus group were clearly defined and communicated to all staff in routine 'town hall' meetings. This aligns with the open and full participation culture that founded this factory. Preparation was undertaken in February 2014 to schedule the focus group for April 2014.

In the inception phase of this research, all company members were walked through the concepts of a learning organisation, attending numerous 'town hall' meetings and departmental small group discussions. Special caution money was setup to protect individual factory members' job security. The scenario analysis performed by key managers signalled critical items to ensure during the divestment and organisational transformation. All were key discussion items in the focus group session:

- Performance of divestment
- Concerns and happiness in the course of company transformation
- Role of community relationships and internal communication
- The overall capability for problem solving
- Degree of customer intimacy
- How the company was to scout for new business
- How the company shared its vision and knowledge in the transformation.

Scripts for the focus group were based upon these key items. There was a one-page discussion sheet with the above items in sequence. Roughly, half an hour was allocated for each item, with a 15 minute break after each two items.

Focus group participants were nominated by their respective departments through internal discussion groups, not restricted to departmental heads. A key attribute for nominated participants was the capability to solicit sub-group consensus to present all opinions to the focus group. All nominated participants were encouraged to undertake small group discussions within their small groups to collect opinions on divestment and critical factors.

Names were submitted to the management team for transport arrangements, but otherwise the small groups were kept strictly confidential. There were 16 factory members nominated. In the invitation, all were assured that the focus group's purpose was to listen to their opinions. Their share of caution money was under their control and free from influence by the management team, including the insider researcher. In the invitation, it stated that the focus group would be in the format of a casual dinner without alcohol and that participants could bring notes and charts for discussion. All questions were distributed to the invited participants a fortnight before the focus group session.

Insider researcher role

The selection of facilitator for this focus group was a challenge. Company secrets might be leaked if an external party took this role. In the event, company members trusted the insider researcher to arrange this role and were duly assured that there would be no risk to their job security; that their portion of caution money could not be controlled by management; and that there would be no strong drink to impair the judgment of focus group participants. A public nomination process was performed across the factory to locate a facilitator and the insider researcher was suggested. This was confirmation of the assurance of fairness and equity in selecting a facilitator, although it was recognised that there might be bias because of the position held by the researcher.

The location of the focus group was selected by asking the participants for their preferred venue. They all proposed hiring a private room at a local hotel for dinner. This fits the Chinese culture of discussing and eating at the same time. A relaxed environment like this can provoke free and straightforward discussion: see Appendix 4.

Process

The focus group commenced in a relaxed manner. Representatives were picked up by coach and transported to the hotel private room. A light dinner was served for 45 minutes then the dining room converted into a discussion room with the help of hotel staff. Notepads and pencils, a computer with a projector, a flip chart, a one-page focus group script, a list of participants, name tags, refreshments, tea and coffee and a clock timer were installed.

The insider researcher started the focus group, as the facilitator, and asked participants to introduce themselves one by one. Next, each item on the focus group script was introduced, with 30 minutes per item, and participants given one minute to raise comments and concerns. The insider researcher noted key points on paper and at the end summarised the key points on the computer, projected for review. Owing to the number of participants, at 16, voice recording was considered too difficult to be used for transcription. Further, this focus group aimed to review the results of divestment and critical factors, so only the key points were jotted down for reporting back to all focus group participants. There were two 'safe harbour' measures to compensate for not using voice recording. The first was to present a key point recap when a focus group script item was discussed. The second was preparing a summary report for all focus group participants to review and confirm. This took place one week after the focus group session: Appendix 4 contains the details.

The trust from the focus group members in the facilitator, that is, the insider researcher, made the use of paper notes sufficient to record the focus group process. In the course of the session, this use of notes to record participants' comments was explained. The focus group was carried out as scheduled, with enough time for each participant to respond spontaneously, asking new questions during the discussion, and probing deeper into a particular focus group item. Nevertheless, the insider researcher facilitator took the following precautions:

- Speaking at a reasonable volume and assuring participants that the focus group session was to be a convivial occasion
- Ensuring all participants were heard and involving quieter members
- Encouraging full answers in discussion
- Keeping good time and not exceeding limits
- Keeping discussions on track; and making sure all questions raised were answered
- Honouring exchanges of opinions.

The insider researcher/facilitator projected the key points of each focus group item and sent to all participants for their swift endorsement. A full report was written up a week after the session to all representatives for review, revision and confirmation.

3.10 Data Analysis

For this research it was planned to conduct qualitative interviews with key managers, and an internal focus group was scheduled as follow up. In the qualitative interviews, key managers' understanding and perspectives were solicited to understand their key concerns, expectations and the social learning capability. Afterwards, the results were discussed by the internal focus group.

Content analysis is used mainly for quantitative research where textual information may be initially classified into well-defined categories and statistical analysis performed later on. This orientation is known as quantitative analysis of qualitative data (Elo and Kyngäs, 2008, p. 108) and is appropriate to this interpretative research study. Both qualitative interviews and focus group involve predominantly textual data and it was perceived as desirable to take some form of semi-automatic approach to classify, categorise and perform semantic analysis. The content analysis tools, Leximancer and NVivo, were employed.

For text data analysis, content analysis is a common research method that is highly flexible (Cavanagh, 1997, p. 10). It comes from a family of methods of intuitive, interpretive, systematic and textual analyses, with a long application history in research in Scandinavia going back to the eighteenth century. Researchers can choose a specific type according to the degree of theoretical requirement and substantive social interests in the context of research and the depth of the problems in terms of scope (Weber, 1990, pp. 10-40). Moreover, there are no concrete definitions and procedures in content analysis to limit its wider application (Tesch, 1990, p. 186). In principle, there are two non-mutually exclusive perspectives in content analysis, that is, qualitative and quantitative for exploratory and interpretative research (Tashakkori and Teddlie, 2010, pp. 564-567).

Qualitative content analysis addresses language as communication, considering the semantic meanings underlying acquired textual information (Neuendorf, 2002, pp. 100-120), which can be in the form of verbal expression, printed documents or electronic messages. In this orientation it is more than simply counting words, comprising an intense examination of language in order to categorise vast amounts of textual information into structural categories. The categories represent either explicit or inferred verbal communication. Qualitative content analysis aims to dissect and solicit

underlying knowledge in a given study environment (Downe-Wamboldt, 1992, p. 314). Therefore, qualitative content analysis is the subjective interpretation of collected textual information using systematic coding process hoping to identify hidden themes and patterns.

There are three approaches to data categorisation (Hsieh and Shannon, 2005, p. 1280). First is conventional content analysis, starting with observations in research such that codes are derived from data in the process of analysis. The second is directed content analysis, in which codes derive from theories and relevant research. The last is summative content analysis, in which all codes are suggested by researchers or literature reviews.

In the qualitative stream of content analysis, researchers attend to interpretive labels, closely monitoring small textual matters, re-articulation and re-interpretation of given texts. This allows the pre-set codes defined by quantitative content analysis to be flexible in handling different situations, which in turn promotes a better interpretative exploratory perspective. Therefore, it is important to make use of certain features of qualitative content analysis for this interpretative exploratory study of the Kunshan factory (Krippendorff, 2004, fig. 3.4).

The reliability of the instruments used in content analysis has to be addressed by researchers, including the coding scheme and data sheet, to permit replicable and valid inferences from the results obtained from the classified data. Reliability in content analysis has two separate factors (Lombard, Snyder-Duch and Bracken, 2002, p. 588) and one test of the coded set output from the content analysis process. A common approach is to set up teams of coders and to monitor discrepancies to keep them to a minimum. The other factor is the reliability of coding instrument itself (Hayes and Krippendorff, 2007, p. 78).

3.10.1 Threats to validity and reliability of the content analysis

The coding scheme for quantitative content analysis is set up before coding commences. There is a coding scheme that operationalises contextual concepts in an amorphous way, so that all coding categories are relevant and valid. Relevancy means the availability of hypothesis testing and validity (Neuendorf, 2002, p. 112). Validity is examined in several ways. The first is face validity, pointing to the extent of a measurement tool's ability to contain the essence of the concept under measurement. A practical coding scheme could have coding categories at the highest possible scales: nominal, ordinal, interval, and ratio scales, such that the behavioural deviation can be captured by a highly granular scales, and an example is the Likert scale of 7 to 11

(Lombard, Snyder-Duch and Bracken, 2004). Coding schemes must start with clear definitions, easy-to-follow instructions and be illustrated with unambiguous examples. This enriches the associated reliability. In case of later amendments to the coding scheme, all coded data must be refreshed accordingly.

Qualitative content analysis shares similar validity and reliability measurements with quantitative content analysis. Nonetheless, the focus is on the creation of a broad picture of a given situation. There are several additional criteria for validity and reliability (Neuendorf, 2002, p. 112), namely 'truth value,' 'credibility', 'transferability', 'dependability', and 'confirmability'.

Reliability may of several types, such as information stability, interpretation reproducibility and measurement accuracy (Krippendorff, 2004, pp. 130-132), yet reliability alone is not a guarantee of validity. Reliability data are not limited to information recorded by individual human beings. Business accounts, medical records and court ledgers are examples of works from institutions (Krippendorff, 2004, fig. 11.1).

3.10.2 Overcoming the disadvantages of content analysis

There are several ways to increase the reliability of coding. One method of doing so is through selecting disclosure content categories through highly relevant and seminal literature to obtain a clear definition of codes. The next technique is to build up reliable coding sheets through clearly specified decision categories and rules, while the third is training in coding to ensure an acceptable standard.

Krippendorff (2004, pp. 130-136) recommends the following sequence of mitigating actions to remove known threads in content analysis:

- (1) Unitizing, which involving physical or contextual, systematic distinguishing of segments of texts, images, voices, and other observables, that of interest to an analysis;
- (2) Sampling allows content analyst to economize on research efforts by limiting observations to a manageable subset of units that is statistically or conceptually representative of the set of all possible units, the population and universe of interest;
- (3) Kikumura Recording and coding relies on coding instructions, bridges the gap between unitized texts and someone's reading of them, between distinct images and what people see in them, or between separate observations, and their situational interpretations. One reason for this analytical component is researcher's need to create durable records of otherwise transient phenomena, such as spoken words or passing images;
- (4) Reducing means contracting data to manageable representations: relying on established statistical techniques or other methods for summarizing or simplifying data, efficient representation;
- (5) Abductive inferring contextual phenomenon relies on analytical constructs or models of the chosen contexts or warrants. It bridges

the gap between descriptive accounts of texts and what they mean, refer to, entail, provoke, or cause. Abduction is a form of logical inference that goes from observation to a hypothesis that accounts for the reliable data (observation) and seeks to explain relevant evidence; (6) Narrating gives answer to the research questions and relies on narrative traditions or discursive conventions established within the discipline of content analyst. (Krippendorff, 2004, pp. 130-136)

The following are the key precautionary actions and points to be borne in mind to avoid the disadvantages of this research at the Kunshan factory:

1. It is an analytical action for a content analyst to access textual data
2. A clear examination question is critical for analysts to answer when examining collected textual data
3. A context for making sense of the body of text and data
4. An analytical construct capable of operationalising the knowledge in content analysis
5. Interventions to address the research question, so as to accomplish content analysis
6. Validating coding to justify the content analysis.

3.11 Analysis of Internal Survey

The output from the focus group gave a clear picture of which constructs from Chinese community relationships and practices in learning organisation orientation contributed to our success in divesting a single Kunshan factory into five different autonomous business units, with the aggregate effect of appreciating the group's capital value from RMB 3 million in 2011 to RMB 42 million in 2014. This was research aiming to discover an operational framework involving Chinese community relationships and learning organisation orientation. The ultimate goal was finding new business opportunities through the capability of business foresight and personal networks.

Descriptive statistics and cross-tab analysis were primarily used. Conventionally, the sample size for quantitative survey depends on the statistical confidence limit, error estimation and number of variables (Sekaran and Bougie, 2010, pp. 261-331). However, the total number of staff in all current five business units remained at 150, very restricted for standard quantitative analysis. Accordingly, the partial least square technique was employed to detect co-relationships in all identified constructs and operationalised variables as the technology (Wold et al., 1984, pp. 737-740) can reveal statistically significant correlations even when there is a high level of interdependency across observed independent variables. It was expected to obtain some constructs and

operationalised variables from the first round of qualitative interviews and the second round of focus group, refining and changing them as necessary in the usual research process.

After the re-affirmation of focus groups, final sets of operationalised variables were presumed to have some sort of hypothesised relationship in the eyes of participating factory members. This was developed for multiple variable regressions, aiming to perform principal component analysis in order to identifying the top 20 per cent of critical factors or constructs in a regression-based hypothesis model. Structurally, principal component analysis focuses on the regression behaviours of independent variables and constructs. The partial least square technique takes analysis one step further to exploit regression behaviours between constructs (or operationalised variables) and resultant end results. This is useful when there is a certain degree of inter-construct independence or convenience sampling from a single location, such as the internal survey of all company members. The inclusion of end result regression against constructs (operationalised variables) provides a more pragmatic estimation of which factors seem more important in the context of Chinese community relationships in learning organisation in the interests of high business growth.

3.12 Summary

The learning organisation introduction started with a brainstorming session on the business challenge, using the SSM tools of rich picture and CATWOE. SSM tools are useful for key managers to describe the current struggle in business in the Kunshan factory; the rich picture gave the scenario and the CATWOE exercise identified the key influences and interdependency. Interventions were planned to establish changes in the company so that out-of-the-box thinking could be identified, leading to striking results. Rich pictures and the sheets from the learning organisation introductory brainstorming session formed a shared vision, and a platform for team learning emerged from which to deliver a unified chance to solicit business opportunities.

At the end of this first intervention qualitative interviews were undertaken to detect the extent to which factory members adopted the learning organisation paradigm, describing the current business challenges and what the company and staff members could do to sustain the company. Here, several constructs (with operationalised variables) were established to understand the mediation effect of Chinese community relationships on establishing a learning organisation leading to better commercial performance. After the second action of divestment was complete, a focus group was called to evaluate the shortcomings and benefits. Those first action-defined constructs

were evaluated to finalise a set of constructs and operationalised variables. An internal survey was performed to identify the most influential constructs in Chinese community relationships and learning organisation routines.

The following methods were chosen: case studies; brainstorming and group reflection sessions; open dialogue in form of 'town hall' meetings. This fits into the founding of culture of full staff participation. It is part of the factory's community traditional practice to discuss influential arrangements in form of full and equal engagement with all employees.

Unstructured interviewing can facilitate a relaxed communication for all key managers to express their viewpoints on learning organisation and other concerns. A promise is made by management not to reuse information given in unstructured interviews for other purposes, including anything potentially hampering an interviewee's job security. Computerised content analysis (Leximancer) proved a good tool instantly to analyse key concepts identified in unstructured interviews.

In the phase of business reorganisation and divestiture, weekly all-level group meetings, knowledge sharing sessions and group evaluative inquiry are done in 'town hall' meetings. This aligns with the factory founding culture of openness, care for others and total participation. The establishment of caution money represents a form of reciprocity between management and all staff to enhance the community's mutual trust.

Focus group discussions are a natural consequence to evaluate the performance and concerns in divestiture and these were undertaken in a relaxed yet sober environment. Open-ended questions were posted to all representatives to discuss. Moderation was carried out by the insider researcher himself. In term of format, it took the form of an informal atmosphere so that individuals in the focus groups could evaluate and review the divestment and critical factors in achieving fast growth through the practice of learning organisation and Chinese *guanxi*.

An internal survey was drafted using a learning organisation questionnaire, aiming to provide a quantitative view of the criticality of identified variables solicited from the focus group session.

Chapter 4 Project Activities

4.1 Introduction

This research represents project work for my DProf programme undertaken immediately after the approval for the research proposal in September 2012. The original project timeframe is attached as Appendix 1; there was a minor adjustment to the schedule and tools employed to adapt to the situation at the time. The study was scheduled to be completed in 24 months.

This insider research journey began with the introduction of the learning organisation paradigm and the provision of financial resources to cope with the disruption caused by changes to the business across the whole factory, using unstructured qualitative interview to understand how key managers perceived the learning organisation after its introduction. The first intervention was undertaken and monitored to detect any mediating effect from the Chinese community relationships. Next, the key constructs and the operational variables were identified from the key manager interviews. A full evaluation of the interview results, rich pictures and CATWOE output triggered the second intervention: corporate restructure.

A focus group was carried out six months later to review and update all constructs and operational variables to develop hypotheses for testing. A standard learning organisation questionnaire, the Dimension of Learning Organisation Questionnaire (DLOQ), was adapted into a survey for staff across all five business units to complete. Partial least square regression was employed in its analysis to compensate for the co-linearity effect among the constructs in the Chinese community relationships, learning organisation and higher business performance.

The execution of project tasks was not uneventful; I had to consult the team repeatedly to establish arrangements that were convenient for all the stakeholders in the Kunshan factory. The project progressed more or less to schedule; more time was spent than planned to ensure mutual understanding of the company restructure and divestment. The percentage of time spent in meetings compared to actual undertakings was high in order to reassure all factory members that there need be no concern regarding the misuse of data by myself, the insider researcher, so they were able to contribute candidly. Furthermore, payment of caution money as a damage waiver before the

round of divestment and spin-offs offered some security to all staff. Below is the chronological sequence of my research.

4.2 Managers' Promotion and Learning Organisation Introduction (September–December 2012)

This was first action undertaken in the research.

It was a challenging period for the apparel market in the Kunshan (Shanghai) area after I acquired the factory there in mid-2011. Many key players such as Adidas were leaving China (Ding and Qiu, 2012) for other countries with lower labour costs and affluent consumer markets. My investment was of the order of RMB 3 million and there were two options before my factory management team: downsizing the company through retrenchment and other cost-cutting methods; or corporate restructuring to strengthen the operation and identify new ventures. Working morale was of the utmost importance during this economic turmoil.

Three founding directors, including myself, decided to stabilise and reassure the workforce by increasing the sense of ownership. One possibility was to promote key managers onto the management board as minority shareholders. Each already owned small numbers of shares and 10 founding managers were duly converted into minority shareholders, taking a total maximum of 20 per cent of company shares. This gave them a commitment from the management team that we would 'sink or swim' together; encouraging them to drive the existing business wholeheartedly and aggressively to find new opportunities. They had to forgo their monthly salary but were rewarded by the bonuses and dividends from the new businesses. In return, the management shuffle built self-accountability in these 10 managers. This management upgrade was a mutually agreed manoeuvre and all newly promoted managers shared corporate performance targets for cash, products, efficiency, customer segment, shipment and quality. The promotions were accepted in November 2012 and the whole process completed by January 2013. When I introduced learning organisation concepts and case studies to the whole company (Appendix 2), the newly-promoted minority shareholder managers showed a strong interest in developing their own frameworks and started structuring external personal connections, aiming to identify new appropriate ventures.

The introduction of the learning organisation to my 150 staff was undertaken in the period October–December 2012. A two-pronged approach was adopted: a dogmatic information transplant of the learning organisation models, Fifth Discipline (Senge,

2006, pp. 57–67) was delivered so factory members could quickly grasp the formal concept, followed by a case-based approach using Chinese references to ensure all corporate members had confidence in the emerging framework. There were several small-group discussions across the factory, and at each session 30 company members traced the learning organisation experiences learnt in other companies. Positive feedback was obtained.

In the first part of each group discussion the initial task was to share the experience of an employee embracing the paradigm of the learning organisation in daily working life (Appendix 2.1), as the very first personal consideration involves a paradigm shift and a humble attitude is fundamental to the establishment of a learning organisation. The second task was to focus on individual accountability to ensure total commitment to the company's operations and objectives, while the third was to plan ahead in developing learning organisation routines in each department and its related Chinese community. The next task was to sum up the results of company performance and the lessons learnt to facilitate continuous improvement, and these four key tasks were derived from the experiences of other companies in China (Appendix 2.1). The final point was continual benchmarking. This 'soft selling' of the learning organisation concept was well received by all company staff. They felt this paradigm was not difficult to understand and embrace so that they all could discuss the learning organisation framework both with their work team and with their family at home.

In the second part of each session (Appendix 2.2) the role of information management in learning organisation was shared, transforming into knowledge management to strengthen the company's capability in foresight regarding the exploitation of emerging high growth ventures.

The launch of the learning organisation triggered several new concepts in my company. First, self-actualisation took place in all company members, as a learning organisation involves an epistemological perspective on how company members view existing operations, problems and future opportunities. Open-mindedness was the cornerstone in pursuing a learning organisation and led to awareness of various personal capabilities deemed suitable for this company change framework, namely continuous lifelong learning, presentation and communication ability. Finally, innovation became the natural consequence of a mature learning organisation.

In this learning organisation knowledge transfer, I debriefed staff with academic and industry knowledge in a process of double-loop learning (Argyris, 1977, pp. 115-117), shared mental models and causal looping (Senge, 2006, p. 16), using case studies in

group sense-making (Henneberg, Naudé and Mouzas, 2010, p. 356). These were soft skills towards operating learning organisations to enable all factory members to master easily the new paradigm and operational framework.

Three theoretical models of a learning organisation were covered in depth with all company members, facilitating their understanding of different views of learning organisation structures. The learning organisation model complemented the research methods employed in this insider research to create an action learning environment supporting all factory members to swiftly embrace the learning organisation paradigm and frameworks.

4.3 Ethics, Caution Money and Integrity (2013)

Treviño and Weaver (2003, pp. 89-95). claim that ethics are a reflection of the application and incorporation of moral principles by company management for the sake of all staff, and the ethical principles and issues arising in the daily business environment have immersive effect on both corporate and individual member's business conduct. This resembles the influence of Chinese community relationships, *guanxi*, on individual members. *Guanxi* is in operation in all Chinese neighbourhoods, where it has been regarded as the social norm for thousands of years, in other words the practice of ethics among exclusively Chinese races. Organisations realise that having harmonious Chinese community relationships among staff means developing strong company ethics, and that the responsibility rests with senior management. The process involves the establishment of a value system and beliefs that are strongly embedded in corporate leaders' minds. This philosophy of business handles the social accountability. The dichotomy between individualism and collectivism is assumed to prompt a higher degree of collaboration among participants, and this can be leveraged through Chinese community relationships.

A major hurdle in cultivating a high degree of business ethics in the interests of creating an agile and resilient company is held to be psychological inertia (Gal, 2006, p. 24). This mental preference for maintaining the status quo maintains a cognitive comfort zone, resisting new ideas or the pursuit of a state of business foresight. In principle, this hinders the growth of a learning organisation as corporate innovation and team awareness are not algebraically correlated; there may be intrinsic relationships between the elements. Marques (2012, pp. 33-35) holds that business ethics are situated on the 'soft' side of management theory, in common with the human feeling aspect of corporate leaders' guidance of senior management in making ground-

breaking decisions. This reflects a strong positive correlation between business ethics, which is a construct of community relationships, and leadership.

In mid-2013 I was introduced to an Australian social psychologist, Segal, promoting the theory of 'business feel' (Segal, 2004, pp. 6-30) as a management philosophy, citing the examples of General Electric and Intel. The former Chief Executive Officer (CEO) of General Electric, Jack Welch, is renowned for scientific corporate measurement, such as the Six Sigma programme, and stringent executive performance appraisals, however he claimed his success arose from 'gut feeling', a type of 'business feel'. Intel former CEO Andrew Grove also made management directives led not exclusively by the application of scientific observation and tools; ultimately his decisions and enterprise-wide psychological congruence related to the business ethics he expounded. The author argues that business ethics is a type of management emotional intelligence in undertaking a key business decision. This philosophical management approach is a new perspective that involves an experiential approach, enabling executives to make decisions not only on scientific data but leaning towards a situational directive to motivate a company's business ethics.

Pfeffer (1998, pp. 30-36) argues that leadership philosophy is bound to treat people as valued assets, instead of only striving to reduce or eliminate operational expense. If company members are treated with dignity, mutual respect and ethical commitment to others, performance improves (Cameron, Bright and Caza, 2004, pp. 5-10). Leaders who encourage people passionately can stimulate employee initiative and responsibility. In return, mutual trust in corporate relationships is enhanced across the company both internally and with external stakeholders such as suppliers and customers. This elevates the whole business environment to a higher degree of engagement, shared vision and loyalty such that the learning organisation culture expands from within the company to related components. The level of trust increases significantly, empowering employee self-efficacy, a key characteristic of learning organisations and foresight capability.

Chan, et al (2002, pp. 329-331) comment that morality distinguishes right and wrong conduct, promoting honesty and integrity as key personality traits in the development of proper conduct. As we have seen, ethics is concerned with moral standards acceptable to the community and organisation and a high level of morality demands personal honesty, mutual trust, organisational integrity, task loyalty and a strong sense of responsibility. Therefore, a company-wide culture of trust and integrity creates the motivation among company members to develop a shared vision for sustainability and growth, and the *guanxi* element of affection in Chinese community relationships is a

key driver of a high degree of cohesiveness among company members when the business is in turmoil.

In 2013, driven by the philosophy of 'business feel' in my passionate appreciation of my loyal team of 150 staff who relocated to follow me to Shanghai, I made an ethical and moral decision, convincing the management team to fund RMB 4 million as caution money, a kind of 'damage waiver' as part of the company change exercise. This fund is maintained in an offshore account of a Singapore bank and representatives of staff members may inspect the growth of the investment at intervals, lending a high level of integrity to the management team of the company. This prompted a new major shareholder from Taiwan to buy out 75 per cent of shares in the flagship digital textile printing factory at Kunshan. Integrity is synonymous with goodness, giving stakeholders a sense of formal consistency and compliance with moral norms or expectations. While company members were sensitive to the actions of corporate management in bringing in new ventures, the establishment of caution fund provided a strong basis from which to solicit trust from whole factory.

In conclusion, the establishment of RMB 4 million special funds in 2013 perpetuates the *guanxi* element of affection in the reaping of integrity and trust. A strong bond through factory community relationships is observed, leading to a widespread shared vision and team learning in line with the implementation of a learning organisation framework.

4.4 Scenario Analysis (January–June 2013)

In 2012 the Kunshan factory faced an abrupt credit squeeze by China's Central Bank and experienced a steep decline in sales. The 10 loyal families were keen to boost the company's sustainable competitive advantage and, after the introduction of learning organisation paradigm at the end of that year, all believed that a business alliance with external parties was the best option to escape the challenging situation. Uniquely, the Kunshan factory comprised 10 founding families and three founding directors including myself. There was no trace of a Taylorist model (Kanigel, 2005, pp. 100-115) and the line of authority was neither clear-cut nor concrete. Co-operation and mutual consensus were usual in routine operations and the situation was akin to that of the Brazilian Semco Corporation (Stockport, 2010, pp. 68-70). This unique and fluid organisational structure provided a sound foundation to build up the learning organisation routines in the Kunshan factory.

Upon adopting the learning organisation paradigm in late 2012, the management team undertook an investigative exercise on the transformation with all staff, exploring the

opportunity for divestment from the digital textile printing factory into several new and diversified spin-off businesses, including private party sales in Shanghai, internet development in Guangzhou, information technology services with IBM Hong Kong and Russian petroleum imports. The exercise was extended to early 2013 so that the three founding directors and six newly-appointed minority shareholders could devise a common approach to exploit the creative and innovative ideas received from staff and their personal connections. Numerous sessions were scheduled with the management team to speak to company members over several consecutive weekends when they could express their concerns, report complaints and grievances, and inform management of potential business risks or new ideas for growth and sustainability.

The rich pictures and CATWOE tools of SSM were shared with all factory members early in 2013. The key learning organisation components such as personal mastery, team learning, a shared vision, a shared mental model and system thinking were promoted at all SSM discussions. An off-site brainstorming session was held in spring with the new management team and key staff representatives, first to identify the current competitive landscape and next to detail the following phases of company growth (Figure 4-1).

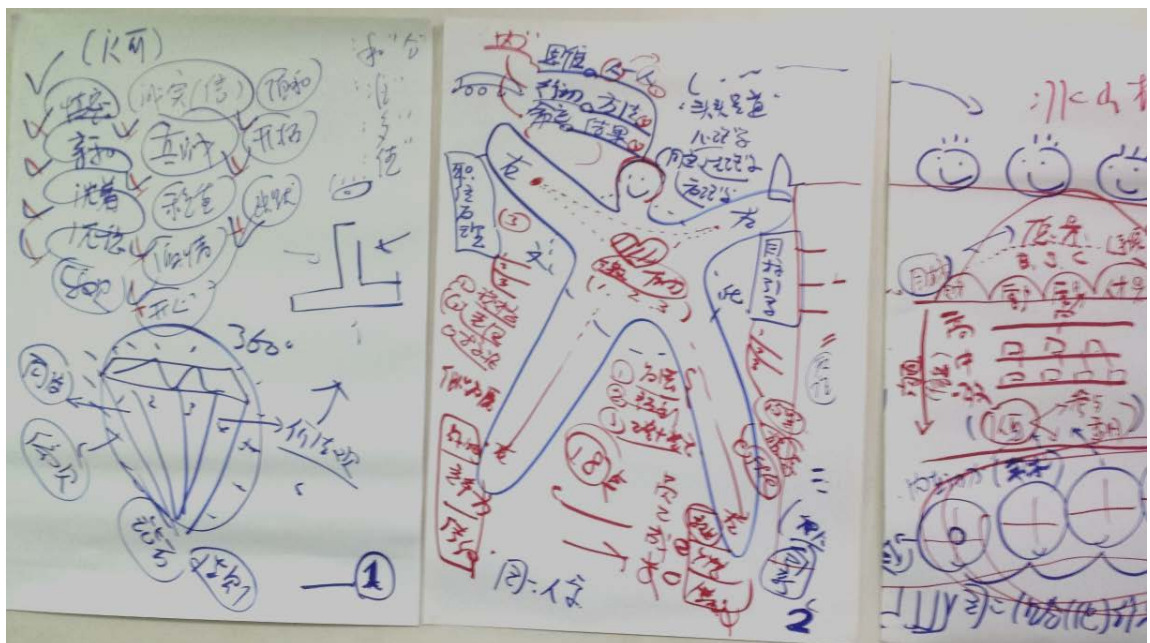


Figure 4-1: Corporate restructure brainstorming

The new management team was well versed in quality management tools and improvement methodology, including brainstorming, charting, issue logs and parking, and problem-solving technology, so I strongly suggested that they shared their concerns about external threats, internal conflicts, governmental policy and economic concerns. Internally, these included the forces of the bank's credit squeeze, weak local

sales, high prices for electricity and the dominance of large local factories, family potential, staff attrition and the demand for unique skills training; these challenges dominated the session. All the brainstorming sessions were summarised for the benefit of the off-site teams in the form of a rich picture describing problems and challenges in the Kunshan factory (Figure 4-2).

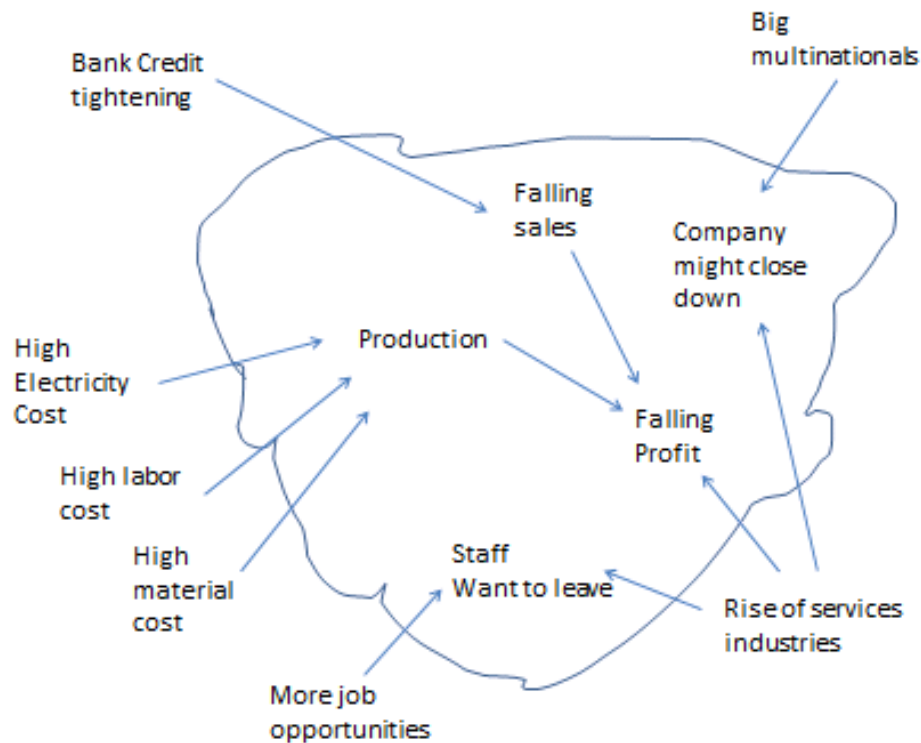


Figure 4-2: Rich picture of external and internal threats and concerns

The aim was to describe the business situation in my factory and it was appropriate to use the CATWOE acronym to perform this fundamental investigation. Here are the CATWOE interpretations of SSM's rich picture of the Kunshan factory:

- [C] Clients are key customers able to provide business continuously and willing to be engaged for sufficient long periods, such as two years or more. They are the core revenue providers of the Kunshan factory.
- [A] Actors are company members who are employees and minority shareholders. They are service and product providers fulfilling all customer requests from all industries for which company members possess expertise and experience.
- [T] Transformation takes place to switch customers from one particular industry to another so that a long-term relationship of five years or more may be built.

Services relationships shall become the core competence of my company in future.

- [W] *Weltanschauung* enables the Kunshan factory to move from value-added contract manufacturing to service industries such as research and retailing. The service industry is noticed by investors as they believe that manufacturers are unable to generate sufficient profit margins for survival and that services dominate the world economy.
- [O] Owner of this transformation should be the management team, that is, myself and two chief partners. We provide the feasibility and seed-funding for all new ideas, and monitor progress and achievement.
- [E] Environmental constraints are the current Chinese economy, with the experience of ad hoc Beijing central government policies such as tightening bank credit for manufacturing. Another issue is the stability of electricity prices for manufacturing, related to the carbon footprint and fossil fuel consumption. Moreover, environment includes foreign investors hoping to tap the wealthy consumer market. Finally, fewer and fewer mainland Chinese are now willing to work in a factory.

There were critical issues detected in my Kunshan factory's CATWOE statement: a) declining net profits to fund company growth; b) falling sales in the local Chinese garment market; c) new governmental policies; d) bank credit tightening; e) restrictions on official government spending; f) new types of business tax; and g) competitors moving into the Kunshan area.

The primary task of the Kunshan factory was to develop a unique intellectual capacity to undertake innovative problem-solving relating to machinery, information technology, logistics and retailing of products and services to support key customers' business operations and expansion. To this end, in the rich picture (Figure 4.2) a new conceptual model evolved to guide the management team to design and execute the next development, and the core driver for growth and sustainability was the strong sense of ownership and staff commitment. The off-site team strongly believed in the possibility of creating autonomous units so all participants could enjoy shareholder interests. Innovative ideas were suggested to inform management of details of opportunities such as the funding cycle, anticipated profit margins, business risks, resources and impact on existing operations, inventories, logistics, technology, product design and cash flow. Another discovery in creating the rich picture (Figure 4.2) was the possibility of centralising the research, innovation and production functions to optimise resources for effectiveness and efficiency and could serve to avoid internal confrontation when different units competed for resources, moreover the shared vision and task

harmonisation would be enhanced. Staff members were encouraged to use personal networks to explore new business opportunities through relatives, former classmates and other Chinese community relationships.

Nonetheless, the rich picture (Figure 4.2) and CATWOE exercises provided only the background to drastic company change. Next, a more detailed exploration of management's shared mental model needed to be carried out through unstructured qualitative interviews to understand how a learning organisation framework was perceived, building up a unified line of thought regarding the direction of corporate change in the Kunshan factory.

4.5 Six Managers' Qualitative Interviews (August–November 2013)

The original plan was to interview the 10 key managers at the ~~my~~ Kunshan factory to track their perception of the learning organisation framework and related practices such as system thinking, personal mastery, the mental model, the shared vision and team learning towards defining the company's development direction. These qualitative unstructured interviews were to be conducted in 2013, aiming to uncover the constructs and variables of Chinese community relationships and learning organisations, and their findings were to contribute to the second intervention to change the company. Concerns and remarks from key managers were to be recorded and analysed to discover hidden attributes. Unfortunately, four managers decided to leave of their own accord at the end of 2013 and, although the 10 founding families showed great commitment in helping to recruit the replacements in a short time, there were only six managers available to attend qualitative interviews upon the completion of the learning organisation implementation.

These six unstructured qualitative interviews were analysed using computer applications. NVivo (www.Nivivo.com), the qualitative content analysis tool, was trialled to construct a conceptual model describing the cross-dependency of Chinese community relationships, the learning organisation framework and commercial performance in the light of foresight capability. This application supported the coding process and the identification of content categories for constructs and variables. However, this software demanded many subjective statements, making content analysis time consuming as much manual work was involved. Later in 2013 a colleague introduced me to Leximancer (www.leximancer.com), which performs automatic semantic text analytics online to cluster key sentences, concepts and words in the reports.

4.5.1 Format and ethical running of qualitative interviews

Ethical consideration was a top priority in this research. All company members were informed of this insider researcher and they expected my doctoral research to develop a feasible and practical roadmap to avert the tough economic situation prevailing in Shanghai area in late 2011. All company staff were briefed on learning organisation practices and frameworks. Numerous discussion groups were organised to answer concerns and address clarification in execution.

Owing to the departure of four of the founding managers, only six were scheduled to attend unstructured qualitative interviews. Each was assured there would be no link from their comments to job performance and appraisal, and that the insider researcher had restricted access to the caution money, as the bank would only accept instructions from both the insider researcher and the portion owner before undertaking any revaluation and transaction. This protected the interests of interviewees.

Meeting locations were arranged to take place at weekends in a local hotel. A third-party witness from a local legal counsel was called upon to witness the execution of unstructured qualitative interviews. All attended managers were informed of the open-ended questions below and assured there would be no influence on their performance appraisal and pay before or after the qualitative interviews. All interview sessions were digitally voice recorded and shared with individual participants through their private email account. There was no limit on the duration of the interviews; each manager was encouraged to reflect on the learning organisation paradigm freely and, throughout, the researcher acted as a facilitator to clarify comments.

The qualitative interviews were transcribed first. Summary reports were then written to facilitate the content analysis operation using a computer application. Before submitting them to the application, all interview reports were passed to the interviewee to reconcile and correct. Only the confirmed versions were sent to the content analysis computer application for dissection.

One objective of the unstructured qualitative interview was to discover constructs and operationalised variables relating to the Chinese community relationships and learning organisation framework from the first round of interventions. These constructs were core references concerning the planned divestment and subsequent spin-off businesses at the Kunshan factory. The following is the list of qualitative open-ended questions put to the six key managers, seeking their comments:

- What is your understanding of a learning organisation?
 - ‘什么是你理解学习型组织’?
- What makes you feel excited about the company's new direction?
 - ‘是什么让你兴奋的感觉在你的公司吗?’
- Are you involved in planning the company's direction? Do you feel any ownership in the company's operation?
 - ‘你涉及规划公司的发展方向? 你觉得在公司运营中的所有权呢?’
- How you can help your colleague to detect problems?
 - ‘如何可以帮助你的同事发现问题吗?’
- Do you think your department and your company understand external threats and prepare counter measures?
 - ‘你认为你的部门，你的公司，可以了解外部威胁? 并准备计数器测量?’
- What is your perception of your organisation's structural procedure to handle internal, external and government policy changes?
 - ‘在您的组织结构过程来处理内部的变化，外部的变化，以及政府政策的变化，您的看法是什么?’
- What is your understanding of knowledge loss when colleagues leave?
 - ‘什么是你理解知识流失的一些同事离开时?’
- How does the cross-functional team work in the organisation?
 - ‘任何正式的跨职能团队在您的组织中存在吗?’
- How serious finger-pointing in the organisation?
 - ‘有多严重指指点点在你的组织?’
- Does the organisation form alliances with external parties?
 - ‘请问您的组织形式与外部各方的联盟?’

The managers' reports are provided in Appendix 1. Transcripts of the direct recording of comments from interviewee and focus group members, as words might be wrongly used in description, and could generate the wrong interpretation in computer-based content analysis. Only reports were input into Leximancer to identify patterns (Figure 4-3). This online text analysis application was configured to detect themes through a schematic approach, word counting being the prime way to trace the occurrence of thematic words. The second step was to measure the difference between the number of thematic words and action words in order to establish the relevance in the various concepts. The final step was using the thesaurus function to find synonyms of the thematic words. The end result was the generation of thematic ranking output.

4.5.2 Outcomes from qualitative interviews

Below is the computer generated output from automated content analysis software Leximancer.

Thematic Summary

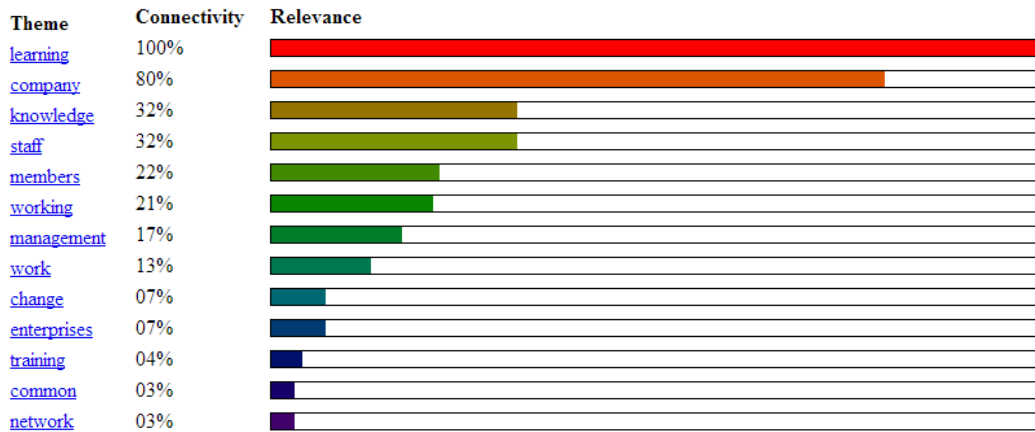


Figure 4-3: Themes identified by Leximancer application

Six main themes emerged, clustered about associated items in the reports transcripts:

- 1) **THEME: learning;** including **learning, learning business, business, corporate, corporate, companies, companies, sharing, sharing**
 - **Learning** (Hits: 110) – ‘The aim of this project is to do an interview of latest company’s new measure. The name of the new exercise is called learning organisation.... In 1970s, 1980s, and middle of 1990s, China is good for low labour cost. But, there is no impact on developing learning organisation....’
 - **Business** (Hits: 30) – ‘If we can learn this disaster by early 2013 and prepare ourselves for this tidal wave, we should be much better financially. Learning organisation should be the only way to attain business foresight.... Business change is a new demand in business. In Chinese culture, we are still thinking of China being number one...’
 - **Corporate** (Hits: 24) – ‘This corporate learning.... In short, the ability of corporate owner in learning is a critical factor in the learning organisation setup. Just cash investment is not sufficient to trigger a learning organisation....’
 - **Companies** (Hits: 24) – ‘China companies are facing a credit crunch again. In retrospect, learning organisation should be implemented in good business situation.... To me, learning organisation cannot fit all companies. If the business is knowledge-based, relating to consulting, quality, research,

high consumer contacts and professional services, a learning organisation is a good fit....’

- **Sharing** (Hits: 16) – ‘Social gathering contributes substantially to team learning, job sharing, problem diagnosis and goal setting. Productivity gain is visible.... This reduces the fear of management penalty. At the end, the benefits of learning and sharing flourish in midst of high power....’

2) **THEME: company;** including **company, company, team, team, whole, whole, people, people**

- **Company** (Hits: 66) – ‘And the total size of my company varies from 150 to 130 as of January 2014.... Finally, competition is good for the company, since it can lead to advancement....’
- **Team** (Hits: 45) – ‘Workers to face severe new situation on one hand; and build a higher team spirit on the other hand. When facing uncertainty, team members’ experience can complement each other to break down all new problems into pieces.... Lessons are learnt in both success and failure. All these accumulations of knowledge among team members become some sort of intangible assets in the company, now and in foreseeable future....’
- **Whole** (Hits: 17) – ‘Further, the problem-solving time is much shorter. A whole company spirit gives a central focus from juniors to seniors on a single problem, that is, how to solve customer’s issue quickly and promptly.... Now, the corporate team work glues workers together, and uses a pragmatic and empathetic approach to handle a single problem or integrated issues. All matters from point-to-point to the whole company are surfaced at group level with high transparency....’
- **People** (Hits: 19) – ‘Those senior people want to take a routine day job, and waiting for their moment of retirement. All of their fear has no grounds, as this project is new to the company.... The realisation of knowledge and competence is in the form of staff and management. This knowledge competence in people should grow hand in hand with the company, around the clock and in all instances....’

3) **THEME: knowledge;** including **knowledge, process, process, operation**

- **Knowledge** (Hits: 19) – ‘This knowledge competence in the organisation has a short life. It can last for few months to maximum of two years.... Recently, there are many other factories around the company showing high turnover. The knowledge loss is serious... ‘
- **Process** (Hits: 16) – ‘It is advised to formalise the process of experience sharing, setting up knowledge base in order to facilitate tacit knowledge sharing. Experience cannot be recorded in written format well.... In

innovation process, different ideas might go in opposite direction, but competing on the same pool of resources... ‘

- **Operation** (Hits: 14) – ‘Foreign companies, both overseas in US and Europe, and locally in mainland China, have practices of structurally corporate learning, team sharing and knowledge experience to handle drastic business operation and market capture... ‘

4) **THEME: staff**; including **staff, relationship, relationship, customer, customer**

- **Staff** (Hits: 26) – ‘Variance in staff value system. This can mitigate the grievance and complaints from front-line staff.... This can avoid any quarrel among staff in case of only people-managed system. Self-initiation is advocated, but not pushed, upon this ethics baseline... ‘
- **Relationship** (Hits: 19) – ‘A good intra-company staff relationship can develop long-term ‘stickiness’ on customers. They will focus less on arms’ length negotiation, but more on strategic partnerships.... Learning organisation is expected of putting a neighbourhood among staff and customer. Their relationship is not just on trade and money exchange... ‘
- **Customer** (Hits: 15) – ‘All problem-solving steps, time, the accountable persons must be recorded for later knowledge sharing. The most important is to have on-site, face-to-face communication with customer and staff.... A side by side working environment is important for customer and staff to solve any issue. Confrontation and conflict become less after rounds of face-to-face team working.... ‘

5) **THEME: members**

- **Members** (Hits: 22) – ‘Company internal mentorship could sort out the situation of.... Company members are just reading manuals, but have no chance to feedback their opinion.... ‘

6) **THEME: working**

- **Working** (Hits: 18) – ‘Individual hard working is not enough. Listening to each other is another important attribute.... They get the jobs through personal relationships. Therefore, there are only six managers working in my group company as at end 2013.... ‘

Since the themes identified by Leximancer were not sufficiently specific, through follow-up discussions some semantic interpretation was undertaken with the interviewees. This served to clarify their original thoughts, epistemological perspectives, interactions with Chinese community relationships and ongoing expectations of the performance of the learning organisation. Neither was the identification of constructs from these

qualitative interviews quantitative in nature; it involved a consensus between the interviewer (me) and the interviewees (six managers). Differences of interpretation were a key source of error, therefore a series of job observations was undertaken to ensure the correct semantic thematic analysis of constructs and operationalised variables through concept integration for use in later focus group discussions and an internal survey. Operationalised variables were needed to measure the effect of Chinese community relationships in the implementation of the learning organisation from its inception in late 2012, and were drawn from qualitative content analysis of the six managers' interviews and reconciled with interviewees' rich picture (Table 4.1):

Table 4-1: Constructs and operationalised variables drawn from qualitative interviews

Constructs	Operationalised variables
1. Size of Chinese community relationship	No. of social organisations attached
2. Communication maturity	No. of messages generated per problem domain
3. Problem-solving performance	No. of issues settled per week
4. Depth of customer engagement	Frequency of informal gathering
5. New opportunities discovery	No. of referrals (personal recommendations)
6. Shared vision and knowledge	Growth rate of central knowledge base and expertise.

4.6 Divestment (November 2013–June 2014)

This was the second action in the study.

The divestment phase of the company change involved an integrated and systematic effort to consolidate the contributions from the experience-based learning organisation introduction, the off-site brainstorming sessions, SSM's rich picture and CATWOE listing, the six key managers' in-depth qualitative interviews and associated semantic text analysis, with the provision of caution money out of ethical compassion. The Kunshan factory's perception, understanding and embrace of learning organisation frameworks and benefits were self-coordinated and formed a solid foundation for the move to new ventures.

The new management team of three directors and six shareholder managers agreed to exploit diversified revenues and opportunities and its very first act was to bring a new major shareholder into the Kunshan digital textile printing factory. After several rounds of personal searches and due diligence processes, a Taiwanese conglomerate, Kwan Lung, accepted the Kunshan factory valuation of RMB 25 million. It agreed to take up 70 per cent of company shares and allowed our Singapore caution money to be managed outside the new company. Very soon new Taiwanese shareholders were investing in the concern, and by mid-2013 the management team had received cash payment and completed the share transfer process. My staff had the security of the RMB 4 million to protect them from any future adverse situations such as their new manager from Taiwan making a major retrenchment.

The divestment resulted in a four-fold improvement in output and cash flow that served as a foundation for the management team to promote the factory to large enterprises with a higher capital valuation. With RMB 20 million in the bank, management and factory staff were encouraged to contact friends to locate new business opportunities. Structurally, the management team functioned at this time as an 'angel investor', providing capital to nurture and grow new business ideas into profitable operations. Vigorous financial modelling, risk simulation and stress tests were carried out to ensure short-term failure rates of below 0.1 per cent. All the three existing directors, including myself, funded model-proven business projects. Later in 2013 the Kunshan factory was integrated into the Taiwanese conglomerate that owned 70 per cent of the joint venture. Three directors owned 24 per cent and company staff the remaining 6 per cent.

Through a private cohort of managers at the Kunshan factory an internet development project was solicited from a Shanghai company, forming a small Guangzhou technology firm with 30 company members assigned to run the project. All assignees were relocated back from Kunshan to Guangzhou, with housing, education and living allowances financed by management. Another cohort solicited an agency contract from a UK brand, whereupon the management team immediately invested in the Shanghai retail business of one of our managers, a graduate of a Shanghai university, promoting *haute couture* apparel. This was agreed because agency is a risk-free undertaking both because all inventories were on consignment basis and because the operation did not rent a high street shop but rented function rooms in hotels on a bi-weekly basis. The client database was secured through relationships with universities in Shanghai. The management team dedicated 10 company members to this new venture and a high profit contribution of more than 60 per cent has been achieved since its launch in late 2013.

In another venture one of my high school friends from Hong Kong wanted to undergo a management buyout of his information technology services company. This company was a major partner of IBM Hong Kong with a few key customers, namely Television Broadcasts, Hong Kong Airport Authority, FWD Insurance and MTRC Octopus. Early in 2014 I requested five company members with strong programming skills to join me to execute this buyout. In less than two months we had secured two service contracts worth HKD 10 million.

Finally, at the turn of 2014, my cousin passed on a request from his employee, Russian Lukoil, to promote petroleum products into China. The company wanted at the same time to set up a personal jewellery courier service and e-commerce operation. Five company members were recruited to this special operation unit to support my cousin in this special business group.

It can be seen that the process of divesting a single Kunshan company into five operating units spanning Shanghai, Guangzhou and Hong Kong was dynamic and of short duration. The Singapore caution money played a role, and each new venture was evaluated using investment models; risk and incident response measures were taken to combat ad hoc disasters. Nonetheless, all the company members assigned to new ventures had the 'safety net' of returning to the Kunshan operation, forgoing only their special allowances and new venture performance bonuses. They demonstrated great trust and were constantly in touch with each other; instant communication technology played an important role in maintaining strong community relationships between the original Kunshan factory members. In addition, factory members continued to enjoy informal weekend gatherings at the Kunshan headquarters. Fortunately, low-cost transport and mobile-based airline ticketing provided a quick, simple and cost-effective opportunity to keep all company members on the move across China.

Knowledge sharing has been an important construct in the learning organisation; mental models and team learning could be quickly realised providing that there was a knowledge management system. My team could update and share business visions and the corporate knowledge database across all five business units. In addition to face-to-face discussion, the instant communication service 'WeChat' is used to connect company members across Kunshan, Shanghai City, Guangzhou and Hong Kong to exchange opinions on new business, to collaborate on customers' requests and operation issues in real time. All of these mobile communications stimulate team learning and a shared mental model in learning organisation routines.

4.7 Focus Group (April 2014)

The departure of the four managers in late 2013 created short-term ripples in the company, resolved by a team effort by staff that recruited replacements within two months. The re-organisation and divestment of the Kunshan factory had achieved striking results in a fast manner and was financially safe; the original 150 staff functioned as partner organisations, with 100 workers remaining in Kunshan to run the textile printing operation under Kwan Lung. Another 10 members were running a Shanghai City retail company in private party sales of luxury items to wealthy youngsters. A further 30 staff had relocated to Guangzhou to run an internet research service using their specialised computer skills. Finally, two teams, each of five people, had followed me to Hong Kong to run two service companies, one for IBM in business intelligence and other an operation comprising a personal jewellery courier involving physical protection, a mobile-ecommerce outfit and Russian petroleum imports.

The group of companies went through a challenging time when four managers decided to leave in early 2013, however their departures brought staff together, sharing a strong vision with the remaining corporate members of a smooth and successful transition into five profitable business units. The constructs and operationalised variables of Chinese community relationships and the learning organisation were qualitatively reviewed and early in 2014 the management team decided to conduct an in-depth examination of these variables with groups of factory members. The first focus group meeting was planned to involve representatives from the factory in Kunshan and the spin-offs of Guangzhou's internet research unit, Shanghai's private party sales, the Hong Kong information technology services and the Russian petroleum unit.

There were three key outcomes from these focus group meetings. First, all the variables perceived during the preliminary qualitative interviews were revisited to determine their relative significance. Front-line staff were encouraged to share their reflections on the business development and customer engagement and were assured that there would be no penalty or obligation involved in reacting to the corporate restructure and divestment. The second outcome was that corporate directions were subject to company members' critique and appraisal to inform the next round of corporate restructuring. Finally, a questionnaire to form an internal survey was to be drafted to develop a regression model of learning organisation operation under the mediating effect of Chinese community relationships directed at achieving fast-growing revenue. Hypotheses were developed to validate the relationship between independent, dependent and mediator variables, and partial least square regression identified the most influential constructs.

4.7.1 Format and ethical running of focus group

In April 2014 the first internal focus group was undertaken offsite, in a local hotel, with representatives from the five business units. A summary of the focus group discussion can be found in Appendix 2.

The standard focus group preparation procedure was adopted, as discussed in Stewart and Shamdasani (2007, pp. 92-96). Open-ended questions were prepared from the output of group discussions, 'town hall' meetings held during the phase of introducing learning organisation, and the content analysis of unstructured interviews with key managers. The focus was on the performance of divestment.

The focus group representatives were nominated by key managers. They were team members actively involved in reforming the company for high growth in 2013–2014.

All focus group representatives were taken to a local hotel, as it is a Chinese community custom to serve dinner before critical and formal business meetings. No strong drink was served, to ensure that everyone remained focused, and all were assured of free speech and comments during the meeting.

The trust of focus group members in the facilitator, that is, the insider researcher, meant that paper notes were adequate to capture the discussion items from the focus group, allowing for a later summary. The focus group discussion was successful and it ran until late at night. A summary report was prepared, included as Appendix 2 for reference.

Ethical consideration remained a top priority. As seen in Section 4.5.1, there was an external witness from a local legal counsel to oversee the whole focus group. The focal point was the reflection on divestment and the comments made on the social constructs, perceived critically in the course of the company re-organisation and new venture development.

The focus group started with a dinner and the insider researcher facilitated all participants to share viewpoints. There was a tremendous number of opinions given. All comments were transcribed into a report and participants were asked to reconcile their comments against the written reports.

4.7.2 Outcomes from focus group

Previously, six key themes had been identified in the reports of the managers' interviews convened to generate constructs and operationalised variables. These were:

- 1) Extent of Chinese community relationships
- 2) Communication maturity
- 3) Problem-solving performance
- 4) Depth of customer engagement
- 5) New opportunity discovery
- 6) Shared vision and knowledge.

The discussion lasted for three hours and covered all existing key themes, constructs, staff personal reflections and group comments. Some constructs and operationalised variables were refined or removed following input from focus group participants. All the newly refined constructs were incorporated with the elements from the Chinese community relationships and learning organisation (Table 4:2).

Table 4-2: Refined constructs upon April 2014 focus group

1. Outside-in corporate mentality	An indicator of a company able to tap into external resources to renew itself. It is similar to the paradigm of open innovation.
2. Personal recommendation	A manifestation of exchange of favours in a Chinese community relationship. Furthermore, word of mouth has a major role and forms the foundation of Chinese community relationships.
3. Cross-boundary relationships	This is utilised in my factory to solicit new business ideas for fast growth and revenue. Chinese community relationships (<i>guanxi</i>) and shared vision (learning organisation) facilitate a stronger public and private relationship among company members and external friends.
4. Risk foresight	This is not covered in qualitative interview but was highlighted by focus group participants. This is sensible since a trusting Chinese community relationships will remark on connected nodes of potential risk and hazard in the course of development and operation.
5. Team shared quick vision	This is an extension of Peter Senge's learning organisation model. It incorporates the elements of 'quickness', 'promptness' and 'swift response' into a shared vision across the internal and external team.

Both the onstructs and operationalised variables drawn from qualitative interviews (Table 4.1) and the refined constructs from the April 2014 focus group (Table 4.2), persisted in integrating Chinese community relationships with a learning organisation.

The focus group regarded these two items as inseparable, working well together to enhance both commercial performance and other aspects.

4.8 Internal Survey Development

To undertake an internal survey of staff, the renowned DLOQ questionnaire was used (Marsick and Watkins, 2003, pp. 137-140). It is a culmination of 200 companies' external surveys exploring different extents of learning capability at the individual and organisational level. Organisational change and foresight were the core investigation focus. Below is the list of key constructs stated in the DLOQ:

- Continuous learning arrangement to facilitate stakeholders in acquiring skills in the workplace
- Encouraging inquiry to solicit productive skills
- Advocating collaboration for team learning so as to obtain different thinking modes
- Developing systems to perform
- Delegating power to generate a collective vision in team
- Linking external environment to organisation
- Educating leadership to learn.

The foundational structure of learning organisations, that is, double-loop learning, shared mental models and sense-making, were elaborated systematically using case examples, however this study was not a learning organisation implementation study as its research focus was the mediating effect of Chinese community relationships, or *guanxi*, in the embedding process in the Kunshan factory, directed at securing commercial performance. Trust and mutual respect played pivotal roles along the journey of this research, and personal recommendation was another key instance of favour exchange in the Chinese community of my factory.

Five constructs emerged from the April 2014 focus group meeting (Figure 4.4) and two clusters of operationalised variables. The first group related to Chinese community relationships, or *guanxi*, comprising cross-boundary relationships and personal recommendation, while the second group related to learning organisation capabilities with the key constructs of an outside-in corporate mentality, risk foresight and team-shared quick vision.

Hypotheses were therefore developed based on focus group findings.

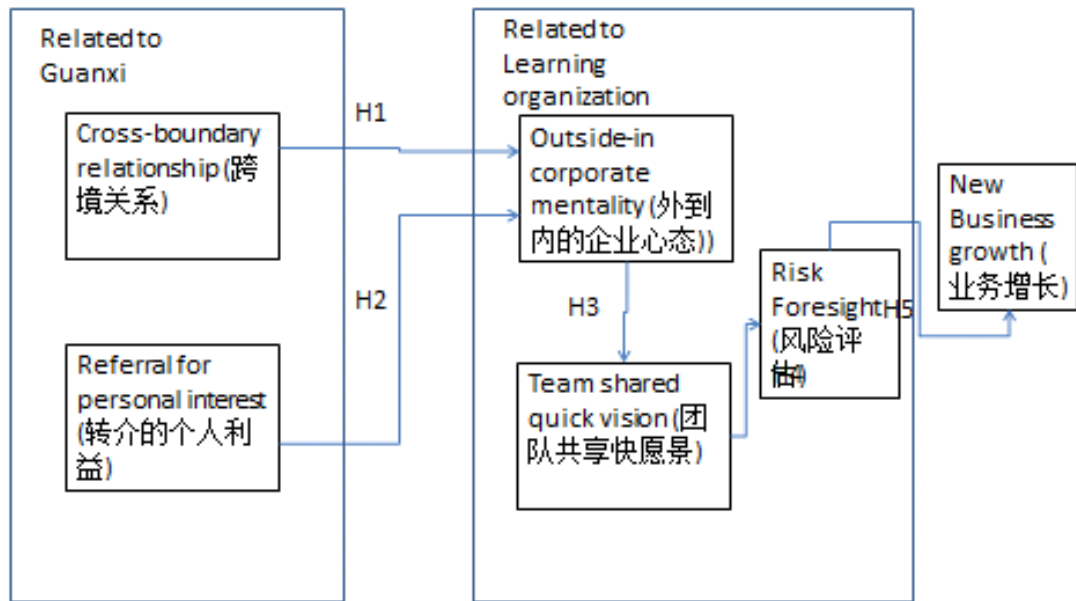


Figure 4-4: Hypotheses developed from focus group comments

Accordingly, the list of hypotheses for DLOQ and testing is as follows (Table 4-3):

Table 4-3: Hypotheses relationship for DLOQ

Hypothesis	Descriptions
H1	Cross-boundary relationships (跨境关系) have a positive influence on outside-in corporate mentality (到内的企业心态)
H2	Personal recommendation (转介的个人利益) has a positive influence on outside-in corporate mentality (外到内的企业心态)
H3	Outside-in corporate mentality (外到内的企业心态) has a positive influence on team-shared quick vision (团队共享快愿景)
H4	Team-shared quick vision (团队共享快愿景) has a positive influence on risk foresight (风险评估)
H5	Risk foresight (风险评估) has a positive influence on new business growth (业务增长).

DLOQ were derived from the refined constructs (Figure 4-4). There were few sub-questions for each construct to operationalise variables, so all my 150 staff would answer using their common sense understanding. An ordinal scale of '1= Almost Never' to '6=Almost Always' was adopted from the DLOQ and the weighted averages in sub-variable questions were taken as the score. On average, each company member needed a session lasting 15 minutes to complete the online questionnaire (Table 4-4).

Table 4-4: DLOQ-based internal questionnaires

Constructs	Guanxi	Description	
Guanxi	Related		
	Cross-boundary relationship (跨境关系)	Market contact (市场接触)	How often your team working with external parties, including customer, suppliers, alumni, trade associations and industry friends? (多久你的团队与外部各方, 包括客户, 供应商, 校友, 行业协会和业内朋友的工作?)
		Industry participation (行业参与)	Do you involve in outside industry forum? (你参与外面产业论坛?)
		Social gathering (联欢会)	How frequent you go out and dine with friends and industry contacts? (你经常出去与朋友和业界的接触吃饭?)
Personal recommendation (转介的个人利益)	Referral culture (推荐文化)	Do you recommend things and people to your colleagues? (你会推荐东西给人们?)	
	Be referred (被推荐)	How frequent you are consulted in non-work matter? (你是如何协商非工作的事情?)	
	Confident to share (有自信去分享)	Do you feel scared when making reference or passing through referral? (你在推荐时, 感到害怕?)	
Learning	Organisation	Related	
Outside-in corporate mentality (外到内的企业心态)	Open innovation (开放式创新)	Do you accept ideas from outside for problem solving and innovation? (你们接受来自外部的思路解决问题和创新?)	
	Sharing session (分享会)	How often you take company's issue to check with external authorities? (你怎么经常把公司的问题外部机构分享?)	
	Rewards (奖励)	Will you thank those offering helps from external parties with gifts and small favours? (你会感谢那些提供帮助的来自外部人士的礼物和小恩小惠?)	
Risk foresight	Due diligence	Do competitive intelligence with teams and outsider	

(风险评估)	sharing (尽职调查分享)	parties? (团队会和外行人士做竞争情报?)
	Learnt from mistakes (从错误中学习)	Do you share your failure with others? (你与他人分享自己的失败?)
Team shared quick vision (团队共享快愿景)	New idea generation (新理念的产生)	How often you contribute to new business development? (你多久促进新业务的发展?)
	Internal gathering (内部集中)	How often do you attend 'town hall' bi-weekly meeting? (你经常参加公司双周会议?)
	Experience sharing(经验分享)	Do you share your good and bad experience in daily work? (你会把日常工作中好的和不愉快的经历分享?)
New business growth (业务增长)	Growth (发展)	More new products and services than before? (更多新产品和服务比以前?)
	Diversification (多样化)	More diversified in operation and business portfolio? (更加多元化的经营和业务组合?)
	Job longevity (工作寿命)	Feel able to work in the group next five years? (今后五年你觉得能够在小组中的工作?)

4.9 Survey Results (June–August 2014)

There were some inherent statistical issues in this internal survey that could adversely affect its usefulness. The sample size was too small, since the total workforce was just 150 across five different business units, so the results might not be able to be generalised due to the issue of convenience sampling at my factory's resources. The strong social identity among my 150 staff in the Kunshan group could involve bias (Conway and Lance, 2010, pp. 325–326). Nevertheless, the framework of how Chinese community relationships influence the embedding of a learning organisation directed at achieving enhanced business performance could be visualised.

4.9.1 Descriptive statistics

From the descriptive statistics, all five constructs (Table 4:5) were recognised among company members in the five business units. The lowest score was 4.68 out of 6 (78%) and the highest was 4.79 out of 6 (79.8%). This was a good indication of above-average acceptance of the learning organisation framework in the Kunshan factory. Both the Chinese community relationship-based constructs, that is, cross-boundary relationships and personal recommendation, and learning organisation-based constructs, that is, outside-in corporate mentality, risk foresight and team-shared quick vision came out as significant contributors to fast company growth (Table 4-5).

Table 4-5: Internal survey's descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Cross-boundary relationship	150	2.00	6.00	4.68	0.63
Personal recommendation	150	3.33	5.67	4.79	0.53
Outside-in corporate mentality	150	3.33	6.00	4.76	0.57
Risk foresight	150	3.00	6.00	4.72	0.70
Team shared quick vision	150	3.33	5.67	4.72	0.52
New business growth	150	3.67	6.00	4.76	0.55
Valid N (listed)	150				

It was expected to find constructs interacting intensively with each other. Correlation analysis was performed (Table 4-6) that identified the following relationships:

- Cross-boundary relationships were inversely related to personal recommendations
- Cross-boundary relationships were directly related to risk foresight
- Cross-boundary relationship were directly related to new business growth
- Outside-in corporate mentality were inversely related to risk foresight
- Risk foresight were inversely related to team shared quick vision
- Team shared quick vision were inversely related to new business growth.

4.9.2 Partial least square analysis

It is notable that the small sample size and the proximity of the workplace might well involve a significant degree of inter-variable dependence. Accordingly, the partial least square regression method was next used to rule out this effect.

Table 4-6: Inter-construct correlations

	Cross-boundary relationship	Personal recommendation	Outside-in corporate mentality	Risk foresight	Team shared quick vision	New business growth
Cross-boundary relationship	100%	-15%	-7%	27%	1%	-10%
Personal recommendation	-15%	100%	0%	-4%	-3%	3%
Outside-in corporate mentality	-7%	0%	100%	-14%	-1%	8%
Risk foresight	27%	-4%	-14%	100%	-16%	0%
Team shared quick vision	1%	-3%	-1%	-16%	100%	-14%
New business growth	-10%	3%	8%	0%	-14%	100%

Partial least square analysis uses an algorithm to check the regression behaviour of all independent constructs and variables against responses, that is, new business growth. This method is better than conventional principal component analysis, which focuses on regression performance among independent constructs and variables, so it was hoped it could correct the issue of co-linearity among independent variables, very common in small and convenience sampling.

It appeared that one Chinese community relationship-related variable, 'Personal recommendation' and one learning organisation related variable, 'outside-in corporate mentality', exerted a significant influence on the development of business opportunities (Figure 4-5).

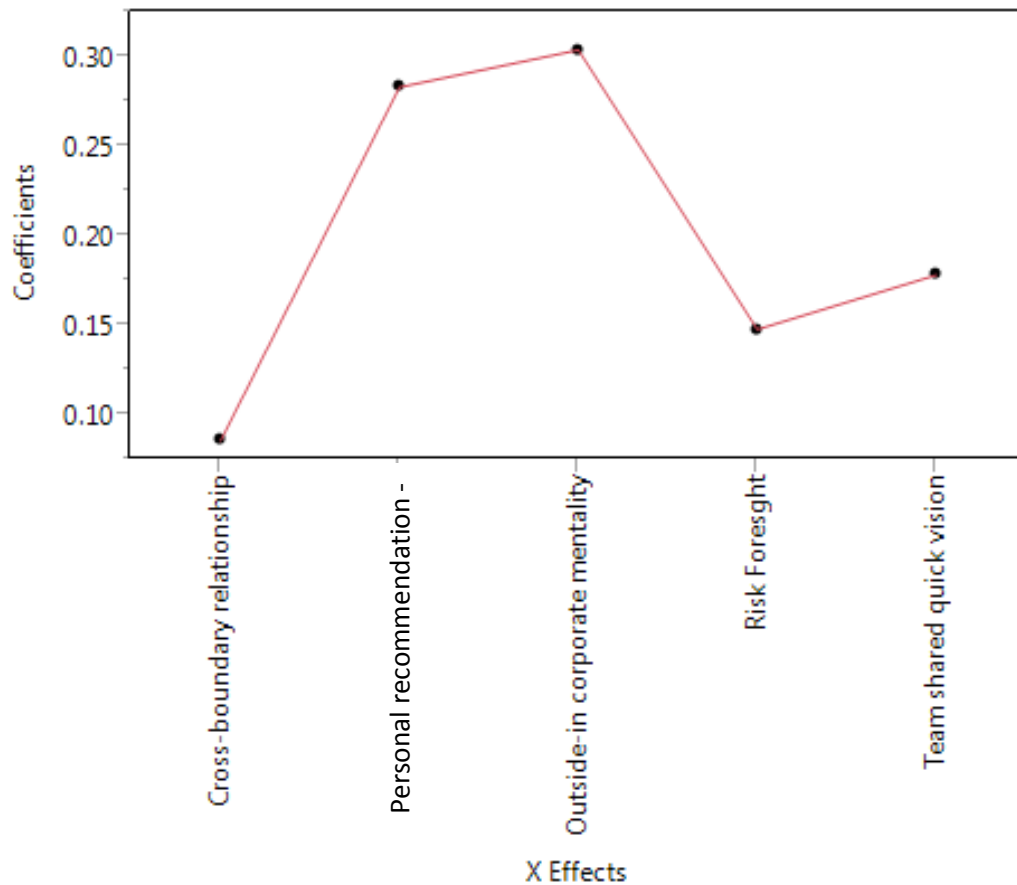


Figure 4-5: Partial least square coefficient analysis

4.10 Summary

It has been a long journey from the inception of this research. Initially, a simple design was planned to conduct this work-based learning research and the scope was assumed to be the effect of embedding a learning organisation framework in the Kunshan factory and the reaction of staff. Chinese community relationships were treated as a separate independent variable.

There was a time window before Project Approval Panel agreement in late 2012 that represented an opportunity to perceive the mediating role of Chinese community relationships when undertaking an enterprise-wide change programme, including the introduction of learning organisation practice. This experience has impacted the approach and methodology.

Owing to the involvement of all 150 staff, the research methodology and associated methods gave everyone a chance to participate, to offer their opinion, to make the change and reflect in order to fine-tune the following processes. The constructivist research approach, qualitative interviews and brainstorming sessions were appropriate for the first intervention, while a focus group fitted the needs of the second. All

constructs and operationalised variables describing the connections across Chinese community relationships, learning organisation and high business performance were aggregated from all staff and key representatives, that is, managers' comments and remarks. A semantic content-mining application simplified the process of extracting key ideas and discovering links, and other opinions were suggested in this operation.

The first design intervention at the Kunshan factory was the introduction of a learning organisation. Associated frameworks and models were gone through with all company members at 'town hall' meetings, brainstorming sessions and workshops. Unfortunately, the sudden downturn in China's local consumer market created significant uncertainty for the company. Influenced by literature on learning organisation frameworks, in particular shared vision, communication and collaboration, many new ideas were contributed by staff to transform our single textile printing factory into five business units.

The second intervention was to bring in a new major investor so that we could raise sufficient funds to expand into new business areas, such as private party sales, internet research, information technology services and special cross-operations, such as the jewellery courier service and Russian petroleum imports.

These two phases were thoroughly discussed with staff beforehand and evaluated afterwards. Chinese community relationships alone might not be sufficiently powerful to drive team meetings to identify risk and opportunities, yet the learning organisation structural approach complemented their philosophical and ideological attributes. Qualitative interviews were appropriate to explore the subtle human preferences of factory managers and automatic content analysis revealed all semantic relationships in company culture. This supplemented the first intervention and laid the foundations for second, the divestment and spin-offs, identifying new ventures and opportunities. A factory-wide focus group was undertaken in April 2014 to establish the impact of forming the five business units. Positive feedback was received on the divestment's scale and speed, and an internal survey identified two significant factors in the framework of Chinese community relationships with learning organisations for high business growth. These were that personal recommendation was related to Chinese community relationships; and that the outside-in corporate mentality was related to the embedding of the learning organisation.

Driven by a passion for ethical business, management listened to staff concerns and before executing the divestment actions detected a psychological need for financial security. This gave extra reassurance throughout the drastic corporate changes. It was

a joint effort of showing affection and consideration in *guanxi* through the shared mental model from learning organisation.

A detailed description of the thematic analysis of the research is found in the next chapter.

Chapter 5 Thematic Analysis

Following the previous chapter's account of the 24 months of this research, this chapter describes the thematic data analysis appropriate to the interpretative approach.

By 2013 the company comprised five business units under the control of a holding company owned by the three founding directors and six minority shareholder managers. The aim of this project was to uncover the interaction between Chinese community relationships (*guanxi*) and learning organisation operation directed at achieving fast business growth. There have been several themes generated by the 150 company members across the business units. The interpretation used was an open approach to uncovering the underlying framework of Chinese community relationships and learning organisations directed at achieving business foresight and the discovery of new opportunities.

There are two rounds of interventions in this research. The first was the formal introduction of a learning organisation framework, business foresight capability, workplace learning, cases studies and three models of learning organisations. It was not a rule-based but a principle-oriented approach to embedding a learning organisation. All factory members were encouraged to share their hesitations and concerns. Successful case studies were referred to and staff representatives were later invited to offsite meetings to draw up the rich picture and CATWOE statement using SSM tools. This laid down an all-staff problem map for company strategic planning, then minority shareholder managers were invited to attend unstructured qualitative interviews informing computer-based semantic content analysis of the interwoven relationship and interactions identified in the first intervention. A set of constructs and associated operationalised variables were captured from collected data.

The second intervention was the divestment to create five business units using the outputs from SSM tools in the form of rich pictures, CATWOE, brainstorming sessions on learning organisation frameworks and interviews with subsequent validation. The provision of caution money secured staff against future threats. After six months a focus group evaluated the performance of the new business units. Staff representatives discussed constructs developed from the earlier qualitative interviews to finalise a set of operational variables. Hypotheses were developed for a later whole-factory survey, the results of which were analysed using partial least square regression to identify the

principal components in the correlation of Chinese community relation, learning organisation and strong corporate performance.

5.1 Discussions and Reflections for Proactive *Guanxi* Establishment

One-way communication in a conventional classroom setup only provides participants with the highlights of the key concepts of learning organisation. It is a functional transfer and my factory members may have had only low level retention of the transmitted message. In the two rounds of interventions in my factory restructure the same approach of constructivist message diffusion was taken, a natural corollary of the chosen research methodology aiming to facilitate the intensive examination of the message and raising questions of myself, the insider researcher, by my factory staff who are the subjects of the learning organisation.

In the first round of implementing learning organisation practices and frameworks, numerous discussions were held to explain the models, external case studies and concerns; it took three months for the messages to be diffused. Formal 'town hall' meetings were held and at the same time the factory members were encouraged to discuss the issues within their peer groups out of hours. All were welcome to approach management team members to convene ad hoc meetings to clarify issues. Many reflection sessions were run to ensure a common and shared mental model in terms of findings about the learning organisation implementation.

The inception and execution of the divestment employed a similar approach. All searches for new ventures were discussed with key representatives at the factory. Staff were reminded of the previous shared corporate vision that had been agreed during the first intervention.

The diffusion of teaching on learning organisation frameworks was rapid, using external case studies and group exercises. Chinese community relationships between the Kunshan staff resulted in a high level of commitment and response to the implementation of a learning organisation through this type of action-based learning, furthermore the open attitude of the management team promoted this rapid diffusion of learning organisation routines into the workforce.

5.2 Business Ethics Complements *Guanxi*

In this section, 'business feel' is explored as a means of corporate leadership development. Using this technique corporate management may solicit staff support, strengthening an organisation's business ethics. As an example, although *the my*

Kunshan factory was new the established team's collaboration and customers succeeded in driving the business to accumulate substantial retained earnings in its first year, so the company savings far exceeded its budget. Again an outcome of 'business feel', a generous financial package for all staff members was perceived to be likely to alleviate their concerns during the phase of company restructuring and the search for new ventures, thanks to the management team's compassion for all members' concerns and caution money paved the way for a strong business ethics in the factory. In particular, the choice of Singapore as the location for the caution money was something that was approved by all factory workers due to its financial system's maturity.

Caution money is an instance of societal affection and reciprocity in *guanxi*. My staff members recognised my sincerity in serving them a favour to allay their concerns in establishing the new ventures. Subsequently, the swift mobilisation to new physical locations and new industries was easily achieved, since the staff wished to repay the favour. The Chinese community relationships in the *Kunshan* factory achieved the swift acceptance of caution money as a security for all staff and as a result stronger bonds were observed between all factory staff across the five business units.

5.3 Action Learning Moulding Social Constructs

The output of the first intervention was a literal interpretation of the *guanxi* characteristics reported in the literature review, whereas the Leximancer output (Figure 4.3) featured multiple themes on keywords such as knowledge, learning, business foresight, company, team, people, process, operation, staff, employee and relationships. This influences the selection of the first intervention's construct variables, focused intensively on communication, customers, engagement and problem-solving. However, these are mere case studies and do not reflect the deep-down situation in Chinese community relationships, learning organisations and business foresight.

In addition, the first set of construct variables came from just six managers and so the focus group meeting raised many issues when generating the next set. It classified the variables into sets for the learning organisation and sets for Chinese community relationships. The focus group represented all factory members and they aggregated all information towards the next improvement.

Another observation is how the task orientation of first intervention's construct shifts towards an organisational orientation in the second action's construct. Company members regarded learning organisation routines as a type of business process, so the six key managers gave their viewpoints a process focus. In the execution of the second

intervention, the staff community undertook a group reflection to discover the new dimensions in Chinese community relationships and learning organisations.

The first action construct is the output from the six managers' qualitative interviews. This was a group reflection of my learning organisation's technical training and its syndication with SSM's rich pictures. In my teaching, the paradigm of Chinese community relationships was repeated many times, and some company members felt that proficiency in interpersonal communication would be critical to success and thus expected a high level of maturity. In fact, learning organisation practice focuses on having a shared mental model for conflict resolution in order to boost the capability for problem solving; the goal is to establish the business' ability to search for new opportunities to secure deep customer engagement and discovery. Ultimately, the whole company will have a strong shared vision and retained knowledge.

But these constructs were not yet tested, and the divestment and spin-offs served as a timely platform to trial them. Family interactions and interpersonal relationships fine-tuned those constructs into two groups. All staff members committed to this change process and refined the first action constructs into 'Personal recommendation' and 'Cross-boundary relationships' in place of Chinese community relationships. The other three constructs were 'Outside-in corporate mentality', 'Risk foresight' and 'Team-shared quick vision'. Some practical considerations are embedded. External advice, or outside-in, is considered good practice in a learning organisation. Risk scouting is easier and may have greater strategic value. Finally, a prompt response to the shared vision is desirable in daily practice. This demonstrates that all implemented learning organisational frameworks must experience actual practice, experience sharing and actions in order to prove their viability. This discovery shows that sufficient time must be allowed for company members to chat and reflect on corporate actions that influence their career and future well-being. Long-term trust and credit, or *xinyong* in *guanxi*, develops after this process.

5.4 Acculturation in *Guanxi*

Learning organisation operation demands the constant convergence of staff's conscious attention and subconscious behaviour such that a shared mental model and shared vision persist. The system thinking attribute in learning organisation indicates a need for constant reinforcement of team learning and associated mind sets. Chinese community relationships focus on people relationships and the emotional elements come from family and friends to induce an individual to lend preference to the community's interests. Likewise, Chinese heritage and ethnic artefacts acculturate

existing community members in alignment to the community's shared goal. This discovery is noted when the learning organisation framework was introduced in first action and 'town hall' meetings, numerous brainstorming session and off-site SSM workshops intensified this acculturation in the Kunshan factory. The promotion of founding managers to minority shareholders and the provision of caution money steered the acculturation towards a progressive attitude in scouting new venture for high company growth.

A simple implementation of a learning organisation will leave personal feelings and preferences aside and will emphasise the rationality to push through this management exercise. The family-based factory structure created an environment for company members to interact in a fearless way. Senior staff served as guides, instead of overseer, for their subordinates. Acculturation binds Chinese community members towards family values and forming clusters of *guanxi* in my factory.

5.5 Foresight

Business foresight is not the objective of this research, yet it is a desirable trait to acquire in the interests of seeking high growth opportunities to transform the Kunshan factory sustainably. Its innate attributes are very like those of a learning organisation, namely an informal community and people network, a shared viewpoint and information collection for team learning and corporate culture. The similarity between foresight capability and learning organisation creates an opportunity for *guanxi* to succeed in a cost effective manner.

The mediating effect of Chinese community relationships swiftly diffused the learning organisation framework through my factory workforce. Likewise, owing to the simple structures of both a learning organisation and business foresight, leaders and workers seamlessly adopted the latter and planned searching opportunities on their own initiative. The practice of shared vision, shared mental model and systems thinking, common to both learning organisation practice and business foresight, meant that a steep learning curve was designed so staff would quickly learn to anticipate opportunities to exploit and deliver enhanced performance in a short space of time. Throughout the factory workforce it was evident that a variety of external opportunities was sourced on a weekly basis for the extended management team to evaluate critically.

5.6 Interpretations from the Internal Survey

The questionnaire comprising the internal survey was based on the DLOQ of Marsick and Watkins (2003, pp. 137-140), as mentioned in section 4.1. This was developed a decade ago to explore what organisational dimensions are influenced by learning organisation frameworks and which play a dominant role. Nevertheless, every single survey construct and associated operational variable was thoroughly discussed with staff at the end of each of the two interventions to seek agreement before moving on, in an example of a learning organisation's shared vision, mental model and team learning. The family-based factory staff structure intensified the message of learning organisation models received from me, the insider researcher, passing it along to all staff members through internal community activity, in line with their usual Chinese community relationships.

The small sample size of 150 factory workers involved a risk of bias in the results of the statistical regression undertaken with the survey data, therefore partial least square was employed to establish which constructs are important.

5.6.1 Correlation of five refined factors

Correlation of the data revealed the relationships between pairs of construct variables, in terms of behavioural patterns. While all construct variables' means and median were found to be high, the small sample size might have led to a high degree of co-linearity across variables and a close examination of variable correlations was undertaken to provide insight into the sample's inference bias.

'Risk foresight' is a term that expresses how well a company team prepares for adverse conditions and is 27 per cent positively correlated with the attribute of 'Cross-boundary relationship', signifying that the more a staff member discusses project uncertainty with external parties, the greater the extent of risk reduction, since external viewpoints mediate internal short-sightedness. This variable is negatively correlated with 'Outside-in corporate mentality' and 'Team-shared quick vision', indicating that employing external advisers and engaging in better teamwork reduces the need for risk mitigation.

Interestingly, the variable termed 'Cross-boundary relationships' was found to be negatively correlated with 'Personal recommendation' and 'New business growth'. This means that market competition had led to staff being unwilling to share problems with external parties, in order to avoid keen competitors either copying the company's ideas or monitoring its behaviour.

5.6.2 Identification of two influential factors

In conventional statistical inference, principal component analysis (PCA) and confirmatory factor analysis (CFA) share the goal of establishing the dominant construct variables with the most influence on the dependent variables. Both focus exclusively on scenario simulations' independent variables, however, partial least square (PLS) goes an extra step to measure the variance of influence on the dependent variable and was employed in this analysis to identify the most influential factors.

Regarding the least influential factors, analysis revealed that the variable of 'Cross-border relationships' showed the lowest coefficient of correlation against 'New business growth'. This may be interpreted as indicating that connections to external *guanxi* are unlikely to lead to high business performance. In the case of competitive business environments such as Hong Kong and Shanghai, outside competitors may well be informed of the company's weakness by informal personal connections. Similarly uninfluential, the variable of 'Risk foresight' represents a risk averse attitude in staff, hampering an adventurous attitude in scouting for new business that, in turn, serves to reduce profitability. Moreover, the factor 'Team-shared quick vision' points to the ability of fast collaboration among the company staff in coping with new challenges and business opportunities. Sometimes, due consideration needs to be given to digesting business insight, therefore the finding of a low contributing coefficient for these factors had been expected.

By contrast, the 'Personal recommendation' and 'Outside-in corporate mentality' variables are the two determinants of success. This is a common sense finding; recommendation is a key attribute of Chinese community relationships, as when there is personal interest involved there is a strong incentive for internal staff and management to make further business recommendations so that both company and related personnel may capitalise on the new opportunities. Furthermore, 'Outside-in corporate mentality' is the equivalent of 'thinking out-of-the-box', a ground-breaking attitude adopted by company members to face new challenges with fewer resources yet achieve greater customer satisfaction.

To conclude, the factors of 'Personal recommendation' and 'Outside-in corporate mentality' had the highest PLS scoring, indicating that they are the two most influential factors of success.

5.7 Summary

The bricolage methodology is employed in this research to employ most feasible framework onto physical situation. SSM was utilised to explore the complex business scenarios. With the help of SSM's rich picture and CATWOE, the root issues of current commercial threats were laid down clearly before all factory members to solicit full factory participation. The corporate change programme known as the 'learning organisation' was adopted as a platform from which to scout for new opportunities for high growth in the currently buoyant consumer market in China.

Comments and suggestions were collected through team leaders. The very first round of qualitative interviewing found a good reception for learning organisation knowledge, procedures and value statements. Numerous internal brainstorming sessions were undertaken to collect the reflections of all staff. On aggregate, a concern over their financial stability was communicated by factory members to management and triggered the establishment of caution money. This was recognised by staff as an act of ethical consideration. It involves a slightly different perspective on business ethics in the Chinese community compared to the western world. The common-law system of the western world (Bogus, 2003, pp. 100-120) positions monetary compensation as a primary means of rewarding all kinds of performance and is in contrast to this instance of Chinese affection through *guanxi*.

In this ethnographic walkthrough of Chinese community relationships, affection and family ties exert a substantial influence in company structures and processes. Self-interest is de-prioritised to settle confrontations swiftly.

Reciprocity begins with a physical exchange, but it evolves into a mutual compliment system. Supportive actions from company fellows are another kind of gift exchange to strengthen reciprocal relationships within the company. In the course of finding external growth opportunities, personal recommendation offered an equal change for all factory members to contribute to the company's expansion through their private networks. Their communal position becomes more highly ranked if their personal recommendation works out. However, all personal recommendations must be declared to the community to ensure a fair play among members. Furthermore, recommendations can encourage all factory members to participate deeply. Their contributing actions are rewarded with more knowledge, social connections and trust from fellow members. A state of quickly shared mentality is observed.

Chapter 6 Project Outcomes

6.1 Introduction

Chapter 5 performed a thematic analysis of project activities and findings along my journey of learning organisation implementation. The result is remarkable company performance resulting in multiple capital appreciation over the past 24 months. Only four founding members departed at the beginning of the project and the other 150 members of the workforce remain. The Chinese community relationships among factory members encouraged dedication both to the company and the staff community. The communal emotional support bound all members to go through with the divestment operation. Family orientation was observed among the factory members when they contributed their private resources, such as alumni networks and other private channels, to scout for external opportunities in the interest of fast company growth. Below is a list of project outcomes showing the augmenting effect of *guanxi* in learning organisation implementation, leading to greatly enhanced company performance.

6.2 Core Findings

6.2.1 360-degree dialogue

The 360-degree dialogue among Chinese community members was the key to realising the amplification power of *guanxi* in a corporate change programme. Learning organisation practice originated in a group wish to pursue corporate visions holistically. It was undesirable to have 'silos' of mental attitudes among the organisation's members. One characteristic of Chinese community relationships is an emphasis on frequent communication, manifested through intensive group activities in both the workplace and private life. Gradually, trust was established through the Chinese community's activities and behavioural variation was harmonised through the community's value system. Individual members were well informed of the community mission and vision, and confidence grew throughout the group. This was a reflection of *guanxi*'s community emotional support.

6.2.2 Group-level exchange of favours

Exchanges of favours at group level were an inevitable tool to boost trust in the management team. This was witnessed in the growing confidence of all factory members in the management team when it was decided to establish a cash pool to

protect all staff from business uncertainty. A congruence in mentality and determination was observed among all factory members to undertake the divestment journey and to establish the five different business units. Strong team commitment made this company transformation a success. A shared corporate goal of all the company's members mitigated disputes and confrontation during the re-structuring.

6.2.3 Action learning

Action learning helped Chinese community members to refine all prescribed social norms and constructs to identify the true operationalised variables. The initial set of constructs defined in the first round of action was heavily modified and adjusted to evolve the latest operationalised variables. The divestment exercise and the execution of learning organisation practices enlightened all company members and established the true social constructs describing the relationship between Chinese community relationships, learning organisation practice and corporate performance. Action was the area in which to experiment and to evaluate prescribed constructs so that field-proven constructs were defined.

6.2.4 Acculturation

Acculturation is a core process in *guanxi*. It harmonised the value systems of individual members towards a common vision throughout the Chinese community. All active community members were steered towards the community's vision, mission and values. Therefore, personal culture was mitigated in the course of acculturation.

6.2.5 Community-prompted foresight capability

Business foresight capability was prompted through strong community relationships. The strongly bound community members advocated that individual members should prioritise the community's future over individual interests. Individuals scouted for external opportunities and risks for the sake of the Chinese community.

6.2.6 Personal recommendation

Personal recommendation is a manifestation of *guanxi*'s social 'face', such that individual members receive greater respect from other community members. The mechanism of reciprocity is reinforced through the preference for personal recommendation.

6.2.7 Outside-in mentality

An outside-in mentality comes from the functioning of the learning organisation, in that Chinese community members made valued contributions. This encouraged innovation and an exploration mentality in members, looking out for changes and expansion opportunities for both individuals and the community.

6.3 Summary

On the journey of learning organisation implementation, the augmented effect of Chinese community relationships (*guanxi*) was realised through 360-degree dialogue, group-level exchanges of favours, action learning, acculturation, community-prompted foresight capability, personal recommendations and an outside-in mentality. These key findings are not found in the normal course of team building. The Chinese community acted as a continually self-learning organism to enforce a harmonised vision and mission among community members. A management team can maintain a team of committed and forward-looking staff members if it understands the dynamics of Chinese community relationships (*guanxi*). Furthermore, these *guanxi* behaviours can be institutionalised through learning organisation practice.

Chapter 7 Contribution to Literature

Bedford (2011, pp. 150-153) connects *guanxi* with personal benefit exploitation solely for social and financial goals. It is positioned as an individual attempt to manipulate non-substitutable resources for the sake of unethical aims. This casts a shadow over *guanxi*, equivalent to corruption and bribery. However, *guanxi* is structurally a kind of interpersonal connection encompassing trust and obligation. Exchange of major favours in 'backdoor' *guanxi* accrues an implicit obligation on the part of *guanxi*-bounded parties to influence their business actions and commercial decisions in favour of the preferred partners. This involves the exchange of power or status for financial and other personal benefit. The ultimate goal is for a *guanxi* party to access scarce resources in the commercial landscape. Stakeholders, having exclusive control over non-substitutable resources, are the targets in *guanxi*.

Guanxi has so far been positioned as a social psychology topic. It is studied as ethics and corporate governance in that there is generally exploitation of agents and principals. Unfavourable branding of *guanxi* features in both commercial publications and academic research, yet no thorough investigation from the individual to the group level has been undertaken. Most studies take *guanxi* as a small group behaviour aiming to monopolise capital activities in business, and disregard any exploration of the properties of group dynamics and team building in *guanxi*.

Family orientation and social affection in *guanxi* provides a strong ability of acculturation in *guanxi*. This facilitates comprehensive personal communication among members, which alleviates the conventional conflict between management and front-line staff. Existing members are steered towards the concurred central theme of Chinese community and newcomers are guided to adopting its prevailing norms. A high degree of informal social activities provides a positive environment for action learning, supporting the development of a shared vision and shared mental model. Personal recommendation reinforces social face and glory as a community commitment by members.

A learning organisation is perceived to harmonise goals among corporate members. Many ice-breaking activities are undertaken to align individuals with corporate goals and a certain relationship is assumed in the community in concern. Individualism is reckoned as a common factor of resistance, reducing the effectiveness of learning organisations.

The mediating effect of *guanxi*, or Chinese community relationship, enhances community member engagement. The extension of family relations in a Chinese community provides a warmth to all members to boost their level of affection for the organisation and increase their 'stickiness'. Chinese community relationships raise the competence level of learning organisation through shared mental models and visions to a higher level of business foresight capability.

This discovery of the mediating effect of Chinese community relationship, or *guanxi*, on organisational change management is critical. Learning organisation practice is a particular of corporate change programme where a structural framework is adopted. Nevertheless, the key driver is the stakeholders of the learning organisation. This includes management, consultants, staff, customers, suppliers, government and environmental activists. A low level of trust is commonly observed in implementing a learning organisation, and Chinese community relationship breaks through social constraints swiftly to form a trust network. Technically speaking, *guanxi* is not difficult to mimic in any non-Chinese community; it is a family orientation, a reciprocity of favour exchanges and fidelity credit to increase community cohesion. A high frequency of activities is always good for community 'stickiness'.

This insider research lays the groundwork for family-oriented business community development aimed at fast revenue growth. A learning organisation is a platform consistently to align individual minds on a structural basis. A process of acculturation always steers the shared vision. Further, personal recommendation is a good tool to enhance community 'stickiness' through establishing social 'face' and glory.

Western corporations can adopt a family culture for their management structure to develop 'sticky' interpersonal relationships. An outside-in mentality is advocated in learning organisation practice to let all community members constantly benchmark the external competition. This can both stimulate a high degree of business innovation and alleviate any decline in existing knowledge in the Chinese community. Ultimately, a high trust community trust is attained if favours are exchanged in public, such as the caution money for the Kunshan factory.

Chapter 8 Conclusion, Limitations and Further Research

8.1 Introduction

The anticipated outcome of this research was to develop a pragmatic business performance framework involving Chinese community relationships (*guanxi*) and learning organisation practices. Foresight capability is a key measure in this business performance framework and is believed to be akin to possessing a shared mental model and vision. This chapter comprises concluding remarks on the findings of project activities in Chapter 4 and the thematic project analysis in Chapter 5. The limitations of this research are detailed for the next round of research to consider.

8.2 Concluding Remarks

Learning organisation practice is dynamic in nature, and research was observed to be the appropriate method to use for the Chinese community relationships' rapid diffusion of learning organisation ideas. *Guanxi* operates as part of staff members' daily lives and the initiative of open dialogue taken by the management team motivated all staff to show a high level of *guanxi* compassion to factory concerns. This facilitated a greater commitment and engagement by all staff in the company's divestment; the pre- and post-divestment discussions exerted a deterministic influence, supported by the family-based factory organisation, on the adoption of learning organisation routines. Under the auspices of business ethics considerations, caution money was deployed as a pragmatic, tangible means of strengthening the ties with staff and providing security against market volatility and redeployment in new ventures beyond Kunshan.

This study has confirmed statistically that the factor of 'Outside-in corporate mentality' is a critical factor for a learning organisation, and that the factor of 'Personal recommendation' is the core motivator of Chinese community relationships, promoting rapid diffusion of corporate exercises such as a learning organisation. Together, they raise corporate business performance by means of creating an enhanced capacity for business foresight. These two dominant constructs are reflections of my fellow factory members and their experiential learning during two action cycles. The overall preference of factory members for the thinking-out-of-the-box corporate mind set is firmly rooted in the identified capacity for business foresight, meaning that external challenges stimulate new ideas to re-energise a lacklustre current situation. Chinese

community relationships originate in family ties and friendship, and reciprocity is a unique characteristic and yields behavioural consequences by using personal recommendations to bind a community together, exchanging favours and building credit that can be passed to the next generation.

Foresight capability is an outcome of team learning and the wider learning organisation; individuals share their insights and ideas. The orchestrated exercises and the self-organised activities that are involved in this environment serve as a platform on which to evaluate new venture opportunities critically. Continual reflection on potential new ventures was beneficial to the company by embracing lessons already learnt, and the post-activity debriefings established a communication channel for staff to share their views and thus to refine the shared vision and mental model.

The bricolage methodology is adopted owing to the nature of insider research. This can cater for the fast pace in company reorganisation and the ethical requirement in insider research. Repeated action is an iterative approach to uncovering social issues and this type of experiential work succeeds through constructivist interaction across domains. Two-way communication and discussion is the key to this research methodology. Conditions in the current market in China were likely to result in poor performance of participation in conventional repeated actions, so its variant, SSM, was used to identify the problem areas and single out the root causes to be remedied. Communication structurally activates a stronger engagement in Chinese community relationship. Concrete financial support, such as caution money, further boosts the trust of stakeholders. At the same time, a higher level of shared vision and mental models can be achieved. Autonomous scouting of new ventures and opportunities is another outcome of the learning organisation framework.

The most common reason for the failure of change programmes is corporate culture, and people frequently use this as a universal excuse for their poor team performance. Nonetheless, human nature is undermined by the failure to transform and rationality conquers over simple, straightforward corporate acts such as introducing a learning organisation, underestimating the success factors inherent in an ethnic value system with community group thinking.

Acculturation is the tool to address this failure. It is a subtle process commonly found in Chinese communities where members are in alignment, with a shared goal and mentality. This ethnic acculturation process benefited the diffusion and adoption of learning organisation framework in my factory, simultaneously facilitating the operation

of both the learning organisation and business foresight, and the aggregate effect was to heighten the ability of every member to identify new opportunities.

The critical outcome of this research is the discovery that Chinese community relationships (*guanxi*) exert a direct and mediating effect on the efficacy of corporate development programmes such as learning organisations. Conventional team building and knowledge sharing sessions attempt to harmonise people's preferences through structural workouts. Those are cognitive processes, making an outside-in attempt to mould people's internal value systems. A substantial maintenance effort is involved. *Guanxi* is inherent in Chinese communities in mainland China and some overseas settlements. It is equitable in nature and social relationships are developed (Chen and Chen, 2004, p. 308). *Guanxi* characteristics (affection, reciprocity and trustworthiness) build up a comfort zone within which members stay and strive. Disputes and confrontation are mitigated through community ties. A shared mental orientation is observed in Chinese community and the prioritisation of community sustainability drives members to align their value systems to corporate visions and missions, in case of adverse situations.

A successful learning organisation functions as a single human being (Gavin, 1993, p. 79-81) to detect external and internal risks; to develop a collective capability to cope with unanticipated market challenge; and to achieve a high management maturity. This high level of unity among community members is effective if the root cause is addressed. *Guanxi's* affection acculturates community members continually. This is a manifestation of social learning to develop a distinguished identity among community members and external parties so that 'face', or social glory, is attained. Member preference in a Chinese community is a social behaviour to reinforce the invisible boundaries of a community's shared interests. Personal recommendation promotes individual members in the community, and it is well recognised as a significant success factor, being identified in the internal survey. The factor of 'outside-in corporate mentality' cultivates a scouting awareness for external opportunities and threats within the Chinese community in the interests of business foresight capability, which is a key objective in a learning organisation. This is constructed through private and public contacts of community members beyond the company.

In short, Chinese community relationships (*guanxi*) mediate the convergence of individuals' values to evolve a rapidly shared mental model. Affection motivates trust among members for a swift response. Reciprocity gives a fair and equitable protocol. Credit and trustworthiness prevail and develop in the *guanxi* network. This inside-out

change effectuates a quick diffusion and bonded adoption of learning organisation operation in a Chinese community.

8.3 Limitations

This research was mainly undertaken in the Kunshan factory. 'Town hall' meetings are not usual in the western business world, and it is not common to form a new company based on the commitment of 10 families. Much western management theory, such as the segregation of duty and a hierarchy of authority, could not be applied. Indeed, a family-based factory personnel seems alien to the western world. While its closeness, especially in the management framework, is somewhat akin to the Japanese context, in corporations and multinational companies it is both time consuming and tedious to mimic a family structure. This unique context makes the completed study interesting, but it means the results are difficult to extend empirically.

The internal survey used convenience sampling and the entire population was only 150, so is considered small. Consequently, there is a degree of co-linearity in five constructs and associated operationalised variables.

Although computer-based content analysis is used to dissect transcripts of qualitative interviews in the first intervention and the focus group in the second intervention, the outputs are based on syntactic and literal meanings. Furthermore, the original transcripts are in Chinese, not English, and there is a possibility that there may be errors in the translation. If there is sufficient time, perhaps another year, hermeneutics may perhaps be employed to clarify this issue.

Bedford (2011, pp. 150-153) portrays *guanxi* as a threat in the workplace. It is claimed to be the motivator for 'backdoor' relationships behind all kinds of corruption and scandal. Chan et al. (2002, pp. 329-331) observe an intrinsic relationship between *guanxi* and workplace morals that cannot be settled by simple disclosure. The perception of business ethics in Chinese appears different from that in the western world, and this was observed when the factory established caution money to protect staff against instability resulting from the company's divestment and restructuring. The offering of financial assets seems to be an act of building a trust expectation in a reciprocal relationship. The mobilisation of the whole workforce is a safeguard against some individuals acting in private interests. This has the effect of communal disclosure and generates an equitable and ethical action regarding the caution money. Owing to time constraints, the function of business ethics in *guanxi* cannot be fully explored.

8.4 Next Research Opportunity

In a subsequent cycle of this research a third intervention could be undertaken to prove the contribution of personal recommendation and outside-in corporate mentality across all five business units. Personal recommendation is an explicit means of exchanging favours and a specific physical asset could be recommended in order to assess the circles of influence. The outside-in corporate mentality could be evaluated by monitoring new product development and the numbers of patent applications.

This research may also be applied to my corporate partner from Taiwanese Kwang Lung. The company has 5000 workers and managers in its China factories, and applying the research would serve to evaluate the framework introduced in this study.

If resources allow, an empirical study will be planned to observe the functioning of business ethics in the Chinese community to identify key factors that steer *guanxi* relationships in a generative direction. Longitudinal study is recommended to fine-tune the study's constructs through further rounds of actions. While the number of quantitative samples is only 150, the use of partial least squares analysis compensated for the sample's shortcoming in the form of independent variable co-linearity, identifying critical components through regression analysis.

Corporate governance is another interesting area to exploit regarding the infiltration of Chinese community relationship in companies originated from China and East Asia. There are substantial literatures proclaiming the principles of segregation of duty and avoidance of related party transaction. Independent directors are positioned as a monitoring stand over execution managers to alleviate the issue of agent-principal conflict. *Guanxi* provokes a family orientation in inter-staff relationship. Common interest is a priority item in Chinese management so as to achieve a shared vision and mental model. This facilitates company sustainability leading to the ability of learning, and then, achieving a strong business performance. A structural, empirical and exploratory study can be scheduled to investigate the influence of Chinese community relationship on corporate governance practice.

8.5 Summary

While the constructs and associated operationalised variables perceived in the first intervention are quite different from those in second, the process involved many rounds of discussions and open dialogue, and this developed the factory's Chinese community relationships rapidly. In turn, the swift diffusion of learning organisation teaching achieved is noteworthy. Business foresight was encouraged through heightening trust

between the ten founding families and the management team; offering minority shares to the leading managers enriched this mutual trust.

There is no signed contractual agreement between workers and management, and the outstanding trust, commitment and engagement of staff have been proved entirely through action.

The mediating role of Chinese community relationships (*guanxi*) in the introduction and operation of a learning organisation is significant in corporate management theory. Organisation development would be simpler if community relationships were incorporated into formal corporate strategy. A high degree of total staff participation could signify a degree of competence and sustainability in a corporation going through economic turmoil. Further, the capability for business foresight enables practising companies to survive.

Chapter 9 Reflection

At a personal level, this research provided a golden opportunity to trace real life business transformation and people motivation through the embedding of a learning organisation under the mediating influence of Chinese community relationships, or *guanxi*. After five Masters degrees – in financial engineering, information technology, accounting, knowledge management and technology management – the study represented a consolidation exercise that I felt was appropriate to mark the end of two decades in my career.

The success of the textile manufacturing company I bought in South China gave me an feeling, instinctively only, for how to achieve high growth through financial techniques and business strategy, but there were many personnel conflicts and internal quarrels in that factory. Then the time came for me to run my own enterprise and the sudden credit squeeze forced me, as one of the owners, to find a robust way to maintain that Kunshan factory.

The three founding directors, including myself, believed that a quest for high growth ventures would be the solution to the financial problems at the factory. It was amazing to be able to equip the Kunshan factory with 10 founding managers and their families. This cultivated an already fertile ground for the learning organisation to be planted into in order to grow large and fast. Trust and credit are valued in the Chinese community, thus the promotion of 10 founding managers and the provision of caution money in advance of the divestment and spin-off ventures proved a simple way to win a high level of confidence in my leadership among the internal Chinese community. Numerous reflections on company strategy and tactical plan guided factory members towards group thinking, in turn generating a shared mental model, a shared vision and team learning.

At the corporate level, this research contributes mainly to two perspectives. The conversion of a single ageing textile printing factory into five diversified business units was not uneventful. The provision of caution money might help for a moment, yet it is the human ties and emotional ownership that guided all staff constantly to the shared goal of sustaining the Kunshan factory, on the one hand; and hoping quickly to generate huge profits, on the other. Most learning organisation frameworks suggest an action approach to enable individual members to express concerns in the interests of

addressing them swiftly. Nevertheless, I have observed a high failure rate in this kind of management exercise when working for multinational companies.

Notably, Chinese community relationships would seem to serve to facilitate the emotional motivation and preference acculturation subconsciously to mould the mentality of community members. My staff are primarily excited to have a shared vision and do not ask for upfront rewards. Instead, they are willing to take risks with the company in searching for new opportunities and they show commitment to change and challenge. A side benefit of this influence from the Chinese community relationships is a mature learning organisation framework in my five business units, with each company member well versed in foresight techniques to judge new opportunities. Company-wide reflection is a tool both to equalise divergent thinking and to harmonise a shared vision. Dogmatic knowledge transfer is useless; constructivist action learning gives participants the confidence to learn and strive. The contribution of business feel theory in *guanxi* development is evident in staff's quick appreciation of the provision of caution money and the honour of personal recommendation, both examples of favour exchange.

Although executives normally excuse failure in management change as being due to the prevailing corporate culture, practitioners of industry will find this success difficult to mimic, especially the family-based structure; ironically, culture is by-product of human behaviour and social preference. The preferred tool to diffuse change programmes and to implement the swift adoption of related framework is the constructivist approach, performed collectively. Chinese society is collective by nature, and characterised as high context – the value of a single word is not vital, as meaning is reached collaboratively. Collaboration is a common platform for a Chinese community's member to discuss, make decisions, act and monitor.

In conventional management, an individualistic framework is assumed to stimulate critical thinking. However, this has been found in this study potentially to slow down the understanding, embrace, diffusion, adaptation and overall implementation of a learning organisation framework. Consequently, the capacity for business foresight remains undeveloped. By contrast, Chinese community relationships have reciprocity as a catalyst: trust and recognition are elevated and affection for family expands to encompass the company. This is realised through an intrinsic acculturation process, and the experiential and action learning are beneficial to those of my factory staff who are ready for change. Nevertheless, the trust culture gives rise to some issues. Many friends of mine criticise the provision of RMB 4 million caution money for all factory members being controversial.

A final conclusion is that this study of embedding a learning organisation has only grazed the human emotions that are involved. If a similar research study is undertaken in future, it should make use of corporate games. In this way, staff would be empowered to explore various scenarios on more than the single occasion possible in the current study, and two rounds of questionnaires should be deployed to measure the shift in opinions quantitatively. This unanticipated discovery of Chinese community relationship (*guanxi*) on learning organisation development could stimulate a new approach to Chinese management theory.

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Appendixes

Appendix 1 – Timeline Approved by Project Approval Panel, September, 2012

Section No.	Items	Resources	Participants	Months from PAP approval (September 2012)
Stage 1	Learning organisation education	Extant literature	Daniel Ng and my 150 factory staff	1 st – 3 rd (3 months)
Stage 2	Phenomenological in-depth interview	Off-site facility	Daniel Ng and 10 factory managers	4 th – 7 th (4 months)
Delivery and Portfolio Reporting				Reflection. Report on education and In-depth interviews
Stage 3	Transcription	10 in-depth interview records	Daniel Ng	8 th – 10 th (3 months)
Stage Delivery and Portfolio Reporting				10 interview scripts
Stage 4	Review and Reflection	10 interview scripts	Daniel Ng and 10 team leaders	11 st – 12 th (2 months)
Stage 5	Hermeneutics	10 interview scripts	Daniel Ng	13 th – 17 th (4 months)
Delivery and Portfolio Reporting				Conceptual framework
Stage 6	Reconciliation of conceptual model	Conceptual Framework	Daniel Ng and 10 team leaders	18 th – 19 th (2 months)
Stage 7	All factory validation for triangulation and full implementation	Conceptual Framework, performance metrics	Daniel Ng, 150 factory staff in 10 groups	20 th – 24 th (5 months)
End of DProf Project and Plan for viva (October 2014)				

Appendix 2 – Learning Organisation Initiation (English and Chinese)

2.1 Taking Employees into a Learning Organisation

The original concept of the learning organisation came from MIT's Professor Forrester and in 1977 his 'double-loop learning organisation' article was published in *Harvard Business Review*. Primarily, a learning organisation is about the concept of change. It introduces the concept that 'attitude is everything' into everyone's demeanor to guide their thinking. A learning organisation is a method of inspecting team standards, putting them into own thinking and emancipating our mindsets. It emphasises learning, and acceptance of this kind of indoctrination with a positive state of mind. It is a culture to improve learning ability, with an emphasis on the perception and the ability to seize and explore uncharted territory, stimulating innovation and efficiency. In addition, a learning organisation is a premise to undertake essential or unqualified work to pave a foundation for higher goals, and core practice is innovative through mastery of basic skills.

The development plan is to create a learning organisation through everyone working together to a timeframe whereby self-initiative is a kind of enforcement in the programme. Another element in engaging a learning organisation is the ability to sum up; the chairman of Legend Holdings is on record as saying that Lenovo people are good at summing up, not just summarising. Summing up is more, guiding future work by laying down the foundations. After adopting this attitude, the whole company can fearlessly face setbacks and difficulties, persevering and winning a pragmatic and efficient way to solve the problems.

The last perspective is benchmarking. This provides a ruler to measure the performance of the corporation in the course of acquiring the learning organisation paradigm. When the company achieves or surpasses a pre-defined benchmark, company members may then seek a broader space to strive for higher goals through more information and more knowledge, so as to enrich all company members. Hence, innovation is applied to daily work through the learning organisation management philosophy.

员工如何融入学习型组织

学习型组织最初的构想源于美国麻省理工大学。而最早提出组织学习概念的是美国 1977 年《哈佛商业评论》上发表《组织的双环学习》一文，首次提出并初步定义了‘组织学习’的概念，《组织学习;一种行动透视理论》。

一、 观念的转变

我认为学习型组织作为一种先进的管理模式，它的创建首先是一个观念的转变问题‘态度决定一切’从每个人的言行举止中可以反映出他的思想，学习型组织作为一种理念，一种检验团队的标准，把它融入到自己的思想与工作中去，解放思想、开动机器。学习型组织所强调的学习，并不是通常我们在学习所接受的那种灌输式的学习，是自己以一种积极地心态主动去学习，‘谦受益，满招损’，我们首先得有一个谦虚的态度，才能在日常工作中、生活中、团队中去发现新事物、新知识，这其实也是培养与提高自己的学习能力（也可以说是技能）‘工作中学习，学习中工作’，学习型组织的学习讲究的是感悟，是主动的去攫取，去开拓未知的领域，打到创新，以提高效率创作更多的利益。

二、 融入学习型组织的基点

融入学习型组织的前提，我认为首先是做好自己的本质工作，胜任自己的本职岗位，这样才有去追求更高目标的基础。学习型组织的核心是创新，如果你连基本的技能都没有掌握，都不能做好，谈何创新？

三、 制定计划

每个人针对如何融入到学习型组织的创建中去，都应该根据自己的时间情况，目前自己所达到的阶段，制定一个切合实际，对自己来说具备可执行性的学习计划。这个计划可以放在心里作为一种潜在的目标，也可以写下来每日三省，有了计划后坚持不懈的去执行与实现。

四、 善于总结

原联想控股有限公司董事长柳传志有句名言：‘要想着打，不能蒙着打。’这句话的意思是说，要善于总结，善于思考，不能光干不总结。联想人善于总结，不仅总结‘联想是什么’（指的是过去做的工作的取得的成功），而且总结‘联想为什么’（主要是总结出规律行的管理经验，用已指导以后的工作，为今后的发展打下基础），可以好不夸张的说，善于

总结是联想成功的真正秘诀。所以，'今天我做了什么，学到了什么'在每天的工作中我不断的问自己、不断的总结，从辛勤的劳动中去体现自身的价值。只有保持这种心态，我们才能毫不畏惧的去面对挫折与困难，才能持之以恒、才能务实高效的去解决出现的问题。充实自我、冲破瓶颈、超越自我，最终达到超越领先的境界。

四、 标杆学习

在学习中，光局限在自己的领域还是不行，这样到了一定程度以后就会停步不前。所以我们还得为自己找到一个标杆，一个学习与超越的标杆。'三人行必有我师'，首先从自己的身边，自己的团队里为自己找一个标杆，这样离你越近，更便于你近距离接触学习，更便于你发现与标杆的差距，进而检验自己的学习效果与进步提高的程度。当你赶上或超越你的标杆时，你将可以从更广阔的空间里去寻求更高目标，通过了解更多的信息和学习更多的知识来充实自己，为自己所用。这样，你就具备了创新的功能，当你的创新能应用到你的工作中的时候，这就是学习型组织管理理念在你的工作中的体现。

2.2 The Learning Organisation Focus on Learning And Practice

Building a learning organisation is a major strategic task of business development strategy, changing business ideas, and exploring the development of new tactics and business foresight.

First, the establishment of a learning organisation must blend business ideas with the theories of learning. It is an undertaking to create value for shareholders and is, moreover, a social responsibility. If the organisation does not focus on learning, development in learning organisation will cease. If the focus is solely on business, the learning organisation will deviate from its proper direction. It is important to create a learning team, vying for learning staff and enriching the inexhaustible source of knowledge through broadening operating horizons and carrying out innovative work.

Second, the establishment of a learning organisation must start with theoretical knowledge, then develop new products constantly to enrich and expand the learning content and broaden business ideas. Third, employees of leading cadres should be part of a core team in the learning organisation. The general theory of learning acts to guide thinking and innovation to improve learning outcomes. Fourth, management should strengthen the learning organisation through incentive mechanisms to combine learning and promoting learning, both institutionalised and standard. Fifth, a learning organisation must learn about both theory and its practical application. This potentially

enhances its ability to solve practical problems, and this is achieved in a steady and gradual fashion.

建立学习型组织要注重学习与实践相结合

建设学习型组织，是一项重大战略任务。必须以先进的理论，指导工作和学习，围绕行经营发展战略，转变经营思路，探寻发展新路，推进学习型组织的建设。

一、建立学习型组织，必须把理论学习与行的经营思想和经营结合。

在努力为股东创造价值的同时，也要承担自己肩负社会责任。如果组织不注重学习，发展就会迷失方向。如果只注重埋头抓业务，那么发展就会偏离正确的方向。努力创建学习型组织，打造学习型团队，争做学习型员工是我们带领广大员工圆满完成工作目标的深层动力，也是使我们不断丰富知识、开阔视野、创新工作的不竭源泉。只有建立学习型组织，才能最直接、最忠实地理解和执行党的路线方针和政策，才能在打造最具价值创造力的现代国有行中，为行的所有利益相关者提供最大的价值回报。

二、建立学习型组织，必须把学习理论知识与学习新业务、开发新产品结合起来，不断丰富和拓展学习内容，拓宽经营思路。

新时期，金融业的竞争已经到了白热化的地步，国际国内复杂的经济金融环境为我行的经营和发展提出了许多新的课题，行的发展面临着艰巨复杂的任务。在这种形势下，我们需要学习和掌握的东西非常很多。我们要抓住学习重点，注意拓展学习领域。要着眼提高理论素养，既要学习马克思主义中国化最新成果，努力掌握立场观点和方法，学习党的路线方针政策和国家法律法规，又要广泛学习现代化建设所需要的经济、政治、文化、科技、等各方面知识。要通过加强学习，提高分析问题和解决问题的本领。同时也要通过学习，增加政治敏锐性，增强发展机遇敏感性，提高风险防范警惕性，努力成为本领域本行业的行家里手。

三、建立学习型组织，必须把组织领导干部和广大员工进行理论学习与引导思考和创新结合起来，才能提高学习效果。

读书是学习，实践也是学习，而且是更重要的学习。因此，我们在创建学习型组织的过程中，必须正确认识几个方面的问题。一是学习的内容不再是单一的某项业务知识或业务技能，而是一种学习，是一种思维方式的再造循规蹈矩思想观念的更新。二是学习的形式不再是单纯的个人行为，而是一种集体协作、共同成长的学习。三是学习的功效是

潜在的、长期，而不是显而易见的。四是学习的目的是为了实行的整体利益和每个员工个人利益的最大限度的结合，通过全体员工系统的学习参与，把行建设成为尊重和肯定每个员工的个人价值、充满活力、效率快捷的工作场所，从而实现行的竞争能力和盈利良性循环。理论学习固然重要，但更重要的是通过思考和创新来达到一种新的境界，提高分析问题和解决问题的能力。使每个人学有所获、学有所得。不仅要爱学习、勤学习，而且要善于学习。要从自身实际出发，改进学习方法，下苦功学习，挤时间学习，以谦虚的态度和顽强的毅力学习，不断提高学习的效率和质量，避免形式主义。要养成边学习边思考的习惯，善于带着问题学习、结合实际工作学习，通过对问题的思考来深化对知识的理解。学习要重实效，注重结合行发展战略要求来进行，结合本单位经营发展目标 and 定位来进行，结合发展中的重点、难点、关键点来进行。既要向书本学习，又要向实践学习、向群众学习，要通过学习，查找和分析发展中的瓶颈，管理中的短板，不仅在总结成功经验中获得提高，而且在汲取失败的教训中获得进步。要通过学习，提出有切实依据的新观点、新认识，形成改进工作的新思路、新办法、新途径。

四. 建设学习型组织，必须把加强学习的组织管理与完善学习的激励机制结合起来，推进学习的制度化和规范化。

建设学习型组织，要建立一套符合实际、行之有效的学习制度。建立健全学习考勤、学习档案、学习通报等各项制度，努力使党员的学习形成长效机制。制定符合实际的学习计划，有针对性地确定学习内容，明确具体要求，保证时间、提高质量。要进一步探索完善各种学习形式，加强日常学习、脱产学习、短期集中培训以及组织大型报告等。要加强对学习过程的管理，强化督促检查和考核，把考核结果纳入党员干部综合评价体系和建设分行各级领导班子建设目标管理体系，作为考核领导班子和选拔任用领导干部的重要依据。

五、建设学习型组织，必须把理论学习与实际应用结合起来，提高解决实际问题的能力

建设学习型组织，无论是学习内容选择、还是载体建设、理念的培育，一定要注重实效。学习内容要精，要管用，只有紧贴党组织和党员的思想和工作实际，紧贴改革发展中的突出问题，才能防止和克服形式主义，才能使我们不断地获取新知识，创造新经验，不断增强自身建设的能力。要通过建设学习型党组织，逐步提高广大党员干部解决实际问题的能力、推动科学发展能力。在学习中，既要注重学习理论，不断加深立场、观点、方法的理解，努力掌握科学的思想方法，又要善于对学习、工作中遇到的一些具体问题进行分析解剖，从各个层面和角度分析问题产生的原因，找出解决问题的思路和方法，学会从改革发展稳定的大局出发观察和分析问题。

五、 要把循序渐进，必须逐步深化与注重实效结合起来。提高解决实际问题的能力。

‘三十辐共一毂，当其无有，车用之’。建立学习型组织不是一朝一夕的事情，也不是一蹴而就的事情，需要经过长期的、全方位的努力。要‘边学习、边创建、边提高’循序渐进，逐步深化。建设学习型组织，既不是做样子，也不是赶时髦，目的是推动工作，解决问题。因此。无论是学习内容选择、还是载体的构建、理念的培育，一定要坚持以人为本，注重实效的原则。只有紧贴组织和员工的思想和工作实际，紧贴本单位改革发展中的突出问题，才能防止和克服哗众取宠，搞形式主义等问题，才能使组织不断地获取新知识，创造新经验，不断增强自身建设的能力，不断地改善、修正行为或绩效。按照工作部署，结合本区域经济发展状况和机构布局情况，明确各基层的工作重点和服务特色，使各行在工作上各有特点，产品上各有优势，服务上相互补充，信息上相互沟通，形成了良好的积极向上的工作格局，为建立学习型组织，打造学习型团队，培育学习型员工创造了良好的条件和环境。我们相信，只要我们坚持不懈地加强学习型组织建设，管理方法、认真研究不同时期工作重点，我们就能不断把握新机会，创造新业绩，朝着‘更高、更快、更好’的目标。

Appendix 3 – Summary of Six Managers’ Interviews (English and Chinese)

Mention the qualitative interview too verbal, some local dialects are used. Though in verbal tapes, so, make a summary in Chinese, then translate into English

Qualitative interviews are conducted in Chinese. There is no pre-set question and we do the dialog in a hotel coffee shop. Each participant does their qualitative interview at a time. All recordings are in Chinese. Owing to language difference, it is better to do report for each qualitative interview. The English version is translated by the insider researcher.

When the company was formed in 2011 there were 10 managers to lead 150 workers. At the start of 2014, after two rounds of Beijing-driven credit squeeze, four managers left the company for better jobs outside and left only six managers. Replacements were recruited through the 10 family networks to maintain the workforce at 150, as of January 2014.

当成立于 2011 年的公司，有十经理带领 150 名工人。经过两回北京中央的信贷紧缩，过个人关系，四名经理在 2013 末期离开了公司，只有六个经理还在我集团公司工作和做访问。同事，通过 10 个家庭的关系，也找回四个新同事。我公司的总规模 2014 年 1 月还是 150。

3.1 Head of Operation

The aim of this project is to carry out an interview on the company’s latest measures. The name of the new exercise is a learning organisation. China’s government and common party run similar initiatives on learning organisations. Let me talk about the definition of learning organisation. A learning organisation can operate in any type of company, any kind of activity, any kind of process, any geographical location and in any time zone. It is about communication among the staff within a company, from top to bottom, from front-line staff to senior management. One particular aspect of a learning organisation is how to handle knowledge, manage knowledge, transfer knowledge and expand its scope to a higher level. Company members learn from each other, picking up skills to cope with uncertainty and new challenges.

A learning organisation is different from a formal school, university or training institute. It resembles the structure of military units. When troops are sent to other places to handle crises or go to war with enemies, they face many situations they have not encountered before. The essence of a learning organisation is to strengthen the team of workers to face deleterious new situations and at the same time to build a stronger team spirit. When facing uncertainty, team members' experience complements the other's to break down new problems into their component parts. All previous experiences are consolidated into a structural database, or knowledge base, to enable the whole organisation to explore new arenas.

Further, the sharing of experience and insight tears down barriers between people. A taste of problem-solving success brings the whole company closer and the team works together more smoothly. A common phenomenon in companies is personnel conflict and demarcation disputes, and inter and intra-team quarrelling is common. Much working time is spent in conflict resolution. In a learning organisation the workers act as a family. People are full of consideration and will take others' interests as a team goal.

I spend most of my time in service industries and have gleaned experiences in both mainland China companies and foreign enterprises. In my experience there are many important competencies critical to modern companies. These are knowledge capability, including expertise in operations, personnel relationships, industry alliances and the contribution to the community and environment. The realisation of knowledge and competence is in the form of staff and management. This knowledge competence in people should grow hand in hand with the company, around the clock and in all instances. Lessons are learnt from both success and failure, and this accumulation of knowledge among team members becomes a variety of intangible asset to the company, both now and in the foreseeable future.

This knowledge competence in the organisation has a short life. It can last for few months to a maximum of two years. There must be a mechanism to rejuvenate the knowledge capability of companies systematically and periodically. According to the experience, a six-month refreshing cycle is optimal.

From my previous experience in other locations in south China, such as Shenzhen and Dong Guan, most company members are ordered to perform routine jobs. They follow standard working instructions and perform in strict compliance with pre-set orders. No opportunity is given for workers to reflect new ideas and experiences to the company as a whole, presenting to management or sharing with other company members. There is no team communication in these companies operating in Shenzhen and Dong Guan

and this working environment discourages company members, who tend to take a passive role. Most of them have the attitude whereby they swipe their employee attendance card on time but take a laid back approach to work, and their daily goal is going off duty. This type of corporate culture is popular in mainland China, and even Hong Kong, and the declining working morale is attracting the attention of both government officials and corporate owners. Productivity is plummeting.

Some experiences have been learnt from foreign enterprises are using corporate governance to cope with declining whole-company working morale. In mainland China there are special industry alliance groups formed unofficially to share the experiences of using corporate strategy and governance structure to develop enterprise-wide cross-learning. The core focus is on the acquisition of experience in both routine and special business events, including operational risk.

In mainland China there is a new belief that money alone is not able to make change, to sustain change or to promote workers to commit further. Money is not a good incentive to generate a better working morale, enterprise sharing and corporate learning. Conventionally, it takes as long as one generation to change. It is now 60 years after the formation of mainland China, so a change to business culture is due in order to rejuvenate international competitiveness.

The competitive landscape in mainland China is not currently restricted to local competition. It has multiple layers, such that China companies have to compete with local companies, foreign enterprises locally and competitors in overseas markets. The capability of corporate learning is believed to drive up the knowledge base in core competence to handle ad hoc but drastic threats.

Business transformation is a new demand in business terms; in Chinese culture we persist in thinking that China is still 'number one', stemming from the Qing Dynasty. We need to change to a more collaborative culture. China is now dominated by huge state-owned enterprises, and small to medium enterprises are struggling. Foreign companies, both overseas in US and Europe, and locally in mainland China, structurally practice corporate learning, team sharing and knowledge experience to handle drastic business operation and market capture.

In the 1970s, 1980s, and mid-1990s China was renowned for its low labour costs, but did not develop a learning organisation. Culture needs time to develop. Now, China has tremendous foreign reserves but the cost structure has changed significantly recently. The average worker in China is paid 3000 to 4000 RMB, much more than in the Philippines. That country has almost 100 million people but the culture is laid back and

has a short-term focus. There is no social or business aim among educated people and it is difficult to develop a sharing and collaborative culture. The high efficiency of China cannot be copied in the Philippines. Our high efficiency is from a legacy of hard work, on the one hand, and an inherited sharing attitude on the other. This implies that there is a gene for a learning organisation embedded in our Chinese culture. Besides, Chinese people have a tendency to look at total cost when doing business or corporate development, and this mentality is common in all facets of life in China. Lay Chinese workers all understand the principles behind facilitating a shared vision when working together in corporate or start-up businesses to identify competitive advantage through mutual learning. Chinese culture helps in the evolution of a learning organisation.

Regarding the latest changes in company operation process, the optimum strategy is to build cross-functional training teams. This is the best arrangement as both staff and external customers like it very much. Company members from training teams, product management, customer representatives, sales teams, the engineering department and financial analysts get together to train each other in their core competency, boosting each other from the perspective of the customers' interests, hoping to enrich each other's skills and competence to secure deals, and also to build up trust. Junior staff learn from senior staff, so they are confident they are trusted by customers. This is good example of cross-training and cross-learning. A smooth inter-staff relationship is seen in this internal cross-network. This gives every member a sense of belonging and warmth against future problems and threats. Customer representatives enjoy full confidence and trust in this family-like company culture.

It is a normal practice to set the company strategy, vision, missions and value statement at board level, or under the auspices of the management team. The recent interaction between front-line staff and management has stimulated a higher degree of communication and trust between workers and management. Furthermore, the problem-solving time is much shorter. A whole-company spirit gives a central focus, from juniors to seniors, to a single problem: how to solve a customer's issue quickly and promptly. Good examples are the recent quick conflict resolutions in outbound logistics and the technology development. The team knowledge is aggregated and accumulated to perform in-task preventive measures to detect, mitigate and solve issues. Mistakes cannot be totally avoided but the team spirit can limit the damage to a minimum. Less time is needed to put things right.

I think a transparent structure is required in the company's operation. More importantly, operational flexibility is enhanced by good interpersonal relationships. Consideration in terms of a 'gentle' format is a key finding of the corporation-wide team support.

Integrated issues enjoy the most benefit of a learning organisation as less time is needed to dissect an issue. Before, people have tended to use email to excuse themselves from their duties but now the corporate teamwork binds workers together, using a pragmatic and empathetic approach to handle either single problems or integrated issues. All matters in the whole company are brought to the group level with high transparency. Personal feeling is demoted so that all people are empathetic to the core problems’.

An interesting finding is the higher flexibility in operational tasks and other schedules. A high tolerance in handling conflicting tasks and longer schedules is recommended for good interpersonal relationships. Whole-company teams position the interests of the company as their focus. Demarcation disputes and personal confrontations are reduced.

A systematic development of corporate teamwork and a shared vision demonstrates a very positive image to key account customers. Nowadays, having many customers leads to a less profitable business, so many local companies and foreign enterprises aspire to having major accounts. They send customer representatives to work with all company members as good intra-company staff relationships can develop long-term ‘stickiness’ on customers, retaining their business. They will focus less on conducting arm’s length negotiations and more on strategic partnership.

The experience from this learning organisation initiative potentially lends a special competitive advantage to small companies to strive among larger companies. Further, the ‘stickiness’ of informal Chinese personal relationships gives extra flexibility to operations, task controls and customer engagement. High trust is noted on the customers’ part.

Recently, there have been many other factories around the company demonstrating high turnover, and the knowledge loss is serious. An idea from the internal team is to periodically report on progress – only key information is captured. Furthermore, informal reporting and team building may be arranged during lunch. This may reduce personnel conflicts and help to portray a consistent image before customers, in turn generating longer-term relationships.

The company competitiveness depends on considered training. External benchmarking is useful since this can measure how well the company is performing. Finally, competition is good for the company, since it can lead to advancement.

该项目的目标是做公司最新的新措施的采访。新练习的名字叫做学习型组织。在中国政府和普通聚会，有关于学习型组织类似的活动。让我谈谈学习型组织的定义。在学习型组织可以在任何类型的公司，任何一种活动，任何一种过程，任何不同的地理位置和任何时区的发生。这是有关通信中一个公司内的所有员工，从上到下，从前端的员工向高级管理层。学习型组织的一个方面是如何处理的知识，做知识管理，知识转移和扩大知识范围，更高的层次。公司成员相互学习拿起技能，以应付不确定性和新的挑战。

学习型组织是从正规学校，大学和培训机构不同。它类似于军事单位的结构。当部队被送往其他地方来处理危机或与敌人作战，他们正面临着之前没有遇到过很多事情。学习型组织的本质可牛了工人面对一方面严重的新形势下的团队；和，另一方面建立一个较高的团队合作精神。面对不确定性，团队成员的经验可以互相补充，打破所有的新问题成碎片。所有以前的经验是合并成一个结构数据库，或知识基础，使整个组织开拓新的业务领域。

此外，经验和洞察力共享推倒人与人之间的墙壁。良好的解决问题的成功的一个味道带给整个公司紧密，整个团队一起工作更加顺畅。在企业普遍的现象是满人的冲突和草率的战争。国米和团队内部的争吵是很常见的。大部分的工作时间都花费在解决冲突。在学习型组织的工作原理就像一个大家庭。人们都充分考虑，并会采取别人的利益团队的目标。

我花大部分的时间在服务行业。经验来自中国内地的公司和外国企业赚来的。根据我的经验，有许多重要的能力冠冕堂皇的现代企业至关重要。它是知识的能力，包括专有技术的作品里，人们的关系，产业联盟和对社区和环境的贡献。知识和能力的实现是人员和管理的形式。在人这方面的知识的能力将增长携手共进与该公司全天候和在所有情况下。吸取教训，成功和失败的。知识的所有团队成员之间的这些积累成为某种在现在的公司，并在可预见的将来无形资产。

在组织这方面的知识能力具有寿命短。它可以持续数月至最多 2 年。应该有一些机制来振兴整个企业系统和定期的知识能力。根据经验，6 个月的刷新周期是赞赏。

在我以前的经验，在南中国的其他地区，如深圳，广东省东莞，大多数公司成员奉命执行日常工作。他们遵循标准工作指令，做一个严格遵守预先设定的命令。没有机会给工人，以反映新的思路和经验，该公司作为一个整体，呈现给管理，并与其他公司成员共享。有在深圳和广东省东莞经营的公司内没有团队沟通。这种工作环境不鼓励公司成员采取被动的角色。他们大多有一个态度，刷卡员工考勤卡上的时间，并采取后仰的态度来处理日常工作，使每天的目标是在等待下班的时间。这种企业文化是很受欢迎，在中

国内地，甚至香港。这种下降的工作士气正赶上注意在这两个政府官员和企业老板。生产力下降严重。

外国企业学到了一些经验，正在使用的企业管治，以应对下降的整个公司的工作士气。在中国内地，也有形成非正式分享使用企业战略和治理结构，发展企业范围内的交叉学习的经验，特殊产业联盟团体。其核心焦点是收购经验日常和特殊的业务活动，其中包括操作风险。

在中国大陆，有一个新的信仰找到钱不能做出改变，持续变化和促进职工进一步承诺。钱不是一个很好的激励，产生较高的公司的工作士气，企业的共享和企业学习。传统上，它需要一代中国人改变。这是现年 60 年代中国大陆后形成。因此，在目前中国的商业文化的改变要求的生活了国际竞争力

中国内地目前的竞争格局并不局限于当地的竞争。它是多层，例如，中国企业与当地的同龄人，侵入外国企业和在海外市场的竞争对手进行竞争。企业学习的能力被认为是推高知识基础，核心竞争力，以处理临时性的，但强大的威胁。

企业变革是企业的新需求。在中国文化中，我们还在思考的是中国头号。这种继承自清朝。我们需要改变，以更多的合作。现在，中国是大国自己的企业为主，而中小企业还在苦苦挣扎。外国公司，无论是在海外的美国和欧洲，并在本地在中国大陆，有结构上的企业学习，团队共享和知识经验来处理大刀阔斧业务运作及市场捕捉的做法

在 20 世纪 70 年代，80 年代和 20 世纪 90 年代中期，中国好于低劳动力成本。但是，有发展学习型组织没有任何影响。文化需要时间来培养。现在，中国拥有巨大的外汇储备。成本结构最近变化很大。在中国，工人平均工资是 3000~4000 元，比菲律宾高得多。该国拥有近 100 万人口。但是，他们的文化是后仰和短期焦点。没有任何一个社会和商业目的，在受过教育的人。这是很难开发一个共享和协作的文化在他们的人民。高效率在中国无法复制在菲律宾。通过传统的中国硬一方面工作文化，另一方面继承共享的姿势来产生这样高的效率。这意味着嵌入中国文化学习型组织的基因。此外，中国人有一种倾向，经商或企业发展时，要看总成本。这种心态是共同生活在中国的各个方面。门外汉中国都明白一起工作时，在企业或初创企业通过相互学习，找出竞争优势，其背后有利于共同愿景的原则。中国文化有助于社会为基础的学习型组织的演变。

对于最新的变动公司运营过程中，最好的事情是跨职能培训队伍建设。这是最好的安排。工作人员和外部客户非常喜欢它。公司成员培训团队到来，产品管理，客户代表，销售团队，工程部门和金融分析师扎堆训练对方自己的核心竞争力，利用对方的客户利益

的角度出发，希望以丰富彼此技能和能力，以确保客户的交易，一方面，和建立客户的信任，另一方面。从高级职员基层员工学习，使他们的信心给了在客户的眼里有更高的信任。这就是交叉培训和相互学习的好例子。光滑的相互关系，工作人员在该内部跨网络找到。这使得每一个成员的归属感和温暖未来的麻烦和威胁感。客户代表实现大的信心和信任在这个家庭就像企业文化。

这是一个正常的做法来设定公司战略，愿景，使命和价值陈述在董事会层面，还是管理团队的前兆下。此外，一线人员和管理人员之间的最近秒杀的互动程度较高的工人和管理层之间的沟通和信任。另外，在解决问题的时间要短得多。整整公司本着给中央重点从大三到一个单一的问题老人，就是如何快速，及时解决客户的问题。很好的例子是在出站物流和技术的发展，最近快速解决冲突。该团队的知识聚集和积累了任务执行预防措施，检测，减轻和解决的问题。错误是无法避免的 100%，但团队合作精神能带来相关的危害降到最低。更少的时间是必要的，这些更正。

我觉得在公司工作操作所需的裸结构。更重要的是，操作灵活方便，通过良好的人际关系得到增强。考虑温柔格式是一种发现在企业广泛团队的支持。集成问题享受到最受益于学习型组织。需要更少的时间来执行的问题解剖。以前，人们使用电子邮件来原谅自己的职责。现在，企业团队的工作胶水的工人在一起，并使用一个务实和移情的方法来处理单个问题或集成的问题。所有的点至点到整个公司的事宜正在浮现在具有高透明度组的水平。个人感觉是泄气，使得所有的人都对移情的核心问题’

一个有趣的发现是注意在操作任务等日程更高的灵活性。良好的人际关系提倡高耐受性的矛盾的任务和更长的时间表。整个公司的团队成员将公司的利益作为共同的地方。许多草皮战争和个人对抗降低。

企业团队工程的系统开发和共同愿景能施放一个非常正面的形象，以重点客户。如今，更多的客户公司带来的利润较低的业务。因此，许多当地企业和外国企业去为主要客户。他们会派代表客户与公司的所有成员合作。一个好的公司内部员工的关系可以发展客户的长期忠诚度。他们将重点减少对公平磋商，但更多的战略合作伙伴关系。

在这个学习型组织倡议的经验可以给予特殊的竞争优势，为小公司到大公司之间的努力。此外，在中国人的非正式关系的粘性提供额外的灵活性，操作，任务控制，改善客户互动。高信任根据客户端。

最近，大约有公司出高价成交的许多其他工厂。知识流失严重。从内部团队的想法是周期性任务报告，记录每天的进步。唯一的关键信息被捕获。此外，非正式的报告和团队

建设被安排在吃饭时间。这可以减少人冲突，并给出了均匀的图像在客户面前，反过来产生一个较长的啮合关系。

该公司的竞争力取决于体贴的训练。外部基准测试是非常有用的，因为这可以衡量以及该公司正在执行。最后，竞争的是良好的公司，因为它可以导致进步。

3.2 Head of Information Technology

A few months after introducing the concept of learning organisations, the general impression is a team attitude to seeing new things, fitting into new environments and learning new matters, in particular from internal peers. Definitely, further key learning is from external parties.

Learning organisations run in the same fashion as integrated computer systems, involving enterprise resources planning and full office automation. The willingness of management to look for change is critical. This can extend from work to electronic gadgets, from vehicles to food and clothing. A personal learning lifestyle can be exchanged with company members so that they get to know each other more deeply.

Information flow is a critical part of a learning organisation, and the lynchpin is people-oriented information technology. I have detected some rather laid back attitudes to adopting the learning organisation in those from finance and human resources.

With the new company initiative, it is appropriate to start all learning processes in a small team, and then to expand to corporate level. This can serve two purposes. One is to undertake a pilot run that other company members can observe. Generation Y, such as those born in late 1980s or 1990s, have nothing to worry about when picking up new matters and changing their working style. Resistance is normally from those in their late 30s or 40s. These people have a fear of change, since the new workload is psychologically assumed to be higher. Those people want to take a routine day job and are waiting for the moment of retirement. All their fear is groundless, as this project is new to the whole company.

In the factory there is wide spectrum of age groups. Some workers are 50 years while others are in their late 20s to mid-30s. Older people believe in ethics, loyalty, commitment and down-to-earth spirit and are strict about following operational instruction; following rules is their basic character. Interestingly, most of those elder company members are 'face'-loving. Gen-Y youngsters share some characteristics, but they are open to discussing issues. They prefer chatting on mobile phones, or with

either text or WeChat, a form of instant messaging. Their group response makes it quick and easy to form joint opinions after few rounds of online discussion.

When the company launches the learning organisation initiative, different age groups of staff are mixed to go out for dinner, hiking at the weekend, karaoke sessions or just having a drink. A good atmosphere is achieved after these social gatherings and the older and the young both take it in good spirit. Physically, we can tell their age difference from their clothes and faces, but each team works as a single unit. Unlike cases in Foxconn, where workers were suppressed from communicating on the shop floor and backrooms, the informal network built at social gathering contributes substantially to team learning, job sharing, problem diagnoses and goal setting; the productivity gain is tangible.

Nonetheless, we have to be careful not to ignore policy, procedures and rules at work when building up a team-shared mental model through informal networks. It has to be balanced. The bare minimum number of regulations is necessary, mutually aligned with people-oriented relationship development within the team, the business unit and finally the whole company. It is suggested that we build a model-based workflow to guide the team-sharing works, which can be synchronised with personnel leadership.

An immediate reflection from my team is that a learning organisation should start with customer-facing units and this can build greater trust in our customers, with the entire company working wholeheartedly on their requirements. Moreover, a basic workflow system is needed to guide the process in learning systems. This can run from top of the company down to department level, but not getting too deeply involved in the position level. This can give flexibility as the learning process should allocate errors with tolerance.

China's companies are facing a credit squeeze again. In retrospect, a learning organisation should ideally be implemented at the time of a sound economic situation. This would facilitate a balance between power seizure in the corporate environment and a sharing attitude in the learning team.

Furthermore, job specifications in the learning organisation should not be too detailed, or staff from other departments will be unable to understand them properly. The rigidity of a process will increase if it is too tightly defined. Therefore, all company processes should be at the container or framework level so that participants can make changes, after reflection, to suit different scenarios. Authority should not be concentrated in a single person, but to rest at the team level regarding decision making. This reduces the fear of management penalty. In the end the benefits of learning and sharing will flourish.

Should worse economic situations arise, a learning spirit will alleviate management's natural tendency to adopt a survival mentality and instead the team spirit developed in the learning organisation may bring new and broader insights to the struggling business. The harmony in interpersonal relationships lends a tranquil environment to the whole company to combat the cut-throat business situation, both rationally and otherwise.

The Japanese people have a culture of office politics and it is appropriate to mimic this in the course of setting up a learning organisation. Negative emotions in a small team should be identified and discussed as soon as they appear to pre-empt cancer-like devastation. When developing learning organisation, personal integrity should be advocated. A high level of decision-making transparency should be exercised, both internally to all staff and externally to key account customers. Job rotation is an important element in learning organisations. Empathy is naturally developed when members actually step into another's position and understand the difficulties.

I observe other factories in the Kunshan area where the management is very short-sighted. The focus is purely of a trader mindset, attending to short-term monetary gain but not long-term corporate development. The latter builds capacity in the company to prepare for a sudden economic disaster. There are many cases of local Chinese companies expanding quickly for the first few years, gaining much money, but collapsing a few years later. A high sensitivity to external risk, such as that of the weak economy in US and Europe, is critical to a company's sustainability. Continuous learning among management, staff, departments and the whole company is a keen tool to build up corporate strength. In other terms, this capability is organisational foresight of external risk and uncertainty.

There is a phenomenon called intra-company information asymmetry. This is common in high-flying companies when their founders and top management indulge after an initial success, assuming the industry leadership has zero competition. Ignorance of local and overseas competitors puts the company in a highly vulnerable situation. A strong sense of risk and urgency is expected in senior management, and this can be developed through a learning culture and environment. A basic intention to learn new things and to prepare oneself for uncertainty in a short time frame is an outcome of learning organisation. Quantitatively, cost-consciousness, such as a strong sense for a diminishing profit margin, is an instance of a learning organisation's capability in senior management. This corporate learning achievement provides a shield in the form of unpredictable economics against sudden economic disaster.

In this few months of learning organisation implementation, the simplification in communication from management to frontline staff has broken down many office divisions. The top management listens to both middle and junior staff before making key decisions on operation and investment and is a company-wide learning outcome. Before, quick problem solving was identified within particular departments, and now, after the start of our learning organisation, this phenomenon has been extended to the company as whole. It saves a great deal of time in investigation and approval.

Ultimately, a performance measurement and monitoring framework is needed to monitor the outcome of this learning organisation. Outcome-based key performance indicators are business performance tools by nature, but the links are to organisational activities, the degree of people participation and cross-functional teamwork. All appraisals should be comprehensive, with annual and monthly tasks on a schedule. All performance monitoring is observed in public using the spirit of shared vision. This can save the resources used in setting up an extra counter-checking layer to uphold segregation of duties.

之后引入学习型组织的概念了几个月，一个总的印象是一个团队的态度，看到新的东西，装修成新的环境和学习从内部对等体特别是新问题。肯定地说，另一个重要的学习是来自外部人士。

学习型组织运行集成计算机系统，如企业资源规划和全面办公自动化。在管理层愿意向寻找变化是至关重要的。这样可以延长从作品到电子产品，汽车，食品和衣物。生活方式个人学习可以用公司的成员进行交换，使他们能够互相认识更加深刻。

信息流是学习型组织的重要组成部分，和以人为本的信息化建设是一个关键的关键。此外，我觉得有些后仰中采用学习型组织的财务和人力资源的人。

在新公司的倡议，这是很好的开始从一个小团队所有的学习过程，然后扩展到企业层面。这可以达到两个目的。一个是给试运行，使得其他公司成员可以观察到。到 Y 世代，如那些出生在 80 年代末 90 年代或者，他们什么都没有拿起新问题时的后顾之忧，并改变他们的工作方式。电阻通常是从其他将会在 30 年代后期 or 40s。它们有恐惧的变化，因为工作负荷心理上假定为高。那些资深人士要采取例行的日常工作，并等待他们的退休时刻。所有的恐惧没有任何理由，因为这个项目是新来的公司。

在工厂里，有不同年龄组的宽谱。有些 50 年，而有些是 20 年代末到 30 秒的中间。长者相信道德，忠诚，承诺，下降到地球的精神。他们是严格执行操作命令。以下莱利是基本字符。有趣的是，大多数的这些长辈公司成员面对面的爱好。在 Y 世代共享的一些

特性，但它们是开放的问题进行讨论。他们更喜欢在手机上聊天，或者通过简短的文字，或 WeChat，即时通讯的一种形式。他们的小组响应速度快，容易形成几个回合内联讨论后共同意见

当公司推出了学习型组织的倡议，工作人员的不同年龄组都混到外出吃饭，远足在周末，卡拉 OK，喝酒。一个好的气氛的社交聚会之后实现的。老年人和年轻人的工作精神状况良好。在物理上，我们可以告诉从衣着上和面朝他们的年龄差异，但每个团队就像一个独立的单元。不同于例富士康的抑制工人在车间沟通，早在季度，建于社交聚会极大地促进团队学习，工作分享，问题诊断和目标设定的非正式网络。生产率收益是可见的。

然而，我们必须要小心不要忽视政策，程序和规则的工作，建立通过非正式的网络共享心智模型的团队时。它必须被平衡。需要裸最小法规，但与团队中以人为本的关系发展，一个业务部门，那么整个公司相互对齐。它建议建立一个基于模型的工作流程，以指导团队共享工程，可以与人领导同步。

从我的团队即时反映，就是学习型组织应该从面向客户的单位开始。这可以在顾客建立较高的信任，如果整个公司都全心全意地对顾客的愿望清单的工作。此外，一个基本的工作流系统中是必要的，以指导在学习系统的处理流程。这可以从该公司的基础上运行，下至部门级，但没有得到过深成仓位水平。这可以使灵活性，学习过程中应分配错误和宽容。

中国企业再一次面临信贷紧缩。现在回想起来，学习型组织应在良好的经营状况来实现。这有利于夺权的企业环境和学习型团队共享态度之间有很好的有机平衡。

此外，工作规范的学习型组织不应过于详细，或者从其他部门的工作人员不能很好地理解。如果定义太详细的过程的刚性将增加。因此，所有的公司流程应该是在容器或框架级别，这样的人可以参加下自己的倒影不同场景做出改变。权威不应该集中在一个单一的人，但在决策团队的水平。这减少了管理处罚的恐惧。最后，学习和在高功率的中间共享繁荣带来的好处。当糟糕的经济来临的时候，学习精神，能缓解管理的自然倾向去为生存心态。相反，在学习型组织开发团队的头脑可以为陷入困境的企业提供了新的蓝海的洞察力。在人际关系的和谐给出了整个公司与割喉式的经营状况，以打击既理性和非理性安神的环境。

日本有办公室政治的一个很好的文化，这是很好的设置学习型组织的过程中模仿。负性情绪的一个小团队应该被收购，一旦它出现了讨论。这可以阻止任何癌症般的破坏。

当开发学习型组织，个人诚信应该提倡。较高的决策的透明度应该执行，在内部向全体员工和外部对重点客户。转业是学习型组织的一个重要因素。移情是自然形成的，如果其他成员居然跳进对方的立场和感受的问题和困难。

我观察到在昆山地区的其他工厂。他们的管理是很短的视线。他们的重点是纯粹的交易者的心态参加到短期货币收益，但不是长远的企业发展。后来人建立肌肉在公司为突如其来的经济海啸做好准备。因此，有中国本土企业在最初几年扩张非常迅速，获得了大量的资金的情况很多，但崩溃，几年后。高灵敏度的外部风险，如美国和欧洲经济疲弱，是一个公司的可持续发展是至关重要的。在管理，人员，部门和整个公司不断的学习是一个敏锐的工具来加强企业的实力。在其他条款中，此功能是对外部风险和不确定性的组织远见。有一种现象叫公司内部的信息不对称。这是常见的，当他们的创始人和高层管理人员沉迷于最初的大获成功，那些高成长的公司。他们假设零竞争的行业领导地位。本地及海外竞争对手的无知把公司在高弱势局面。风险和紧迫性的意识很强，预计在高层管理人员，这可以通过学习文化和学习环境进行开发。一个基本的意向学习新的东西，准备自己在很短的时间框架的不确定性是学习型组织的一项成果。从数量上看，成本意识，如感很强的边际利润下降，是高层管理人员组织学习能力的体现。这个企业学习成就提供了一个盾，在不可预知的经济形式，对突如其来的金融海啸

在这几年的学习型组织实施的几个月，在通信从管理到前面的有机层级被打破了很多办公室政治的墙壁。高层管理人员监听到两个中级和初级员工使他们的关键决策运作和投资前。这是一个全公司的学习成果。之前，一个快速的解决问题的注意内部的部门。学习型组织的挑衅后，这种现象延伸到公司的整体。他们节省了大量的时间在调查和审批。

最终，性能测量和监测框架是需要监控的学习型组织的结果。这一结果基于关键绩效指标的性质是商业演出，但联动连接到组织活动，人们参与的程度和跨职能团队的作品。所有的评估应该是基于 360 度，具有按期年度任务和每月的任务。所有的性能监视在公共场所使用共同愿景的精神观察。这样可以节省额外的设置计数器检查层维护职责分工的资源。

3.3 Head of Customer Engagement

After a few months under the new system, it is evident that the learning organisation should focus on two core perspectives. Externally, the focus should be on public policy, the market situation and customer requests. Internally, the attention should be on culture, procedure, process and people matters. I have a child at home and there is little difference between a child's learning and a learning organisation. Both pick up

new values, culture and practice. Different companies have a unique business model to build and run, with personal traits, tastes and preferences. Put simply, a learning organisation resembles the human mind across the corporation as a whole. However, a learning organisation is still able to acquire new knowledge in all aspects.

No local company can adopt a laid back approach in today's volatile business situation. A no-change attitude cannot help any company to survive uncertainty, although some may state that perhaps state-owned enterprises are an exception. Their super-large company size may be able to resist change. However, no diminution of external threat can compensate for mounting internal risk, such as bureaucracy. On the contrary, small and medium companies can handle external threats very well. Communication is quick and teamwork can sort out problems in short time. In short, change is a mandatory competence now in the modern company. Those experiencing only slow change will face a disastrous loss of business, further, the market landscape keeps changing every minute to focus all enterprises on continuous adaptation on the one hand, and learning new matters to cope with new challenges on the other.

We have to learn constantly how to listen to customer requests. It is not just a practice from 9am to 5pm, the office hour habit; it has to be an around the clock attitude. The paradigm is close to a convenience store, in that customers are pleased with the services and offers from the company. Further, constant customer dialogue can reveal hidden requests and opportunities.

Similar to a retail shop, on-site interaction is an important opportunity for corporate learning. It is part of the learning organisation process to integrate customer and company, employee and employee. All problem-solving steps, time, and accountable staff must be recorded for later knowledge sharing. It is most important to have on-site, face-to-face communication with customer and staff. A side-by-side working environment is important for customer and staff to solve any issues. Confrontation and conflict become less after several rounds of face-to-face team working.

I observe some discrepancies in the level of competence among staff within our departments. A centralised knowledge system is needed to capture, record, share and reflect on lessons learnt from other company members.

Yes, our company has met many targets on sales, production, delivery and finance. The value setting should not be a top-down activity but collaborative work between company members and management. Each company member should have a vision of the company. A shared vision in the company is not merely to unify the vision and value; it is an act of harmonisation. Management should take action to understand the

variance in staff's value systems. This can mitigate the grievance and complaints from front-line staff. In the end, all company members expect coaching from management, not orders. The aim is to help all staff to develop and grow.

Therefore, the key attitude in corporate learning and cross-team sharing is 'taking the initiative to ask questions', and 'sharing experiences and methods to solve issues, grow personally and develop the career'. It is not just for survival but for the next generation of sustainability. This mentality applies to the wages setup and performance appraisal such that a unified working attitude is synchronised between front-line staff and management.

A social concept that is appropriate is 'create and share'. It is mindful of a strong commitment to execute and share. Individual hard work is not enough; listening to each other is another important attribute. This is part of the value system for the learning organisation. Company members must abandon the attitude of working less and getting more. All company members need to act autonomously regarding their commitment to their job and the company.

One benefit of face-to-face teamwork is building strong interpersonal relationships among company members and customers. If anyone falls sick, customers will be concerned. A learning organisation is expected to create a neighbourhood of the staff and customers. The relationship is not only based on trade and money exchange but will have common concerns. This is an encouragement of converging one's personal lifestyle and working life. A learning organisation extends the company's working behaviour to personal life. To a company such as ours, which has many family staff, a learning organisation is building up a neighbourhood in the interests of sustainability. Therefore, a learning organisation is perceived as *guanxi* management. A learning organisation may be visualised as a small grocery shop in a neighbourhood. It is not just for merchandise trading, but the exchange of ideas and building relationships. As I know, many foreign enterprises in Shanghai position *guanxi* as a matter of management, increasing productivity.

Personally, I feel a key ingredient of Chinese management is *guanxi* management. It integrates the macro environment with Chinese community relationships. Yes, it is difficult to quantify directly, so we need to find a way to operationalise its network. However, we need an ethics baseline to avoid dominance in relationships; there should be guidelines in the *guanxi* system to avoid quarrels among staff in instances of management by people. Self-initiation is advocated, but not enforced, in this ethics

issue. Performance is driven by Chinese community relationships, nonetheless a sharing orientation respects an individual's work habits and insights.

Information flow is critical in a learning organisation. Issues due to variations in ages can be minimised through effective communication. Different human systems and practice can be aligned through this effective communication channel and instant messaging. Teamwork generates ideas and stimulates innovative solutions. And the learning organisation works as a platform.

后新系统的几个月，学习型组织应着眼于两个核心观点。对外方面，重点应放在公共政策，市场形势和客户需求。在内部，应注意文化，程序，过程和人员事宜。我有一个孩子在家里有孩子的学习和学习型组织之间没有太大的区别。两者都拿起新的价值观，文化和实践。不同的公司有独特的商业模式来构建和运行。它具有个人特质，口味和喜好。直说，学习型组织类似于人类的头脑跨企业作为一个整体。然而，学习型组织还可以学到各方面的新知识。

眼下，当地没有公司可以采取动荡的商业形势下后仰的方式。一个没有变化的态度不能帮助任何公司在不确定条件下生存。有人将国有企业的异常。他们的超级大公司的规模可能能够抗拒改变。然而，外部威胁的递减也无法弥补安装内部风险，如官僚主义。相反，中小型企业可以处理外部威胁的非常好。沟通是快速和团队工作可以排序在很短的时间问题。总之，变化是现代企业一项任务的能力了。那些具有缓慢变化将面临经营亏损的灾难。此外，市场环境不断变化的每一分钟都企业集中在一方面持续的调整，以及学习新事物，以应付其他的手了新的挑战。

我们要不断地学习如何倾听客户的要求。这不是上午 9 时只是一个练习，直到下午 5 点，在办公时间习惯。它必须是全天候的态度。范式是接近的便利店，这样的客户很高兴与该公司的服务和产品。此外，恒客对话框可以挖掘出隐藏的要求和机遇。

像一个零售商店，现场的互动是企业学习的一个重要机会。它是学习型组织的过程，以客户和公司，和员工整合到员工的一部分。所有解决问题的步骤，时间，帐户，能人必须记录后知识共享。最重要的是要有现场，面对面地面对客户和员工的沟通。并排的工作环境 A 面是很重要的客户和工作人员来解决任何问题。轮面对面面对面团队工作之后，对立和冲突变得更少。

我观察到某种差异的能力水平的人员中部门内部。集中式知识中心需要捕捉，记录，分享和反思教训，其他公司成员的经验教训。

是的，公司对销售，生产，交付和财务许多目标。该值的设置不应该是一个自上而下的活动，但公司成员及管理层之间的协同工作。每个公司成员都可以有自己的理想和价值的公司。在该公司的共同愿景是不统一的愿景和价值。它是统一的行为。管理层应采取行动，以了解员工的价值体系的差异。这可以减轻前线员工的不满和投诉。最终，所有的公司成员期望从管理教练，而不是命令。其目的是帮助所有员工的发展和成长。

因此，在企业学习和跨团队的共享密钥态度是'主动向提出问题'和'交流经验和方法来解决'，个人成长和发展的事业'。这不仅是为了生存，但下一代的可持续性。这种心态适用于工资设定和绩效考核，这样一个统一的工作态度是前线员工与管理层之间的同步

一个社会的概念是很好的参考，'创建和共享'。这是铭记的坚定承诺执行和共享。个人工作努力是不够的。倾听对方的另一个重要属性。这是学习型组织的价值系统的一部分。公司成员将删除工作越来越得到更多的态度。所有的公司成员自主行动，以他们对工作和公司的承诺。

脸对脸的团队工作的一个很好的好处是能够建立的公司会员和客户的强烈人际关系。如果有人生病了，客户会感到担忧。学习型组织预计将居委会的工作人员和顾客之间的。他们的关系不仅仅是在贸易和货币兑换。他们有共同的关心和爱护。这是融合个人的生活方式和工作生活的一种鼓励。学习型组织扩展了公司的工作行为，以个人生活。为了公司和我们一样，里面有很多的员工家庭，学习型组织是建设一个邻居是为了可持续发展。因此，学习型组织被认为是在做关系管理的一种方式。可以设想有学习型组织作为一个社区一个小杂货店。它不只是商品买卖，而是交流思想和建筑的关系。据我所知，很多外国企业在上海的位置瑄问题的管理，这提高了生产率。

就个人而言，中国管理的一个关键成分是广西的管理。它集成了宏观环境与人际网络。是，它难以直接量化。因此，我们需要找到办法以实施在网络瑄这些变量。

然而，我们需要一个道德底线，以避免过度权力的个人关系。应该有规则作为瑄系统内的指导方针。这样可以避免员工之间的情况下，只有人管理系统的任何争吵。自开始提倡，但推，在这个道德底线。性能驱动的个人网络的考虑。尽管如此，共享的方向仍然尊重个人的工作习惯和见解

信息流是学习型组织的关键。在年龄组的变化可以通过有效的沟通被关闭。不同的人类和制度与实践可以通过这个有效的沟通渠道和即时消息对齐。

团队合作能够帮助生成创造性的想法，挑起创新的解决方案。而学习型组织工程作为一个平台。

3.4 Head of Sourcing

I used to work in large companies such as IBM in Shanghai, Taiwan Plastics in Anhui and Yon You in Beijing. There are official learning organisations there. In PRC Government, the learning organisation is also a policy across all China. In many state-owned enterprises the learning organisation is positioned as a strategic resource. However, it functions in a very bureaucratic way. People attend meetings in office hours and read lengthy documents. There is not much group work. Some major China civil enterprises have set up their own universities, such as Beijing Yon You. They offer training courses in a highly structured manner. However, Chinese community relationships are not encouraged.

By contrast, small and medium companies do not support co-learning; they have neither the time nor the resources. So, a learning organisation now rests more on a structural organisation. Owners of SMEs treat learning as a special bonus for staff. The attitude of corporate owners to learning determines the success of a learning organisation. They have to support on the one hand, and to participate on the other. They have to accept the role difference between manager and staff before embracing the benefits of a learning organisation. Chinese community relationships could act as the way to break down the people barrier, boosting team relationships. Taiwan Plastics is very good at that. The company brought the practice from Taiwan to form small informal groups, across departments, to work both office hours and off-duty. They eat, drink and work together. They even send the team to customers for sales and support services. This can also engage customers in these learning organisations. In China, this company reacts rapidly to new mainland China government policies and provincial procedures.

In short, the ability of corporate owners to learn is a critical factor in the setup of a learning organisation. Just cash investment is insufficient to trigger a learning organisation, applying more to conventional industries such as chemicals, car and steel. An industry atmosphere is a good supporter of change and learning. Continuous improvement is a prerequisite to learning organisation but not often recognised, therefore, it is an important corporate habit to develop. It takes time, as no shortcuts are allowed. Environment change is beneficial.

In my experience, a learning organisation should not be a revolution. It should be a step change in the course of the learning organisation setup. Controversially, a variety of positive competition between business units and departments may encourage co-learning and the creation of a shared vision.

It is advisable to formalise the process of experience sharing, setting up a knowledge base in order to facilitate tacit knowledge sharing. Experience cannot be recorded adequately in a written format. Company internal mentorship could sort out the situation of experience sharing. The behavioural sharing and copying are positive in the course of learning organisation. In turn, strong Chinese community relationships support this process.

In China, most companies are moving from a department structure to a process operation. Cross-learning is important in this dynamic daily operation and *guanxi* is the catalyst. Interestingly, there is currently positive change in the conventional organisation structure.

The usual defensive attitude in corporations could be mitigated since all hidden agendas and secrets are well communicated through the informal network. The root of all personnel conflict is thus resolved by the Chinese community informal network. Nevertheless, it takes times to change and to adapt a learning organisation in a bureaucratic organisation.

An experience of expediting learning organisation development is through a case study to sort out problems, the process flow and promoting communication among staff. This can activate the process and the interaction with the learning organisation. Both an overview and detailed operation can be covered by the learning organisation. The company structure adapts to the new process road map in a natural fashion. Indeed, knowledge management is critical to a learning organisation.

And, I think *guanxi* is close to the love between a man and woman. This involves affection, reciprocity and fraternity. Therefore, some sort of 'Outward Bound' styled adventure training and teambuilding to help handle challenges support a rapid development of a learning organisation. Activities such as staying overnight in the desert or similar survival test may create a team atmosphere. Just going for a drink and dinner cannot achieve this goal.

Finally, it is appropriate to employ an external expert for training; concepts such as life dynamics are relevant.

Again, I do not hold in starting a revolution to achieve a learning organisation, instead going for micro changes and doing Outward Bound survival training. Both can improve inter-Chinese community relationships.

我以前在大公司工作，比如 IBM 在上海，台塑在安徽和北京延亨默你。有正式的学习型组织那里。在中国政府，学习型组织也是在整个中国的政策。在很多国有企业，学习型组织定位为战略资源。然而，它在一个很官僚的方式发挥作用。人参加在办公时间会议，并宣读冗长的文件。没有什么太大的小组工作，很少人际网络。一些大的中国民营企业建立自己的大学，如北京勇你。他们提供了一个非常结构方式的培训课程。然而，人际网络是不鼓励。

相反，中小型企业（SME）不支持的合作学习。他们没有时间或资源。所以，现在学习型组织驻留更多的结构组织。中小企业的主人把学习作为一种特殊的奖金，员工。

学习企业老板的态度决定了学习型组织的成功。它们必须支持一方面，并且参与另一方面。他们必须接受拥抱学习型组织的好处之前，老板和员工之间的角色差异。人际网络与关系可以作为溶剂，人们屏障;营养组队的人的关系。

台湾塑料是很擅长。他们携带了来自台湾的做法，形成小的非正规团体，跨部门，无论是在上班时间和下班的工作。他们吃，喝，共同努力。他们甚至派出团队客户销售和支持服务。这可以在他们的学习组织从事客户。在中国，这家公司的反应速度非常快，以新的中国大陆政府的政策和省级程序。

总之，企业所有者在学习的能力，是学习型组织建立的一个关键因素。只是现金的投资不足以引发学习型组织。这也适用于传统的工业，例如化学，汽车和钢。在变革和学习的行业氛围还是不错的支持者。从来没有，持续改进是一个先决条件，学习型组织。因此，它是一种重要的公司开发习惯。这需要时间。没有捷径是允许的。环境的变化是有益的。

根据我的经验，学习型组织不应该是一场革命。它应该是学习型组织建立的过程中的阶跃变化。有争议的是，一些业务部门与部门之间的良性竞争是令人鼓舞的共同学习和共同愿景的创造。

这是应以正式的经验分享的过程中，建立知识基础，以便于隐性知识的共享。经验不能被记录在书写格式良好。公司的内部导师可以分享经验的情况进行梳理。行为共享和复制是积极的学习型组织的过程。反过来，一个强大的人际网络是支持该过程。

在中国，大多数企业都从部门结构的移动处理操作。交叉学习是重要的，这个充满活力的日常运作。良好的相互关系的人，是学习型组织的酶。有趣的是，有一个在传统组织结构积极变化。

常见的散兵坑在企业债券的战斗可能会得到缓解，因为所有不可告人的目的和秘密，且传达的非正式网络。人冲突的根源是解决了中国人的非正式网络。

尽管如此，它需要时间来改变和适应学习型组织中的官僚组织。

加快学习型组织发展的经验是通过使用案例研究进行梳理问题，流程和员工之间加强沟通。这可以激活流程，并与学习型组织的相互作用。双方高层视图和详细的操作可以覆盖的学习型组织。有机，公司结构调整的新工艺路线图。

当然，知识管理是学习型组织的关键。

而且，我认为琯，或关系，接近男性和女性之间的爱情。这包括：（亲情，互惠和博爱。因此，一些拓展训练和团队建设难题处理，支持学习型组织快速发展。生活游戏像住一个晚上的甜食或其他生存的测试，可以创建一个在团队建设的氛围。只需饮用和进食无法实现这一目标。

最后，这是好事，利用外部专家进行培训。概念如人生动力还是不错的。

同样，我不喜欢革命为学习型组织，持续了微变化，做外展生存训练。所有的人都可以提高人际网络。

3.5 Production Lead

The learning organisation is not a new experience to me. I used to work in a UK production house in Beijing and they practised group learning extensively within the company, with previous employees and customers. To me, a learning organisation cannot suit all companies. If the business is knowledge-based, related to consulting, quality, research, high consumer contacts and professional services, a learning organisation is a good choice. If the company is running like a machine, and workers are just following strict procedure, this routine work does not suit a learning organisation.

Learning is not for an elite development, but is a way to improve the performance of company members as a whole. Corporate learning is not a single direction, but a collaborative effort to develop both personal capability and group attributes. Social activities, such as drinking and karaoke, are only catalysts in the launch of a learning organisation. Individual and group performance cannot enhance the essence of learning organisation, that is, a shared vision, team learning, shared mentality and personal mastery. The aggregate effort falls short of the scope of the system.

Therefore a learning organisation is an instance of system thinking. The caring of team members in a learning organisation is not a mandatory outcome but a compliment of cultivated interpersonal relationships.

For the business owners or corporate management, encouraging learning across company is able to open people's eyes, making staff smarter. However, small and medium companies are more flexible and dynamic, able to jump on the learning organisation journey. Major companies such as multinationals and state-owned enterprises have a problem in that their size is a delaying factor in adopting a learning organisation. Reactions to external issues such as environmental regulation are rapid in small companies, but not large companies. Besides, a learning organisation can stimulate innovation and change activities in small companies.

No matter whether small or large, all company resources are pooled. There are conflicting business interests between departments and business units; some are legacy departments undertaking redundant practices, and new business units are making advanced products. They share the same pool of company resources. Both want to maintain their status quo for their own interests and both want to expand. A simple learning organisation focuses only on the process of sharing and team learning. This cannot eliminate the likelihood of demarcation disputes and resource competition. The intended interpersonal relationship development is the way to smooth the conflicting attitudes in resources competition and *guanxi* management is useful in this regard. An earlier development in company-wide Chinese community relationships could adjust the mind set of participants to work in harmony in the future. In innovation, different ideas may head in opposing directions, competing for the same pool of resources. *Guanxi* harmonisation can also alleviate the resulting conflict.

Staff leaving could lead to knowledge and experience loss. However, we can still maintain close contact with past employees in an extension of the internal learning organisation. We can make use of email and the latest social media tools such as WeChat to communicate. Moreover, face-to-face dinners and outings are highly recommended. In this way, external and internal knowledge can be accumulated.

学习型组织是不是一个全新的体验给我。我以前在英国生产的房子在北京工作，他们实行组广泛学习在公司内部，与以前的员工和客户。对我来说，学习型组织不能适合所有的企业。如果企业是以知识为基础的，涉及到咨询，质量，研发，高的消费者接触和专业的服务，学习型组织是一个不错的选择。如果公司像一台机器上运行，而工人只是遵循严格的程序。日常工作不适合学习型组织的胃口。

学习并不是对任何开发精英，不过是一个的方式来提高一般企业成员作为一个整体的表现。企业学习不是单一方向运动，而是一种合作开发双方的个人能力和组属性。社会活动，喜欢喝酒，卡拉 OK，都只是催化剂推出学习型组织。个人和团体的表现无法与学习型组织的本质提升，也就是共同愿景，团队学习，共享的心态和自我超越。聚集的努力正在下降系统的范围之内。因此，学习型组织是系统思想的体现。团队成员的学习型组织的关怀是不是一个任务的结果。相反，这是种植人际关系恭维。

以企业主或企业管理，鼓励各公司学习能打开人的眼睛，使他们更聪明。然而，中小型企业更灵活和动态的跳上学习型组织的旅程。大公司，如跨国公司和国有企业，有问题是在采用学习型组织由于超级大公司规模拖延的因素。反应到外部的问题，如环境法规，擅长小公司，但不是大公司。

此外，学习型组织可以在小公司招来更高的创新和变革活动

在小型和大公司没有的事，所有的公司资源被汇集。有部门和业务部门之间的矛盾的商业利益。有些是旧的部门做旧的实践和新的业务部门正在做先进的产品。他们共享公司资源的同一个池。既想维持现状为了自己的利益，都希望扩大。一个普通的学习型组织只专注于分享和团队学习的过程。这不能消除对资源的竞争内部圈地战的机会。一个拟人际关系的发展是理顺资源竞争冲突的态度有机的方式。馆管理是在这方面非常有用。在全公司范围内中国的非正式网络的早期发展可以设置参与者在和谐的工作在未来的心态。

在创新的过程中，不同的想法可能会去在相反的方向，但在同样的资源池竞争。广西统一也可以缓解冲突的情况。

员工请假可能导致知识和经验的损失。但是，我们仍然可以保持与以前的员工紧密连接是内部学习型组织的延伸。我们可以利用电子邮件，以及最新的社交媒体，如微信，管理通信。此外，人脸对脸吃饭，郊游强烈推荐。以这种方式，外部和内部的知识可以被累计。

3.6 Head of Finance

I am a middle manager handling all financial transactions and planning activity. My team is small, with four staff, but we actively participate in the daily business operation and routine controls. As a business unit head I have to monitor the daily profit and loss situation from inventory to production, to outbound shipment to customer collection.

There are substantial market threats to the garment sector around the Shanghai region. Our factory is a value-added provider for a few sportswear brand owners. According to government statistics and commercial survey companies, the local sales trend is declining in the region since the consumer price index is rising steeply. Our customers want lower prices but high quality. Their product mix keeps on changing every week and causes production chaos.

We, as a whole company, have to develop a learning capability to acquire new skills, new business relationship, new technology and new government policy such that we can adjust our strategy swiftly. Learning organisation is nothing new in mainland China. The Communist party and government are promoting this concept to all local companies, including us. But they are following a rigid rules and regulations. Company members just read manuals and have no chance to feed back their opinion.

The recent credit control by the Central Bank caused retail sales to go down. Our products are for mass consumers and the bottom line is hit immediately. If we can learn from the disaster of early 2013 and prepare ourselves, we should be much better financially. A learning organisation may be the only way to attain business foresight. This can lead to a more dynamic capability for expansion opportunity and build up a financial cushion to handle drastic changes in government policy.

But we are lucky, at least. The learning organisation initiative was launched in late 2012 and the whole company was allowed to participate in this change voluntarily. Our team culture focuses on mutual respect and consideration. I have friends working in factories around Kunshan. Their managers believe only in their own past experience. The focus is on how to make quick money, and totally to ignore all social and environmental issues. Workers are pressed to produce quicker without wages. That is nasty. When the leadership came on board in mid-2013, government officials were asked to trim expenses in clothing and food. That caused many companies to decline substantially. The conventional mentality in China's managers is too short term. They want quick money, but have no intention to do corporate development. A learning organisation is a reflection of corporate development. The dictator-like management style of my friends' companies inhibits staff, especially those in the marketplace and in customer-facing roles. If there were a learning organisation setup in my friends' companies, the management could obtain ideas from front-line staff on how to provide against all drastic changes in government policy. Right now, their management keeps on cutting staff and departments, but the sales and profits are dropping more than 70%.

IT is a key matter in a learning organisation setup. Communication is quicker through technology such as WeChat. Group investigation and decisions are a structural prompt through realising a learning organisation with information technology. Besides, the running cost is minimal.

It is very dangerous to reply about business and the legacy concept, but I have to keep on facing new challenges and changes.

We do not hire external senior managers to head operations, but we have to consider their impact as the existing staff could confront an external new hire. They might believe they know more than the new person. A learning organisation focuses on acquiring new knowledge from external sources and hiring outside people such as consultants could be an option. Therefore, a mingling with external parties could open the eyes of existing staff to the external world and alleviate fears that might lead them to boycott external new hires.

The operation knows the business more. They could provide sound ideas for innovation and new market creation. All this should be honoured by a learning organisation.

We function as family enterprise, with 10 families supporting the operation. We have to uphold the spirit of a learning organisation, in particular regarding team learning and a shared vision, to form a congruent viewpoint on business. This can avoid the tyrant approach taken by so many family enterprises. A new kind of business model should arise. Complexity is clear through the learning organisation process. Many duplicate costs are trimmed at the same time.

我是一名中层管理人员处理所有财务执行和策划活动。我的团队很小有 4 人，但我们正在积极参与日常业务运作和日常控制。作为一个业务单位主管，我们必须监控日常盈亏情况从库存到生产到出站运送至客户收款。

有巨大的市场威胁到上海周边地区的服装行业。我厂是一家增值提供商很少穿运动品牌拥有者。根据政府统计数据和商业调查公司，在当地的销售趋势在下降，该地区以来，居民消费价格指数急剧上升。我们的客户希望价格低，但在高品质。产品结构不断每周变化导致生产混乱。

我们作为一个整体的公司，必须制定一个学习能力，学习新的技能，新的业务关系，新技术和新政府的政策，使得我们能够迅速地调整我们的战略。学习型组织是在中国内地

并无新意。共产党和政府正在推动这个概念给所有本地公司，包括我们。但是，他们是跟随一个严格的规则 and 规定。公司成员只是阅读说明书，但没有机会反馈自己的意见。

中央银行近期的信贷控制使得零售销售下降。我们的产品是为大众消费者和底线是马上打。如果我们能学习这种灾难 2013 年初，迎接这个浪潮，我们应该更好的经济。学习型组织应该达到商业眼光的唯一途径。这可能会导致扩张的机会，建立财政缓冲处理急剧政府的政策更加动态的能力。

但我们是幸运的，至少。学习型组织的倡议是在 2012 年年底推出，整个公司被允许参加这一变化主动。我们的团队文化注重相互尊重和考虑。我有朋友在身边昆山一些工厂工作。他们的老板只相信自己过去的经验。重点是如何赚快钱，而完全忽略所有的社会和环境问题。工人被压，产生更快的无工资。那是讨厌的。当领导谈到在船上中间 2013 年，政府官员被要求缩减开支，服装和食品。这导致了来很多公司大幅下降。在中国传统的老大心态过于短期的。他们希望快钱，却无意做企业发展。学习型组织是企业发展的一种体现。就像我的朋友们的管理风格独裁者的公司禁止员工，尤其是那些在标记的地方，面向客户的，如果有我的朋友学习型组织建立'公司，管理层可能有想法从前线员工提供从政府政策的所有剧变。眼下，他们的管理不断裁员和部门，但销售和利润都在不断下降超过 70 % 。

它是在学习型组织建立的一个关键问题。通信是通过更快的技术，如微信。集团的调查和决策是结构性的迅速实现，通过对信息技术的学习型组织。此外，运行成本是很小的。

这是非常危险的答辩的企业，在传统的概念，而是要不断面临新的挑战 and 变化。

我们不雇用外部高级管理人员掌管经营。但我们要考虑的影响，因为现有员工可能面临外部新员工。他们会相信他们知道的比新的人。学习型组织的重点从外部获取新的知识和雇用外部人员或顾问可能是一种选择。因此，与外界的交融可以睁眼现有员工的外部世界。这可能会缓解内部员工抵制外界新员工的潜力恐惧。

运营商了解更多。他们可以提供良好的思路创新和新市场的创造。所有这一切都应该在学习型组织兑现。

我们作为家族企业，有 10 个家庭支持的操作。我们要坚持学习型组织，特别是在团队学习和共同愿景，形成对企业产生一致的观点的精神。这样可避免在许多家族企业采取了暴君的做法。一种新的商业模式应该是来自一个有效的商业模式。复杂性是明确的，通过学习型组织的过程。许多重复的成本被修剪的同时。

Appendix 4 – Report Summary of Focus Group (English and Chinese)

Mention the qualitative interview too verbal, some local dialects are used. Though in verbal tapes, so, make a summary in Chinese, then translate into English

Focus group is conducted in Chinese. Initially, there are open ended questions developed from divestiture and the 5 constructs established in qualitative interviews. This dinner focus group serves light food and no alcohol. Each participant expresses their comments on rundowns. Later, summary is done by facilitator, i.e. the insider researcher. Only key points are jotted down to produce this focus group report. All recordings are in Chinese. Owing to language difference, it is better to do report for each qualitative interview. The English version is translated by the insider researcher.

A total of 16 participants were invited to a focus group dinner. Their security is protected by caution money banked in Singapore. The qualitative content analysis output from Leximancer and NVivo has been presented to the focus group participants.

The key themes discovered in the content analysis were shared in evaluating the latest company transformation:

有一共有 16 名学员应邀焦点小组的晚餐。他们是根据保证金存放在新加坡所有的保护。从 Leximancer 和 NVivo 分析输出的定性内容分析呈现给焦点小组的参与者。发现在内容分析的关键主题正在评估最新的公司转型：

4.1 Outside-in Corporate Mentality

Outside-in corporate mentality is a core competence in enabling company survival. This includes aspects of both internal peer-to-peer learning and collaborative relationships with external parties. Sharing between internal resources and external parties is an innovative way to tear down the operation silo within the company. The openness to external information and insight creates new ideas to transform a company. This special feature is noted in the SSM session in the beginning of this project. In the SSM rich picture (Figure 4.2) there is a sequential development of company performance on numerous issues, with demands generated by customers. Therefore, the outside-in mentality is a philosophy catering for management execution

that honours all customers' interests on top of organisation's capabilities. Companies running on the 'outside-in' paradigm are keen on satisfying current and potential customers efficiently and effectively. High-end service exposure is the key to generating superior customer outcomes.

China is now in an economically stressful period and the manufacturing sector has been heavily hit. Management teams normally focus entirely on internal operations, such as working on better productivity, company downsizing and similar resource control actions. This is an researcher insight, depending solely on internal knowledge and instinct. Close contact with the customer is lost.

The outside-in mentality intends to satisfy everything demanded by the customer so as to maximise organisational performance against customer satisfaction. Explicitly, this outside-in corporate action is able to solicit a high degree of customer justification for all company decisions made. Process engagement facilitates higher activity performance in the long run.

My Shanghai Kunshan factory is committed, with resources from my three partner directors, to mobilise corporate changes. Focus group participants have remarked that new autonomous business unit leaders in textile printing, party sales, internet research, IBM partnering and jewellery courier are self-nominated from the existing group of 150 staff. The 10 associated families exert a mediating influence through offering emotional support to key managers. In regular in-factory 'town hall' meetings, new business ideas are collaboratively worked out among staff in order to identify feasible options. External informal networks are contracted to exploit defined opportunities. This type of targeted improvement of internal operations and offerings is able to adapt change to existing and potential customer behaviour and needs. Estimation of resources can be made fairly accurately through advice from informal network connections.

One focus group participant thinks outside-in corporate learning is a dominant feature in the 'Age of the Customer'.

外到内的企业心态

它是实现企业生存的核心竞争力。这既包括内部的对同行学习，并与外部各方的协作关系等方面。内部资源和外部各方之间共享是一种创新的方式来推倒操作筒仓在公司内部。在开放的外部信息和洞察力创造新的想法来改变一个公司。这种特殊的功能是指出在这个项目开始软系统方法论的会话。在 **SSM** 丰富的画面（图 4.2.2），有公司业绩的许多问题，并从客户的需求产生一个连续的依赖。因此，由外而内的心态是一种哲学式的管

理执行尊重所有客户的利益上的组织的能力之上。在‘由外而内’的模式运行公司热衷对有效地满足现有及潜在客户。高端服务暴露的关键是产生优质客户的结果。

中国现在在经济紧张的时候，制造部门的重灾区。管理团队通常完全专注于内部运作，如工作在更高的生产力，公司裁员和类似的资源控制动作。这是仅仅依靠内部的本能和内幕态度。与客户的密切接触丢失。

由外向内的心态参加在满足一切从客户的角度要求苛刻，从而最大限度地提高对客户满意度组织的绩效。明确地说，这个由外而内的企业行动能够招揽顾客的理据支持所有公司决定高度。工艺接合，从长远来看润滑活性更高的性能。

我的上海昆山厂致力于从我的 3 个合伙人董事的资源，调动企业的变化。焦点小组的参与者此话的新的自治业务部门的领导在纺织印染，第三方销售，互联网研究，IBM 的合作和珠宝的快递是自我提名从 150 名员工的现有组。该 10 户家庭通过提供情感上的支持，以关键管理人员施加适度的影响。在定期的工厂市政厅会议，全新的经营理念是协同工作了员工之间，以确定可行的方案。外部的非正式网络签约利用定义的机会。这种类型的内部运作和产品针对性的改进是能够适应变化，以现有的和潜在的客户行为和需要。估算资源可以通过咨询从非正式的网络连接进行相当准确的。

一个焦点小组的参与者认为，由外而内的企业学习是在一个占主导地位的关键所在‘顾客的年龄。’

4.2 Personal Recommendation

Personal recommendation is an item newly discovered in the process of qualitative interviews. It was used in the one-to-five divestment/company expansion to solicit new opportunities around the world. A key manager connected with a group of wealthy Shanghai youngsters and arrived at the concept of holding private party sales to promote luxury items from UK's Jack Wills and Links, and Japan's Kenzo. It is a case study illustrating the transformation of a personal friendship into a real business. High trust was solicited in the business inception phase, since the ideas came from a key manager and her university classmate working in Shanghai's Zara. Chinese community relationships took place long before the company formed. It seems that the manager's university friend's mutual trust went back almost a decade. They were good teammates when studying in the faculty of economics. According to the manager, the friends always exchanged ideas, a kind of personal gift or favour, so both of them achieved high grades in examinations and project presentations.

Personal recommendation is an instance of favour and gift exchange in Chinese community relationships and the practice of cross-referrals is commonly found in this perspective. In this new business unit, a single existing customer connected my factory to the owner of an agency for three luxury brands in Shanghai. She had problems in driving the business forward but, since we are located in Kunshan, near Shanghai, we are well connected with online merchants such as Taobao. Good relationships have been developed between my Shanghai factory and these online merchants. Strategic work is executed through the concept of cross-referral in a formal manner. We arrange with online merchants to locate particular customer segments and invite them to bi-weekly private party sales. Cross-referral is a simple but effective sales channel since word-of-mouth advertising through referral can gain trust. All private party sales are on a commission split and no fixed overheads are incurred. The incentive for referral sales is the paradigm of sharing risk and profit.

Some prospects cannot be engaged by a word of mouth referral. There could be a block in the informal network and some kind of lobbying or clarification must be undertaken to ensure the smooth flow of trust and expectations.

Similar events to those described in the party plan sales took place in the formation of the Guangzhou internet research centre, the Hong Kong IBM partnership and the jewellery courier service. It was fortunate to have the three founding partners to pool financial resources and perform 'angel investments' in the four new business units.

Cross-reference and cross-referral can take place only after a well-tested informal community and network has been established. One focus group participant believed that casual visits and dinners are vital. As the leader of the Shanghai private party sales venture, it took him ten rounds of dinners before proposing the new business model to management directors. Dinners and social visits are excellent customer services, vital to the success of referral business. Customers and suppliers consistently enjoying a good experience with the organisation are obviously more than willing to spread the word to people around about company products or services. Though it is not obligatory to reward this word of mouth recommendation, some variety of favour exchange is encouraged for retention, on the one hand, and moving forward towards further extending the client base extension on the other. This type of Chinese community relationship practice provides affectionate support.

Apparently, personal recommendation is a good catalyst for new business. This feeling was echoed across all focus group participants.

转介的个人利益

这是新发现的定性访谈的过程中的项目。它被用在 1 至 5 的公司扩张，征求世界各地的新机遇。密钥管理器拥有一批年轻而富有的上海人的连接，并获得这样做私人派对的销售促进英国的杰克遗嘱，链接和日本的银座奢侈品的概念。这是一个案例研究龙虎斗把一个个人的友谊成为一个真正的业务。高信任在企业初始阶段征求以来的想法来自一个密钥管理器和她的大学同学在上海工作的扎拉谁。中国的非正式网络进行的方式，公司形式之前。它发生在经理人的大学生活和相互信任进行了近十年。当在经济系学习他们好的队友。据该经理，他们总是互相交流，这是种个人礼品或好处，因此在检查和项目介绍他们两人得分高品位。类似的事情发生在广州的互联网研究中心，香港 IBM 的合作和珠宝信使的形成。这是幸运，有 3 创始合作伙伴集中集中财力和执行的天使投资到四个新的业务单位。

转介是在中国非正式网络的青睐和礼物交换的舱单。和交叉转介的做法非常普遍。在一个新的业务部门，一是现有的客户我厂连接到代理载着三名奢侈品牌在上海的所有者。她有问题，推动业务。我们位于上海的昆山，以及连接到网上商户，比如淘宝。良好的关系我的上海工厂和那些网上商家之间得到了发展。战略工作是通过相互转介以正式的方式的概念执行。我们与网上商家安排来定位特定的客户群，并邀请到销售双周私人派对。交叉引用是一个简单但有效的销售渠道，因为口碑广告的话，虽然可以转诊获得信任。所有私人派对销售佣金分裂并没有产生任何固定的开销。转介销售激励是共享风险和利润的模式。

转诊不起作用每一个人。一定的发展前景，不能从事口腔转诊的话。有可能是堵塞在两者之间的非正式网络和某种游说或澄清的是一定要做，以确保信任和期望的顺利沿非正式网络的流量。

交叉引用和交叉转介后，才能建立一个行之有效的非正式的社区和网络走。一个焦点小组的参与者认为因果访问和晚餐的声音很重要。他是上海民营第三方销售的领导者。这需要他做 10 轮晚宴的提议这种新的商业模式的管理董事之前。晚餐和社会的访问是优秀的客户服务，转介业务的成功至关重要。在一个常识，客户和供应商一贯享受与组织好的经验都更愿意口碑传播到周围的人对产品或服务。虽然它不是奖励的嘴里行为这个词的义务，某种有利于交流，鼓励留存一方面，移动和朝向上，另一端的客户群扩展。这种中国的非正式网络的实践给出了深情的支持。

显然，转介新业务良好的酶这是所有焦点小组的参与者呼应。

4.3 Cross-boundary Relationship

A key theme in qualitative interviews is the relationship clusters among company members, supervisors and subordinates, social activities with customers and suppliers, and informal connections between family, schools and previous employment.

There was a discussion among focus group participants that cross-boundary relationships are commonly found in China's banking sector. Giant banks such as the China Construction Bank make use of extensive cross-boundary relationships through staff relatives, alumni networks and trade associations in order to gain business in finance.

The extent of the Chinese community relationships network is critical to the speed of new business development. The connection with the new investor from Taiwan is a good case study in cross-boundary relationships. Through a business partner in Japan, I knew of the management team from Taiwan and the members were interested in our presence in Kunshan. This cross-boundary relationship was converted into a share transfer deal in late 2013 to provide us with far more capital with which to expand into new business areas such as retail, research, IBM partnering and the jewellery courier service.

跨境关系

在定性访谈发现一个关键主题是关系企业集群成员，上司和下属，与客户和供应商的社会活动，并在家庭非正式关系，学校和以前的工作中。

还有的是，跨境关系在中国的银行业中常见的焦点小组参与者之间的讨论。巨型银行，如中国建设银行，利用，以获得融资业务，通过工作人员的亲属，校友网络和行业协会广泛的跨境关系。

非正式网络的规模是新业务发展的速度至关重要。来自台湾的新投资者的连接是在跨境关系很好的研究案例。通过在日本的贸易伙伴，我知道来自台湾的管理团队，他们感到很有兴趣，我们在上海的昆山存在。这种跨境关系转换为股份转让协议 2013 年年底，这样我们可以有更大的首都到自己拓展新的业务领域，如零售，科研，IBM 的合作伙伴关系和珠宝快递。

4.4 Risk Assessment

This item was not discovered through qualitative interview, but was later revealed in the course of forming the new business unit in Guangzhou, south China. We are helping a local telecommunication company to establish an alert system to catch suspicious communications daily in the city of Guangzhou. It is led by a young manager who graduated from Shanghai's Jiao Tong University. Through his private connection with the Guangzhou government, we knew of some tacit rules when setting up this internet research centre, saving the company from untold risk.

风险评估

这个项目是不是发现在定性访谈，但在使用过程中形成广州，南中国新的业务部门后显示。我们实际上是在帮助当地的电信公司建立赶在广州市每天任何不可疑通信警报系统。

它是由一位年轻的经理从上海交通大学毕业。通过他与广州政府专用连接，我们知道一些潜规则设置这个互联网研究中心的时候。这使我站在远离风险难言。

4.5 Team-Shared Quick Vision

In the qualitative interviews there were repeated expectations that the company would create a team-based learning environment in order to cultivate capability in business foresight. Members of different backgrounds initially gave contrasting and contradictory views, yet new and high-valued ideas could be revealed.

One focus group participant from Hong Kong team cited the conception of the jewellery courier for billionaires. The idea was from a factory member with rich relatives in Shanghai and Hong Kong. She is a graduate in chemical engineering from Shanghai Jiao Tong University, and doing very well through developing new ideas in handling textile printing chemicals. One day she shared her relative's headache regarding relocating her jewellery while shuttling between Hong Kong and Shanghai. Such people are willing to pay a high fee for this kind of service. Coincidentally, another young member of staff at the factory reported that he has high school friends with access to armed transportation, yet the idea at that point lacked management support and a customer care system.

This new idea was immediately assigned a working team under a capable manager. Several visits were made to potential customers and an armed transporter. The issues were minimal and our company was able to set up a company to handle this new business. Legal protection is rigorous in Hong Kong and the new service of jewellery

courier became operational. My factory's contact undertakes word of mouth marketing to her wealthy Shanghai relatives and within in a few months achieved contracts worth RMB 5 million.

This is a well-recognised case of success case in company divestment and spin-off.

团队共享快愿景

在定性访谈中，有表示有一个团队为基础的学习环境，以培养商业眼光的能力迭代的期望。不同背景的成员可以对比和矛盾开始。新的和高价值的想法可能被发现。

来自香港队一个焦点小组的参与者精确定位的珠宝快递为亿万富翁的概念。这个想法是从谁拥有丰富的亲戚居住在上海和香港的工厂成员征求。她是上海交通大学化学工程专业毕业，而且做得非常好，通过在处理纺织印染化学品发展的新思路。有一天，她分享有关珠宝搬迁问题香港与上海之间她的亲戚穿梭的一个头痛的问题。他们愿意付出高昂的费用，这类服务。共同顺便说一句，从工厂另一位年轻小伙说他具有访问武装运输高中的朋友。但它缺乏一个良好的秩序管理支持和客户服务体系。

这个新想法立即呼叫分配给一个有能力的经理一个工作团队。几次访问是对潜在客户和武装转运使。问题是最小的，我们可以成立一个新的公司来处理这个新的业务。严格的法律保护好香港，形成珠宝快递的新业务。我厂的夫人做口碑营销，以她的上海亲戚立即征求了几个月的人民币 5 百万的合同值得。

这是一个所有认可的成功案例。

Appendix 5 – Internal Survey Data

Sequence	"1= Almost Never" to "6=Almost Always"				Referral for personal interest			Outside-in corporate mentality			Risk Foresght			Team shared quick vision			New Business growth			Diversific ation	Job longevity		
	Market contact	Industry participati on	Social gathering		Referral culture	Be referred	Confident to share		Open innovation	Sharing session	Rewards		Due Diligence sharing	Learnt from mistakes		New idea generation	Internal gathering	Experience sharing				Growth	
1	5.00	6	4	5	4.33	4	4	5	5.00	4	6	5	5.50	6	5	5.33	6	4	6	4.33	5	3	5
2	2.33	2	3	2	5.67	6	5	6	5.67	5	6	6	3.00	4	2	4.67	3	5	6	5.33	6	5	5
3	2.00	1	4	1	5.33	6	6	4	5.00	6	6	3	3.00	5	1	4.33	4	5	4	4.00	3	3	6
4	4.67	4	5	5	5.33	6	5	5	4.00	4	4	4	5.00	5	5	5.00	4	6	5	5.00	4	5	6
5	4.00	3	6	3	5.00	4	5	6	4.33	5	4	4	4.00	5	3	5.67	5	6	6	5.00	5	4	6
6	4.00	2	4	6	4.33	5	5	3	4.67	5	4	5	4.50	3	6	5.00	6	6	3	5.00	5	4	6
7	4.33	5	5	3	4.67	6	4	4	5.67	5	6	6	4.00	5	3	4.00	4	4	4	5.67	6	5	6
8	4.00	5	5	2	4.00	4	4	4	4.67	4	6	4	3.50	5	2	4.33	5	4	4	5.33	6	6	4
9	5.00	4	6	5	5.00	5	5	5	4.33	4	4	5	5.50	6	5	4.67	5	4	5	5.33	6	5	5
10	4.67	3	6	5	5.67	5	6	6	5.67	6	5	6	4.00	3	5	5.67	5	6	6	5.00	4	5	6
11	4.67	4	6	4	4.33	6	3	4	5.33	6	6	4	4.00	4	4	4.67	4	6	4	4.33	5	5	3
12	5.00	6	6	3	5.00	6	4	5	5.33	6	5	5	3.50	4	3	4.33	4	4	5	4.67	6	4	4
13	5.00	5	6	4	5.33	6	5	5	5.00	4	5	6	4.50	5	4	5.67	6	5	6	4.00	4	4	4
14	5.67	6	5	6	5.33	6	5	5	4.33	5	5	3	6.00	6	6	5.33	6	6	4	5.00	5	5	5
15	5.00	5	5	5	4.00	5	4	3	4.67	6	4	4	4.50	4	5	5.33	6	5	5	5.67	5	6	6
16	5.33	5	5	6	3.67	3	3	5	4.00	4	4	4	5.50	5	6	5.00	4	5	6	4.33	6	3	4
17	4.67	4	5	5	5.00	4	6	5	5.00	5	5	5	5.00	5	5	4.33	5	5	3	5.00	6	4	5
18	4.00	3	4	5	5.67	5	6	6	5.67	5	6	6	4.50	4	5	4.67	6	4	4	5.33	6	5	5
19	4.33	5	4	4	5.00	6	6	3	4.33	6	3	4	4.50	5	4	4.00	4	4	4	5.33	6	5	5
20	3.67	3	5	3	4.00	4	4	4	5.00	6	4	5	4.50	6	3	5.00	5	5	5	5.33	6	6	4
21	5.33	5	6	5	4.33	5	4	4	5.33	6	5	5	4.50	4	5	5.67	5	6	6	4.67	4	6	4
22	3.33	4	3	3	4.67	5	4	5	5.33	6	5	5	4.00	5	3	4.33	6	3	4	5.33	5	6	5
23	4.33	4	4	5	5.67	5	6	6	5.33	6	6	4	5.00	5	5	5.00	6	4	5	5.33	6	4	6
24	4.67	5	5	4	4.67	4	6	4	4.67	4	6	4	4.00	4	4	5.33	6	5	5	4.00	3	5	4
25	5.00	6	5	4	4.33	4	4	5	5.33	5	6	5	4.50	5	4	5.33	6	5	5	5.00	4	6	5
26	5.33	5	6	5	5.00	5	5	5	5.33	6	4	6	5.50	6	5	5.33	6	6	4	4.33	4	4	5
27	5.67	5	6	6	5.00	6	5	4	4.00	3	5	4	4.50	3	6	4.67	4	6	4	4.67	5	5	4
28	5.00	4	6	5	4.67	4	5	5	5.00	4	6	5	4.50	4	5	5.33	5	6	5	4.67	6	5	3
29	5.00	6	4	5	5.67	5	6	6	4.00	2	4	6	4.50	4	5	5.33	6	4	6	4.33	4	6	3
30	5.33	6	5	5	4.33	5	4	4	4.33	5	5	3	5.00	5	5	4.00	3	5	4	5.33	5	6	5

Sequence	"1= Almost Never" to "6=Almost Always"																						
	Cross-boundary relationship				Referral for personal interest				Outside-in corporate mentality				Risk Foresight			Team shared quick vision			New Business growth			Diversification	Job longevity
	Market contact	Industry participation	Social gathering	Referral culture	Be referred	Confident to share	Open innovation	Sharing session	Rewards	Due Diligence sharing	Learnt from mistakes	New idea generation	Internal gathering	Experience sharing	Growth								
31	4.67	4	6	4	4.33	4	4	5	4.00	5	5	2	5.00	6	4	5.00	4	6	5	4.67	5	6	3
32	3.67	3	4	4	4.67	4	5	5	5.00	4	6	5	4.00	4	4	4.33	4	4	5	5.33	5	6	5
33	4.67	4	5	5	4.00	4	4	4	4.67	3	6	5	5.00	5	5	4.67	5	5	4	4.67	4	6	4
34	5.33	5	5	6	5.00	4	6	5	4.67	4	6	4	6.00	6	6	5.00	6	5	4	4.00	4	4	4
35	3.67	2	6	3	5.67	5	6	6	5.00	6	6	3	3.50	4	3	4.67	4	6	4	5.00	5	5	5
36	3.67	1	6	4	5.00	6	6	3	5.00	5	6	4	4.50	5	4	5.33	5	6	5	6.00	6	6	6
37	4.67	3	6	5	4.00	4	4	4	5.67	6	5	6	5.50	6	5	5.00	4	6	5	4.00	4	3	5
38	5.00	4	6	5	4.33	5	4	4	5.00	5	5	5	4.00	3	5	4.67	5	3	6	4.67	5	4	5
39	5.67	5	6	6	4.67	5	4	5	5.33	5	5	6	5.00	4	6	4.33	5	2	6	4.67	5	4	5
40	5.33	6	4	6	5.67	5	6	6	4.67	4	5	5	5.00	4	6	5.00	6	5	4	4.67	4	6	4
41	5.00	4	5	6	4.67	4	6	4	4.00	3	4	5	5.50	5	6	5.33	6	5	5	3.67	3	4	4
42	5.00	5	6	4	4.33	4	4	5	4.33	5	4	4	5.00	6	4	5.33	6	4	6	4.67	4	5	5
43	4.33	5	3	5	5.67	6	5	6	3.67	3	5	3	4.50	4	5	4.00	6	3	3	5.33	5	5	6
44	5.33	6	4	6	5.33	6	6	4	5.33	5	6	5	5.50	5	6	4.67	6	4	4	3.67	2	6	3
45	4.67	6	4	4	5.33	6	5	5	3.33	4	3	3	4.50	5	4	5.00	5	6	4	3.67	1	6	4
46	5.33	6	5	5	5.00	4	5	6	4.33	4	4	5	5.00	5	5	5.00	5	5	5	4.67	3	6	5
47	5.67	6	6	5	4.33	5	5	3	4.67	5	5	4	4.50	4	5	5.67	5	6	6	5.00	4	6	5
48	5.33	6	4	6	4.67	6	4	4	5.00	6	5	4	5.00	4	6	4.67	5	5	4	5.67	5	6	6
49	5.33	5	5	6	4.00	4	4	4	5.33	5	6	5	5.50	5	6	4.67	4	5	5	5.33	6	4	6
50	5.33	5	5	6	5.00	5	5	5	5.67	5	6	6	6.00	6	6	4.33	4	4	5	5.00	4	5	6
51	5.33	5	5	6	5.67	5	6	6	5.00	4	6	5	5.00	4	6	4.33	5	3	5	5.00	5	6	4
52	5.00	5	4	6	4.33	6	3	4	5.00	6	4	5	5.50	5	6	5.00	6	5	4	4.33	5	3	5
53	4.00	4	4	4	5.00	6	4	5	5.33	6	5	5	5.00	6	4	3.33	3	3	4	5.33	6	4	6
54	4.67	4	5	5	5.33	6	5	5	4.67	4	6	4	4.00	3	5	4.67	4	5	5	4.67	6	4	4
55	5.67	5	6	6	5.33	6	5	5	3.67	3	4	4	4.00	2	6	5.00	5	4	6	5.33	6	5	5
56	4.33	6	4	3	5.33	6	6	4	4.67	4	5	5	4.00	5	3	4.33	5	4	4	5.67	6	6	5
57	4.00	3	5	4	4.67	4	6	4	5.33	5	5	6	4.50	5	4	5.33	6	5	5	5.33	6	4	6
58	4.33	4	5	4	5.33	5	6	5	3.67	2	6	3	4.00	4	4	5.67	6	6	5	5.33	5	5	6
59	4.67	5	4	5	5.33	6	4	6	3.67	1	6	4	4.00	3	5	5.00	6	5	4	5.33	5	5	6
60	5.00	5	4	6	4.00	3	5	4	4.67	3	6	5	5.00	4	6	4.33	4	5	4	5.33	5	5	6

Sequence	"1= Almost Never" to "6=Almost Always"				Referral for personal interest				Outside-in corporate mentality			Risk Foresight			Team shared quick vision			New Business growth			Diversification	Job longevity	
	Market contact	Industry participation	Social gathering	Cross-boundary relationship	Referral culture	Be referred	Confident to share	Rewards	Open innovation	Sharing session	Due Diligence sharing	Learnt from mistakes	New idea generation	Internal gathering	Experience sharing	Growth							
61	4.67	6	4	4	5.00	4	6	5	5.00	4	6	5	5.00	6	4	4.67	5	5	4	5.00	5	4	6
62	4.67	6	3	5	4.00	2	4	6	5.67	5	6	6	5.00	5	5	4.33	6	4	3	4.00	4	4	4
63	5.00	6	4	5	4.33	5	5	3	5.33	6	4	6	5.50	6	5	4.00	4	4	4	4.67	4	5	5
64	4.33	4	4	5	4.00	5	5	2	5.00	4	5	6	5.00	5	5	4.67	5	5	4	5.67	5	6	6
65	4.67	5	5	4	5.00	4	6	5	5.00	5	6	4	4.50	5	4	5.33	5	6	5	4.33	6	4	3
66	5.00	6	5	4	4.67	3	6	5	4.33	5	3	5	4.00	4	4	4.67	6	3	5	4.00	3	5	4
67	5.00	4	6	5	4.67	4	6	4	5.33	6	4	6	4.00	3	5	5.33	6	4	6	4.33	4	5	4
68	5.33	5	5	6	5.00	6	6	3	4.67	6	4	4	5.50	5	6	4.33	5	4	4	4.67	5	4	5
69	4.33	5	4	4	5.00	5	6	4	5.33	6	5	5	3.50	3	4	5.33	5	6	5	5.00	5	4	6
70	4.67	6	3	5	5.67	6	5	6	5.67	6	6	5	4.00	4	4	5.00	4	6	5	4.67	6	4	4
71	5.00	6	4	5	5.00	5	5	5	5.33	6	4	6	5.00	5	5	4.33	3	4	6	4.67	6	3	5
72	5.00	6	5	4	5.33	5	5	6	5.33	5	5	6	6.00	6	6	4.67	4	5	5	5.00	6	4	5
73	5.33	6	6	4	4.67	4	5	5	5.33	5	5	6	3.00	3	3	5.33	5	5	6	4.33	4	4	5
74	5.00	6	5	4	4.00	3	4	5	5.33	5	5	6	4.00	4	4	4.00	2	5	5	4.67	5	5	4
75	4.00	5	4	3	4.33	5	4	4	5.00	5	4	6	4.50	4	5	4.00	1	6	5	5.00	6	5	4
76	4.33	5	4	4	3.67	3	5	3	4.00	4	4	4	5.00	5	5	3.67	3	4	4	5.00	4	6	5
77	4.33	5	4	4	5.33	5	6	5	4.67	4	5	5	5.00	6	4	4.67	4	4	6	5.33	5	5	6
78	5.33	5	6	5	3.33	4	3	3	5.67	5	6	6	3.50	4	3	5.33	5	5	6	4.33	5	4	4
79	5.00	4	6	5	4.00	4	4	4	4.33	6	4	3	5.50	5	6	4.67	6	4	4	4.67	6	3	5
80	4.33	3	4	6	4.67	4	5	5	4.00	3	5	4	5.50	5	6	4.00	4	5	3	5.00	6	4	5
81	4.67	4	5	5	5.67	5	6	6	4.33	4	5	4	5.50	5	6	5.00	5	6	4	5.00	6	5	4
82	5.33	5	5	6	4.33	6	4	3	4.67	5	4	5	4.00	4	4	5.00	5	5	5	5.33	6	6	4
83	4.00	2	5	5	4.00	3	5	4	5.00	5	4	6	4.00	4	4	4.00	6	4	2	5.00	6	5	4
84	4.00	1	6	5	4.33	4	5	4	4.67	6	4	4	4.50	5	4	4.00	6	5	1	4.00	5	4	3
85	3.67	3	4	4	4.67	5	4	5	4.67	6	3	5	6.00	6	6	4.67	6	5	3	4.33	5	4	4
86	4.67	4	4	6	5.00	5	4	6	5.00	6	4	5	6.00	6	6	5.00	6	5	4	4.33	3	6	4
87	5.33	5	5	6	4.67	6	4	4	4.33	4	4	5	5.00	6	4	5.33	6	5	5	4.00	4	4	4
88	4.67	6	4	4	4.67	6	3	5	4.67	5	5	4	4.50	4	5	5.33	5	5	6	4.67	4	5	5
89	4.00	4	5	3	5.00	6	4	5	5.00	6	5	4	5.00	5	5	4.33	5	4	4	5.33	5	6	5
90	5.00	5	6	4	4.33	4	4	5	5.00	4	6	5	5.50	6	5	4.33	5	3	5	5.33	6	4	6

Sequence	"1= Almost Never" to "6=Almost Always"				Referral for personal interest				Outside-in corporate mentality			Risk Foresight			Team shared quick vision			New Business growth			Diversification	Job longevity	
	Market contact	Industry participation	Social gathering	Cross-boundary relationship	Referral culture	Be referred	Confident to share	Open innovation	Sharing session	Rewards	Due Diligence sharing	Learnt from mistakes	New idea generation	Internal gathering	Experience sharing	Growth							
91	5.00	5	5	5	4.67	5	5	4	5.33	5	5	6	5.00	4	6	4.67	5	4	5	4.67	4	5	5
92	4.00	6	4	2	5.00	6	5	4	4.33	5	4	4	4.50	5	4	5.00	4	5	6	4.67	5	5	4
93	4.00	6	5	1	5.00	4	6	5	4.67	6	3	5	4.50	5	4	4.00	4	2	6	4.67	5	6	3
94	4.67	6	5	3	5.67	5	6	6	5.00	6	4	5	5.50	6	5	3.67	5	1	5	5.00	5	6	4
95	5.00	6	5	4	5.33	6	4	6	5.00	6	5	4	5.00	6	4	4.67	6	3	5	5.00	4	6	5
96	5.33	6	5	5	5.00	4	5	6	5.33	6	6	4	6.00	6	6	3.67	3	4	4	5.33	4	6	6
97	5.33	5	5	6	5.00	5	6	4	5.00	6	5	4	6.00	6	6	4.00	4	5	3	5.33	5	6	5
98	4.33	5	4	4	4.33	5	3	5	4.00	5	4	3	6.00	6	6	5.00	5	6	4	5.00	6	5	4
99	4.33	5	3	5	5.33	6	4	6	4.33	5	4	4	4.00	4	4	4.67	5	4	5	4.33	4	5	4
100	4.67	5	4	5	4.67	6	4	4	4.33	5	4	4	4.50	5	4	4.33	6	5	2	4.33	5	3	5
101	5.00	4	5	6	5.33	6	5	5	5.33	5	6	5	5.00	6	4	4.67	4	4	6	5.00	5	4	6
102	4.00	4	2	6	5.67	6	6	5	5.00	4	6	5	4.50	3	6	5.33	5	5	6	4.00	4	4	4
103	3.67	5	1	5	5.33	6	4	6	4.33	3	4	6	5.00	4	6	4.67	6	4	4	5.00	4	6	5
104	4.67	6	3	5	5.33	5	5	6	4.67	4	5	5	4.00	4	4	4.00	4	5	3	4.33	4	4	5
105	3.67	3	4	4	5.33	5	5	6	5.33	5	5	6	5.00	5	5	5.00	5	6	4	5.00	4	6	5
106	4.00	4	5	3	5.33	5	5	6	4.00	2	5	5	6.00	6	6	5.00	5	5	5	4.33	3	4	6
107	5.00	5	6	4	5.00	5	4	6	4.00	1	6	5	4.50	4	5	4.00	6	4	2	4.67	4	5	5
108	4.67	5	4	5	4.00	4	4	4	3.67	3	4	4	5.00	5	5	4.00	6	5	1	5.33	5	5	6
109	4.33	6	5	2	4.67	4	5	5	4.67	4	4	6	5.00	5	5	4.67	6	5	3	4.00	2	5	5
110	4.00	6	5	1	5.67	5	6	6	5.33	5	5	6	4.50	5	4	5.00	6	5	4	4.00	1	6	5
111	4.33	6	4	3	4.33	6	4	3	4.67	6	4	4	4.00	4	4	5.33	6	5	5	3.67	3	4	4
112	4.00	4	4	4	4.00	3	5	4	4.00	4	5	3	4.50	4	5	5.33	5	5	6	4.67	4	4	6
113	5.00	5	5	5	4.33	4	5	4	5.00	5	6	4	5.50	5	6	4.33	5	4	4	5.33	5	5	6
114	6.00	6	6	6	4.67	5	4	5	5.00	5	5	5	4.50	6	3	4.33	5	3	5	4.67	6	4	4
115	3.67	4	3	4	5.00	5	4	6	4.00	6	4	2	4.00	4	4	4.67	5	4	5	4.00	4	5	3
116	4.67	5	4	5	4.67	6	4	4	4.00	6	5	1	5.00	5	5	5.00	4	5	6	5.00	5	6	4
117	5.00	5	5	5	4.67	6	3	5	4.67	6	5	3	5.00	5	5	4.00	4	2	6	5.00	5	5	5
118	5.00	6	5	4	5.00	6	4	5	5.00	6	5	4	5.00	4	6	3.67	5	1	5	4.00	6	4	2
119	5.33	6	6	4	4.33	4	4	5	5.33	6	5	5	5.00	4	6	4.67	6	3	5	4.00	6	5	1
120	5.67	6	6	5	4.67	5	5	4	5.33	5	5	6	5.00	4	6	3.67	3	4	4	4.67	6	5	3

Sequence	"1= Almost Never" to "6=Almost Always"				Referral for personal interest				Outside-in corporate mentality			Risk Foresight			Team shared quick vision			New Business growth			Diversification	Job longevity	
	Market contact	Industry participation	Social gathering	Referral culture	Be referred	Confident to share	Open innovation	Sharing session	Rewards	Due Diligence sharing	Learnt from mistakes	New idea generation	Internal gathering	Experience sharing	Growth								
121	6.00	6	6	6	5.00	6	5	4	4.33	5	4	4	3.50	3	4	4.00	4	5	3	5.00	6	5	4
122	4.33	6	4	3	5.00	4	6	5	4.33	5	3	5	4.50	4	5	5.00	5	6	4	5.33	6	5	5
123	4.33	4	5	4	5.33	5	5	6	4.67	5	4	5	5.00	4	6	4.67	5	4	5	5.33	5	5	6
124	5.33	5	6	5	4.33	5	4	4	5.00	4	5	6	4.00	4	4	4.33	6	5	2	4.33	5	4	4
125	5.33	6	4	6	4.67	6	3	5	4.00	4	2	6	5.00	5	5	4.00	6	5	1	4.33	5	3	5
126	4.67	3	5	6	5.00	6	4	5	3.67	5	1	5	5.00	5	5	4.33	6	4	3	4.67	5	4	5
127	4.33	4	5	4	5.00	6	5	4	4.67	6	3	5	6.00	6	6	4.00	4	4	4	5.00	4	5	6
128	5.00	4	6	5	5.33	6	6	4	3.67	3	4	4	5.50	5	6	4.33	5	4	4	4.00	4	2	6
129	5.67	5	6	6	5.00	6	5	4	4.00	4	5	3	5.00	4	6	4.67	6	3	5	3.67	5	1	5
130	5.00	6	6	3	4.00	5	4	3	5.00	5	6	4	4.50	3	6	5.00	6	4	5	4.67	6	3	5
131	4.00	4	4	4	4.33	5	4	4	4.67	5	4	5	5.00	4	6	5.00	6	5	4	3.67	3	4	4
132	4.33	5	4	4	4.33	3	6	4	4.33	6	5	2	5.00	5	5	5.33	6	6	4	4.00	4	5	3
133	4.67	5	4	5	4.00	4	4	4	4.00	6	5	1	5.50	6	5	5.00	6	5	4	5.00	5	6	4
134	5.67	5	6	6	4.67	4	5	5	4.33	6	4	3	5.00	5	5	4.00	5	4	3	4.67	5	4	5
135	4.67	4	6	4	5.33	5	6	5	4.00	4	4	4	4.50	4	5	4.33	5	4	4	4.33	6	5	2
136	4.33	4	4	5	5.33	6	4	6	5.00	5	5	5	4.00	4	4	4.33	5	4	4	4.00	6	5	1
137	5.00	5	5	5	4.67	4	5	5	6.00	6	6	6	4.50	5	4	5.33	5	6	5	4.33	6	4	3
138	5.00	6	5	4	4.67	5	5	4	3.67	4	3	4	5.00	5	5	5.00	4	6	5	4.00	4	4	4
139	4.67	4	5	5	4.67	5	6	3	4.67	5	4	5	6.00	6	6	4.67	4	5	5	5.00	5	5	5
140	5.67	5	6	6	5.00	5	6	4	5.00	5	5	5	4.00	5	3	5.33	5	6	5	6.00	6	6	6
141	4.33	5	4	4	5.00	4	6	5	5.00	6	5	4	4.00	4	4	5.33	6	4	6	3.67	4	3	4
142	4.33	4	4	5	5.33	4	6	6	5.33	6	6	4	4.00	3	5	4.67	4	5	5	4.67	5	4	5
143	4.67	4	5	5	5.33	5	6	5	5.67	6	6	5	5.00	4	6	4.67	5	5	4	5.00	5	5	5
144	4.00	4	4	4	5.00	6	5	4	6.00	6	6	6	4.50	5	4	4.67	5	6	3	5.00	6	5	4
145	4.00	3	5	4	4.33	4	5	4	4.33	6	4	3	5.50	6	5	5.00	5	6	4	5.33	6	6	4
146	4.67	4	6	4	4.33	5	3	5	4.33	4	5	4	5.00	5	5	5.00	4	6	5	5.67	6	6	5
147	4.00	4	5	3	5.00	5	4	6	5.33	5	6	5	4.00	4	4	5.33	4	6	6	6.00	6	6	6
148	4.33	5	4	4	4.00	4	5	3	5.33	6	4	6	4.00	4	4	5.33	5	6	5	4.33	6	4	3
149	4.67	5	5	4	3.67	5	4	2	4.67	3	5	6	3.50	3	4	5.33	5	6	5	4.33	4	5	4
150	5.33	6	5	5	4.33	5	4	4	4.33	4	5	4	4.00	5	3	5.33	5	5	6	5.33	5	6	5