Techniques
Learning about service quality

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Abstract

Presents a methodology for the design of a learning approach to service quality improvement.
Considers the strengths of "action learning", noting some of the major companies which have utilized this approach, including the British Airports Authority and AT&T. Looks at a typical action learning program which involves aspects such as tackling real problems and working in small groups or "sets", and notes benefits such as the fact that the programs can be designed to suit the organization and that the brightest people in the company can be challenged to solve critical problems.

Introduction: a new approach

Organizations face constant and increasing service challenge to deliver added value, and focus on the customer. To meet these challenges, progressive organizations seek intimate and constant customer contact, using this deep knowledge in designing services, sometimes involving customers themselves in this design process.

What we present in this article is a methodology by which service organizations can design a learning approach to service quality improvement, embracing these principles of value-adding and customer-centricity in their training and development activities. It is, indeed, a whole new way of thinking about service quality training and development (although it has been around and been used for the best part of 50 years by some of the world's best business educators and most far-sighted organizations, although only recently has come into common currency). This methodology is called action learning.

Action learning is an unusually pragmatic approach to business education which centres on the following concepts:

- people learn best about work at work;
- people learn best by doing real things;
- people learn best with and from others in similar situations;
- people learn best within a framework which captures and digests experience.

Action learning has had in the past a whole range of applications to business problems and functions. But the relatively recent emphasis in organizations on quality improvement may be the most powerful application yet.

Today's learning agenda in service quality

Time was when training and development was seen as "nice to do"; something which could be picked up when times were good and spare cash was plentiful, and put down again when times were tougher. But as competition has become more intense and more globalized, and customers have become more choosy and more aware, effective people development has become a strategic priority, a "need to do" rather than a "nice to do". And the corpses of organizations who chose not to invest in learning, education and development provide evidence of this kind of short-sightedness. For unless an organization's people are both knowledgeable, and have the

capability to harness relevant knowledge in a meaningful way, events will overtake it. The capability to deal with change is the capability to interpret, react to, adapt to or influence your environment. In other words, to learn, both on an individual and a corporate level.

There are three important consequences of a deficiency in this capability. First, unless the general management and executive population are helped to continually re-address and update their skills and knowledge, organizational efficiency quickly erodes. Processes become complex, rooted in tradition, self-serving rather than outward-looking. Second, a lack of value-adding development programs for the senior management and executive community critically reduces the effectiveness of the organization as strategic ability dwindles. Third, if the special development needs of the organization's future leaders, the "high-potentials", are ignored or poorly addressed, the organization's future survival comes into question. Figures 1 and 2 graphically illustrate the need to add value in learning, knowledge, skill and capability ahead of changing business demands.

If we were simply talking about traditional-style investment in skill training and knowledge acquisition, the problem would be less tricky. But we all know, for example, the successful technician who turns out to be hopeless as a manager; the highly efficient operational trouble-shooter out of his or her depth as a strategist and leader; the know-it-all business graduate who has a hard time finding that real practice does not unroll as cleanly as theory says it should.
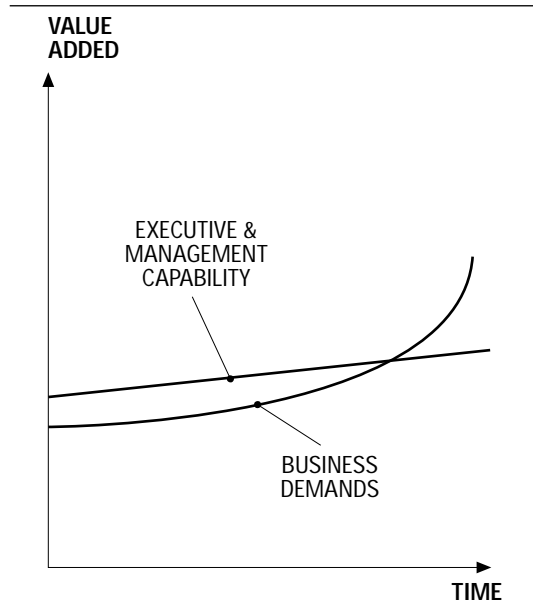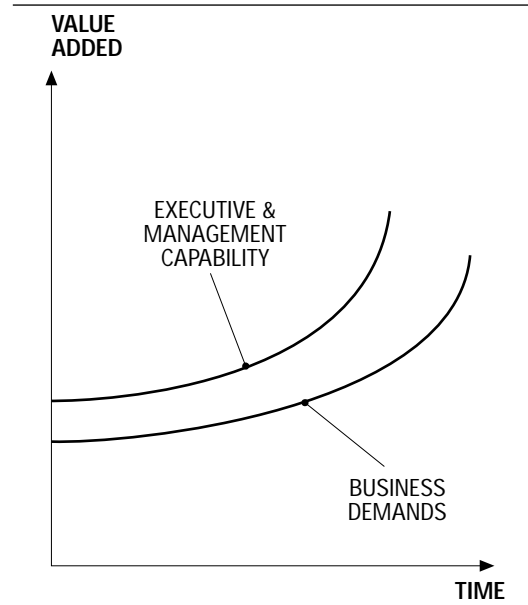
Figure 1 Demands outstrip capability

Nowhere is there a bigger gap between theory and practice than in the realms of quality management. For instance, how many people believe that by picking up and studying one of the "bibles" of quality improvement, such as Philip Crosby's *Quality Is Free* or Michael Hammer's *Re-engineering the Corporation*, quality would improve in our organizations?

Not that there's anything wrong *per se* with the theories that Crosby, Deming, Hammer, Tom Peters or any other "guru" expounds. But they are only any use when something happens, i.e. when they are applied. And that is usually the beginning of a long and arduous struggle to bend and tailor the various theories to fit an organization's unique make-up, while battling with forces of inertia, resistance and politics.

It would be nice to think that real, useful knowledge about quality improvement can be gained from listening to lectures or writing essays about other people's books.

But the truth is, it can't.

In other words, the skill of being an effective manager is to be able to operate effectively in context, whatever that context might be. If the context is a bureaucratic, closed culture; a changing customer base; a "service dilemma" of coping with the reality of managing low-paid, fast-turnover staff at the customer interface – the effective manager must be able to work with what he or she has, within the environment he or she is in. Some of these needs are listed below in a management development agenda for business:
- Act with courage in conditions of complexity and risk.

Figure 2 Capability is kept ahead of increasing demand

- Balance individualized relationship management with service quality consistency.
- Implement current strategy while considering future needs.
- Identify critical problems and ask the right questions.
- Audit and assure "moments of truth".
- Get things done within the organization's culture.
- Build strategies for pre- and post-purchase service brand reinforcement.
- Build and leverage networks.
- Capture both tacit and explicit knowledge.
- Contribute to organizational learning.
- Self-develop through business and social experience.
- Learn from competitors, customers and suppliers.
- Be able to "walk the talk" on espoused values.

At the same time as these capabilities are being developed, there are other important pressures which come into play. Some of these are noted below:

- Have no "spare time"; there is only time that can be prioritized in different ways.
- Have essentially no answers for the questions they are facing day after day, only more questions.
- Are trying to make sense of their own personal stresses while advising their subordinates.
- Have no framework for nurturing and supporting one another.
- Have no safe place to practice new skills.
- Feel uncertain about job security.
- Face enormous pressures to simply "play the game".

High-potential managers, the leaders of tomorrow, are traditionally a very difficult community for organizations to deal with. If we add their needs to the mix, the development challenge looks even more daunting. If an organization doesn't meet their needs, high-potentials can get frustrated and destructive. The loss of the best of the potential next generation of leaders can leave an organization with a major headache; for example, the need to make the best of second-rate or reluctant successors. Some of the characteristics of high-potential managers are listed below. Members in this community:

- Seek visibility and active leadership opportunities.
- Want to contribute to the "Heartbeat" issues.

- Are creative, learn fast, see problems as opportunities.
- Seek variety, challenges, intellectual stimulation.
- Display high commitment and drive to excel.
- Achieve their goals in short time-frames.
- Treat work as a primary source of satisfaction.
- Challenge "glass ceilings" and other barriers faced by nontraditional managers.

These various development agendas can seem very daunting, and it is small wonder that we have, in trying to address them, often conceded that "It can't be done", and reverted to what we know. In other words, investing in training and development as a kind of staff perk; investing in "feel-good" programs such as generic communication skills, with no real hope that anything much will change; hoping that salvation will arrive through luck or inspiration rather than the hard work of disciplined learning.

But we believe the answer is "Yes, it can be done". Action learning is a proven vehicle to satisfy such diverse requirements. A variety of notable organizations have utilized action learning to advantage, and it is very widely practiced throughout the world.

In practice, action learning appears in many variants, much like the automobile is available in all manner of makes and styles while still being recognizable as an automobile. We will see that action learning has the ability to fulfill an organization's diverse development-related objectives, and the elasticity to fulfill requirements for virtual availability. In particular, by linking capability development directly to business demand dynamics, action learning keeps management and executive capability ahead of business demand, as shown in Figure 2.

Notable service companies who have used action learning are as follows:

- British Airports Authority.
- Malaysian Airlines.
- Allied Irish Bank.
- AT&T.
- Jones Lang Wootton.
- Ernst & Young.
- Toronto Dominion Bank.
- Northern Telecoms.
- Prudential Insurance.
- Maybank.
- UK Dept of Employment.
- St John Ambulance.
- St Helier Hospital Trust.
- Westpac Bank, Australia.

Action learning: the truth is out there

There are no grand unified theories of success in service management. It would be hard to argue any kind of universal success prescription in any kind of organization. But services, so dependent on human interaction and perception of quality, defy categorization. There is only experience, properly and adeptly applied.

In terms of learning, then, and given all the difficulties of effective development in today's fast-changing world, what have we to fall back on save empirical investigation – try it out, keep the good stuff, discard what doesn't fit. And so long as we regard management theories and models as ideas to be tried out and possibly discarded, not as new religions, we would have little argument with that approach.

For we would argue very strongly that the uncertainties of services management (as opposed to the technicalities of business such as double entry bookkeeping or machining a piece of metal) cannot be taught *per se*. They must be learned. And, following that thesis, they cannot be learned in isolation from their context, simply because management is almost entirely contextual. They cannot be learned from a book, or a lecture, or from climbing a tree on an outdoor exercise. They cannot be learned through simulation. They cannot be learned through case analysis of some historical event. All these methods, in their place, may be able to help. But management can only be learned by doing it.

Now, you might argue, having an experience and learning from it are two different things, and you would be right. So we would further elaborate by saying that experience can only be reliably learned from if a proper learning design and framework is in place to help people capture the learning from experience.

The truth is indeed out there. Action learning is based on the principle that we need to know not only how we should act, all things being equal, but how we really do act and can act. And as a development approach, that means that we need to design learning around real problems – with real risks of failure, in real time, in a real environment (our own), which will allow us the opportunity of investigating how we really act and make decisions.

Because we can at times misinterpret our actions and motivations, and those of others, action learning initiatives are designed around a learning group, together with a process advisor. Their role, as well as taking their own actions

and reflecting on them, is to help us as individuals to get near to the truth about what's going on. And reciprocally, we each do the same for each other, helping to see where actions do not match words. A well-designed and managed group will start to examine what motivates the decisions we make and affects our actions.

An action learning developmental initiative presumes little or nothing. Models and theories can be legitimately presented and discussed, but properly, as models and theories rather than as cure-alls or ritual magic. The focus is on the question, and sometimes on questions about the question. An able advisor will guard against over-indulgence on the questioning process, for the outcome of action learning should be – indeed, must be – meaningful action.

The crucial difference between action learning and other types of learning is, reasonably enough, action. The model of knowledge acquisition simply says – here is our curriculum which dictates what knowledge is appropriate to acquire. Now ingest it, and we can test to see if you have retained it. Applied learning says – here is some knowledge, ingest it, now see if you can apply the knowledge to fit a set of real or simulated circumstances; analyze a case study, say, or discuss in your own work context.

The problem with these two types of learning is transfer – the difficulty of true application from a discussion on paper, where circumstances are in the control of the student and teacher, to application in fact, where unforeseen circumstances arise in unforeseen ways.

Action learning, as we have already discussed, starts with a question of what we would like to know, rather than a body of knowledge *per se*, and then draws down or elicits from the body of knowledge what might be seen as useful to bear on the question. The foundation of the question is a real problem which really needs to be addressed, rather than a hypothetical one, and one which the learner him/herself cares about in some way. That is often because the successful solution of the problem will produce some self-interestedly beneficial result, and/or the non-solution of the problem will produce some self-interestedly negative outcome.

From that point on, action learning asks for analysis of the problem, in the same manner as does applied learning, and then for actual action. It is really at this point, action learners would argue, that real learning begins. Following action comes reflection and further

analysis, ideally concurrently with further and continuing action. Formal testing of knowledge acquired is largely unnecessary as it is self-referential; a successful intervention can be seen as a successful intervention in terms of a business outcome, and therefore a conclusion formed that effective learning in some manner has taken place. In an action learning program one of the authors directed in the UK, many of the participants used an action learning framework to prepare their organization for certification to ISO 9001 or 9002; and their documentation, together with a carefully documented "learning log" formed the outputs necessary for a Postgraduate Diploma in Quality Management award. If the participant proceeded successfully, his or her organization gained external certification to the ISO 9000 standard. We could with some assuredness presume that the participant had therefore learned how to prepare his or her organization to address quality management in a systematic manner and, more subjectively, through assessment of the learning log, and discussions with bosses and peers, how effectively the participant had so done and how others had been drawn into the learning process. This "ripple effect" on colleagues and staff, together with a tangible organizational pay-off coupled with a demonstrable learning achievement expressed through action, not just conceptual grasp, makes for a powerful and potent combination.

In a formal educational setting such as a university or (increasingly) on a company training and development program, formal testing can be achieved by asking for documentation of the process of problem, question, elicitation of knowledge (including sources and methodological design used), problem analysis, action taken, reflection on action, reflection on learning, actual outcome (see Table I).

Action learning programs are built around the points shown below:
- Tackling real problems in real time in a tight learning community.
- Executives and/or managers sponsored to small stable groups called a "Set":
  - each set is facilitated by a "Set Advisor";
  - each set holds intermittent meetings over a fixed program cycle.
- Set members who:
  - are challenged to resolve an individual or a group problem set by the sponsor(s);
  - target the realities at their own field level;
  - must take action to resolve the problem;
  - are exposed to appropriate risk and "stretch";
  - work in the set in a supportive social process;
  - proceed via questioning, conjecture and refutation;
  - can take advantage of training and other interventions as the need arises;
  - report final results to the sponsor(s).
- Whole person development.
- Natural mentoring.
- Defined and accidental learning.

A program starts with curriculum determination, rather than a given curriculum. The training agenda can only be the key issues facing an organization and an individual within it. From there, people are encouraged to draw from the body of knowledge – books, journals, other people, company literature, other firms – appropriate, targeted and contextualized information. This approach is elicitive, in that it elicits relevant information,

Table I An evolution of learning

Knowledge acquisition	Applied learning	Action learning
Teacher or institution's syllabus	Teacher or institution's curriculum	Problem
		Question
Ingestion of knowledge to fit curriculum	Ingestion of knowledge to fit curriculum	Elicitation of knowledge to address the question
Testing of retained knowledge through examination	Testing of knowledge through analysis of real or simulated circumstances	Analysis of problem
		Action
		Reflection (and more action)
		Assessment through outcomes (and documentation of process)

rather than disseminates what a trainer or designer thinks is good for the participants.

By these means, action learning seeks to throw a net around slippery experiences, and capture them as learning, i.e. as replicable behavior in similar and indeed differing contexts. An action learning program of development forces reflection. The individual makes sense of an experience by conceptualizing it and generalizing the replicable points; and plans for future actions based on the learning gathered. The set provides the forge in which an individual's actions are shaped through their own personal reflection and the questioning insight of fellow set members.

A key point is that actions and outcomes still remain the responsibility of the individual participant. Action learning provides the safe environment or "practice field" for learning to occur, while recognizing that real responsibility lies outside any classroom environment, with the participants who must own the business outcomes. What is more, in using the organization itself as a learning laboratory, it does not require any special set of conditions to be in place before it can be effective. Action learning works well in a bureaucracy, in a flat organization, in a firm culturally hostile to education and development, in a firm encouraging self-actualization. It does so because its whole ethos is learning about the surrounding context, and learning to be effective within it, thus leveraging the prevailing culture to its own advantage.

As a result, the development needs of the organization's managers, executives and high-potentials are satisfied through activities which are focused on the articulated significant current and future needs of the organization. This is development addressed as a business service provision; geared to provide in a precisely targeted way what is required, when it is required, where it is required, in the form in which it is required.

The distinction between an emergent, elicitive syllabus and a trainer-directed one is a profound one, going deeper than a change of tone. In designing action learning interventions we admit that we do not hold all the answers. In this sense we become one with the business climate of today. While the job of the skilled action learning architect will be to create the conditions for learning to take place which delivers the expectations of both individual learner and organizational client, in the end, learners themselves must adopt, own and ultimately live with the consequences of their program. Irrelevance does not exist within the well-designed action learning intervention, albeit that learners can (in some circumstances) create irrelevant outcomes for themselves, of their own choosing.

An effective leader in today's organization is able to work alone and as part of a team. We ignore these two facets at our peril. Executives schooled solely as team players may never learn to take personal responsibility, and can find themselves unable to act, only to advise. But likewise, the lone wolf executive schooled to think and act alone will find him or herself increasingly alienated in organizations calling, rightly, for shared vision. Action learning recognizes that future managers and executives must develop self-direction and self-reliance. At the same time, action learning programs always work with groups which encourage participants to discuss, share, pool their ambitions and experiences, and therefore create something else, a Gestalt, where the group yields a better result than individuals could.

Does this developmental methodology provide the key to an organization's requirements for customized, value-laden management and executive development? We believe it does. Does this developmental methodology provide the key to the development requirements of high-potentials? Again we believe it does. Action learning fulfills the development expectations of these various communities while also fulfilling the organization's expectations. Some of the benefits associated with action learning programs are shown below:

- Programs designed to suit the organization.
- Brightest people challenged to solve critical problems.
- Contributions are visible, practical, and active.
- Emphasizes getting things done in the organization.
- Leadership is naturally developed.
- New hires and seasoned individuals develop together.
- Mentoring and nurturing skills develop instinctively.
- Network of current and future leaders is matured.
- Diversity is addressed naturally.
- Capability/career assessment is based on real results.
- Development is rapid.

Action learning in practice

Probably no two organizations use action learning in the same way. Action learning is used worldwide, in large and small companies, and in a multitude of forms. Companies as varied as Volvo in Sweden, Prudential Insurance Company in the UK, Malaysian Airlines and Hewlett-Packard in the USA have run extensive action learning programs which they all found appropriate to their businesses.

The approach has not been confined solely to individual in-company initiatives. In the public sector, action learning has been applied in government and in healthcare. There is now widespread use of action learning in universities and business schools. This use of action learning in educational environments is a fast growing application of the approach. A leading exponent in the US has been Noel Tichy who uses action learning as part of University of Michigan MBA student programs. The revised McGill University MBA program in Canada, managed by Henry Minzberg, is based on the principles of action learning. International Management Centres, based out of the UK, were early pioneers of university action learning with their first action learning MBA launched in 1983, with many thousands of graduates to date from some 30 different countries worldwide.

In North America, as in the rest of the world, action learning development programs have been set up for many different reasons. AT&T in Morristown uses action learning in "gap group" programs. AT&T's aim is to surmount the gaps in performance or output that a division faces while developing its employees. In AT&T's case, high-potentials bring in business problems which they work through with peers from other divisions and functions. Corning Inc. of New York actually offer courses in action learning to help its work teams apply the method. Corning also uses action learning for diversity training at its State College plant. In this example groups are gender and race balanced and deal with issues involving sexual and racial harassment. Cigna International Property & Casualty Corp. of Philadelphia includes clients in its action learning groups. Whirlpool Corp. in Benton Harbor utilizes an unusual extension of action learning; line managers include front-line workers in their action learning groups. In programs run by Digital Equipment Corporation in their Burlington operation both executives and supervisors participate.

DEC's programs are in part expected to help participants frame and solve problems more effectively. GE Medical Systems in Milwaukee mixes 2/3 stakeholders and 1/3 high-potentials in its action learning groups.

Worth a closer look?

When a development methodology has been in widespread use for some 50 years one can expect that there will be plenty of information available with regard to how to apply it, and that is the case here. An excellent source is the International Foundation for Action Learning (IFAL). IFAL is a not-for-profit organization which is dedicated to furthering understanding and application of action learning. The foundation has established its Chapters worldwide, including Canada and the USA. The aforementioned International Management Centres have an extensive Internet site with a large and eclectic collection of material. The publishers of this journal, MCB University Press, have been one of the pre-eminent outlets for those writing about action learning applications over the years.

There are certainly experts in the field who like to cloak the approach in mystery and complexity, but in truth action learning is simply a form of natural learning, learning by doing. Just like riding a bike, you have to get on and try. Yes, if you want to ride in the Tour de France you are going to have to develop very sophisticated techniques, but remember, professional riders started off like everyone else, one pedal at a time. The reason most often offered for delaying getting on this bike is that "there's too much going on right now". Paradoxically, this is exactly the time action learning will return its greatest dividends.

Information sources

International Management Centres
http://www.imc.org.uk/imc/welcome.htm
   International Foundation for Action Learning (IFAL)
http://www.tlainc.com/ifalcsrv.htm
   MCB University Press's database EMERALD is available on 30-day trial at this location:
   http://www.emerald-library.com/EMR/EMR.htm/
   Authors' contacts:
Peter Smith: e-mail *pasmith@tlainc.com*
John Peters: e-mail *jpeters@cadvision.com*