

INDUCTION AND THE OPPORTUNITY FOR ORGANIZATIONS TO LEARN* - A DANISH AND GERMAN CASE STUDY OF INDUCTION PRACTICE.

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ABSTRACT

Induction is commonly referred to as a socialization process in which a newcomer is expected to learn “the ropes” of an organization; e.g. learn the basic values, culture, formal and informal procedures as well as the basic practicalities in order to adapt to and function in a new job. However, in a global and increasingly competitive world, knowledge intensive firms select and recruit people in order for them to enter the firm and make a difference by integrating their competencies and the specialized knowledge they possess into the organization. The interest of our research is the interplay between individual and organisational learning. This paper addresses learning in a particular organizational practice, namely induction of newcomers, in two distinct organizational settings. We analyze how induction potentially triggers both individual and organizational learning, in order to discuss how induction of newcomers can be seen as way of creating organizational renewal. We compare two organizational settings, a Danish management consulting company and a German retail bank, and by drawing on March’s (1991) concepts of exploration and exploitation and Ellström’s (2006) logics of work, we discuss different conditions that influence the potentials of organizational renewal. As this paper is embracing different theoretical and empirical positions, we finish the paper with a brief discussion of our fusion attempts.

1 INTRODUCTION

Induction is commonly referred to as a socialization process in which a newcomer is expected to learn “the ropes” of an organization; e.g. learn the basic values, culture, formal and informal procedures as well as the basic practicalities in order to adapt to and function in a new job (Maanen & Schein 1979; Chao et al. 1994). When newcomers enter an organization they must learn certain skills in order to perform adequately in their new job environment, e.g. computer programs, how to approach customers, and whom to sit by at lunch time. This acquisition is fostered through a variety of means, some formal like training sessions, orientations, introductory courses etc. and through informal means like

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participating in every day life in the organization. The individual’s ability to learn these new skills seems to be the crux for potential success in the organization.

However, in a global and increasingly competitive world, knowledge intensive firms (Alvesson 2004) select and recruit people in order for them to enter the firm and make a difference by integrating their competencies and the specialized knowledge they possess into the organization. In other words, the organization can be assumed to see the induction of a newcomer as an opportunity to learn. Thus in addition, the capacity to learn from newcomers seems to be equally important for organizations.

This paper follows up on the latter assumption, and we argue that induction is about more than individual learning. The “things” that happen in induction is also a key to understand organizational learning, e.g. the potential for the organization to change and renew itself as a consequence of the entry of newcomers. The puzzle we have, is that our data suggests that both individuals and organizations learn as a consequence of what happens in induction, but that this potential is not released in its full. We focus on induction as it appears in two different industries, retail banking and management consulting, in two different countries. In this paper we describe how differences in practice as well as company characteristics influence the learning potentials inherent in induction.

We begin by framing our paper theoretically. Then we continue by presenting the empirical base of our research; induction of newcomers in a Danish management consultancy company and a German retail bank. In the third part we describe how different aspects of induction contain both individual learning elements and organizational learning elements through a description of two focal practices. In the final part of the paper we discuss how the interplay between adaptation and renewal meet in a particular practice, namely induction. We also address our fusion attempts and the prospects for further research that might be prompted.

This empirically driven research draws on data generated under the auspices of the Advanced Institute of Management Research, within the project ‘The Evolution of Practising: A Comparison across Organizations, Industries and Countries’, which is a comparative study conducted in seven countries by researchers from an interdisciplinary background.[‡]

2 THE THEORETICAL OUTSET

Scholars from different stands within the organizational learning field have been preoccupied with understanding how learning relates to adaptation in or renewal of the organization. Newcomers are argued to have a crucial role to play. For instance Simon (1991) claims: “All learning takes place inside individual human heads; an organization learns in only two ways: (a) by the learning of its members, or (b) by ingesting *new members* who have knowledge the organization didn’t previously have.” (Simon 1991:125, *italics added*). Also Wenger (1998), although from the opposite vantage point states: “When *newcomers join* a community of practice, generational discontinuities spread through multiple levels; relations shift in a cascading process.” (Wenger 1998: 90, *italics added*).

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One view on learning in organizations is to address individual learning and organizational learning as two different learning processes, *learning in organizations* and *learning by organizations* (see also Popper & Lipshitz 2000), that is potentially enabled or triggered in the same practice. Both types of learning are concerned with potentials for change, e.g. the potential for the individual to change (either by acquisition of new skills or through participation in everyday practices (Sfard 1998, Elmholdt 2003) as well as the organization to change as a consequence of the induction of newcomers into the organization.

The practices we have studied revealed that both individual (learning in) and organizational learning (learning by) is potentially triggered, alluding us to a more comprehensive view on learning where we need to take into account that individuals as well as organizations learn as a result of induction. The introduction of newcomers in organizational life, not only potentially triggers learning in the person, but also triggers learning by the organization. As the newcomers’ learning processes are widely described elsewhere (see e.g. Ardts et al. 2001; Coleman & Kleiner 2001; Saks & Ashforth 1997; Ostroff & Kozlowski 1992; Maanen & Schein 1979), our concern in this paper is on the potentials of organizational renewal that stems from induction newcomers.

The understanding of induction as a practice that guides this paper is that induction is embedded in an overall organizational practice, e.g. bank practice or consultancy practice. Drawing on the work of Gherardi (2006) we see induction as embedded in a “...field of practices [which] arises in the interwoven texture that connects practices to each other, and that this texture is held together by a certain number of practices which provide anchorage for others” (Gherardi 2006:47). Induction is thus made up of a number of other interconnected practices, just as organizational practice (e.g. banking or consultancy) comprises a number of interconnected practices. When asked about induction, different aspects were readily described and summarized by our informants. Although they play different roles for different people, these aspects could all be seen as part of the induction practice, pointing to a shared understanding of the content, processes, and involved aspects of induction. Feldman (2000) and Feldman and Pentland (2003) refer to this as the ostensive aspects of a routine. Other authors also point to the multiple layers and understandings of practice (see Schatzki 2001; Whittington 2006; Antonacopoulou 2006, forthcoming). In this paper we see different actions or sub-practices as embedded within an overarching notion of a (perceived) coherent process of induction. We thus understand induction as a ‘constellation of interconnected practices’ (Gherardi & Nicolini 2002) ‘carried out by knowledgeable individuals’ (Berends et al. 2003:1042, Giddens 1984). Feldman (2000) and Feldman and Pentland (2003) refer to this as the performative aspect of a routine. We look closer at two specific elements, or sub-practices, of induction, and see how they provide opportunities for organizational renewal.

3 EMPIRICAL BACKGROUND

3.1 The Companies

Our empirical base is formed by case studies in a Danish management consultancy company and a German retail bank. As our research is part of a much larger project, the case companies were chosen based on some pre-given guidelines. Besides using practices in complex task environments, the companies met the following criteria: a) the company

had some amount of accumulated history b) we were granted access to both employees and management and c) the company was willing to provide interview, observation and archival access.

Consul A/S[§] is a small management consulting company that was founded in 2000 with three employees and grew to approximately 72 employees today. It is specialized in business development, supply change management and especially lean manufacturing, and lean administration and service where they have gained country-wide reputation in the last years. The organizational structure of Consul A/S is changing from being flat, to one with middle managerial levels and senior consultant positions.

Induction has gone from being an unstructured process, consisting primarily of issuing computer hardware to the new consultant and then providing a few general remarks about the company to be a more structured process with certain required steps, such as an introduction day with specific content and a two-day seminar with other newcomers. The reason for these changes can be found in the growth of the company and growth in the management consultancy sector in general, which has caused a need to rethink recruitment policy and induction in order to keep up a competitive advantage through recruiting and keeping the right employees. Consul A/S faces the challenge of the wish to maintain a high quality standard and a strong focus on experienced executioners e.g. very experienced consultants or experienced managers vs. the need for more consultants to live up to the increasing demand for consultancy, which has led to the recruitment of relatively young and inexperienced and even newly educated business graduates and engineers. In addition, Consul A/S only recruited people “they like”, e.g. people recruited from within the consultant’s networks.

The German *Capital Bank*^{**} is a local operating cooperative bank with nearly 600,000 customers, mainly retail banking customers and craftsmen. The bank has indeed a turbulent history: In the 1860ies, the first small cooperatives were founded in the region, primarily by craftsmen and mostly small savings clubs in private apartments, which merged in 1946 under the name Capital Bank. The bank was split into an Eastern and a Western Capital Bank in the course of the allied occupation in 1951. After the German reunification, the two separated banks merged again in 1990. Although weakened by financial difficulties, Capital Bank integrated two other financially stricken cooperative banks in 1999. Collective efforts, in the form of salary cuts at all levels, brought Capital Bank from a near insolvency back to power in 2005. Today the bank has 150 branches and about 3,000 employees.

The recruiting process was quite unusual for the bank during the last years: Because of the above mentioned financial crisis, Capital Bank exclusively recruited new employees through apprenticeships and did not hire any graduates or experienced bankers at all. This is why we focused the apprenticeship as a conglomeration for induction practices at Capital Bank. In Germany, the system of apprenticeship follows a similar pattern across all professions. It is a dual system with alternating stays in vocational school, where the apprentices acquire a theoretical knowledge basis, and do on-the-job-training in the company. It concludes with a compulsory examination after 2-3 years. Most of the time, apprentices get trained in bank branches, but attendance in central units (e.g. credit

[§] Fictive name

^{**} Fictive name

department, back office service center) are also part of the apprenticeship program. Additionally, Capital Bank provides internal theoretical training to teach the apprentices company specific knowledge.

The apprentices usually start their vocational training right after they have finished their secondary school so that they are between 16 and 20 years old.

A major difference in the two cases is that the newcomers in the consultancy company are primarily experienced professionals from either other consultancy companies or from line management in various industries, whereas the newcomers described in the bank are apprentices starting a two year training program. The consequences of that will be discussed in the final part of the paper.

3.2 Methods of Data Gathering

The empirical work includes literature reviews and document analysis that encompasses available internal records, training documents, corporate websites, business reports etc. provided by the informants during the interview process, in order to situate the businesses in a historical and social context. Data on how the practices are performed, and how they have changed was collected through a total of 28 semi-structured interviews with core employees and managers involved in the respective processes. We followed an interview guide based on the projects’ overall research questions and themes, but amended to fit national and business specific contexts. All interviews were recorded and subsequently transcribed using extensive notes. In addition, we conducted several hours of direct observation in the case companies to capture the subtleties of the induction practices. The quotes from interviews and other material used in this paper are all translated from Danish or German by the authors.

3.3 Analytic Strategies

Following the grounded theory approach according to Glaser & Strauss (1967) and Strauss and Corbin (1998), we did not formulate any hypotheses about learning in advance. But due to the involvement in a larger study, the pre-given interview guide served as a basis for gathering data about induction practices in the respective companies. Despite this apparent clash with grounded theory, we never start as researchers with a clean slate, and the preconceived notions of practice, practising, induction, etc. given by the overall research project have served as “sensitizing devices”, and were used as initial coding categories (Vaughan 1992: 195) Through careful reading and re-reading, the data was then thematically analyzed (Fereday & Muir-Cochrane 2006; Braun & Clarke 2006), based on emerging themes around learning and change. This process enabled us to collect information about the kinds of learning emanating from the practices under study. We scrutinized the learning processes described by informants and observed in order to tease out the different kinds of learning triggered by the practices and be able to make comparisons across the cases. Through multiple iterations between emerging theory and data, we developed the framework presented in this paper.

3.4 Focal Practices

Our understanding of induction is of a practice “made up” of a whole range of sub-practices. When asking the informants to describe induction practice, no uniform and consensual picture of the boundaries of induction emerged. The informants described and

emphasized different aspects of induction, and pointed to several sub-practices contained within the induction practice. Examples include *the introduction day*, *the immediate assignment on projects* and *the Concademy – Introdays* in Consul A/S, and *The First Days*, *sales role play*, and *initial workplace induction* in Capital Bank.

The following contains a brief description of the two selected elements of induction practice in the two companies, namely *Concademy – Introdays*, and *First Days – introduction* in Capital Bank. In chapter four we analyze the learning potential of these two particular sub-practices.

3.4.1 Consul A/S: The Concademy - Introdays

A few months after their entry, a comprehensive presentation of the different business areas, the company as such, consultancy skills and ethics, is given to the newcomers on a two-day seminar, the so-called Concademy - Introdays. This seminar is obligatory for all newcomers and up to 15 newcomers are gathered at the event. The company goal is that the newcomers learn about the other business areas and the specific processes and methods used in those areas, in order for the newcomers to learn the company standards (the “Consul-way”), and be able of cross-selling and re-selling.

Previously the newcomers had to book appointments with business area managers and other centrally placed employees, but due to the rapid growth and the relative inaccessibility of very busy consultants this practice was changed so the business area managers now are scheduled to come to the newcomers and not vice versa. The “Rector of Concademy”, a senior consultant with special responsibility for training and education, is the organizer and executer of the seminar. The seminar consists of formal presentations by different business area managers and introduction to Consul’s core services, the newcomers’ input to the CRM database (the customer relations management-database containing all the contacts and relations the consultants are able to muster), a presentation of the history and culture of the company and its placement in the market, as well as informal networking during breaks, lunches and dinner. A representative from the management group of four is available for informal discussions and questions about business areas as well as strategic dispositions. The purpose is to “dress the newcomer” sufficiently in order to be able to perform as a Consul consultant as fast as possible.

3.4.2 Capital Bank: “First Days” Introduction Seminar

At Capital Bank, we focused on the introduction seminar as a key element in the induction process. The particular characteristic of the so-called “First Days” is that it is entirely organized and conducted by a team of second year apprentices (peer-to-peer induction). As apprentices from all banks attend vocational school, timing requires that the apprenticeship programs start only once a year. One cohort contains approximately 60-100 newcomers that get supervised by around 15 experienced apprentices in the seminar.

In order to cultivate the apprentices’ social competence, Capital Bank integrated the accomplishment of a project into its training program in 1999. Since then, organizing the “First Days” event is offered as a project to second year apprentices. As each apprentice already experienced the “First Days” at the beginning of his/her own apprenticeship, the “First Days” project is very popular. Therefore, the number of prospects exceeds by far the number of possible participants and the apprentices have to *apply* for participation.

Selection criterion is a creative application and proof of creativity at a particular selection event.

Preparation begins already six months ahead of the actual event. In the beginning, apprentices meet weekly for a few hours, but the frequency increases continually. The preparation period is finalized with a week of intensive full-time work. The project members are responsible for the whole planning (organization and decoration of rooms, catering, teaching content, conceiving a theme, the time schedule etc.), but are supported by the trainers from the apprenticeship department. The trainers set the frame by paying attention that all necessary elements are included. Nevertheless, in the apprentices’ perception, the event is compiled totally by themselves. The actual event is realized in four days with formal presentations in the morning and group work in the afternoon. On the fifth day, the newcomers go to the bank branches they are assigned to, and start with the first practical part of the apprenticeship.

4 EXAMPLES OF INDIVIDUAL AND ORGANIZATIONAL LEARNING IN INDUCTION

Our study suggests that sub-practices inherent in induction contain potential triggers for organizational adaptation and renewal. For our analysis, we have chosen to focus on two sub-practices, one from each company, in order to explore in more detail how learning potentially is triggered by those practices. The very blatant split between individual learning and organizational learning is primarily analytical, as it enables us 1) to see how the different practices encompass and create a double learning potential and 2) distinguish and focus on the organizational learning aspect of induction.

4.1 Consul A/S.: Learning in Concademy - Introdays

The two-day Concademy is regarded as an important part of the induction process in Consul. Several processes labeled learning are found in the data. The employees of other business areas, as well as their competencies and clients are introduced. During breaks the newcomers interact and talk about job-related things like projects and previous jobs and more informally about topics like cars and sports. Some of the newcomers know each other already, either by having worked together on projects, from reputation or from a “who’s who”-folder on the intranet. The newcomer is presented with tales of how the company began, the mission statement and vision for the company, as well as its place in the market, and what strategic goals the company has for the years to come. So in sum, the newcomer must acquire a lot of factual knowledge about the company, his or her colleagues, and the market in which it acts.

Part of the program is used to ensure that the consultants in Consul live up to certain standards and adhere to particular ways of performing when with a client. Despite large portions of freedom in how to perform, basic consultancy skills, consultancy deeds and ethical codes and standards for the consultants in the company are introduced. Under the heading “The Bonus Pater Consultant” behavioral standards and guidelines are introduced and discussed. Stories about the beginning of the company, pictures from early parties, references to big sales and customers are used to introduce newcomers into the more cultural aspects of the company. As the “rector of Concademy” states: “To talk about Consul is to tell stories” (Field notes, Concademy, March 6th – 8th 2006).

Anecdotes about other colleagues and how they literally helped to move big machinery on the factory floor in order to create a greater flow in the production, are used as an opportunity to talk about how consultants at Consul have “big hands” and focus on value creation and not on long reports, white books and analyses (as opposed to their compelleagues^{††}). Songs about the glory of the company are sung under a great deal of laughter and comments, as the words do not always follow the tune, and the content of the song is written by the founders under heavy influence of red wine at one of the first founding meetings. However, the songs are used to introduce the company’s core values and guiding principles. For instance, the last verse in one of the songs read: “Money, we will like to make / For the client of course. / But the client, he must also know / That Consul gold has its price” (Ppt.slides, Concademy, March 6th – 8th 2006). So the newcomers learn about the values and culture in more or less subtle and alternative ways.

Looking at the opportunities for the organization to learn from inducting newcomers, several instances are found. In the invitation sent out prior to the meeting it is stated that: “There will be plenty of time for reflection and dialogue about Consul, the consultancy role, own and other’s competencies, and not the least, time to come together around other things than work” (Ppt. slides, Welcome to Concademy, p. 2). New perspectives and reflections are thus welcomed, and during the seminar, the insights and ideas were gathered. During the two days the newcomers were invited to present themselves and talk about their areas of expertise and their previous work. When discussing Consul’s position in the market, participants commented on compelleagues, their experiences from working there, the strengths and weaknesses and other potentially interesting knowledge about the market. This apparently seemed to be an important means of getting and sharing information about market developments and notes were taken during the whole session by the lead instructor. Several hours were dedicated for extending the customer relations database. All the newcomers were obliged to add information about relevant relations and update information about existing posts (clients, projects, or people) in the database. As a standard procedure on the Concademy – Introdays, one of the managing directors is present during some of the seminar. During the seminar and prior to his arrival a large poster was put up for questions to the management, and these were used as an offset for discussing and questioning strategy, concepts, market developments etc. with the manager.

4.2 Capital Bank: Learning in First Days

The time schedule for all days is divided into formal presentations that are held for all participants in the morning and group work in the afternoon. The formal presentations comprise information about the bank’s history, the company’s mission statement and operational creed, the products, safety regulations, compliance guidelines, legal requirements etc. Depending on the sensitivity of the information, the presentations are conducted by apprentices or in-house experts (e.g. one member of the legal department elucidates about the money laundering law). In addition, each apprentice gets a 60 page document file with a detailed summary of the contents taught.

After lunch, the apprentices continue to work in groups. Every group consists of about 10 newcomers and gets supervised by 2-3 experienced apprentices. In contrast to the

^{††} A local neologism comprised of *com*-petitor and *col*-leagues to denote that they recognize other players in the market and speak courteous about them at all times.

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presentations, the group work is highly interactive: Q&A games and group discussions are conducted and the newcomers are encouraged to participate actively. The second year apprentices show a self-directed video film and conduct further presentations, for example about the apprenticeship as such or selected products, but much more informal. They teach about how to behave, how to dress, but also practical things like how to fill out some basic forms, how to use the computer systems etc.

During the “First Days”, newcomers must effectively be integrated into the Capital Bank system. They must learn the basis of the retail business right from the beginning. Besides, they are supposed to get acculturated as quickly as possible, i.e. they must get a feeling of the “Capital Bank’s culture” that is well represented by the experienced apprentices. “Make it [the seminar] nice, make it enjoyable, they should feel comfortable and learn something about the company as well.” (Former apprentice of Capital Bank, who organized the First Days himself, citing a trainer at the initial briefing, July 19th 2006)

Not only do the newcomers learn in that process. Also the second year apprentices profit from the experience to conduct a comprehensive project according to the original idea to acquire social competence (see above). „It was an extremely tough, exhausting, but highly interesting time. I benefited from it a lot.” (Former apprentice of Capital Bank, who organized the First Days himself, July 19th 2006)

In addition to the individual learning, the First Days seminar gives the organization the opportunity to learn as well. The trainers are aware of the potential that the induction practice could get improved when the second year apprentices bring in their experiences. Thus they get deliberately much freedom in organizing the seminar. Actually the trainers set no default, just a rough framework, that is for example the integration of some compulsory elements, such as legal information, safety regulations etc. Therefore the practice differs every year. Examples for improvements are a group photograph with the Capital Bank’s mascot and that all apprentices have to wear self-designed t-shirts to strengthen the corporate identity. Furthermore, the apprentices introduced self-directed video films as a new didactic medium.

Nevertheless, during the last years, the amount of adaptation is relatively small and most parts are adopted from the previous year. “You can’t bring in too much innovative things in the end, because it [the seminar] was already terrific” (Former apprentice of Capital Bank, who organized the First Days himself, July 19th 2006). However, the experienced apprentices are forced to come up with a new motto for the seminar and they have to create the presentations and direct the video films by themselves, because they are not provided with material from the previous years.

The reason for being limited innovative is that the supervising trainers set the framework by assuring that all necessary information will be taught. Besides, the apprentices simply do not dare to include groundbreaking changes. “They don’t have the guts to make something totally different.” (Trainer, Capital Bank, Aug 2nd 2006)

Nevertheless, the organization perpetually strives to use the opportunity to learn from the apprentices by explicitly asking them to bring in their own ideas.

5 INDUCTION – REPRODUCING OR INNOVATING?

In both companies attempts of adaptation as well as processes of renewal could be detected in a specific practice. At the Concademy – Introdays at Consul A/S learning leading to adaptation were found in relation to both organization and individual. Through the updating of databases, new knowledge of other players in the market, as well as inducting consultants with ongoing projects and their own portfolio but within the existing business areas, the focus can be said to be on *exploitation* (March 1991; Gupta et al. 2006), e.g. extension of existing competences, and thus refining the company’s existing and well-known knowledge base. New consultants from different backgrounds are “added” to the company’s stock of knowledge, and the amount of potential clients and future employees, the knowledge of other companies and subsequently the range of ways the organization can respond in certain situations is thus extended as a result. However, this new knowledge base is adopted into the existing framework, reified by databases and templates. Implicitly, the consultants are met with a whole range of practices and ways of behaving which they are expected to learn to become a part of the company as fast as possible. The company presents a “Consul-way”, and consultants are expected to adhere more or less to certain methodological templates and frameworks when executing workshops, sending out offers etc. to clients. Despite that the “Consul-way” is presented relatively late after the arrival of the newcomer, they have all been assigned to projects from the very beginning, which provided a chance for them to learn how to perform the Consul-way by engaging with old-timers.

Similar processes can be found at Capital Bank. In striving for efficiency, the existing First Days seminar is improved in relation to content and design. Content wise, we identified adaptations to the actuality, for example legislative changes, procedures, and forms. Second year apprentices are believed to have the right aptitude for selecting the relevant information, as they, despite one year of experience, still have the perception of newcomers and have a similar age profile. As the trainers pay attention that all relevant information is included the changes are merely refinements of the existing agenda.

Furthermore, the apprentices do adapt the design of the seminar. Through their newcomer perception, they have a sensation how to transfer the relevant knowledge to the newcomers effectively. As there is no default given to the apprentices, they experiment a lot, e.g. with a new didactic medium (video films), group photos, mottos, uniform t-shirts etc. In the end, the implemented changes are dominantly variations that do not result in groundbreaking transformations of the existing practice. Accordingly, the learning that takes place as a consequence, is along the lines of *exploitation* (March 1991, Gupta et al. 2006).

Attempts of what could be called “*exploring* the newcomer” are found, which potentially could lead to organizational renewal (March 1991; Gupta et al. 2006). Contributions, questions and reflections are welcomed in Consul A/S in general and during the Concademy – Introdays in particular, suggesting that the company wants to use the opportunity of new views on the company and its performance. Exploring the newcomers is not limited to the Concademy – Introdays, but is regarded as a fundamental characteristic of the company and is tied closely to the recruitment policy. Hitherto, highly experienced newcomers have been recruited from within the consultants’ networks. Some consultants are recruited to help penetrate new markets combining existing skills in the company with the consultant’s already established network, and others are recruited to bring in totally new

areas of expertise. Taking into consideration that many of the newcomers bring with them several years of experience in various companies and that the Concademy – Introdays provide one of the first opportunities for consultants to interact across different business areas, relatively little is done to try to access and share their experiences.

Also at Capital Bank, there are attempts to “*explore*” the apprentices. In searching for new practices, the second year apprentices are explicitly asked to improve the First Days seminar. Actually there are no indications that a renewal took place during the last years. The foundation of the seminar is being stable since it started in 1999. Although the apprentices are asked to be innovative, only small changes in the lines of *exploitation* (March 1991) are realized.

Our cases show instances that potentially trigger both organizational adaptation and organizational renewal. Nonetheless, a clear emphasis was on the adaptive and thus exploitative and reproductive side of learning in both practices. Authors argue that it is necessary to strike a balance between exploitation and exploration (March 1991; Gupta et al. 2006), between reproduction and innovation (Elmholdt 2006) or adaptation and development (Ellström 2006). In the following we address factors that might influence the delicate balance and discuss some of the implications for further research.

5.1 Time

According to March (1991), when newcomers are inducted and socialized into the procedures, practices, and norms too fast, it tends to reduce what could be called ‘exploration of the newcomer’, e.g. optimal use of the newcomers’ ‘newness’, their odd questions, their strange competencies to enhance and broaden the organizational code. “However, a major threat to the effectiveness of such learning is the possibility that individuals will adjust to an organizational code before the code can learn from them.” March 1991: 85. Whereas the Concademy – Introdays are placed a few months after the newcomers’ arrival, the Capital Bank – First Days are scheduled to be the very first introduction to the Bank. In Capital Bank the threat of adjusting too soon to organizational norms seems to be real. Trace is found in the comment by manager about the lack of development in the design of the First Days seminars. The newcomers experience the First Days as an “outstanding professional organized event” (Former apprentice of Capital Bank, July 19th 2006) and are awestruck by the seemingly proficient second year apprentices. With this impression in mind, the apprentices who organize the First Days orient themselves closely towards their own experienced First Days seminar and innovation is rather seldom as a consequence.

Consul A/S has as part of its induction strategy the immediate assignment on projects. The newcomer, whether experienced or not, is introduced to being a consultant in Consul A/S through participating in everyday practice. Whatever questions, bad habits or prior experience the new consultant may have, these are carried onto the projects, potentially creating a tension between old-timers way of performances, *and* the need for the newcomers to understand the processes and position him/herself as a competent and experienced consultant with a contribution to make.

Potentially the time issue would suggest that emphasis on exploitation could be expected in Capital Bank, but not so in Consul A/S, as company values are only implicitly imposed in

the beginning, and only after a few months are explicitly introduced and discussed. In addition, the tension created during the first few months could be addressed and used actively as a resource for organizational change (Feldman 2004).

5.2 Persons

Also the type of newcomer is of importance in whether or not the company is able to learn from the newcomer. As already described in the previous sections, a major difference between the two companies is that Capital Bank recruit and induct apprentices. In Capital Bank, the apprentices are generally between 16 and 20 years old and accordingly psychological immature and barely experienced. As a result the apprentices hardly dispose of self-esteem and confidence (Hersey & Blanchard 1969, Graeff 1983). They are recruited to engage in a formal training program, and thus expect and are expected to be in a learning mode themselves, so that their contribution to organizational renewal in terms of experimenting with new alternatives (March 1991) might be limited. As quoted above, the second year apprentices have difficulties in implementing groundbreaking changes, although they have been deliberately selected according to their innovation ability. To expect innovation from newcomers with very little formal and informal training might seem problematic. However, the bank believes in the potential to improve the practice and sees the second year apprentices qualified enough through their special perception, as they are from the same peer group.

Consul A/S primarily recruits experienced consultants with 5+ years of experience from either other consultancy companies or from line management. We anticipated that experienced consultants could be a greater source of renewal than seems to be the case in the company's induction practice. The access to the potential source of experimentation during this particular practice seems limited to the typing of already codified knowledge, such as insights from companies and contacts.

5.3 Conditions

In order to help us understand what leads to this apparently similar emphasis on exploitation, one place to look is at the conditions that enable learning in the organization. Per-Erik Ellström (2002; 2004; 2006) distinguishes between two underlying logics of work that condition the way either adaptive learning (what we in this paper label as exploitation) or innovative learning (exploration, as it appears in our text) is made possible. Ellström distinguishes between the logic of performance which relates to adaptive learning (or reproductive learning) and focuses on the mastering of specific tasks and on adaptation to specific situations, and the logic of development which relates to the developmental learning (or creative learning) and is concerned with the transformation of specific situations. At the surface level, the two logics could be expected to fit our two case companies. Capital Bank is highly hierarchical and due to exogenous and endogenous forces like legislation, employee-base, structure and tradition, a more conservative and less innovative organization. Thus the characteristics of the company embed a logic of performance that enhance and emphasize adaptive learning. This is in line with our findings as focusing on exploitation when inducting newcomers into the organization. Consul A/S, on the contrary, seemingly embodies a logic of development with its flat organizational structure, the emphasis on rapid growth, expanding of new markets, and the ever changing nature of consultancy work. A more elaborate focus on exploration was therefore anticipated. But our findings show that Consul A/S has a strong internal focus on values,

Consul culture, the Consul Way of performing as a consultant, which is also reflected in the induction practice. Along with a strong emphasis on efficiency and performance measures, the underlying logic that becomes enacted in the company seems to resemble the logic of performance, which thus could explain the stronger focus on exploitation than exploration.

6 CONCLUDING REMARKS AND FUSION ATTEMPTS.

As for concluding remarks, we go back to the beginning. The puzzle that initiated our work with this paper was the apparent mismatch between attempts of recruiting with the potentials to innovate and renew the company and the relative little use of this potential. Too much focus on exploitation can thus shift the balance between adaptation and renewal; a balance that according to March is crucial for organizations: “[...] maintaining an appropriate balance between exploration and exploitation is a primary factor in system survival and prosperity.” (March 1991: 71). We would expect it to be especially important for knowledge intensive companies competing in an increasingly globalized market. A tendency towards exploitation might have been expected for the bank, but less so for the management consultancy company. In trying to address this, we looked into the practices of induction to see how different actions enable or constrain exploration and exploitation. We found differences in the actual practices in terms of content, time, and type of newcomer, but still the outcome of induction attempts in both companies seemed to be remarkably similar. This similarity can be accounted for by looking more deeply into the underlying logics of work that guide the two companies and influence the type of learning possible in the organization.

There are several fusion attempts in this paper on both empirical and theoretical levels, some of which were intended to enable us to see things in a different light. But because research is “risky business” and a highly unpredictable endeavor, some of the fusion led partly to con-fusion as perspectives were only merged and integrated with difficulty. These confusions, however, might be turned into future research (Abbott 2004), and are as such a valuable outcome of our collective effort to make sense of our cases.

Fusion # 1: The first of our fusion attempts is to integrate data from two different companies and two distinct industries; a bank and a management consultancy company. Other research suggests that the organizational logic does influence learning in the organization (Elmholdt 2006; Ellström 2004, 2006; Davidson & Svedin 2004). We have tried to extend this literature by addressing how learning in a particular practice but in two different settings is constrained or enabled by different organizational structures. A comprehensive analysis of the impact of different organizational logics in the learning potentials in induction would require more data from other sub-practices embedded in induction, and a more detailed analysis of other potentially influential factors such as work load, educational design, and the knowledge embedded in the organizational practice.

Fusion # 2: Data from two different countries were used. This fusion attempt had not been necessary as we have not addressed any impact that the national culture might have had on the learning in the organization. In addition, such a fusion, especially if addressed in more detail, might lead to confusion as different interpretations of core concepts and biases is a severe danger we have to take into account at the various levels of the research. A much larger cultural analysis (see e.g. Hofstede et al. 1990) is needed to get the full benefit of

fusing data from different countries. To also benefit from bringing data from two different countries together, it could be interesting to compare two or more companies within the same industry. Such an analysis can shed light on how national and cultural differences impact learning in organizations.

Fusion # 3: We have brought competencies from two research fields into play in this paper. One author is a research assistant and PhD candidate at a department of management and the other is a PhD candidate at a School of Education. This fusion of competencies is potentially enriching as the field of organizational learning draws on concepts and theoretical frameworks from both (and other) areas, but often approach processes of learning from either one side or the other (see e.g. Elkjaer & Wahlgren 2006 and Fenwick & Rubenson 2005 for recent discussions). In this paper we have tried to combine forced, and besides being enlightening on a personal level to work with and learn from a scholar from a different background, this way of spanning across the field is a potential powerful way of moving the field forward (Antonacopoulou 2006).

The above description of our fusion attempts points not only backward to what we have done in this paper, but also forward to future paths to develop. Bringing data together from different countries and different industries and approaching them with different theoretical lenses has some interesting potential. Fusing data from different areas and analyze them from different theoretical vantage points can contribute to more elaborate and sustainable theory building, as long as explicit assumptions that guide respective understandings can be obtained and developed (Easterby-Smith et al. 1998:260). Through our cases, we were able to address how similar practices and different logics influence the opportunities for learning. However, as sketched out above, this fusion-approach has its pitfalls, and the present paper is only a first attempt to address the many issues around learning found when newcomers enter an organization.

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