**Creating Communities of Practice and Action Learning: Lessons for Entrepreneurial Learning**

**Introduction**

We report on a study that examines the patterns and forms of participation in action learning sets run as part of a university-led SME growth programme in the North West of England. Action learning is positioned here as a form of situated learning in that learning sets form communities based on interaction, insightful questioning and problem solving. The literature on communities of practice (Lave and Wenger 1991) and social capital (Nahapiet & Ghoshal, 1998) informs the study. We explore how action learning sets depend on the development of relationships and interactions around shared goals, but that the key to understanding and supporting the development of these relationships is through structural, cognitive and relational social capital. We focus on how the communities are formed, what each participant brings to the community in terms of its purpose, and the social and power relations that consequently emerge within it. Our findings illustrate how learning outcomes, in the social context of the action learning set, are influenced by several processes that encourage and discourage participation.

Our focus is on developing managed networks of practice (Agteberg et al, 2010; Soekijad et al, 2011) using a number of high level concepts from the CoP literature - meaningful participation, establishment of relationships, social interaction, social capital, in order to understand what works in breaking down barriers and establishing meaningful relationships within these deliberately constructed settings. Effectively we are looking at analyzing action learning with an aim to develop entrepreneurs within the context of these communities of practice; getting inside the 'black box' and understanding what happens when learning happens effectively and when it doesn't (e.g. developing social capital, establishing trust, organizing groups that are likely to work).

The structure of the paper is as follows, we first describe the context of the SME growth programme in which these action learning sets took place, and then go onto examine previous studies that have highlighted the social dimensions of entrepreneurial learning, with a particular emphasis on communities of practice and social capital. We explain how our study adds to and is differentiated from this existing literature in taking the action learning set as the site of situated learning rather than the entrepreneur’s day-to-day practice. Finally, we set out our findings and preliminary conclusions drawn from observation within the sets and with interviews of 10 learners.

**Background to the study**

The programme discussed here was modeled on the LEAD (leadership, enterprise and development) programme developed by Lancaster University Management School (Cope et al., 2011; Gordon et al., 2011; Gordon and Jack, 2010; Robinson, 2006). LEAD was based on the principles of ‘an integrated learning model’ that combined a range of approaches to accommodate a variety of learning styles’ (Smith and Robinson, 2007: 9). Its uniqueness lies with the way in which various elements are blended into a coherent programme that requires participants to attend the programme two days a month for 10 months. A range of interventions were used to deliver the programme outputs: master-classes, action learning, coaching, mentoring and peer-to-peer learning. Participants were also encouraged to discuss informally the various interventions and several ‘learning and reflection days’ were included in the schedule to help embed learning across the cohort of 25 participants

The programme encouraged owner-managers to adopt appropriate leadership skills to promote organizational learning as a basis for improving firm performance including turnover and profit. For example, participants were expected to explain in their action learning sets how they improved communications about their objectives for the firm with all employees and to demonstrate that they had delegated some operational responsibility providing more time to consider the firm’s overall direction, thus creating strategic space to work on the business (Jones et al, 2010). This followed directly from research identifying activities that shift the focus of learning from the individual (owner-manager) to the organization (employees). Based on further research (Antonacopoulou, 2006; Anderson and Thorpe, 2006; Clark et al, 2006; Macpherson et al., 2010), owner-managers were required to work in action learning sets for the duration of the programme sharing knowledge and experience, as well as building trust between participants. The action learning sets followed a recognizable format of asking learners to identify a wicked problem that others in the set then helped them to unpick by asking insightful questions rather than giving advice. Learning occurs, at an individual level, through a process of critical reflection on the issue and the subsequent challenging of basic assumptions that underlie it. However, learning also happens vicariously as the businesses and owner-managers tend to face similar problems in their own contexts (Anderson, Gold and Gibb, 2011).

**Social and situated learning**

Theoretical approaches to entrepreneurial learning have shifted in recent years to focus more on the social dimensions of learning, and specifically on the social and business networks in which entrepreneurs are located (Hamilton, 2013; Harrison & Leitch, 2005). In other words, entrepreneurial learning is frequently conceptualized as taking place in situated practice, embedded in the social relations and social interactions occurring during day-to-day events (Cope, 2003; Jack & Anderson, 2002). When explaining this learning process, scholars have turned to a number of perspectives to understanding the situatedness of practice, such as practice theory (Schatzki, 2001), situated learning theory (Gherardi, 2000), activity theory (Engeström, 1987) and communities of practice (Lave & Wenger, 1991). Researchers in the situated practice of entrepreneurs have explored the way entrepreneurs negotiate and embed new practices in their firms. Studies attempt to understand how entrepreneurs define their ‘competent practice’ in their own context, and in relation to others’ expectations of them. There are many recent examples of this approach including Clarke (2011) who explores how entrepreneurs learn to use visual symbols to portray competence and gain support for their venture. Holt and Macpherson (2010) show how entrepreneurs learn to use rhetorical strategies to convince others about the efficacy of their business strategies. Rigg and O’Dwyer (2012) explore the way close interactions and relationships with mentors provide situated experiences that shape the learning trajectories of nascent entrepreneurs. Lefebvre et al (2015) explore the way formal entrepreneurial networks provide social learning opportunities, and specifically adopt a communities of practice perspective to explore relations within the networks and their influence on participants’ learning and practice. Konopaski et al (2015) use communities of practice theory to demonstrate the non-linear and unpredictable nature of learning in the context of a family business.

These studies highlight the importance of context and relationships. In a social approach to learning, the underlying assumption is that learning is dependent on the social context in which it occurs and learning is ‘an integral and inseparable aspect of social practice’ (Lave & Wenger, 1991, p31). Indeed, it is Lave and Wenger’s (1991) treatise on communities of practice that is perhaps the most influential and central construct of situated learning theories (Scarbrough et al., 2004). Lave and Wenger (1991) specifically highlight how communities of practice are social networks, with social structures (including power), that influence individual learning trajectories. To be part of the social learning system, individuals learn from their practice (Rae, 2004), but they do so through reflection on the efficacy of that practice or events within a context (Cope, 2003, 2005). Practice, from this perspective, is always part of a social system and learning therefore is not a simple transfer of knowledge, but an acceptance of, and participation in, the norms of a specific community (Amin & Roberts, 2008b; Berends, Boersma, & Weggeman, 2003). Learning is not just participation, but becoming invested in, and identification with a particular social network and its norms (Gherardi, 2009; Handley, Clark, Fincham, & Sturdy, 2007). Both the community and practice form a circular relationship of learning, in which ‘learning about’, ‘learning how’ and ‘learning to be part of the community’ are self-reinforcing, since learning to practice is a joint endeavor through engagement with others in that community (Brown & Duguid, 2001). The promise of situated learning theory is that it suggests learning is potentially a pervasive activity, embedded in all practices and through the complex webs of social interaction in which we participate (Hamilton, 2013). However, as Konopaski et al (2015) demonstrate in their study of learning for continuity in family firms, it is relationships, and particularly the depth of meaningful participation with others, that is important.

From a community of practice perspective, learning involves a collective acceptance of experiences and rules. As such, learning will either be facilitated or constrained through the pre-existing and new relationships that are established within a community (Bogenrieder, 2002). However, the quality of these relationships, including power inequalities, will affect what is learned and by whom (Contu & Willmott, 2003). Learning to be an entrepreneur is not just about the ability to do certain things (capabilities), it also concerns learning what are the appropriate social skills in a context, such as negotiation with suppliers, customers, funders and other stakeholders. The fundamentals of negotiation may be similar, but the roles and norms of each relationship will be subtly different, involving the use of different techniques, language, symbols and practices in different contexts (Clarke, 2011; Holt and Macpherson, 2010). Thus, learning can occur in all types of community relationships and in a number of different communities (Amin & Roberts, 2008a; Handley, Sturdy, Fincham, & Clark, 2006). For an entrepreneur, this could be through informal ego-centric networks (such as in family businesses), or more formal peer networks (such as business clubs and policy support networks). However, of critical importance is understanding how the actors with whom the entrepreneurs interact—employees, customers, peers or supply chain associations—shape the trajectory of learning. Konopaski et al (2015) highlight, for example, how in family businesses the levels of participation and engagement are not necessarily linear, but that co-participation, while central to learning, depends on the depth of positive and negative relations that evolve over time. In order to want to learn within a community it is the relational distance that will be important (Amin & Roberts, 2008a); the quality of social interactions (their relative importance and meaning for the entrepreneur), will influence the depth of participation and identification of the entrepreneur with a particular network of actors. Konopaski et al (2015) go on to suggest that entrepreneurial education could learn from these insights. There are challenges and debates about the effectiveness in developing situated learning and communities of practice in a classroom setting (Hamilton, 2013). However, an understanding of the importance of networks of meaningful relationships, and the importance of understanding context, encourages educators to think more deeply about how they develop ‘opportunities to network with peers, curriculum relevant to local situations and specific circumstances, and a safe space to discuss’ (Konopaski et al, 2015: 362).

This focus on ‘managed networks’ for learning is also evident in recent studies on communities of practice within larger businesses. Here there has been a growing focus on ‘networks of practice’ that are established within firms to help develop capabilities and spread knowledge and learning across similar functions. These networks of practice are intended to connect geographically dispersed individuals engaging in similar practice (Ormerod, Ferlie, Warren, & Norton, 2007). They can be emergent or deliberately constructed (Agterberg, van den Hooff, Huysman, & Soekijad, 2010). Findings are equivocal about the efficacy of trying to control learning-related interactions within businesses; while it can positively affect engagement, it can also undermine the willingness of employees to participate in such intra-organizational activities (Agterberg et al., 2010; Alvesson, Karreman, & Swan, 2002). This is because, while formally establishing community networks can facilitate structural and relational embeddedness of network members by brokering relationships (Soekijad, van den Hooff, Agterberg, & Huysman, 2011), an interventionist approach can create negativity as members are forced to participate in network practices (Agterberg et al, 2010). In their study of formal business entrepreneurial networks in Paris, Lefebvre et al (2015) argue that the network learning processes depend on the transformation of initial social relationships into deeper meaningful social interactions within a genuine community of practice, and this takes some time to evolve. It seems, then, that it may be difficult to replicate naturally occurring interactions and relationships through the development of structured programs (Sharma, Hoy, Astrachan, & Koiranen, 2007). Thus, while there may be significant opportunities to establish deliberate ‘networks of practice’ to enable learning, and this may have potential within entrepreneurial education, the outcomes are not certain; developing meaningful interactions will require genuine engagement and relationships if they are to influence the development of entrepreneurial practice.

**Developing Social Capital**

Socially-orientated studies of learning in small firms emphasize the importance of informal networks in learning (Devins & Gold, 2002; Gold & Thorpe, 2008; Macpherson, Kofinas, Jones, & Thorpe, 2010; Perren & Grant, 2000) where learning activity is jointly negotiated and largely iterative. Even those more structured approaches to networked learning, for example through action learning (Clarke et al., 2006) have equally unpredictable and opportunistically-derived learning outcomes. However, a way of understanding both the potential in a network, and the challenges of realizing that potential is through exploration of the concept of social capital. Nahapiet and Ghoshal (1998) argue that social capital facilitates the accrual of intellectual capital (the knowledge and capabilities to achieve market advantages). They note that an analysis of social capital is concerned with the ‘significance of relationships as a resource for social action’ (p242). Indeed, social capital is generally defined in terms the relationships within a network, that are influenced by the norms of behavior and issues of trust, that allow engagement with others, and which can lead to economic benefit (Coleman, 1988; Putnam, 1995). There has been a significant amount of research on social capital and its contribution to unlocking resources through intangible process that often reside in a nexus of social interactions within small firms (Anderson & Jack, 2002). Within those interactions, norms are argued to facilitate the exchange of information and the depth of engagement with others, and it is the use of stories, myth and metaphor that provide a way of developing meaningful exchanges (Newell, Tansley, & Huang, 2004). This means that the formulation and development of social capital takes the individual as a starting point, but that the potential or accumulation of knowledge and learning available through social capital is dependent on the number, quality and depth of social ties (Edelman, Bresnen, Newell, Scarbrough, & Swan, 2004; Lee, 2009; Nahapiet & Ghoshal, 1998).

This brief description of the way in which social capital is embedded in networks of relationship, but depends on the quality of social ties for its deployment, raises several issues when considering the importance of creating and leveraging social capital in situated learning. When actors are trying to cope with problems and develop solutions to the challenges they face, their social capital can be a significant source of value (Andersen, 2008). Thus, to develop effective ‘networks’ or ‘communities’ of practice as learning and problem solving through action learning, requires that we consider the essential elements of social capital to understand how such managed groups might better facilitate and leverage that learning. Networks and connections between individuals can be actively constructed (Kirkels & Duysters, 2010), in order to facilitate the development of social capital and access to others intellectual capital and thus extend the resources available to resolve intractable business problems (Gordon, Hamilton, & Jack, 2011). Thus, these extended networks can create a latent capacity and improve resilience by drawing in insight and assistance when needed (Powley, 2009). However, to exchange information and to create or share knowledge requires a dialogue and discourse. This is an under researched area of social capital (Lee, 2009), and links directly to Bourdieu’s (1986) arguments about how language, and linguistic practices, are a function of social exchanges. As such, the shared language that is embedded in social capital is potentially divisive, and it can include or exclude network actors (Ram, Theodorakopoulos, & Jones, 2008); being able to converse meaningfully in the network is an important competency if resources potentially available are to be realized. In addition, this understanding of social capital implies that in order to make the most of such managed networks, the entrepreneurs must not only know others in the network, but trust them enough to want to engage in a meaningful relationship and exchange (Andersen, 2008). Thus, given the importance of individual relationships in realizing the value of social capital, Zhao, Frese, and Giardini (2010) argue that this is also dependent on social competency, including social skills, appropriate social strategies and perseverance to develop and maintain relationships. In other words, social capital, while it is embedded in a network or community, just creating that community will not be enough to leverage available knowledge. Creating a network or community of practice through action learning sets creates the structural social capital necessary by putting in place those with knowledge that might be useful. However, leveraging that knowledge will also require what Nahapiet and Ghoshal (1998) describe as cognitive social capital and relational social capital. That is, the ability (and power) and shared language codes to be able to converse with others meaningfully (Thompson, 1991), and the depth and quality of relationships that make the exchange of knowledge more likely.

In summary, Rae (2004) suggests that the situated practice of day-to-day experiences enables entrepreneurs to learn what works, which can be described as know-who, know-what and know-how. Situated learning theory suggests that, when trying to engage entrepreneurs in that learning, it is important to have a strong social dimension, grounded in experiences and sharing, which moves beyond cognitive pedagogical techniques developed through conventional lectures or skills training. A practice-based orientation to entrepreneurial learning is to accept that it is a ‘dynamic social process’ and one where the actions, interactions, activities, social relationships and language are all influential in shaping the learning journey (Raelin, 2009). However, creating an entrepreneurial learning community, requires creating social interactions that have meaning for the entrepreneur (Hamilton, 2013). Here, social capital concepts can help us to explore how those relationships are formed in such a way that they enable the development of intellectual capital: the knowledge and capabilities to develop market advantage. In entrepreneurial education, this will require the provision of shared meaningful experiences, to break down barriers and to help individuals establish more quickly the types of relationship that occur naturally in their day-to-day practice, and that encourage ongoing social interactions.

**Methodology**

Ten semi-structured interviews were conducted with participants in the SME growth programme 4-6 months after it had ended. Our interviewees were members of four different action learning sets, two of which the programme team judged as highly successful (on the basis that the feedback from learners was positive and that actions oriented towards growth had been implemented by the various businesses), one had a limited amount of success and one was deemed to have not achieved the desired objectives in that it appeared to have only a limited effect on the learners and attendance at set meetings tailed off towards the end of the programme.

All groups included participants with a mix of educational backgrounds, from those who had left school with few qualifications and had ‘worked their way up’ to others who had ‘walked out of university because the calling of money was too much to ignore’ and others who held a degree and had always positioned themselves as a leader (‘I have always taken on a leadership role, I was Head Boy and things’). There was also a diverse range of businesses in each set and they comprised owner-managers of business with a multi-million-pound turnover, sole traders and employees of small businesses, all from a range of sectors.

The scope of the interviews included an examination of all elements of the programme and was directed at understanding how learning occurred through the various programme activities. However, much of the data related to the action learning set meetings where we also drew upon notes made by one author who facilitated the action learning sets.

Our analysis, coded using Nvivo, focused on the patterns and forms of participation in the action learning sets and examined the influences on participation and how the group came to constitute itself as a community of learners. We examined the data in order to understand the processes in action learning sets that enabled or prevented the development of cognitive and relational social capital which is a necessary precursor to the creation of new knowledge (Nahapiet and Ghoshal, 1998). Below we set out a number of elements that interviewees identified as affecting the way in which the action learning sets operated. We first present a number of facets of the action learning experience that, as reported by these participants, led to the development of cognitive and relational social capital. We then go on to report on the experience of learners in one action learning set where this did not occur. Each element is presented in turn with a brief description, based on the set advisor’s notes and verbatim quotes from the interviews to illustrate and support the description.

**The structural capital of action learning**

Action learning is a well-defined process and a management development technique and philosophy that have been in existence for close to 60 years. The importance of exploring the nature of problems through insightful questioning and in a group setting before deciding on a course of action (Revans, 1980) has persisted in all forms of action learning. Learning communities, or sets, as they are more commonly known, bring people together to work on real problems in which managers have a personal stake and that have no easy or obvious solution; to consider the problem from a range of different perspectives and create possibilities for action and then to take that action which in turn is laid open to question and reflection and as a source of new learning about the problem itself, for the individual who ‘owns’ the problem and about learning itself (Pedler, 1997, cited in Anderson and Coleman, 2014).

Although the original intentions of action learning were to keep the process fluid and the rules to a minimum, several variations with their own particular modus operandi have emerged, for example, Business Driven Action Learning (Boshyk, 2002) and Marquardt’s (2000, 2003) model that has six components and set protocols. The approach to action learning followed in the sets in this study is most closely aligned to critical action learning (CAL) that is based on the premise of engendering critical reflection when learners begin to question their own basic assumptions (Rigg and Trehan, 2004) and entails a level of personal disruption. Vince (1994, 2004, 2008) emphasizes the affective and emotional elements of CAL and points out the potential for anxiety and potential *in*action (Vince, 2008) that may be its consequence. Vince’s approach to the study of action learning examines the same relational phenomena as we draw out in our findings, but uses a psychodynamic perspective whilst we use the communities of practice and social capital literatures as our theoretical lens. However, we would argue that both are legitimate, but differing, forms of studying critical action learning. In choosing this lens, we are interested in how the structure of action learning helps to develop the relationships within the community that encourage a social process that results in the development of intellectual capital.

**Learning the Codes: ‘Problems’, ‘Questions’ and ‘Actions’**

The language of action learning appeared to become embedded in the practice of learners. The process of ‘checking in’, allocating ‘airtime’ and ‘moving to action’ was used during set meetings albeit somewhat self-consciously by participants at the beginning. The language that emerged during the interviews drew on these ideas and interviewees often referred to the action learning ‘problem’ or ‘issue’, the ‘questions’ asked during the process and the concepts of ‘action’ and the concept of ‘accountability’ that form the shared narrative of action learning. Learners were dealing with a language that was strange and uncomfortable for them initially, but eventually became a way of developing relationships and understanding the possibilities and boundaries of action learning. Most participants continued to adopt this language during the interviews (carried out by the set advisor who had first introduced these words and concepts and practice they represented in the action learning setting) and although all of the words could be understood by most people, their specific meaning in the action learning setting had to be made explicit in early meetings of the set, but then became tacitly and communally understood. For example, the concept of an ‘issue’ or a ‘problem’ signifies the focus of the discussion (that person’s ‘airtime’) in action learning and therefore has a specific meaning. Similarly, questions are implicitly insightful and challenging rather than conversational and fact-seeking. The contexualised meaning of these everyday words in the action learning setting gave learners a shared language through which to organize their practice.

X had similar issues but a different business, I have seen Y a few times … he is different again but issues were the same (R)

So if it was personnel issues for one company they would probably be indicative of the type of personnel issues we would have,(J)

Z had a problem with a man who liked to whistle which was quite entertaining (M1)

Maybe I could have (had the conversation) with my family but then they aren’t asking the same questions like ‘what value are you bringing to the company to justify this?’, they are looking more for you … challenging and justifying it was the thing that gave me to confidence to have the conversation. (S)

My action point from the 2nd meeting was, was I able to forgive my dad on the money he had spent on the project, and I think I have (M1)

One of my actions was to do with the management of the practice and you can’t always do that quickly (R)

The action was to go away and talk it through, I have continued to do so. I am now a Director, that has all been signed off and I should have the draft shareholders’ agreement this week, that was the big one for me. Not that I didn’t want to but I didn’t want to jeopardize something that I already had. I mean was I even right in asking for it? But because of the action learning set I justified that I should ask for it, and I wouldn’t have got that anywhere else to be honest (S)

It is about accountability if I am accountable I’ll do it. So you paraphrasing and saying ‘What are you committing to?’…- that made me do it, it was about me being disappointed if I didn’t do it. (V)

**Developing the action learning set protocol**

In examining the patterns and forms of participation in action learning, we were struck by the level of openness, honesty, trust and an orientation of listening that interviewees reported. This concurs with previous studies of action learning sets for SME owner-managers that report on the high level of disclosure amongst set members (e.g. Clarke et al, 2006). This naturally emerged in the groups that were successful in retaining members and reporting actions, although it was not suggested as a pre-requisite for effective learning.

From the outset people were very open about what was going on in their lives. (S)

The first thing you have to feel relaxed in the environment, if there is any preconception that if I say something it might get out then you won’t say it, you have to be open and honest and I think everyone was in our group. It created fluidity in the whole thing so maybe that accelerated it. People were willing to sit back and listen, no one was always wanting to jump in (C1)

I am a firm believer that we all have a mask on, even us today, I am “Business (name)” at the moment, when you put people in that setting so many masks come off’ (I)

However, in this study we noticed that when issues that brought to the action learning were deeply personal and involved learners admitting mistakes or exposing their own prejudices, groups appeared to be governed by a set of implicit norms of professionalism. These norms created a relaxed form of ‘business’ behaviour that was neither appropriate for the workplace nor a more relaxed social setting like the pub, but one that seemed to fall somewhere in between and constitutes, alongside the language codes, part of the ‘situatedness’ of action learning that leads to the development of trust.

In the main I was looking at areas of (the business) that I was particularly uncomfortable with … the most I got out of it was getting it all off my chest in a professional environment, not in the pub swearing. I had to be very careful what I said and then I got people’s comments, it was very useful for me (C2)

We are all in the office or a work environment and you just wouldn’t have those conversations with your colleagues so I think we were all desperate for a sounding board to get things out in the open, so

I think that worked well. I think everyone wanted that but couldn’t talk to their colleague because they might frown or tell someone else, you want it all in confidence. I think there are a number of reasons but having and needing that sounding board and going somewhere and being accountable for it as well. (S)

I loved it, I didn’t miss a week, the first week I felt conscious that I was more operational,… X would talk about strategic things and for me it was more about being practical, and I needed to talk about practical stuff. It was exactly what I needed the support, that is why I came on, I remember hearing people talk and me thinking I didn’t feel confident to ask them a question, but after a few times I thought I can and I felt people were valuing my contribution. (V)

**Creating Legitimacy: Exploring Diversity and commonality**

The shared language codes and the behavioural norms of the group led to a number of participants finding common issues between themselves and others from different backgrounds and environments. This then meant that participants developed a further common language around these shared understandings. All sets were set up to include a range of different businesses and individuals and every interviewee reported on how their action learning set comprised a diverse group of people who found some form of reciprocity in the types of issues they discussed. This was described by one person as resulting in participants sharing ‘a common drive and a need for survival’ despite the range of backgrounds, age and experience. This served to give learners the ability to discuss issues on an equal footing and sideline any potential power imbalance within the group.

“What surprised me is that we all had the same problems, different scenarios but as we have gone through the whole programme at some point someone will be discussing a problem that is the same as you have had previously” (S)

“I realised I wasn’t experiencing it on my own, I was experiencing a culture that a lot of people feel when they work for family businesses.”(V)

We were all senior managers or business owners with a lot of responsibility for looking after people and their families, the security of job continuity and things. (C1)

The action learning sets that were most successful surfaced the issues that they held in common and there is a clue in the data that suggests that this may have been a conscious effort on the part of some individuals who had similar experiences in other contexts:

“I worked with the guys on the shop floor and I think quite early on I recognised that if I

wanted to achieve anything I had to have them on side, in terms of pulling knowledge from them, so

I spent a lot of time talking to them, putting them at ease” (C1)

This phenomenon of finding similarities in different contexts ledto some participants learning vicariously or helped them to reflect on their own situation:

Seeing how she dealt with things, things M went through. It made me realise that I wasn’t unique and some people have much bigger pressures (I2)

The action learning brought home that I should be proud of our business model, develop and cherish it. We have the right amount of work and hours and (I) don’t feel that pressured. I did pick up from some in the group that they are under tremendous strain to get to where they are, I got some affirmation from that. (I)

When we started (the programme) I felt very tiny and insignificant as a leader given the amount of people some people were employing but towards the end I realised I am a very important leader, the leader of a business and I will either lead it right or wrong. So it kind of brought home to me it is about leading industry and not just people. (I1)

**Dysfunctionality in the set**

In contrast to the positive aspects of participation there were also elements of tension and disruption that had unintended consequences for learners and the set as a whole. One interviewee reported how he felt he had caused another participant to leave the set because of his lack of empathy for her situation in asking her why she had not considered the consequences of her actions that had left her company in a difficult situation. The participant who had been asked the question did not attend subsequent meetings and these were conducted in a rather superficial manner, without the challenging questions normally expected in action learning.

I remember coming out of one of the sets and wanting to put my fist in my mouth because … I felt like I had really stuck my boot in as my initial response was, ‘Didn’t you think before you took this on? You made your bed go lie in it!’ but I felt really bad after that, she didn’t come back. I was just shocked as to what I was hearing (C2)

In another set, one particular individual was a source of tension:

I think that a lot happened in the first (set meeting). When he said ‘My biggest issue is I have no problems’ and everyone thought ‘right…. ‘(M1)

Another interviewee talked about how this apparently disruptive and disinterested member of the set undermined what the group was trying to achieve and that the negativity he displayed served to reinforce the initial resistance and reluctance to be open and honest that is often found in action learning. This eventually led to a ‘character clash’ and a choice on the part of two set members to stop attending the meetings:

I felt like I was sitting thinking, argh, and I know another couple of people were sitting there thinking that, there was some discontent … people won’t want to sit there and then admit that they felt like a f-ing idiot. They won’t want to say that they shouldn’t be there as they didn’t understand what was going on. (I2)

I think there have been some negative influences on the course, some individuals who haven’t necessarily been on the course for the right reasons and have distracted from some of the core learning aspects of it. I think there are moments on the course when people have been asked to share from their own experiences or goals they are hoping to achieve, and if that person is disruptive or not interested in that it doesn’t draw the best out from the other people which means it undermines what you are trying to achieve (I2)

This individual then became a reason (or excuse) for not fully engaging in the process of action learning:

I felt like we could use that to deflect to enable us to avoid our own issues so we didn’t have to solve our own problems.(I2)

The differences between members became a way of explaining why the set did not work and the disruptor’s age and profession were signaled as key differentiators that led to the tensions:

He wasn’t on our table on the first day, but the others were so he was the outsider to the 4 of us, and he was that bit older, we thought he was an odd addition, but I don’t think he helped us as a group, apart from him, we got on really well. I have spoken to others who are similar ages to me and they did a lot and wanted to turn up for each other and they have continued to meet. We got that one extra person, who wasn’t that bothered, but made other people also not that bothered about turning up.(M1)

**Discussion**

The findings from this study help us to explain, using the lens of the communities of practice literature, the situated process of critical action learning and the means by which structural social capital is created. Our findings illustrate how the creation of shared language codes derived from the action learning protocol and the ongoing experience of action learning creates both cognitive and relational social capital (Nahapiet and Ghoshal, 1998). We also illustrate what happens in the set when such shared codes are not created and when relationships are not built on the trust engendered by relational social capital. The process appears to works in 4 stages: create the network; develop shared language codes and understanding of protocols; define AL problems; relationships emerge through ongoing meaningful discourse. However, the process is inherently fragile and at each stage there is the potential for breakdown.

The creation of the network is clearly dependent on engaging several actors who are interested in ‘working on the business’. In that regard, since all the attendees are volunteers, there is potentially less risk in creating networks of action learning sets randomly. Indeed, in those sets that were successful, there were a range of ages, gender, business size and sector. Yet, it was also this perceived difference (age), that was considered a potential problem in the learning set that became dysfunctional. In addition, it was only one individual that seemed to disrupt the whole set. Thus, selection of action learning sets appears to be more about luck than judgement, and perhaps all that can be attended to *a priori,* is engaging with a cohort of individuals that are expected to be motivated and willing to work on their business. Ultimately, it seems that it was important primarily that people were on the course for ‘the right reasons’. This provided others in the network with a recognition that they and the others belonged in the network, or action learning set. Their action in the set were judged against this expectation.

The development of the purpose of the action learning set and the establishment and following of the learning set protocols seemed to be very important for setting the tone and understanding of how learning set members engaged meaningfully with others. Participants talked of learning a new language, and being conscious of how to interact, how to question and how this shared set of codes and actions became more normal as time progressed. There seemed to be a developing recognition that this was potentially a neutral space where it was okay to be very open, where judgements were taken about the level of intimacy that could be shared. They talked about it as an in between space where the language used was less formal than work, but not as informal as the pub. The framing and discussion of problems helped set a business context around shared ideas such as personnel, customers and family. Where breakdowns occurred, it was through people breaking these codes (for example by being overly aggressive in questioning motives), or not participating in the process, or being reticent, and thus not demonstrating authenticity in exchanges. Not participating or meeting expectations of behaviour created reasons to exclude and to the breakdown of the fragile nascent relationships, or stopped meaningful relationships from forming.

The next element that seemed crucial in deepening the relationships and developing meaningful interactions was the articulation of a problem. The problems functioned as an artefact through which members of the action learning set could engage meaningfully with others. The problems were diverse in terms of complexity and scale, but they were business problems that others could recognize and, in with which they could empathize. This recognition of a shared set of challenges and a real problem around which they could engage in questioning and discussion was a key element of the deepening relationships and the formation of longer-term relationships that continued outside of the set. The problems acted as a bridging mechanism, as a way of engaging with others more meaningfully, and helped establish a shared sense of purpose. In a way, set members recognized that they were participants in a club, with shared interests and goals, which was to be successful in THEIR business. Where this problem articulation broke down, by not sharing, not being open about the challenges faced, set members were immediately seen as inauthentic; this discouraged participation and sharing by others in the set. As such, the set broke down and effectively disbanded since the level of trust needed to engage more meaningfully was absent, but perhaps more importantly, the shared interest (creating a successful business) had not been established.

Finally, if by the time the set got to this point where they were engaging meaningfully around the problem, we observed that the relationships deepened, and indeed continued after the course was completed. Although the network did not survive intact once the course was over, meaningful relationships and interactions were apparent through the action learning sets. Thus, the navigation of developing cognitive social capital seemed to proceed (and to some extent overlap) with the development of relational social capital. Both the shared language and codes and shared understanding of similar (but contextually sensitive) problems allowed more meaningful exchanges. The ongoing clarification, questioning and attention to ‘working on the business’ together then helped to deepen and embed those relationships in a network of practicing entrepreneurs. We have represented this process in Figure 1.

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**Conclusions**

The findings have identified several conditions and processes that both help and hinder the development of social capital in action learning sets. They help to explain how social capital is developed in these communities of practice that are artificially created for the purposes of leadership and business development. Our findings build on studies by Hamilton (2013), Konopaski et al (2015) and Lefebvre et al (2015). We show that communities or networks of learning constructed specifically for the purposes of entrepreneurial education create a unique social context because of the way in which they have been artificially formed. Our findings echo those of Agterberg et al. (2010) and Soekijad (2011), who noted that the construction of communities or networks of practice are not always successful. Here, as in all forms of social learning, the quality of relationships is integral to the success of the community and the level and quality of participation in the sets we studied were affected by:

* the development of a shared understanding of language codes and expected behaviours.
* the level and type of challenge that learners offered to each other, and how they reacted to this.
* the authenticity to share real problems that helped establish a shared sense of purpose
* behaviours that effectively silenced and excluded some members of the set.

Despite these challenges, we also found that diverse groups could work well and that differences in age, educational background, experience, profession and sector did not preclude communities forming and thriving but, the same differences could also become a means of explaining the tensions that led to failure. The study offers insights into the development of learning communities through action learning, such that action learning sets might be more effective. While set facilitators may play a role in steering interactions and discussions, it is more likely that success will be achieved if participants take action themselves to address dysfunctional members (Konopaski et al, 2015), since this type of interactive learning relies on meaningful engagement and interaction between community members.

In terms of facilitating these types of networks, or action learning sets, the ability to have a meaningful discourse seems to rely on finding something to share – subject matter, and a way of sharing it through a shared language in order to be able to hare knowledge and help learning to occur in the context of their practice. From a practical point of view, the focus on building the cognitive elements of social capital, seem to be an important precursor to developing and facilitating the action learning sets that can develop the types of relationships necessary to engage in the meaningful interactions necessary for situated learning to occur.

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