

TITLE:

Managerial learning in the zone of possibilities

ABSTRACT:

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In this paper managerial knowledge creation and learning in a Finnish ICT firm (hereafter FICT) is studied. The data of the study originate from three interventionist meetings organized to FICT's managers by researchers from Center of Research on Activity, Development and Learning (CRADLE), University of Helsinki between January 2007 and November 2009. The management team's perception and interpretation of new business opportunities is inquired longitudinally with activity-theoretical lenses. The study explicates how the discourses of FICT's management team are imprinted with culturally formed traits and historically evolved layers of the past business activity conditioning the perception of their future business. In the analysis the development in strategic thinking of the management team embedded in emerging consciousness of a need to change is traced. The learning activity is scrutinized as a horizontal movement in a zone of proximal development within terrains of "acting in the zone of known", "learning on the edge" and "perception of the unknown" (Vygotsky 1986, 191-195, Karpinski 2012).

The emerging need for strategic change in FICT's business activity was first externally mediated due to parent company's previous decisions to split business activity in three separate firms leaving FICT to survive with fewer products, but financially on a rather solid ground. Because of this decision, FICT's twenty-five years' history based on product development ended. In the firm a new management team envisioned to expand the business activity with service-related technology provided by prevailing and new ICT partners. After parent company's decision FICT's activity focused strongly to business development and, therefore, collaboration with CRADLE started, too. CRADLE researchers' first developmental intervention with FICT was organized in January 2007. The purpose of the arranged workshop was to support the firm to interpret the prevailing position in the firm's business and to elaborate adaptable principles for a new, customer-centric and service-oriented business logic. The next intervention was conducted in March 2008 just when accounting period was turning. The second intervention was based on data of firm's business history that was presented as business developmental cycles based on technology product development. Furthermore, interviews of FICT's customers had been analyzed and were presented in the research intervention to the management team. The form of the second intervention was based on presentations of FICT's CEO and three researchers' and involved discussions. The third data of the study originate from a meeting with management team one and a half year later in November 2009 when researchers had authored an article of FICT's business developmental efforts. The article was offered for the management team as "mirror data" grasping the business challenge that the firm according to the researchers had face. Researchers' interpretation was that the firm was in a business discontinuity, because the technology development had to be ended and new logic for business activity needed to be found.

The three terrains of horizontal movement in managerial learning are interpreted here as acting in "a zone of possibilities" (Pereira-Querol et. al. 2014). The CEO of FICT expressed, that despite developmental efforts they easily reverted to "the comfort zone" and reproduced the historical logic of activity rather than change the logic of their practices. Furthermore, perception of the business possibilities was perceived with frames and boundaries that in managerial discussions were projected to arise from intentions and interests of the parent company. A preliminary analysis of data explicates that the dominance of acquiring short-termist shareholder value for the owners at the cost of long-termist use value creation for the customers triggered the management team not to enter out of realm of well-known business even though the risks of surviving with the prevailing were recognized already in the beginning. Therefore, managerial learning produced new ideas, but not practical solutions before the firm was forced to make drastically new business efforts.

References:

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