

# Action Learning Intervention as a Change Management Strategy in the Disability Services Sector - A Case Study

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## Abstract

*The not-for-profit disability services sector faces many challenges. The shift in funding arrangements from a supply-model, to a demand-model, has triggered the reassessment of organisational activity. This paper analyses these challenges, and seeks to study the application of Action Learning as a management tool for dealing with transformational change in this sector. The Action Learning approach implemented in this case study focused on the unique organisational characteristics with regard culture, structure, and the organisational response to the depth of the challenge. In so doing, the organisation recognised the requirements to respond decisively as a result of the shifting funding paradigm. Evidence was obtained regarding successful intervention outcomes, organisationally and personnel-wise. The former being a wide array of organisational and business initiatives, and the latter through the qualitative assessment of participant feedback. This paper provides insight into the development of an Action Learning intervention that can be applied to organisations in this sector, to facilitate such change challenges.*

**Keywords:** Action Learning, Organisational Change, Not-for-Profits, Disability Services Sector

## Introduction

This paper seeks to determine the extent to which Action Learning processes can address the transformational change management challenges associated with organisations within the Australian not-for-profit disability services sector, which have resulted directly from proposed new funding arrangements. The paper identifies a particular Action Learning intervention, developed in the context of a change management strategy, and highlights the key learnings from that intervention. These learnings can then form the foundations for similar interventions within this sector as part of the ongoing organisational changes that will result from this new government policy.

The disability services sector in Australia is currently undergoing fundamental change to its funding arrangements. Historically, funding disability organisations has been based on funds moving from government directly to service providers, whereas, the new arrangements shift the movement of funds directly from the service user who pays the service provider based on a principle of choice. The current supply-model is changing to a demand-model and, as such, represents the biggest change to this sector in over 40 years.

For the first time, customers of these providers will be paying service providers directly, based on approved 'Person Centred Plans' ('PCPs'), as a result of what government regulatory agencies refer to as self-managed models in the community participation, ageing, flexible accommodation, respite, and recreation services programs.

This change in policy will have impacts on service providers in this sector. Financial management skills will be tested, especially within small to medium sized disability service providers. One challenge stems from the need to continuously develop and provide cost-effective, user defined programs that meet the

financial constraints of the PCP for each service user. A deeper understanding of how service programs are costed will challenge the financial skills within this sector. A further challenge relates to cash flow management. Under current conditions, service providers focus more on managing their expenses and less on managing their debtors. In the present environment, cash flow management is largely seen as matching the timing of expenditures with the timing of receipts from government. The changing dynamics associated with the PCP environment, from government to the service user, will have ongoing debtor management and potential cash flow implications for these organisations, requiring a change in both procedures and mindsets within the organisation. Once again, smaller to medium sized service providers will need to consider these issues both strategically and operationally. Additionally, a competitive based business environment will also require the input of marketing and business development type skills, which smaller to medium sized service providers do not necessarily possess.

It is within this context that one mid-tier, not-for-profit, service provider, Nepean Area Disabilities Organisation Inc. ('NADO'), proactively approached this potential paradigm shift to their business operations, and sought a process by which both the challenges and opportunities that PCP presented could be adequately responded to, so as to ensure its long term sustainability in this new environment. In so doing, it sought to incorporate the strengths of its current operations and its people, into the new strategic and operational paradigm. In essence, a solution was sought that could transition the organisation without displacing what was already considered successful, whilst taking full advantage of, as yet, undefined, organisational and market based opportunities which would contribute to the future sustainability of NADO. A trialled development of an Action Learning intervention was considered worthwhile as a mechanism that could bridge the commercial and human aspects of such transformational change within a disability service provider,

where commercial considerations of service delivery very often compete with the emotional elements of that delivery, especially in the minds and actions of its staff.

This paper analyses the NADO experiences, as a case study in addressing transformational change, applying Action Learning as a process, based on its organisational development roots and the link that such an approach may have with the personnel attributes which generally characterises the not-for-profit disabilities services sector.

## **Action Learning, Transformational Change, and the Not-for-Profit Sector**

### **Action Learning in the context of this research**

The humanistic attributes of the Organisational Development ('OD') link to Action Learning, have been identified as potentially the most important for the purposes of changing the cultural attributes of organisations operating within the Australian disabilities services sector, as a direct reflection of the characteristics attributed to staff within this industry. In this context, Action Learning is viewed as a multi-faceted, structured, experiential process that impacts an informed group of individuals in an organisational context, focusing on the proactive elements of the organisation as distinct from the more reactive elements (Zuber-Skerritt 2001; Mumford 1997). This case study provides further evidence to support such characteristics associated with Action Learning as an appropriate approach to respond to these varied challenges.

The process is characterised by an unending cycle of action, reflection and understanding. Such an iterative process formed the cornerstone of the Action Learning approach that was adopted in this case study. Interventions of the type applied here involved key elements associated with planned and deliberate change, supporting free choice of the participants and high degrees of

ownership by the organisation (Cummings & Worley 2009, Randall 2004).

The process, therefore, relies heavily on successful workings of an open systems methodology that underpins the learning that makes Action Learning applicable (Lohman 2002). This is supported by the collaborative approach to problem solving as well as the learning that underpins the successful Action Learning outcome (Mumford 1994). Contextually, participants are the experts and these experts develop the solutions, implement the solutions, monitor the success and learn from the process, enabling the application of similar processes to future organisational and human development issues (Zuber-Skerritt 2002a). The application in this case focused on the existing skills of the participants which were reinforced by the passion and service commitment to their clients. The aim was to develop new skills that could be applied to the challenges of the PCP environment and the resultant impact on service delivery outcomes. This was further supported by the external facilitator's focus on skills transference and expanding organisational capability as a direct outcome, in addition to the resolution of the organisational responses to PCP (Cummings & Worley 2009; Palmer et al. 2006).

For Action Learning to be successful, it must contain a number of functional elements which revolve around the ability and freedom of the group members to define the problem, address the issues in an open, informative and questioning manner, and to implement the identified solutions. Elements of the problem or challenge, the group or set members, the process of insightful questioning and reflective listening, the promise to undertake action, the commitment to learning from those actions, and the objective facilitation of the process, must all be present for an effective Action Learning process to have taken place (Marquardt 2001). A vital component within this process is reflection which enables participants in an Action Learning exercise to effectively sit back and review the events that have preceded them and to assess

these in a manner that would enable them to evaluate progress and to evaluate events (Harrell et al. 2001).

Reflection is considered not merely a process, but a structured activity that requires appropriate time and an appropriate environment. Reflection is fundamental to the success of the process. Critical evaluation is the ability of the Set members to constantly challenge issues and thoughts in a positive and supportive framework rather than a competitive or destructive manner. It is designed to build capability and capacity, not destroy character (Mumford 1993). Such reflection must be supported by the organisation and built into the processes that underscore the Action Learning characteristics that seek to engage participants in both organisational and personal development and change (Passfield 2001), as identified in Figure 2.

Action Learning can be applied to impact bottom line performance, operating efficiencies, and staff and/or management development challenges. An Action Learning intervention within such a context seeks to refine the model by which an organisation absorbs information and data, sorts it, applies it to problems and issues, plans, executes, develops its staff to maximise human potential, and develops a culture for the ongoing open-loop learning that positively impacts longer term organisational sustainability. For this to be successful there must be present two complimentary elements which are fundamental to the success of an Action Learning intervention within organisations. On the one hand, there must be benefits accrued to the organisation. Such intervention implies a need to address either specific issues or be project specific. On the other hand, an organisation, being the sum of its human capital, must ensure appropriate enhancement of such human capital and, therefore, secondary outcomes of an Action Learning intervention must address issues of staff development (Davies 2001). As applied in this case study, both elements were addressed and, organisationally, both were seen as equally important. This prioritised, in the minds of the

participants, that whilst change was necessary, support and executive backing would be provided and in-house resources would be developed as integral to the change outcomes.

This discussion of Action Learning, as a dual focused activity at both the technical outcomes level and the personal development level, affords an organisation, as depicted in this case study, an opportunity to move beyond existing constraints. On the one-hand the challenges of major change that question existing modes of operation, whilst on the other, the demands placed on their human resources to develop and adjust to new and engaging environments, can both be addressed with appropriately constructed and targeted Action Learning interventions.

The OD source of Action Learning reflects the linkage with change management, in terms of the inclusiveness that effective change programs may have as a direct result of linking active participation with change outcomes. This effective change and ownership by organisational players (Levasseur 2001) has been recognised as an important context for the changes being the subject of this research, as well as a necessary inclusion in Lewin's 'unfreezing-movement-refreezing' change model (Lewin 1951), as the requisite element in the institutionalisation process associated with the 'refreezing' stage.

### **Transformational Change in the context of this research**

The speed of change resulting from external environmental factors has greatly accelerated since the early 1980's and has effectively surpassed the expectations of earlier OD researchers (Bartunek et al. 2011). The resulting organisational transformation linked to radical changes that ensue, involves the fundamental shift in existing organisational functions, activities, norms and behaviours (Cummings & Worley 2009; Greenwood & Hinings 1988), and the consequential resistance factors that follow (Roberts 2006). Such external environmental factors are at play in this case study and, as indicated earlier, are regarded as generational in terms of

both their impact and their consequences. This obvious need to dismantle existing structures and processes has been referenced in much of the existing literature where the replacement of old methods, structures, and processes are achieved with the newer ones, and the essence of change as a movement from one state to another (Biggart 1977; Lewin 1951; Joyce 2000; Roberts 2006). In light of the new funding paradigm outlined in this research context, organisations must be prepared to assess the extent to which existing structures and operations are dismantled to enable newer and more applicable structures and operations to be implemented, to remain functional beyond the initial time periods within which the new funding paradigm is first introduced. Changes to structure, changes to service delivery methods and models, changes to customer service paradigms, as well as changes to staff skills sets, in response to different customer requirements, will result from these funding shifts.

Questions also arise as to the readiness of organisations involved in this sector to accept, and work with, the transformational changes that are now afoot. Such change readiness factors and the linkage with success or relative failure is evidenced in the prevailing literature and has been generally recognised as a key contributing factor to success outcomes (Armenakis & Bedeian 1999; By 2007; Caldwell 2011; Cameron & Green 2009). The Australian not-for-profit disabilities services sector historically works within a restrictive financial framework and, accordingly, has extensive experience in effectively 'cutting-the-cloth' to meet these shifting financial constraints. However, whilst this has always been done within the context of a stable, but limited, financing model, radically changing that financing model will challenge many in this sector over the course of the foreseeable future.

Whilst comparative assessments have traditionally been made within the transformational change literature that seeks to classify and distinguish differing categories or classifications and sub-

classifications of transformational change (Nadler & Tushman 1995; Newman 2000; Flamholz & Randle 1998; Reger et al. 1994), some suggestion exists as to the relationship between transformational-like outcomes stemming from incremental change, in contrast to a single minded adherence to transformational outcomes stemming only from transformational change (Hamel 2001). OD interventions need to remain focussed on ensuring the meeting of outcomes at the organisational and personnel levels so that long-term organisational sustainability is achieved.

### **Not-for-Profit issues in the context of this research**

The not-for-profit sector generally faces a range of unique challenges over and above those faced by the current changes to existing funding models for the disabilities services sector. Such organisations face ongoing sustainability problems which are directly linked to full or partial government funding (Ball 2011). This places them at risk of being responsive to ongoing political bias and the associated challenges of managing the ongoing conflict between issues of mission, and practicalities of operational and organisational sustainability, especially within religious based not-for-profits (Steane 2008; Steane 2001).

The ability to attract, maintain, and develop human resources, places ongoing strains and stresses on the constancy of programme and service delivery for not-for-profits. This issue specifically threatens those not-for-profits operating in the broader human service sectors of disability, mental health, and aged care. Additionally, the use and application of hybrid performance measurement criteria for those not-for-profits operating commercial and quasi commercial activities, in competition with for-profit organisations, test their management capabilities at both executive and board levels (Ball 2011; Lyons 2001).

The demanding business environment that many in this sector have faced over extended periods of time, has jeopardised

ongoing program funding, and placed heavy demands on service delivery, threatening the continuity of segments of their operations (Drucker 1990). This has been further compounded by a unique reliance on a diverse volunteer pool (Lyons 2001) which challenges many in managerial and leadership functions within this sector, and places significant strain on their organisation's abilities to achieve strategic and operational goals, within given timeframes.

In this context, the need to understand and deal with large, varied, and dispersed external and internal stakeholder groups (Myers & Sacks 2001), continues to strain not-for-profit human, financial, and capital resources, placing even further management constraints on these organisations, and potentially focusing attention away from their predominant service, and program delivery objectives. Moreover, these organisations tend to have complex revenue generation models, which reflect the varied sources of funds that need to be managed within a complex and often multi-skilled environment (Steane 2001; Lyons 2001), where their ability to attract the full gamut of skills is already under sharp focus.

In amongst these NFP organisational issues is the multi-dimensional focus of not-for-profit management, which must have more than a unilateral view on purely bottom-line and associated shareholder value outcomes (Marcuello 2001; Bois et al. 2003).

Associated with this broad range of challenges are the cultural attributes of those working within this sector. These include a perceived connection with a broader societal good and the lack of private gain or profit at the organisational levels (Speckbacher 2003; Ball 2011) and their own perceptions of being human change-agents integral to changing the lives of those that rely on their services (Drucker 1990). Integral in this view is recognition of the pivotal role that such human service type organisations are now playing in society as part of an integrated four-pillar

institutional service provision network encompassing government, not-for-profits, business and family networks (van Til 2008). The above framework sets the cultural context within which the not-for-profit disabilities services sector operates and provides insight into the challenges that lay ahead during this current process of the transformational change discussed earlier.

## Research Strategy

### Case Study approach

This case study reflects ongoing industry and academic concerns regarding the current gap between management research and management practice (Bansal et al. 2012; Siggelkow 2007). It includes a documented trail of activities, results, outcomes, and learnings, supported by a participant questionnaire. The first co-author is a consultant to this sector and engages in a range of Organisation Development type activities, using Action Learning with a number of disability service providers.

### The Research Case

*As stated in the 2009/2010 Annual Report of NADO, "Nepean Area Disabilities Organisation Inc. is a not for profit, community based service provider .... The organisation is governed by a voluntary Board and managed through the delegations of the Chief Executive Officer. NADO's Vision is to be an innovative and sustainable organisation, inspiring leadership and positive futures for people with disability in partnership with the community."*

NADO is one of the largest disability service providers at a local regional level, with origins as a local family support group some thirty years ago. The organisation provides a broad range of services and, whilst these are numerous, they tend to fall into the following categories:

Day programs

Community based day programs  
Flexible respite services  
Recreation programs, and  
After school and vacation care programs

NADO employs 129 staff of whom 18 are permanent full-time, 42 are permanent part-time, and 69 are casual. The Board is constituted by up to 7 voluntary members whilst the executive and management team comprise a CEO and 5 senior managers. These managers are responsible for either a range of centralised corporate activities, including Administration and Quality Improvement, or regional service delivery activities reflecting the diverse geographic locations across the western regions of Sydney. Organisationally, NADO is structured with service centres across the outer western region, offering a range of services to physically and intellectually disabled people.

The NADO organisational structure is depicted in Figure 1 below.

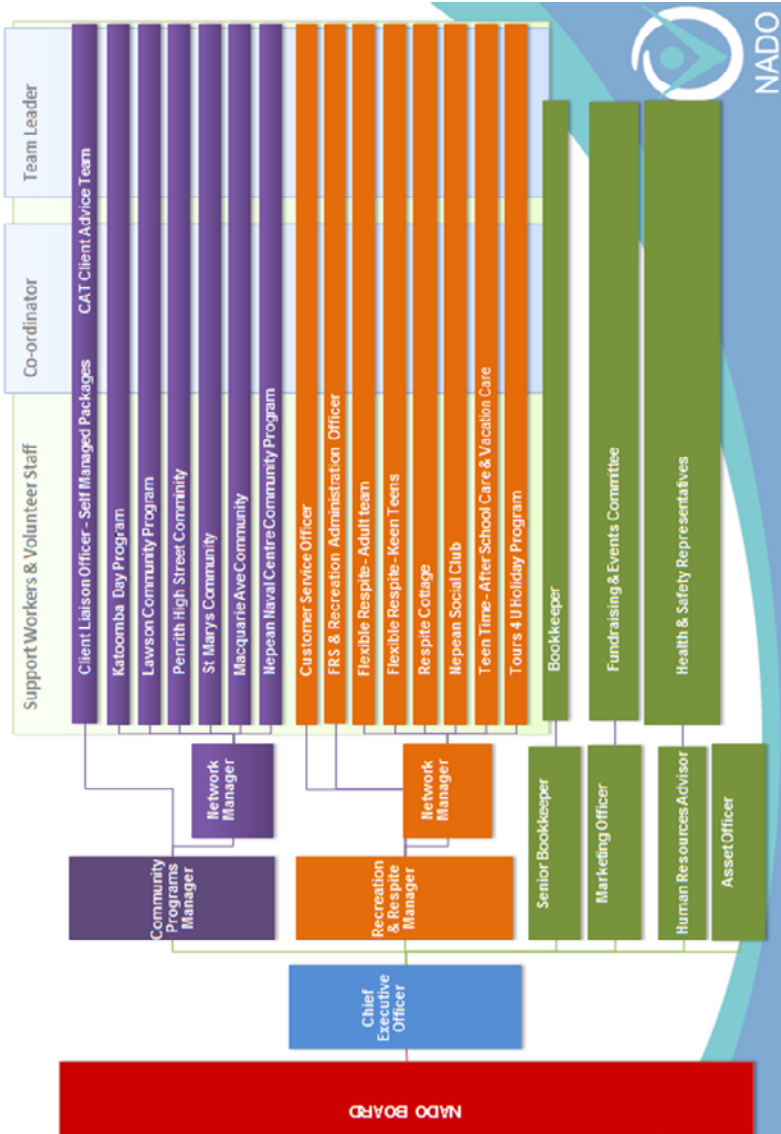


Figure 1 - NADO Organisation Structure

As depicted in the above structure, NADO recently restructured itself organisationally to focus all programs and service delivery options along two broad service provision groupings, namely Community Programs and Recreation & Respite Services. Such a structure provides the flexibility needed to implement PCP across the organisation to the level required by the regulatory agencies.

The introduction of PCP potentially shifts the medium to long term focus of the organisation away from physical service silos and refocuses these to demand-driven resource-orientated activities where service location becomes secondary to the needs and demands of the client.

## **Discussion**

### **Foundations for the Action Learning Program**

In response to NADO's requirements, two Action Learning sets were created simultaneously. Set 'A' focused their attention on Community-Based Day Programs ('CBDP'), whilst Set 'B' focused on Flexible Respite Services ('FRS'). For each, an initial challenge was determined for each Set to work their way through during the course of the Action Learning process. The CBDP Set was presented with the challenge of setting a broad range of service delivery goals that were not to be restricted by prevailing resources, including multi-site operations and availability. The FRS Set was presented with the challenge of addressing the structural and service delivery challenges associated with broader organisational capacity, staff rosters, resource flexibility, and staffing criteria.

These challenges were determined by the CEO in conjunction with the Action Learning Set Leaders to ensure that they provided enough scope for an Action Learning intervention. The task of these leaders was three-fold: to define the focus of each Set's Action Learning programs, to ensuring the full range of Set logistics was addressed so resources and activities were

coordinated, and finally, to ensure all Set members avail themselves of the opportunity to contribute in a democratic and supportive framework. In this manner, the leaders became sensitive to the needs and characteristics of each member, as did the members themselves with regards their interactions with each other. This appeared to optimise the Set processes and deliberations, as members began to focus not just on the outcomes that they were trying to achieve, but equally as important, the process by which they would achieve these outcomes and outputs, in order that replicability across the organisation could also be achieved for potential future Action Learning programs. In essence, this developed the 'infrastructure' foundations for creating an Action Learning framework that the organisation could use as a method of dealing with future organisational change initiatives. This fulfilled the capacity building objectives of both the consulting exercise and the OD roots of Action learning.

The Set members were drawn from within the service provision ranks, but were not necessarily organisational team leaders or coordinators within existing programs. This ensured that the process itself focused on inclusiveness attributes of Action Learning which underpinned the general acceptance level of the process itself. It was the responsibility of each of the Set Leaders to detail these challenges in the context of the broader parameters indicated by the CEO. In turn, the CEO, in conjunction with her internal human resource advisor, identified the appropriate staff from within the organisation for inclusion as Set members. The characteristics noted for inclusion included detailed knowledge of the service provision areas, ability to function as a team member, acknowledgement of the challenges associated with full implementation of PCP, and a desire to create the 'solution' by being part of the process.

## Design of Action Learning Program

A three step process was deployed to fulfil the expectations of the organisation. In the first instance, Action Learning diaries<sup>1</sup> were developed to foster the application of critical reflection for all Set members. This reflection process reinforced both the technical, solutions-driven agenda, as well as the group dynamic aspects of human behaviour. In this manner the focus became progress towards organisational problem solving, people development in the company of their peers, and to encourage the contextual learning that the process fosters between people within an organisational setting (Revans 2011; Coghlan & Rigg 2012).

In the second instance, to support this learning and reflection process, the researcher arranged for members of each Set to undertake a self-evaluation of their learning styles based on the Honey & Mumford Learning Styles Questionnaire (Kolb et al 1973; Honey & Mumford 1982), aimed at supporting personal awareness of Set members' own learning styles, and fostering an understanding of the characteristics of other learning styles that may be prevalent within the Set. The outcome of each learning style assessment was made known to the facilitator but was initially kept confidential as between the Set members, who were given the option to divulge their learning style to each other if they so wished, although they were not compelled to do so. In reality, all members were more than keen to discuss their individual styles, and this level of openness appeared to reinforce the workings of the group and established a positive group dynamics moving forward. Such understanding of the varied characteristics and the flexibility that would enable individuals within the Sets to challenge their own performance (Easterby-Smith 1997), during the differing stages of the Set meetings, fostered the learning component at the individual level.

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<sup>1</sup> These diaries constituted part of the research data

Finally, the Action Learning processes were designed to enable the groups to achieve the organisational outcomes that were being sought. The Set meetings and overall process followed the pattern as indicated in Figure 2.

In this manner, the Action Learning intervention entailed an iterative process of presentation, interviews, questioning, learning and reapplication, to garner views for analysis, and leading to the challenge definition and scope determination is depicted in Figure 3, as 'Disorderly Conception to the Orderly End Process', where the conversation commenced at the big picture level, continued through the interpretative bubbles in subsequent meetings, and reached the end solutions via ongoing discussion, planning, action, reflection and discussion, where the targeted outcome was the result of an ongoing iterative process.

Ongoing set meetings would follow the general path outlined in Figure 4 where meetings would commence with an assessment of previously planned and executed actions, deriving learnings from those actions, incorporating these learnings into new-form discussions, leading to an agreement as to new and focused actions to be undertaken subsequent to the meeting and before the next scheduled meeting. Such agreed actions would result directly from this assessment and discussion process.

Logistically, each Set meeting was undertaken within a two hour time period. This was considered necessary given the challenging environment of the organisation vis-à-vis its clientele and the inability to effectively backfill the positions occupied by Set members during the course of proceedings. Meetings were conducted on a three weekly cycle which provided ample opportunity for reflection, information gathering, and, where necessary, trialling actions agreed upon at previous meetings.

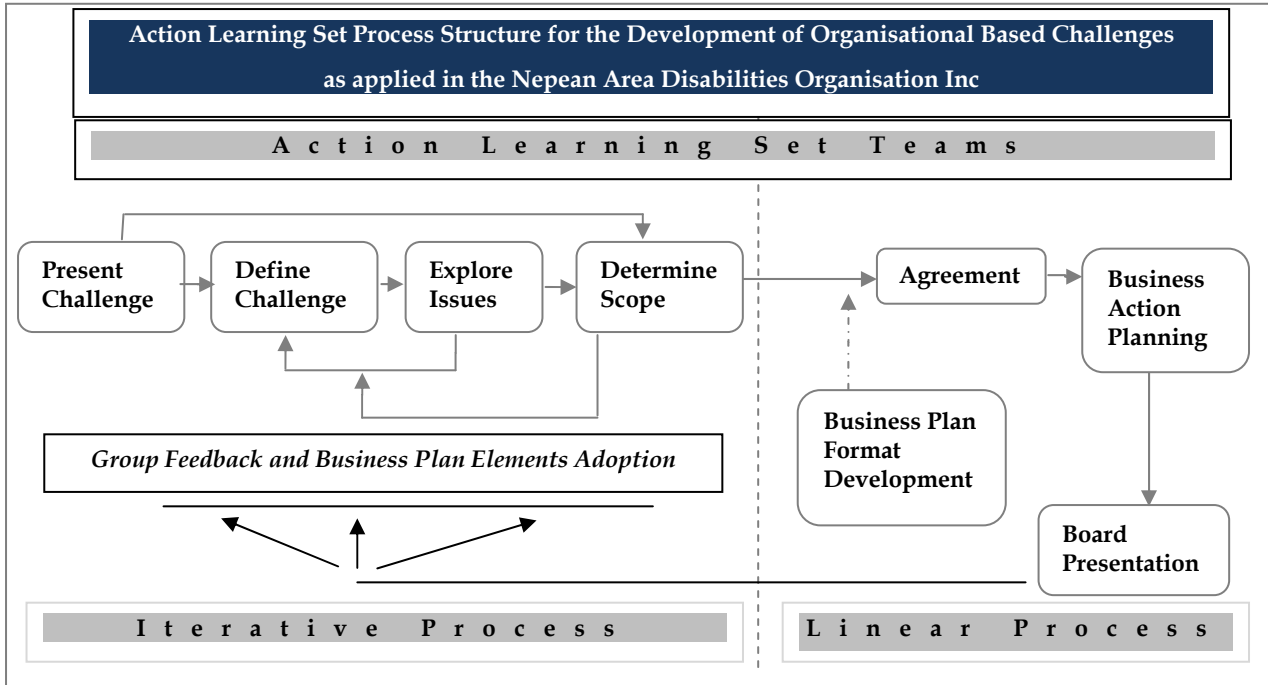


Figure 2 – The Action Learning Meeting and Process Framework

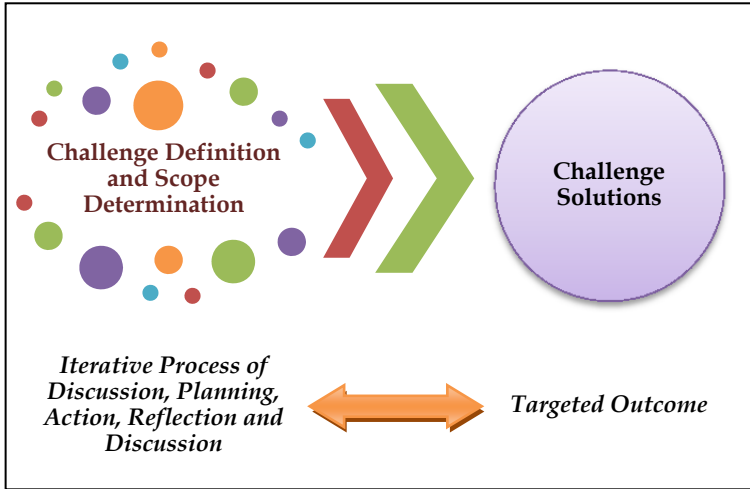


Figure 3 - The 'Disorderly Conception to the Orderly End Process'

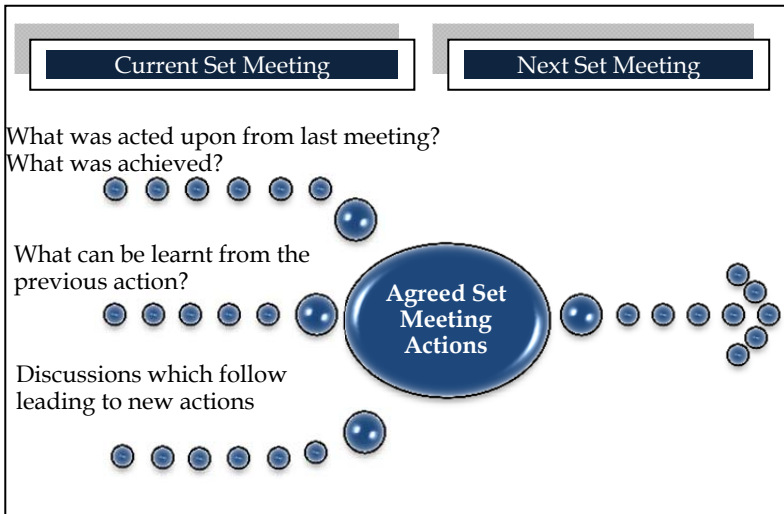


Figure 4 - Meeting-to-Meeting Processes

Agreement was reached with executive management that the final 'output' of the Action Learning teams would be the development of a 'Business Plan' that would detail those solutions developed and identified by the Sets in direct response to the challenges originally brought to them, and refined during the course of the meetings. These business plans would be submitted to the CEO for information only and then presented to the board of NADO as part of formal presentations by the Action Learning teams for review and consideration.

### **Outcomes of the Action Learning Program and Key Learnings for Application in this Sector**

From an operational perspective, the majority of recommendations contained in the business plans have been accepted by the Board of NADO and are at various stages of implementation. The management team was restructured to bring greater operational support to line management and included the restructuring of a broad range of individual roles in areas such as the senior management, client liaison and customer service. Client-focused resources are being developed both on-line as well as in shop-front mode to further support clients and their carers to better avail themselves of PCP opportunities. Operational systems are being developed and enhanced in areas of client management and finance whilst new internal staff training and development needs have now been identified. Finally, concepts of service delivery have been changed to focus on across-the-spectrum programs rather than the current focus on geographic location. In this manner, NADO has started the journey of matching service capability with service demand.

In terms of personnel development, evidence can be drawn from the Set Member participant questionnaire which was provided to participants at the conclusion of the process. Highlights of the results of this questionnaire appear as follows:

**45%** of respondents suggested that without the Action Learning process in place, the organisation would not have necessarily addressed all required process changes in the normal course of their usual strategic planning processes and **89%** felt that the Action Learning program accelerated the organisational outcomes for PCP implementation.

**67%** of respondents suggested that the organisation did operate within operational silos that were indicative of the structure of service provision within this sector.

**89%** of respondents had never been exposed to Action Learning prior to this exercise.

**78%** of respondents were of the opinion that prior to this Action Learning exercise, staff were rarely included in organisational decision making processes.

**78%** of respondents felt that following their Action Learning experiences, their contribution was beneficial to the organisation and **89%** felt that their involvement was personally rewarding. Additionally, **55%** of respondents felt their contribution levels actually increased during the process.

**89%** of respondents felt more empowered as a result of the exercise whilst **77%** felt more confident in their ability to contribute to the development of the organisation.

**89%** felt that the organisation's attractiveness as a place of employment was improved as a result of applying Action Learning as a method of addressing a wide range of organisational issues, whilst **89%** also suggested that Action Learning could improve strategy implementation at NADO.

The application of an Action Learning intervention within this sector identified a number of learnings that could be considered

by those seeking to apply this approach. These are considered relevant when determining the extent to which such an intervention can be undertaken in the context of any change initiative in similar organisational and environmental contexts.

From an organisational perspective, active early engagement with staff is considered fundamental to the success or otherwise of the program. A wide cross-section of staff was involved prior to the development of the interventions. In this manner, the organisation was fully aware of what was being trialled.

Buy-in by the Board was also seen as important as it sent a message to all in the organisation that there was recognition of a pending organisational challenge associated with a range of PCP aspects, and that appropriate solutions were being sought which would be founded on the skills and expertise that already existed within the organisation. This highlighted the sense of inclusivity felt by staff across the organisation, an important ingredient to its success

The sponsorship and enthusiastic support of the CEO underpinned its success, and without it, the intervention would not have been possible. Whilst this support ensured carriage of the intervention, the time challenges associated with those working in the sector, meant that Set Meetings needed to be flexible, as did the follow-up exercises that formed the basis of both Action and Learning. Such flexibility challenged the process of the Set Meetings and meant that as facilitator, rigid adherence to originally designed processes could not be achieved.

The inclusion of a formal business plan as an expected outcome of the intervention ensured a closed loop in the process whereby Learning resulted in Action. From the consultant's perspective, this drove a deeper link between Action Learning as a process, and identified outcomes as a result of the consultancy exercise

(Kozubska & MacKenzie, 2012). This also reinforced the link between staff, the CEO and the Board as a value-added exercise.

From a personnel development perspective, equal focus needs to be given to the skills development of individual set members. This differentiates brainstorming sessions from Action Learning Sets, the former as one-dimensional in nature where the full focus is on the solution whilst the latter is more two-dimensional as it incorporates the involvement and development of individuals within the Set.

The personnel development aspect is further enhanced by ensuring the Set members are the ones that develop the Business Plan and deliver it to the Board as part of a formal close-off of the Action Learning exercise. This last process provides good feedback to the Set members as they take pride in their achievements and are then able to effectively become a visible part of the solution.

Finally, the provision of, and encouragement of use, of Action Learning Diaries, reinforced the importance and relevance of reflection during the exercise. Its use by Set members ensured that Set discussions and questioning was based on deep thought and this enhanced both the process as well as the quality of the outcomes.

## **Conclusion**

This paper assessed the extent to which an Action Learning intervention could be applied in addressing transformational change management challenges within the disability services sector, resulting from a range of external environmental issues. It further tested the extent to which existing theory of Action Learning could be applied within a not-for-profit context. In response, the case study identified an Action Learning model that was developed to fully address the duality of Action Learning

objectives. These were the development of organisational solutions to the specific challenge, and the personnel development solutions that evolved from the overall process, and specifically from the learning associated with iterative processes of Action – Learning – Action – Learning and so forth.

There is some commonality regarding many organisational issues that challenge the management of change in the not-for-profit sector and the for-profit commercial sector. These are evidenced through issues of complacency, politics, shared vision, resistance, processes, and institutionalisation of outcomes. Additionally a contextual formatting of change (Pettigrew et.al. 2001), supports what is generally known about the cultural characteristics that prevail within the broader not-for-profit sector, namely, the participative, bottom-up, shared-leadership (Crutchfield & Grant 2008) styles that tend to predominate, where the soft skills associated with the current PCP challenges are reflected at both the management and the customer interface levels. This paper suggests that addressing change in such not-for-profit environments, using participative approaches such as Action Learning, as distinct to structural, top-down interventions, may prove more sustainable, especially when faced with the transformational changes that are at the heart of this case study.

The broad structure of Action Learning, which has been identified in the prevailing literature, underpinned the specific model created in this case study. It sought to maximise the potential of its humanistic origins with those characteristics that appear to exist in the broader not-for-profit sector and more specifically in the disabilities services sector. The key elements of the process recognised the importance of problem definition, a commitment to openness, insightful questioning, a call to action, and a focus on learning from action. The approach reinforced both the technical outcome and the personal development outcome which, when combined, provided the organisation the ability to move forward, and an opportunity to do so beyond any existing constraints. The

evidence from this case study, as provided in the action plans and the outcomes of the Set Member Participant Questionnaire, reinforces this need to account for the duality of the Action Learning structure, namely the concurrent focus on problem solving and individual development.

The external environmental factors brought about by changes in the regulatory framework of the disability services sector, provided the opportunity and possibly the need, to seek new approaches to deal with the transformational changes that ensued. In many ways, these changes were considered radical as they involved the shifting of functions, activities, norms and behaviours. As discussed earlier, such changes could result in broad consequential resistance. The successful development and implementation of the Action Learning process appears to have broadly neutralised such resistance, whilst developing the platform to appropriately address such transformational change in an inclusive and participatory framework.

Successfully addressing such resistance enabled NADO to develop and implement a range of solutions which were identified by the Action Learning teams, and discussed broadly in this paper. Additionally, the qualitative feedback from team members further reinforced what is known with regards this sector in terms of the types of interventions that may prove successful when dealing with transformational change. The sector-specific cultural attributes may default to a more participative style of change, of which Action Learning is a clear example.

Replication of this solution, across other disability service providers, should be investigated. Additional considerations associated with organisation size, complexity of existing service delivery models, organisational history with regard change and its management, and the state of market competition, are all factors that would need to be considered in the design and implementation of similar Action Learning initiatives.

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