Considering Practice: A Contemporary Theoretical Position towards Social Learning in the Small Firm

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ABSTRACT

This paper seeks to contribute to the management development debate by providing insight into the dynamics of organisational learning and human interaction in the SME firm. The paper sets out to consider how a practice-based perspective of knowledge is useful in this regard. The paper is theoretical in its intent and adopts a social constructionist view of knowledge and learning. Using qualitative analysis the paper establishes a review of the current literature by highlighting the centrality of knowledge and learning. Literature has suggested that critical aspects of learning within the SME firm are based around contextualised and social interaction. A limited number of studies account for how practice is configured and influenced, in terms of value, uniqueness and scope of what is known, and how these influences can vary depending upon the contexts in which knowledge is being used and potentially used. There is a strong recognition in many of the empirical studies of learning and its use in the SME firm that knowledge is gained through practice as opposed to formal instruction. What current research does not reflect is the changing nature of knowledge research in the wider organisational community, which has focused its attention on the situated nature of knowledgeable activity or knowing in practice. The paper argues that learning through practice, with its focus on real world issues and lived experiences, which are contextually embedded in the owner-manager's environment, may provide a better means of successfully developing practitioner-focused owners and managers.

Key Words: situated learning; social practice; pragmatism; small firm

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INTRODUCTION

Over the past decade, learning in the workplace has been conceptualised in terms of 'organizational learning' (Argyris and Schön, 1978), 'knowledge management' (Nonaka and Takeuchi, 1995) and the participative concept of 'communities of practice' (CoPs), (Lave and Wenger, 1991). Despite the large volume of literature there has been very little progression in the academic debate surrounding knowledge and learning, which has not moved beyond the conceptualisation of learning as being critically important to the small and medium-sized enterprise (SME). The growing importance of knowledge-related issues in the modern SME, and the related inadequacy of many of the existing methods to understand these phenomena, has led to a renewed interest in the subject area. The SME firm provides a unique and interesting context for the investigation of organisational learning in terms of extending the current conceptualisations of the subject area by focusing more attention on the role of tensions in relation to learning that define the emergent nature of the process of learning. The SME firm and its management processes are contextually specific and dependent on a wider number of factors (Goss and Jones, 1997), making it difficult to specifically and rationally identify those key learning processes which would allow for the development of firm learning. What is required is the recognition that both knowing and knowledge are the embodiments of social practice. One of the key influencing elements on the learning process in the SME firm is that of the owner-manager, or employee, having both the power and legitimacy to influence practices (Vera and Crossan, 2004). The knowledge which owner-managers have established through experience will to some degree shape the trajectory of the firm, as it is this resource which they use to enable them to make sense of their working environment (Kakati, 2003; Rae, 2004). Even though the owner-manager may have the power and capacity to harness knowledge and experience they cannot act in isolation. They need the resources of others, in terms of the institutional and social context in which they are embedded, to help influence the possibilities of their desired actions.

Davey et al. (2001) found that owner-managers benefit from the opportunity to interact with each other through a co-dependent approach, as opposed to a direct advisory process of instruction. The results suggested the effective use of partnering and networking as a desirable method to aid knowledge exchange and learning as a performance improvement tool. It was also noted in these studies that the level of trust generated between the various agents engaged in social interaction and from working in close proximity together successfully led SME firms to share methods of best practice with others. The development of knowing in practice denotes a reality in which firm activities and knowing have a specific time and space, a context in which they are always situated. This situational contextual dynamic thus offers the suggestion that knowing and knowledge are sets of accomplishments, transient effects and dynamic alignments. The world of practice is one that remains in constant flux in which persistence and change co-exist, because they are not conceptualised as being opposed to one another. According to this view, learning is achieved through the active participation of the employee, which is continuously being modified as the employees experience different interactions and contexts (Blackler, 1993). In this

sense the focus is more directed towards adaptive tensions and change, as opposed to the embedded nature of order and rules (Elkjaer and Huysman, 2008). Learning is conceptual-ised as a construction of shared beliefs and meanings, in which the social context plays an essential role (Berger and Luckmann, 1967). Learning enables diversity by illustrating the unique qualities of the firm employee as a means of highlighting complementarities that can address common and diverse agendas. The conceptualisation of learning in the SME firm to date has been preoccupied with attempting to control and formalise the learning in the firm. This paper argues that this functionalist view has resulted in a failure of the literature to develop an alternative approach on a sufficient scale which is more represent-ative of the manner in which learning takes place in the firm. The paper contributes to the existing debate surrounding issues of learning in the SME firm by providing new insights from a practice-based perspective to address the issues of learning in such a way that the richness and depth of the phenomenon can be considered.

ORGANISATIONAL LEARNING: A SOCIAL PROCESS

Spender and Grant (1996) consider that interest in knowledge and the firm arose from the work of Simon's (1957) critique of traditional rational economics, with the work of Penrose (1959), Nelson and Winter (1982) and Polanyi (1966) forming the starting point of this theo-retical reasoning and line of enquiry. The theoretical grounding and context of the subject domain illustrates disorder, due to the many different approaches and classifications, such as the knowledge-based view of the firm, knowledge management, organisational knowledge and organisational learning, which are embedded by numerous contradicting perspectives and knowledge typologies (Cook and Brown, 1999; Brown and Duguid, 2001). According to Spicer and Sadler-Smith (2006), SME firms that are more active in promoting learning demonstrate an increase in financial and non-financial measures. In the context of this paper, and in recognition of the emerging consensus in the wider organisational learning domain, the authors seek to both recognise and account for the social, political, cultural and historical aspects in which learning takes place. The process of learning can be described as the means by which we acquire knowledge, assimilate this knowledge and then apply it within the context of our everyday lives. It is suggested that the method of acquiring knowledge can be categorised into either a technical or a social process (Easterby-Smith and Araujo, 1999). Traditional learning theories are borne out of the rationale that learning is an individual activity, it has a beginning and an end which is separated from the rest of our activities, and it is a result of 'teaching' (Wenger, 1998). This view assumes that learning is concerned with the effective processing, interpretation and response to information inside and outside of the organisation; be it quantitative or quali-tative this information is explicit and conceptualised as something given to individuals and assessed by before and after measures. The underlying assumption is that individuals learn and then transfer this knowledge to others, drawing on the categorisation of phases such as information–acquisition–information and dissemination–interpretation, rather like an input–output model (Dodgson, 1993; Argyris and Schön, 1974). This is consistent with the main theme of knowledge management, which assumes that knowledge can be

codified, stored and transmitted by being embedded in firm rules and routines (Cohen and Bacdayan, 1994). This perspective of learning is established upon a positivist epistemology, which fails to capture and understand the multi processes of knowing in practice as social firm actors interact (Easterby-Smith and Araujo, 1999; Thompson and Thompson, 2008).

An alternative to this conceptualisation is to view organisational learning as a process which takes place through practice. The social perspective, alluded to by Lave and Wenger (1991) and Brown and Duguid (1991), explores organisational learning as the product of social interaction, which poses an alternative to the traditional linear model. The social perspective views individuals as social actors, who are part of a network of social actors who collectively construct an understanding of the environment around them and learn as a result of these interactions (Gherardi et al., 1998). Learning viewed in this way as a situated activity has as a central defining characteristic a process which Lave and Wenger (1991) term as 'legitimate peripheral participation', meaning that within the suggested communities of practice the mastery of knowledge and skill of learning require newcomers to move towards full participation in the sociocultural practices of their community. Sociocultural theories highlight the relationship between individual learning and social identity; learning is defined not only as the acquisition of knowledge but also the acquisition of identity. Therefore learning involves acquiring identities that reflect how the learner views the world and therefore how the world views the learner. Subsequently, learning is not conceived as a way of knowing the world, but as a way of being in the world (Gherardi, 1999; Chiva and Alegre, 2005). The perspective is concerned with the way an individual makes sense of their experiences by considering the explicit knowledge, which can be articulated, and gained through the learning of new procedures and routines. Drawing on the work of Polanyi (1966) and Dewey (1933 [1986]), a social perspective of learning is viewed as the development of situational identities based on participation and social-based interactions and networks (Lave and Wenger, 1991). Learning in this case is not conceived as a method of learning the world, but as a way of actively participating in the world (Gherardi and Nicolini, 2000). The concepts of experience and inquiry are helpful in positioning the *what* and *how* of learning practices, but they do not, however, provide one with an understanding of the social dynamics in which practices of learning are situated. This requires a more detailed understanding of the socially mediated tensions that exist between owner-managers and firm members as they interact. When a firm is defined as a learning community the focus is not on the individual, in contrast to the systemic view which depends upon the individual's ability (Higgins and Mirza, 2010), but rather the focus is upon the collective processes (Yanow, 2000).

CONCEPT OF PRACTICE

One of the most influential ways of acknowledging the impact of the social element of knowing is by extending the concerns of how we study the social, historical and cultural nature of practicing communities (Wenger, 2000). Rather than seeing knowledge (knowing) as a firm resource, the meaning and value of firm practices arise through the manner in

which owner-managers are able to relate to and make sense of one another. In order to enact the process of learning both owner-managers and employees must take account of the methods in which routines are adopted and used in situational contexts both inside and outside of the practicing community. This means that it is not just simply the structure and content of the routines which are important, but rather the relational structures of discourse and social collective actions through which the firm's routines are conveyed and influenced. Spender and Grinyer (1996) used a widely referenced empirical study to illustrate how CoPs can influence and direct the way in which managers view themselves and others, conforming to their idea of 'industry recipes' where they identified how patterns of managerial judgements reflected wider structures of belief. The firm's owner-manager or employee learns by becoming immersed in the collective activities and discourse of the community, which legitimise the community's identity; thus the actor gains the required skills through which they become accepted members. This process of legitimisation is done through the use of narrative and stories where both typical and atypical experiences are discussed. According to Wasko and Faraj (2000), CoP members are assumed to act with pro-socially and reciprocally oriented motives, which are collectively conceived interests as opposed to individually conceived. Bechky (2003) demonstrated how communities which are trans-disciplinary can share understanding in that they are able to develop a common language, a commonality in their activities and a mutual understanding of differing perspectives. The ethnological influence of localised practice can be identified at the micro-social activities of the SME, in other words at the shop floor level. For example, Carlile's (2002) ethnographic study demonstrates the need for managers to be aware of knowledge boundaries, and attend not only to the transfer of knowledge across firm functions but also its transformation in order to cope with idiosyncratic experiences at each boundary point. These could be routines, models or aims/objectives of action, for example. Whatever the overarching objective is, as Carlile (2002) argues, it has to firstly have a shared sense of agreement and impact for the agreed objectives so that the owner-manager can relate experiences to one another. Secondly, the process has to enable the transformation of knowledge whereby alternatives can be considered, including changing the boundary object itself.

The implication of this argument is that learning is not just a function of stable routines in the firm, but of social interactions which are fragmented, localised and historical in context, expressed through action-orientated social relationships of anxiety, familiarity and rule-breaking (Bechky, 2003). From this perspective, learning can be considered as a continuous flow of social processes as a result of the numerous connections and interactions between practitioners operating in the SME community, as they negotiate and re-negotiate their practices. This means that both actions and interactions between firm actors have the capability of creating, breaking and mediating the process of how new learning practices are formed. The conceptualisation of practice as a mode of exploration in social learning allows one to gain a closer understanding of the real, naturalistic work which takes place in organisations. Barley and Kunda (2001) suggest that the traditional approaches to organisational research have been conducted using formal static and

reductionist methods of organisational analysis, focusing specifically on the structural aspects of the firm, neglecting the processes of practice which are performed throughout the firm (Gherardi and Nicolini, 2000; Nicolini et al., 2003). In contrast to this, a social-based perspective of firm practices enables one to explore the deeply embedded processes of both doing and acting in the everyday activities performed by the firm (Whittington, 2006). The term 'practice' refers to a social construct which emerges over time, and which reflects, sustains and develops norms, values and knowledge (Foucault, 1973). Practice is the means of both creating and institutionalising what is said, what can be said and what cannot be said within the firm's social community, thereby giving emergent order to the social world of the SME (Bourdieu, 1972, 1987). These institutionalising and normative dimensions are central to sociological studies of learning. Practices can be conceptualised as normative constructs which on one level define the norms of a particular community and on another level reproduce these norms through ongoing practice.

As a result it can be suggested that from such a perspective a firm owner-manager can learn to know differently as they use means and opportunities to reflect on, experiment with and improve their practices. Existing studies tend to focus on the development of a functional process directed towards the creation of 'best practice methods' for the transfer and development of knowledge across firm boundaries, which can then be propagated throughout the firm. A view of knowing as enacted in practice does not hold 'a firm competence' as a property which can be transferred and therefore indicates that the notion of 'best practice' is one which is encompassed by problems, as it needs definable elements. Current academic literature has widely acknowledged that SME owner-managers learn through action-oriented processes, and much of this learning is context dependent and experientially based (Rae and Carswell, 2000). This represents a way to understand the relationship between the individual and the collective as encompassing both the organisational system and the social actor as potential active participants who may engage in firm practice. Such a view of practice reflects a variety of research traditions from the fields of sociology (Bourdieu, 1972; Foucault, 1973; Giddens, 1984), activity theory (Engeström, 2001), ethnomethodology (Garfinkel, 1967; Fox, 2006) and philosophy (Dewey, 1925 [1981]). In other words, practices become the ruling activities and accepted ways of doing and performing tasks which are acceptable by the firm's practicing community. The power of institutionalising a practice is often overlooked and points to the characteristics of practices as having to be lived and enacted in order to be socially recognisable (Gherardi et al., 2007). In other words, being involved in a practice means being a member of a collective community of knowing (Brown and Duguid, 1991), making knowing collective, processual, temporary and situated.

While practices can be seen as a stabling process through reproducing norms and values, these same processes also aid the development of new knowing (Yanow, 2000; Brown and Duguid, 2001). Knowledge and learning as a means of practice do not then reside in the mind of the individual but in the collective dimension of what firm actors do together, and as a result are not an individual knowledge resource (Gergen, 1994: 270). According to Fox (2006), it is suggested that one should not think of learning as a form of reified

general knowledge derived by the learning subject from experience, or study, or classroom instruction, etc. and located, as a finished, accomplished product, in the mind. Rather we should see members' methods as active operational procedures, or methods of inquiries, constitutive of practical action. Practice as a method of learning and knowing distances itself from the work of Lave and Wenger (1991), who acknowledge the situated nature of learning but claim that individual knowing is the basic unit of learning and the learning context is to a degree independent from learning and pre-given (Fox, 2006). This draws emphasis also to the work of Strati (2007) and the commonly held distinction between the body and mind, where knowledge resides in the mind and not in the body. This view draws focus to the subjective, powerful, emotional and temporary character of knowing, revealing the socially constructed and situated nature of the phenomena, like power relations, politics and contradiction, for example. Drawing focus to the non-rationalist and non-cognitivist understanding of learning, where inquiry is situated in the context of the firm's practicing community (and the social relations which exist in such a community), from such a perspective one can gain a much more appreciative understanding of how learning practices emerge, decisions are mediated and knowledge generated. Thus inquiry is directed toward studying the subjective position of firm practitioners who are part of the firm's situated collective learning community.

PRAGMATIC CONCEPT OF EXPERIENCE/INQUIRY

Dewey (1917 [1980]) drew recognition to the participative nature of learning in relation to the context and method of learning. Strauss (1978) viewed organisations as social worlds or as coordinated collective actions. The principle of Strauss' work is that the world in which the firm functions is highly complex and that social stability and change are dualisms. This is a similar basis for viewing the SME firm by claiming that the processes which exist in the firm and the supporting structures continuously constitute one another in a non-deterministic manner. Dewey's concept of learning is based upon the notion of experience from an interaction to the process of transferring the experience of that interaction, within the context of an uncertain situation (Dewey, 1934 [1987], 1938 [1988]). The role of experience has heavily influenced Dewey's (1917 [1980]) work, in which he believed that experience is the active and actual process of living and emergent patterns. This experience is multi-dimensional: a process, a product and a result of that process. Dewey criticises the idea of analysing human behaviour as a mechanical sequence, comprised of three events, sequenced in a linear order: firstly a sensory stimulus, secondly a central process and finally a motor response. Dewey's argument moves towards the idea that sensation, thinking and actions are functional elements which constitute a relation unity[1] in a situational context. For example, a firm actor's action is not an independent stimulus, as the meaning of that action depends upon the condition and situation the actor is placed in and when that action takes place. This means that the environment and/or the context are both part of the interpretation. For Dewey, experience is a series of relational, connected, organic and coordinated interactions, which shape and re-shape the continuous formation and de-formation of individuals and the firm environment.

According to Dewey (1917 [1980]), this is the process of inquiry in which the firm actor attains experience and becomes knowledgeable from that experience, on the basis of a critique which consists of abstract concepts and the phenomena itself. Dewey (1896 [1972]) regards the notion of inquiry as being attached to the practical process of gaining knowledge and becoming knowledgeable. The initial mode of inquiry is started with a problem in which the inquirer recognises a problem (awareness of this problem may or may not arise through intellect, but alternatively from a simple breakdown in the daily firm patterns). The human actor learns through inquiry into a problem in order to consider the situational context, by drawing evaluations and making conclusions, thus becoming knowledgeable and competent. It is not until the inquiry starts to define the specific problem area and related factors that the process of inquiry takes a mode of analysis such as human reasoning skills or critical/reflective thinking. Here the inquirer brings personal and previous experiences to the problem from perceived similar situations. Dewey (1896 [1972]) argues that the inquirer approaches the problem by the development and application of numerous working scenarios and solves the problem by testing the developed methodology. Thus the inquirer successfully solving the problem eliminates the uncertainty surrounding the problem in the first instance, allowing the inquirer to have confidence the problem is solved. Through the practice of inquiry the inquirer gains experience and knowledge. In order for the inquirer to have gained knowledge and new experience the process requires the inquirer to have embarked upon thoughtful reflection on the participants, objects and mediating factors. The use of reflection to establish the relationship between the action and the consequence of the action is a key enabling factor in the attainment of knowledge. When habitual actions are established these create the basis for gaining new experience and knowledge, as a result of inquiry into problem-based situations. What knowledge the individual actor gains depends on a complex web of conditions: partly the ability of the actor to reflect upon the relations between actions and the consequences of those actions and also partly on the relationship an actor can establish with past experience. An important factor in this understanding is that knowledge is a sub-set of experience, but all experiences hold the potential to become knowledgeable by making use and engaging in practice. In order for a firm owner-manager to learn through and from practice the firm actor must engage and develop experience from the physical environment and construct some form of conscious experience.

THE INTERRELATIONSHIP BETWEEN REAL-WORLD AND MEDIATED LEARNING
According to Berger and Luckmann (1967), the social reality in which the owner-manager function is developed and maintained is an ongoing dialectical process comprised of three elements – externalisation, objectification and internalisation – established in the context of the owner-manager and the practicing community of which they are part and in which they participate in this dialectical process. The perspective involves the development of common understandings, commencing from the social setting, the physical circumstances, and the firm's owner-manager's social relationships and past experiences (Brown and Duguid, 1991). Learning in the SME firm is in part argumentative, as

Holman et al. (1997: 143) argue that learning can be considered as a 'responsive, rhetorical and argumentative process, which has its origins and boundaries in the relationships with others, the collective'. Collective knowledge is established and objectified through agreement, rules and routines, which are located in practices and activities (Berger and Luckmann, 1967).

The social perspective, alluded to by Lave and Wenger (1991) and Brown and Duguid (1991), views the individual as a social actor, part of a network of social actors who collectively construct an understanding of the environment around them and learn as a result of the social interactions within the social system (Gherardi et al., 1998). In order for any organisational practice to be successful collective understanding is necessary, which means that owner-managers must enact and be aware of the current firm practices and structures which enable this dialogue and process. The development of the practice is achieved rather than given, as the practice is a recurring situated and enacted process which cannot be assumed outside of that context. For the firm to function efficiently (in the consideration of the diversity of experiences), agreement and consensus must be negotiated and agreed, in order to determine what are the most appropriate decisions to be made and taken (Robichaud et al., 2004). It must be noted that this agreement is only situational and temporary, given the diversity of experiences and knowledge, personal goals and level of power which may exist in the firm. In this sense knowledge is held in a dynamic tension of temporary agreement which arises from existing practice, embedded in experience being contested, negotiated and resolved in the firm's social community, requiring the co-orientation of firm practices as a process of dynamic activity (Taylor and Robichaud, 2004). This perspective situates knowledge within the social and political system of meaning (Swan and Scarbrough, 2005). There exists in these social relations tensions, conflict and power relations, in which owner-managers are in competition with one another by following different goals or preferred alternative methods (Taylor and Robichaud, 2004).

When a breakdown occurs in a firm's practice, claims of validity (what's right or wrong) are no longer taken for granted but are challenged, argued and negotiated in order to reach a temporary agreed practice. In such a case the validity of a real-life practice is explicitly discussed; both validity and discourse encompass one another. For example, when a practice breaks down a discussion ensues on why the practice failed (the validity of the claim) and what can be done to fix it. The outcome of these discussions and agreements are inter-subjective and then become an integral part of the firm's real-life practices. The important distinction to be drawn here between the real life of the firm and discourse is more analytical as opposed to practical delineation, as our practices continuously change from that of activity to argumentation and returning to activity. This movement between practising and contesting is an iterative process, and is triggered by conflict or breakdowns in the current working practice (Schreyögg and Geiger, 2007; Geiger, 2008). In a study conducted by Gherardi and Nicolini (2002) the authors demonstrated how breakdowns occurred where construction workers failed to follow official safety rules and as a result injuries occurred quite frequently. A conflict developed between the construction workers on how the situation was being managed which subsequently triggered a review of the

safety rules and procedures in use. The developing conflict enabled a level of engagement in an inter-subjective reasoning process which allowed the workers to review their practices. Through dialogue an agreement was reached in terms of how the current health and safety practices could be best improved and adopted, and a new and revised understanding of what was considered to be good practice was agreed and embedded into the practitioners' communal understanding. Schatzki's (2005) account of practice focuses on a shared understanding, suggesting that shared modes of real-life activities are continuously encompassed by modes of explicit challenges and reflection. The SME firm is contextually dependant on the practices and social interactions of owner-managers in order to solve firm issues, but this is not necessarily a sympathetic set of social relations. In order for this action to occur it requires firm owner-managers to have different experiences and understandings to co-evolve and operate across fluid firm boundaries (Knorr-Cetina, 1982; Taylor and Robichaud, 2004). Schön (1987) demonstrated a case in which situated practice often involved the owner-managers reflecting or experimenting through the reconstruction of their knowledge and knowing, thus altering their perceptions. The process of reflection occurs when existing understood firm practices are challenged or fail to work (Starbuck and Hedberg, 2003). This can occur through attention being directed towards outside viewpoints, which exist away from the traditional community of practice in the firm, through the (physical) relocation of the firm, openly encouraging interaction with both intra- and inter-organisational boundaries, or through the recruitment of new team members who are adverse to the traditional firm practice (Child and Heavens, 2003; Holmqvist, 2003; March, 1991).

From such a perspective an owner-manager can learn to know differently as they use means and opportunities to experiment with new opportunities to improve their practices. If all the actors in the process fail to share, negotiate and agree a common understanding the practice is unlikely to remain in existence and be adopted by the actors concerned. Consensus is hard to achieve as the elements of conflict create an ongoing and dynamic dialectic, which can enable the continuous transformation of the firm's social reality. But for new practices to emerge they must overcome the inherent elements of situated learning, such as the localisation of practice, and the firm's path-dependent processes or routines. If this fails to occur existing practices are simply repeated in the daily practice of the firm, unless there is some disruption caused (Knorr-Cetina, 1982). The assumed willingness of firm owner-managers to surrender the knowledge they possess for the greater good is axiomatically considered to be naive (Yanow, 2004).
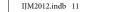
CONCLUSION

The issue of learning as a socially enacted practice is difficult to deal with, within the mainstream literature conceptualisation of learning as a rational, technical and decontextualised process which is capable of being codified, embedded and re-embedded in the firm (Brown and Duguid, 2001). Developing such a social relational element is important, as a consequence of depending too heavily on solitary reflection within a firm. Such a bounded state of solitary decision making is not unusual for owner-managers. Petts et

al. (1998) found that, when asked about their experiences, owner-managers were overly optimistic in comparison with their employees, for example when assessing their environmental performance. Petts et al. (1998) noted that there was a perceived gap between what managers believed about their respective firms' environmental performance and the reality experienced by others. This illustrates the limitation of reflection divorced from other actors, knowledge and context, as well as demonstrating the weakness of knowledge when conceptualised separately from action or activity. This limitation was recognised by Floren (2003) whose study of entrepreneurial learning found the two most restricting influences to be the lack of peers with whom to converse and the presumed omniscience of the solitary owner-manager. Understanding how owner-managers learn from others has been examined through research which has explored the cognitive framing of knowledge structure, by which opportunities are recognised, created and pursued (Keh et al., 2002; Korunka et al., 2003; Mitchell et al., 2002). A similar cognitive view was adopted by Minniti and Bygrave (2001) in which, rather than assume owner-managers always learn, they provide a more complicated model and highlight the tendency amongst owner-managers to become locked into previously successful patterns of activity, creating path dependencies. For Ward (2004) and Minniti and Bygrave (2001) the owner-manager's ability is not so much cognitively rooted but rather cognitively configured. In reality it is an aptitude for working within and at the edge of habitual patterns of activity rather than thought.

The empirical evidence suggests that owner-managers would benefit in terms of learning and developing new practices were they to organise practices from different perspectives. This would allow the voices of others to contribute to decision making, adding to the stock of knowledge and potentially the reluctance of the resulting judgements (Korunka et al., 2003). Therefore the concept of networks has begun to gain popularity as a means to enhance SME firm learning. It is argued that such networks provide owner-managers with opportunities to learn in an informal way (Clarke et al., 2006). These groups of independent participants provide the work context within which members construct both shared identities and the social context that helps those identities to be shared (Brown and Duguid, 2001), providing access to resources, including skills information and knowledge. Spender (1989) suggests managers who participate in networks that extend well beyond their own organisations, and as members of a network of practice, have extensive shared practice leading to extensive shared know-how; this in turn allows extensive circulation of managerial knowledge. The studies suggest that these managerial cognitions are never entirely conceived and controlled by the individual, and assume they are unrealistic. This is supported by Keh et al. (2002) who found that even the idea of control influencing the owner-manager's evaluation of opportunity was framed by socially embedded, subjective orientations developed through experience. These studies demonstrate how SME firms may benefit from owner-managers' recognition of the important sources of knowledge to be found outside their own experience and hence the value in developing the social skills necessary for scanning for such knowledge.

The recognition that knowledge is less a product of individual traits and abstract rationalising about optimum outcomes and more the outcome of socially enacted understanding about what works when and where is described by Sarasvathy's (2003) theoretical model as effective managerial decision making. One approach to management development which it is argued encompasses the activities of action and reflection, whilst maintaining the focus on the social process of knowing (Choueke and Armstrong, 1998), is that of practice. To aid this view it may be more helpful to understand the relationship between belief, doubt and inquiry in a dynamic way. For example, believing in the efficiency of any act in order to achieve a desired result has the dual effect of placing doubt to rest and re-enforcing belief in that act in a way that over time will lead to habit. Believing in an act also brings inquiry to rest. Holding doubts serves to initiate a process of inquiry which is designed to uncover or explore new acts or knowledge, which may prove to be helpful in modifying existing acts. The natural method of learning through social-process-based interactions is developed in such a way that the establishment of beliefs is relentlessly pursued and seeks to avoid the experience of doubts by using inquiry to settle belief. But yet, despite this seeming aversion to doubt, it is a necessary experience in order to trigger a search for new knowledge which can re-shape existing beliefs or replace them with more effective ones (Maturana and Varela, 1987). These processes enable firm actors to learn and apply their experiences as they work within the domains of new institutional contexts and novel situations encountered through their daily practices. Knowledge of the firm environment is composed and grounded in the continued acts, routines and symbols associated with the actor's activities. The owner-manager's ability to apply their actions is guided by the application of values to perceivable recognisable situations and contexts. When an actor employs a particular act in a given context or recognisable situation and its use becomes effective in achieving a desired outcome then the owner-manager's confidence in their own experience and ability becomes greater. This belief of efficiency in knowing becomes habitual in that if the anticipated reliability of an act is huge then the likelihood that one will achieve a desired result becomes a basis on which an actor is prepared to act. This paper suggests that the SME firm represents a special and unique context in which to study management learning. Current research, in the context of learning and the SME firm, does not reflect the changing nature of knowledge and learning in the wider organisational community, which has now focused its attention towards the situated nature of knowledgeable activity or knowing in practice. Through an examination of the current organisational learning literature this paper sought to develop an understanding of learning practices which could be most effective for the practicing owner-manager. There is a growing need in the current literature for the development of research that supplements existing studies with alternative approaches in order to enhance the value of existing research.

ENDNOTES

1   The *relation* between the individual and his world *constitutes* the owner-manager as a self-conscious member of the SME community *to* which they belong – what we 'know' is 'our own *ideas* and *sensations* in the temporal organization of human *action*.'

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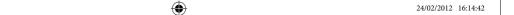Strauss, A. (1978) 'A Social World Perspective', *Studies in Symbolic Interaction*, 1, pp. 119–28.

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