

# BUILDING INTERNAL CAPACITIES FOR CHANGE IN CHINA: Action Learning in the Public and Private Sectors

(published in Boshyk, J. (ed.) 2002. *Action Learning Worldwide: Experiences of Leadership and Organisational Development*. Hampshire, UK and New York: Palgrave Macmillan, p. 293-310)

**Lichia Yiu & Raymond Saner**

China has pursued an "Open Door" policy since 1979 and it is when China started the transformation of its economic system. Foreign companies were invited to invest in China and to participate in the construction of a socialist market economy with "Chinese characteristics" and the Chinese government itself embarked on fundamental reforms of its administration.

In the short time span of twenty years, China has transformed itself from being an isolated underdeveloped country to a country with significant economic prowess. Its GDP has quadrupled since 1979 and China is now enjoying a huge trade surplus with the United States of America and has accumulated approximately 170 billion US dollars foreign exchange reserves. Major Chinese cities from Guanzhou and Shanghai to Tianjin and Beijing have gone through urban renewal and now boast a skyline dotted with skyscrapers forming the backdrop of bustling economic activities. Today, the major companies of the world can no longer afford to be absent from the China market.

This paper reports on some of the fundamental changes which have taken place in the field of management and which are representative examples of how China has changed over the recent years. The authors will present and discuss two case examples where action learning was used as strategic instrument for collective learning and improvement of organisational performance in both the public and private sectors in China.

The first case example describes a change project within China's public administration where action learning was used to modernise the human resource development function throughout China's public administration. The second case example describes a management development programme where action learning was used to rapidly develop local management personnel in order to support Motorola's fast business growth in China.

## **Modernisation of Human Resource Development (Training) Function in China**

Successive public administrative reforms took place in China in 1982, 1988, 1993 and again in 1998. One of the common features of these reform efforts was continued downsizing of the public administration. The number of cadres has since been reduced from 40 million cadres in 1980 to 4 million civil servants in 1998. (The latest initiative by Premier Zhu was to reduce the size of administrative staff by 50% from approximately 8 million civil servants down to 4 million, Far Eastern Economic Review, 1998.)

While the downsizing of the public administration took place, the complexity and work requirements confronting the Chinese civil servants increased significantly. Therefore, the continuous upgrading of the knowledge and skill level of the government officials has been of paramount importance. Similar needs were also felt in the economic sector. Competition in the Chinese market has been steadily intensified since the 80's due to the gradual but continuous market opening and deregulation of China's market. The need to survive in a competitive transitional market has forced the state owned enterprises to reinvent themselves through financial restructuring and upgrading of the core competencies of their employees.

This task of reshaping and upgrading the leadership and managerial competence of the Chinese government officials as well as the competence of the senior management of the state owned enterprises<sup>1</sup> has been the responsibility of a multitude of administrative cadre schools and party schools at the central, provincial and county levels. For the past decade, government officials have been told to undertake pre-assignment training (“Gong Chien Pei Xun”), requalification training, and in-service training (“Sun Gong Pei Xun”) at regular intervals as part of their career development steps. Duration of these training programmes varied from three months to one year depending on the rank and function of the trainees. These training activities focused mainly on the rationale and policies of economic reform and general management concepts applicable to a Socialist market economy. The new emphasis on upgrading educational qualification and technical competencies constituted a major shift from the pre-Deng’s reform period (before 1979) and represented a major investment considering China’s limited public resources. It was recognised that

“strengthening the training of the state civil servants is an effective measure and guarantee for the transition of the economic system” (Sheng, 1994, p. 7)

China’s in-service training institutions, along with the government’s human resource development departments, however were ill prepared to respond to these growing demands for managerial training and development. Most of these institutions lacked the needed competencies to carry out these tasks and had no in-depth understanding of its customers demands. Instead, these training institutions continued to churn out uniform training programmes which were strong on ideological fervour but weak on skill development and management tools.

It was in this context that an international technical cooperation project was first conceived in 1987 and implemented in 1993-1996 as a partnership project jointly financed by China and Switzerland<sup>2</sup>.

### **Objectives and Key Tasks of Bilateral Project**

The objectives of this Sino-Swiss bilateral cooperation project (SSBP) were to strengthen the in-service training and development function within the administrative system (training management) and to improve the efficiency and the effectiveness of China’s training delivery system i.e. of administrative cadre training schools, party schools and economic cadre training schools. It was envisioned that SSBP would contribute to the modernisation of the Chinese central administration and help China’s large state enterprises improve training management and management training capabilities. The Chinese participants (“trainees”) of the project were to form the vanguard of a new generation of Chinese public management trainers and HRD managers after acquiring the concepts and techniques of modern management training and organisation development.

In other words, the *key task* of this project was to develop a core group of management training and organisational consultants who in due course would become the catalysts that could bring about changes in curriculum design, in training delivery methodologies and in improving the efficiency and effectiveness of management training. Connected to this, the Chinese and Swiss project partners had to ensure that the newly learned skills and knowledge would be transferred to the trainees’ job site and that participating administrative systems and training institutions would learn to better utilise the SSBP trainees’ newly gained competencies and insights.

### **The Intended Target**

The target population was defined on an institutional rather than on an individual basis. It included a) provincial administrative cadre training institutes and b) provincial party schools and their respective supervisory bodies such as the training departments of Provincial Organisation Departments of the CCP. While the former institutions were responsible for management training programmes, the later were

---

<sup>1</sup> There are approximately 70’000 state owned enterprises in China according to the last count of the Chinese State Economic & Trade Commission (1999).

<sup>2</sup> A modified version of the original design was transferred to the University of Geneva and continued until now.

responsible for the establishment the overall training plan which included training curriculum, training targets, duration and budget.

At the time of the SSBP project, the Chinese training systems was organised into a matrix consisting of three-tier administrative levels (national, provincial and county) and three sectors (economic, public administration and political/party). The total number of training institutions within the party and the administrative sector was approximately 6'000 nation wide (Yiu and Saner, 1998). Additionally, there were more than 2'800 training institutions that catered to the needs of the economic sector. These figures however do not include training centres within the large state-owned enterprises and companies.

### **The Architecture of the Project Design**

A multi-level intervention was designed by the authors to tackle the specific characteristics of China's administrative system and to achieve a sustainable performance improvement of these approximately 6'000 cadre training institutions to help them conduct their core business.

In specific, a combination of action learning (AL) and action research (AR) methods was used in order to accomplish the said objectives within a time limited project life cycle. The choice of these action-based methodologies was of particular significance since they had not been tried before in China. They were meant to offer viable tools for developing internal capacity for continuous improvement and for system-wide multi-level intervention. These action based approaches were novel in China<sup>3</sup> and constituted a pioneering attempt of international know-how transfer.

Specifically, this Sino-Swiss Bilateral Project (SSBP) consisted of the following elements:

1. A train-of-trainer's (TOT) programme which formed the core of SSBP.

Representatives from the different constituencies at the national and provincial levels were selected to attend the Train-of-Trainers programme (TOT) in Beijing. A total number of 60 upper middle level officials and faculty members were trained. Twenty provincial governments together with the Ministry of Personnel and State Economic and Trade Commission were the sponsors of these trainees.

2. Two TOT cycles were organised at the developmental stage of SSBP in order to stabilise the basic design of SSBP;
3. Action research and action learning were used as learning methods in order to tackle systemic level issues regarding HRD;
4. Clear delineation and involvement of the stakeholders of SSBP.

The stakeholders of the project included the training institutions who were going to sponsor the trainees and also included the supervisory government organisations which directed and monitored these training institutions (boundary definition);

5. Network formation at both trainee and institutional levels.

Trainees were selected and grouped into learning cohorts. Members of these learning cohorts came either from related institutions, such as training institutions or the training departments within the respective administrative supervisory bodies. The assumption here was that these cohorts could form the nucleus of innovation once they returned to their job sites and region. Likewise, the participating institutions would also form the basis of a learning network which would spearhead the reform of the existing training function and training apparatus;

---

<sup>3</sup> The authors acted as advisers to an unit of the CCP's Organisation Department which later on was established as a separate training institute called China Training Centre for Senior Personnel Management Officials (CTCSPMO). An initial institution building phase of CTCSPMO was financed by United Nations Development Programme (UNDP) and both authors acted in the role of Chief Technical Advisers in 1987-1990. The authors introduced CTCSPMO to AR which the client organisation adapted and utilised for its policy seminars. These AR related policy seminars have since became one of the backbone training activities of CTCSPMO which became the first governmental agency to use AR in all of China.

6. Two periods of work based application as integral parts of TOT (see Figure 1).

Trainees were given the assignment to conduct "promotional" seminars at their home organisation in order to share their newly gained ideas, insights and methods. Participants of these seminars included peers, superiors and "clients".

7. Learning projects.

Projects were undertaken by the trainees with real and strategic issues relating to human resource development and management at their job site, such as the administration, training institutions or enterprises;

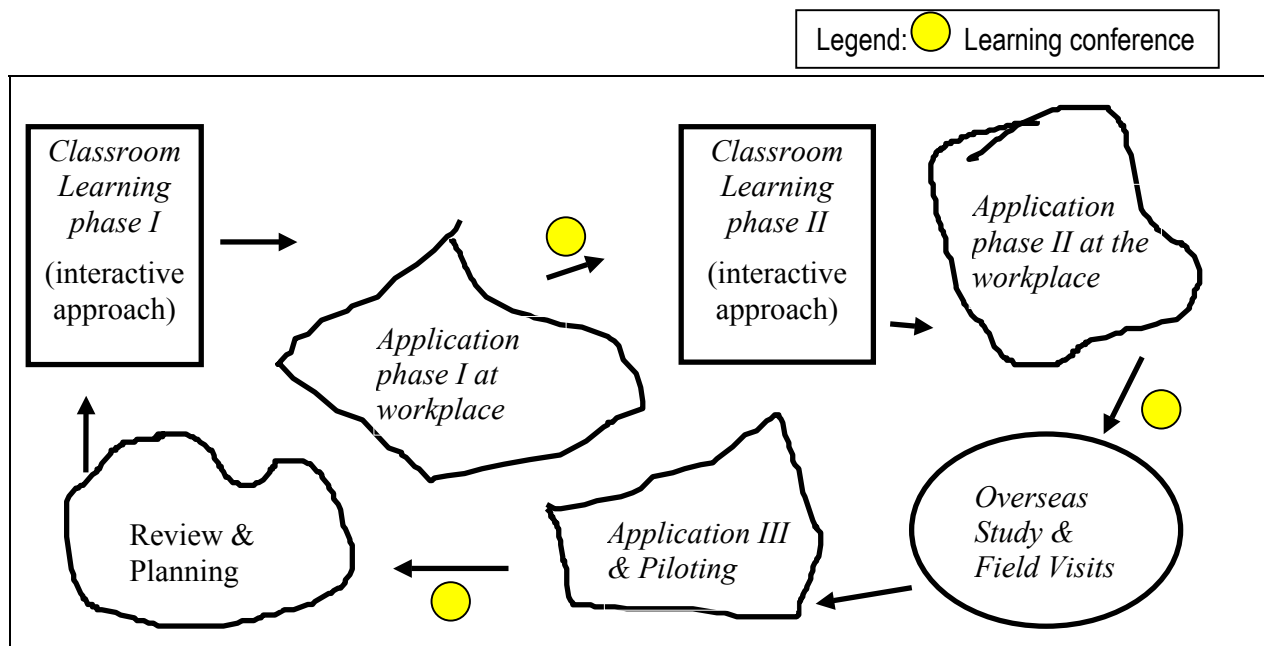


Figure 2: The TOT course design of Sino-Swiss Bilateral Project, 1993-1996 (adopted from Yiu & Saner, 1998)

8. Conference style learning reviews were organised at the end of each application phase;
9. The outputs were expected to be concrete and fitting the top quality curriculum design, research reports on real leadership and management issues and problems, and training strategies and materials based on accepted adult learning theories and practices and Chinese case examples.
10. Bottom up dissemination was conducted to sensitise the supervisory bodies and trainees' respective institutions in order to obtain political support for implementation the recommendations from trainees' project work.

### The TOT<sup>4</sup>

*Programmed learning* was structured into 10 basic units covering topics such as comparative public administration, human resource management, organisational theory & development, adult learning theories & methods and training management. These topics were taught in the classrooms (Learning phase I & II) by foreign experts in Beijing. Trainees were organised into learning groups for the entire duration of the TOT programme.

<sup>4</sup> For detailed information, please refer to Yiu, L. & Saner, R. (1998) Use of Action Learning as a Vehicle for Capacity Building in China, *Performance Improvement Quarterly*, vol. 11(1), 129-148.

To ensure *workplace application*, trainees from the same provincial or municipal administrative structures were given a group project to work on. Selection criteria of these learning projects were:

- ◆ It had to deal with a substantial organisational and/or systemic issue or problems requiring resolution by the senior leadership of the trainee's own work organisation;
- ◆ It had to be vital for the survival or effectiveness of trainee's work organisation;
- ◆ It had to be a complex issue covering different aspect of the management task in today's China;

After consultation with the Chinese partner organisation, CTCSPMO<sup>5</sup>, learning projects were undertaken by the trainees which covered the following topics:

- redesigning the existing management development programmes for county magistrates (e.g., Gansu province), enterprises managers (e.g., Henan & Shangdong provinces) and senior party cadres (e.g., Central Party School, Beijing);
- developing training programmes for training managers working in the prefectural level training institutions (e.g., Fujian province);
- developing new training programmes on managing large infrastructural projects for public sector managers (e.g., State Council);
- conducting research projects on how to improve the human resource management practices within the state own enterprises in order to improve employee motivation (e.g., State Economic & Trade Commission).

*Learning Set Meeting.* During these two application phases, a cohort of trainees from the same provinces or municipalities formed a learning set to work on a common project. They were assisted by a tutor and were instructed to meet every two weeks either physically or by phone. Due to the great physical distance even within the same province, face-to-face meetings were often beyond the financial means of these trainees.

*Learning Journal.* Trainees were also asked to keep a learning journal to record their reflections while carrying out their action learning projects.

*Learning Conference.* A learning conference was scheduled at the end of each application phase to review the project work and its findings and to exchange experiences working in a team. The Swiss advisers (authors) participated in these learning conferences to provide feedback and reflection.

*Training of Tutors (Set Advisors).* The tutors were selected from the existing training staff of counterpart organisation in China and its affiliates who had received training abroad in the field of HRD and adult learning. The training inputs here were primarily concerned with action learning and action research methodologies and personal development as set advisors.

### **Action (1993-1996) & Reflection**

During the initial preparatory phase (September 1993 to March 1994), the trainees were given intensive English language courses. Subsequent to the language learning, the first TOT cycle was implemented from March 1994 to July 1995. An in-depth review involving all actors and related stakeholders took place in the interim and the second cycle was implemented from March 1996 to December 1996.

Looking back, there were many challenges to be overcome and problems to be solved during the implementation of SSBP. These challenges also represented valuable learning opportunities for all parties involved (see Table 1 and Table 2).

---

<sup>5</sup> CTCSPMO stands for China Training Centre for Senior Personnel Management Officials in Beijing. It reports to the Organisation Department of the CCP.

Table 1: Key challenges during the classroom learning phases (adopted from Yiu &amp; Saner, 1998)

<i>Actors</i>	<i>Learning Challenges</i>	<i>Acquired Learning</i>
<b>Chinese Trainees</b>	<ul style="list-style-type: none"> <li>◆ to participate actively in the learning process and take responsibility for the relevance of their learning;</li> <li>◆ to redefine the role of a “good” trainer/teacher;</li> <li>◆ to question each other and the trainer/teacher’ statements as “facts”, “opinion”, or “truth”;</li> <li>◆ to challenge the conviction that “the bird who raise its head will be shot first” (equivalent to the Japanese saying of “the nails that sticks out will be hammered in”)</li> <li>◆ to perceive the social process and group dynamics of learning as being beneficial, not chaotic nor as lacking of discipline.</li> </ul>	<ul style="list-style-type: none"> <li>☑ Knowledge and associated techniques relating to training, human resources and organisations;</li> <li>☑ greater understanding of the behavioural aspects of organisational life;</li> <li>☑ appreciation of the active training methodology in a safe environment;</li> <li>☑ development of team work and confronting the “group think” phenomenon</li> </ul>
<b>Chinese Tutors</b>	<ul style="list-style-type: none"> <li>◆ to act as facilitators, not as “administrators” or “controller”;</li> <li>◆ to question the perception that “teacher should know everything”;</li> <li>◆ to support an open and trusting learning environment;</li> <li>◆ to learn how to work as a team with experts from diverse cultural backgrounds.</li> </ul>	<ul style="list-style-type: none"> <li>☑ on-the-job learning of participatory training approaches;</li> <li>☑ gaining new professional knowledge;</li> <li>☑ questioning established ideas</li> <li>☑ reducing psychological distance with "foreigners"</li> </ul>
<b>Foreign Experts</b>	<ul style="list-style-type: none"> <li>◆ to question and to reflect on their own assumptions concerning organisations, human relations and management theories;</li> <li>◆ to confront their own cultural stress in a foreign environment which had its own logic in getting things done;</li> <li>◆ to find ways to work as a team with the Chinese tutors who had different ways of relating.</li> </ul>	<ul style="list-style-type: none"> <li>☑ experience of working in a Chinese cultural milieu;</li> <li>☑ readjustment of one’s own interaction style and role definition;</li> <li>☑ dealing with ambiguity;</li> <li>☑ dealing with indirect communication styles;</li> <li>☑ dealing with consensus decision making without necessarily being involved in the decision making.</li> </ul>

Table 2: Key challenges and Learning from the Application Phase I & II when trainees undertook work-based learning projects (adopted from Yiu & Saner, 1998)

<i>Actors</i>	<i>Challenges</i>	<i>Learning &amp; Benefits</i>
<b>Trainees</b>	<ul style="list-style-type: none"> <li>◆ to confront the pressures from their colleagues at home who wanted them to resume their regular job and tasks;</li> <li>◆ to seek out additional financial and material resources for their project;</li> <li>◆ to take responsibility for their own actions;</li> <li>◆ to manage the client relationships;</li> <li>◆ to question each other's assumptions;</li> <li>◆ to manage the learning project and sustain their learning set;</li> <li>◆ to bridge the two worlds of conceptualisation, i.e., East and West;</li> <li>◆ to break the mode of communicating in abstractions and generalities.</li> </ul>	<ul style="list-style-type: none"> <li>☑ gaining better insights of Deng Xiao Ping's statement regarding China's reform process which should be based on the spirit of "touching the stones to cross the river" (meaning learning by experimenting);</li> <li>☑ knowledge of the real world in the workplace and real issues outside of the classroom environment;</li> <li>☑ testing Western management theories in the Chinese context</li> <li>☑ perceiving the management issues in a more holistic and integrated manner;</li> <li>☑ recognition from their superiors and colleagues;</li> <li>☑ strengthening their networking and selling skills.</li> </ul>
<b>Chinese Tutors</b>	<ul style="list-style-type: none"> <li>◆ to actually facilitate the learning process over distance;</li> <li>◆ to grasp the real issues in the workplace;</li> <li>◆ to manage and administrate multiple long distance learning projects with limited resources;</li> <li>◆ to fully grasp the action learning and action research methodologies;</li> <li>◆ to feel comfortable in offering process feedback.</li> </ul>	<ul style="list-style-type: none"> <li>☑ observing "action learning" and "action research" in action;</li> <li>☑ taking responsibility to solve problems;</li> <li>☑ personal development regarding leadership skills;</li> <li>☑ managing constituencies of these learning projects.</li> </ul>
<b>Client organisations in the provinces &amp; cities</b>	<ul style="list-style-type: none"> <li>◆ to stay open and receptive regarding the findings and recommendations;</li> <li>◆ to real support the learning by providing needed resources;</li> <li>◆ to implement the recommended changes.</li> </ul>	<ul style="list-style-type: none"> <li>☑ getting feedback from their target population regarding training needs and existing programmes;</li> <li>☑ getting solutions in the form of new curricula, training materials and training methods.</li> </ul>
<b>Chinese Project Management Team</b>	<ul style="list-style-type: none"> <li>◆ to deal with the cultural and structural differences of the Chinese and Swiss environment;</li> <li>◆ to deal with the boundary issues vis-à-vis the Swiss partner organisation, participating institutions in China, and internal organisations within CTCSPMO;</li> <li>◆ to be open to learning opportunities;</li> <li>◆ to avoid political blunders which would jeopardise the future cooperation with outside world.</li> </ul>	<ul style="list-style-type: none"> <li>☑ dealing with complex project organisational structure involving international partners,</li> <li>☑ dealing with project partners as equal instead of seeing them as contractors and therefore less than equal.</li> </ul>

<b>Swiss Project Management Team</b>	<ul style="list-style-type: none"> <li>◆ to challenge assumptions made concerning the Chinese partners and institutions;</li> <li>◆ to refrain from assuming responsibility for the Chinese partners;</li> <li>◆ to facilitate rather than dominate;</li> <li>◆ to sustain the interest and commitment of the CTCSPMO and tutors to the action research and action learning approach;</li> <li>◆ to provide feedback in constructive fashion;</li> <li>◆ to deal with frustration.</li> </ul>	<ul style="list-style-type: none"> <li>◆ learning how to operationalise an action learning design through others</li> <li>◆ learning how to manage multi-level relationships and power structures;</li> <li>◆ managing frustration.</li> </ul>
--------------------------------------	---	--

Reactions from *clients*, like the Deputy Directors of the provincial organisation department of the CCP, the Deputy Commissioner of the State Commission of the Nationalities, the Academic Dean of the Central Party School, the Directors of Training of the Ministry of Personnel and the State Economic and Trade Commission, etc., were in general positive. They found the results of the action research informative and the recommended solutions helpful. The rate of implementation of the recommendations was high which was later verified by a team of international independent reviewers. A final project evaluation was conducted in October 1997 which confirmed the initial positive assessment.

A second phase of the SSBP was agreed upon by the Chinese and Swiss governments. CSEND<sup>6</sup>, represented by the authors transferred the implementation responsibilities to the University of Geneva.

### Benefits and Capacity Building Effect

The Sino-Swiss bilateral project was designed to increase the institutional capacity of Chinese public administration in managing change. The strategy used was to train a small group of experienced training managers and trainers with the ability to apply scientific methods of inquiry, to make rational decisions, to learn new behaviour, and to carry out their role and tasks with greater effectiveness. Lastly, they were expected to act as the catalyst to bring about the institutional development of their respective training institutions.

Activities designed to provide trainees the opportunity to acquire and apply knowledge in practical situations and to learn via participatory learning methods have by and large been successful. Some of the spin-off activities (projects) of the SSBP project were:

In 1996, the Provincial Government of Fujian started a replication project for the training institutions of the lower administrative units, i.e., municipalities and counties<sup>7</sup>. The original design of SSBP was customised to fit with the existing training capacity and the strategic plan of Fujian. The objective of Fujian's project was to reorient its training system in order to support its strategic vision for the 21<sup>st</sup> century.

In 1997, the Provincial Government of Gansu established a Training Centre for Senior Cardres (GTCSC) to provide modern management development programmes. This Centre has also established a cooperation arrangement with the School of Business Administration in Solothurn, Switzerland. GTCSC is just one of the 20 centres that were established in the provincial capitals of China after 1996 based on modern interactive methods.

<sup>6</sup> CSEND stands for Centre for Socio-Eco-Nomic Development, Geneva. CSEND is a non-profit foundation specialise in process design and institutional reform. More details are available at <http://www.csend.org>.

<sup>7</sup> A large county or better known as prefecture could consist of up to 8-9 million population. This will be equivalent to or larger than some of the smaller European countries.



## **Localisation of Mid-level Managerial Staff in China: Motorola Story**

In early 1990's, Motorola started to invest in China and expanded its operation rapidly in order to gain market share in China's nascent telecommunication market. In a short time span, Motorola China Electronics Limited (MCEL) grew from a sales organisation to a vertically integrated company in China. Its sales volume reached USD2 billion and employed 3'500 employees by 1994. MCEL has become one of the biggest global foreign owned companies in China.

In 1998, Motorola's investment in China reached USD 1.9 billion (Kevin, USA Today, 26/1/1999) with plans to double its investment in the next few year. Its sales revenue reached USD 3.1 billion from Greater China which includes Hong Kong and Taiwan. Billboard advertising Motorola products could be seen even in the remote corners of China. It is also a common sight to see businessmen and government officials sporting Motorola pagers and cellular phones as part of their fashion apparel. Motorola enjoys one of the rare success stories in China while most of the FDI (Foreign Direct Investment) in China struggles on (according to the survey of European Chamber's of Commerce, 1997)

How did MCEL manage to seize the market opportunity? How did MCEL develop its organisational capacity in responding to the market demands? The answer lays in the commitment and approach that MCEL took in developing its Chinese employees.

### **China Accelerated Management Development (CAMP)**

Due to China's unprecedented high economic growth of the last twenty years, the demand for people with management skills outstripped the available local talent pool. Not only multinationals were competing for this scare "resource", local Chinese enterprises were also in search of such talents.

Whereas China's working population had always enjoyed the safety of an "iron rice bowl" (i.e., lifetime employment), voluntary and involuntary turnover has become common place by the 1990's. Increased mobility was been most evident amongst the young, well educated, English speaking professionals. They were highly sought after considering that less than 7% of the total population received university education. This tight labour market has had it effect not only on salary and compensation, but also on the selection and recruitment. This phenomenon was akin to the situation witnessed by firms in Taiwan, Singapore, South Korea and Hong Kong in the mid 80's which led to high turnover rates and mounting salary scales by late 1980's (Saner & Yiu, 1993).

In a fast moving telecommunication and IT market, difficulties in staffing professional and managerial functions could have hampered Motorola's business growth and could have also caused significant loss of market share.

In order to support the rapid growth of MCEL, Motorola Inc. pooled managerial talents and functional experts from both the headquarters in Schaumburg, USA and from the regions, especially from Asia. By the end of 1994, there were approximately 140 expatriates working at MCEL (Motorola Training and Education, 12.1994/1.1995).

However, it was clear that a reliance on the expatriates to support the growth of MCEL had obvious shortcomings and could only be a transitional solution. Drawing heavily on internal resources from Motorola's Asian subsidiaries had caused operational strains in places such as Singapore, Malaysia, and Taiwan. Also, it was clear that relying on expatriates would have been too costly over time.

Motorola soon realised that the issue of staffing MCEL with the right talents and at the right price was a priority and required urgent solution. Buying the local talents from external labour market was no option either since there was persistent supply shortage and increasing costs. However, bringing in "mercenaries -expatriates" could only provide short term solutions, Motorola decided on a long term solution that called for developing internal talent pool with management skills. Hence, CAMP was born as part of this localisation strategy. The ensuing education and training investment made by Motorola in China was also

designed to show Motorola's long term commitment to China to the Chinese stakeholders, i.e., the Chinese Government and the community ("guanxi"<sup>8</sup> building).

### The Objectives

CAMP was an innovative approach to management development for Chinese high potentials. It was created in 1994 to expedite the localisation process. The short-term objective of CAMP was to develop effective middle managers who could replace expatriates at comparable levels (Motorola, 1994/1995).

The long term goal of CAMP was to develop potential leaders for MCEL. It was estimated that by year 2000, MCEL would grow into a 10'000 strong company with sales volume reaching 3.5 billion US dollars (Avishai, 1995).

### The Intended Target

The target population of CAMP consisted of Chinese nationals who were expected to satisfy the following selection criteria:

- ◆ Being employed long enough with Motorola to have an initial understanding of their group or sector's business;
- ◆ Having been assessed as a high potential employee through the internal review process;
- ◆ Having demonstrated a high level of English proficiency;
- ◆ Holding a bachelor degree or equivalent;
- ◆ Having supervisory responsibility.

The "graduates" of the CAMP programme were expected to strengthen the organisational capacity of his/her sector or units. It was hoped that by 1996, there would be 100 Chinese managers developed from the CAMP process.

### The Architecture of CAMP

In order to help the graduates of CAMP become high performing Motorolans, an action learning based design was chosen and mixed with classroom learning, real business driven projects, on-the job mentoring and exposure to alternative approaches to Chinese traditional way of managing. The choice of action learning was of critical importance since this approach required trainees to actually "put to test" whatever theories they had learned.

Similar to the SSBP case, the key challenges confronting the programme designers<sup>9</sup> at Motorola University and the consultant<sup>10</sup> were:

1. Ensuring on the job transfer of "classroom" learning
2. Installing in the mind of trainees the business culture of Motorola
3. Reorienting the mindset of trainees away from that of a risk averse administrator to that of a self-starting entrepreneur and manager/leader.

Action learning was identified as the approach that would be best suited for these challenges. By reflecting on their experiences and questioning the underlining assumptions, trainees had the opportunity

---

<sup>8</sup> "Guanxi" is the Chinese term for social capital.

<sup>9</sup> Leo Burke and Rich Boucher from Motorola University (MU) Management Centre, Yeo Hiok Khoon and Patty Ide from MU China, and Wang Yi from China Human Resource.

<sup>10</sup> Lichia Yiu, external consultant from Organisational Consultants Ltd., Hong Kong/Geneva.

to develop their critical thinking and analytic skills that were necessary for effective problem solving and for responding to the changing needs of MCEL and the changing conditions of Chinese market.

It was also recognised that without on-going mentoring and social support, it would be very difficult for the trainees to try out the newly learned western theories of organisation and management since in many respects ran contrary to the Chinese practices and beliefs. Therefore, a mentoring component by senior expatriate managers was incorporated into the CAMP programme design.

Specifically CAMP had the following elements:

1. A team building component to building trust and to foster a constructive learning environment;
2. A workshop style classroom learning component;
3. A learning project which dealt with real organisation and/or management issues;
4. An one-on-one mentoring relationship
5. A benchmarking exercise to make cross-border comparisons
6. Time limited job rotation to an overseas site

The total learning cycle lasted approximately 14 months and was broken down into five phases (see Figure 3). Each phase reflected the AL principles of action-reflection-generalisation-application and reinforcing the learning and insights gained during the previous phases.

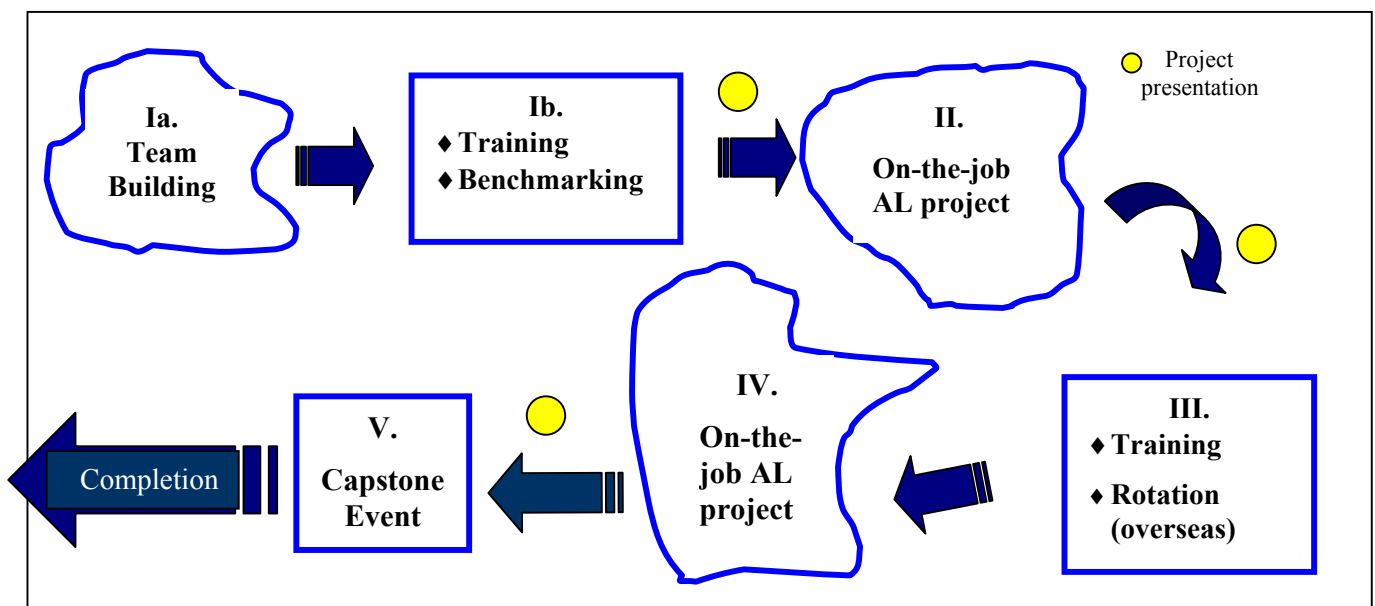


Figure 3: The Basic design of China Accelerated Management Programme (CAMP)

10-12 participants were selected for each cycle of CAMP.

### The Programme

*Programmed learning* was structured into topical learning covering topics related to general management and leadership principles, advanced management concepts, cross-cultural studies, problem-solving and communication skills, project management skills, leadership skills, macro economics and market economy, and Motorola specific topics.

*Action learning* projects during Phase II and Phase IV had different foci. The first learning project was more focused on management aspects of business issues, while the second project dealt with more complex issues and had an organisational learning dimension.

*Learning Set Project Meetings* were held on a weekly basis to support individual and collective learning. Due to the fact that most of the CAMP trainees lived and worked in far distant locations from Beijing and from each other, these meetings were held by teleconferencing and monthly face to face meetings in Beijing and Tianjin. The same applied to the case of set advisors who facilitated these meetings were also based mostly at different locations from their learning team members.

*Benchmarking* was used to compare the work practices at different Motorola sites in Asia. The assumption was that through the benchmarking exercise, the best practices would emerge and be transferred.

*Mentoring* was seen as an integral part of the learning process. Trainees were coached on a regular basis by a senior expatriate manager. Each trainee was given access to his mentor for consultation regarding his action learning project or in general.

A business *Simulation* was used toward the end of the CAMP training as a vehicle to help the trainees integrate different aspect of their business operation.

*Workshop for the Set Advisors.* HR managers from different sites in China participated in this training effort as set advisors for the action learning groups during Phase II and IV. A workshop focusing on AL principles and cultural adaptation, facilitation skills and implementation planning was conducted prior to the start of CAMP in Beijing.

CAMP started the first cycle in 1994 and has continued up to now. CAMP remains one of the core features of the management development programme of Motorola University (Beijing).

## **Benefits**

The challenges, which MCEL had to overcome during its early years of rapid growth, were many. However, the key ones related to the "software" of the company, i.e., the human capital and the company culture of MCEL. CAMP has contributed to the development of human capital as well as to the safeguarding of Motorola's corporate culture in its China subsidiaries. Graduates of the CAMP programme have not only enjoyed personal development but have also become the cultural conduit or the change agent in transforming their colleagues and subordinates into true Motorolans.

Although the investment made for each CAMP trainee was around USD 50'000 per person (USA Today, 26/1/99), the outcome of CAMP clearly shows favourable results both in terms of monetary and non-monetary outcomes. Six years after its initial offering, CAMP continues to be offered to the middle management of MCEL with a more condensed version and shorter duration.

CAMP was replicated in 1995 for India when Motorola speeded up its investment there. The prototype was then customised to fit the specific context of India. The management development programme in India is called "Leadership Accelerated Programme" and has been in operation since 1996.

## **Conclusion**

Action learning has been recognised as being one of the most effective vehicles for management development. Some work has been reported about the application of action learning in developing countries. However, only little have been reported about the potential for success and the need to adapt the action learning approach to the constraints in a developing country such as China. The case examples reported here attempted to demonstrate that action learning methodology can be successfully applied outside to the Anglo-American context.

Although the two case examples cited here are embedded in different operational environments, i.e., one concerns the Chinese Government, the other a global company, some common factors contributed to their success. The most striking was the use of action learning not only to solve business driven issues but also to develop internal capacity for sustained management development.

In the case of SSBP, the Chinese government and the CCP were able to acquire cutting edge know-how in management development and training and at the same time they could review the various training programmes which were being provided for the senior government officials, enterprise executives and party officials in China. Based on the findings from action learning projects, the training department of the CCP revised their training requirements, adjusted their training approach and added more skill based topics to the curriculum.

In the case of CAMP, the goal of rapid localisation was achieved despite of its phenomenal growth. MCEL, together with Hong Kong and Taiwan, contributed 11% of the consolidated revenue by 1996. Today, the Motorolans of Chinese nationality are able to reach the quality standards as required by Motorola's Six Sigma programme. They are sharing their best practices within the corporate family.

On demonstrated strength, Motorola will transfer more advance technology to China by setting up another chip manufacturing facility in Tianjin and by fulfilling its promise to raise the standards of living in China via technological transfer.

## References

- Avishai, B., (1995) In China, It's the 'Year of the Manager'. *Fast Company*, Nov. (<http://fastcompany.com/online/01/china.html>)
- Centre for Socio Eco-Nomic Development, (1997) *The Sino-Swiss M.A.S.T.E.R.<sup>TM</sup> project for management training and organisational development in the public sector of China 1994-1996*. Geneva: CSEND Working Paper.
- Garratt, B., (1991) The power of action learning in Pedler, M. (ed.) *Action learning in practice*, 2<sup>nd</sup> ed., Adlershot, U.K.: Gower Publishing Co.
- Gosling, J. & Ashton, D., (1994) Action learning and academic qualifications. *Management Learning*, vol. 25 (2), 263-274.
- Kevin, M. (1999) Motorola stands by China, *USA Today*, Tech Report, 1/26/99
- Lawrence, W.G., (1977) Management development: Some ideals, images and realities, *Journal of European Industrial Training*, vol. 1, 21-5.
- McTaggart, R., (1992) Reductionism and action research: Technology versus convivial forms of life in Bruce, C.S. and Russell, A.L. (Eds), *Transforming Tomorrow Today: Proceedings of the Second World Congress on Action Learning*, Action Research and Process Management Association Incorporated, Brisbane.
- ....., (1994) Opportunities: China Accelerated Management Program --an innovative approach to management development, *Motorola Training & Education*, vol. 11(7), December 1994/January 1995.
- Ravens, R., (1991) Action Learning and the third world. *The International Journal of Human Resource Management*, vol.2 (1), 73-91.
- Saner, R. & Yiu, L. (1993) Coping with Labour Turnover in Taiwanese Companies. *American Asian Review*. Vol. 11(1), Spring, pp. 162-175.
- Saner, R. & Saner-Yiu, L. (1996) Management training and organisation development in the public sector of the People's Republic of China: The way ahead, some reflections and suggestions. in Saner-Yiu, L. (ed.) *Compendium for the Best Management Development Practices: A Benchmarking Conference*. Geneva: CSEND.
- Xun Zi, (400 BC) *Essay on the evil of human nature* in the Collection of essays of Xun Zi, Taipei: Taiwan Shang Wu Publications.

Yiu, L. & Saner, R. (1998) Use of Action Learning as a Vehicle for Capacity Building in China, *Performance Improvement Quarterly*, vol. 11(1), 129-148.

## **The Authors**

**Lichia Yiu**, Partner, Organisational Consultants Ltd. She has consulted both public and private organisations focusing on intercultural issues and organisation development. 8/F, Prince's Building, 10 Chater Road, Central Hong Kong. [yiou@OrganisationalConsultants.com](mailto:yiou@OrganisationalConsultants.com)

**Raymond Saner**, Director, Centre for Socio-Eco-Nomic Development in Geneva. He has consulted multinational companies and governments on issues pertaining to change management, governance and negotiations. P.O. Box 1498, 1211 Geneva 1, Switzerland. [Saner@csend.org](mailto:Saner@csend.org).