

INTRODUCTION

Value-Based and Business-Driven Management Development

Lennart Rohlin

This book is about leadership. It is about how leadership can be developed and transformed so that it can proactively deal with the ever-changing contexts of the global business arena in an effective way. At the same time it is about producing results of value to real business challenges: earning while learning.

This book builds on the experiences of Volvo and MiL Institute from twelve years of close cooperation in leadership development based on the leadership and learning philosophy, Action Reflection Learning (ARL).

We invite you to glance behind the curtains, to get as close to the real processes of change and development, strategic choices and practical applications as the discretion of all the individuals concerned allows.

This year of publication, 2002, Volvo celebrates its 75th and MiL its 25th anniversary. But that is only one reason why this book has been written.

Co-producing in partnership

This book is also an account of co-production, of how a partnership can create value for all the parties involved that goes beyond the traditional vendor-buyer relationship. Actually, the book itself is a co-production. Some of the authors are employed by different Volvo companies, others are employed by or are associates of MiL Institute and still others are independent researchers.

The Volvo and MiL partnership can be characterized as a joint journey in experimenting and developing new knowledge, concepts and approaches to management development and organizational renewal, always with a combined focus on business development and personal growth: earning while learning.

Volvo and MiL – two very different organizations

The mere scale of operations makes the differences between Volvo and MiL immense. Volvo is one of the world's most well-known and highly appreciated brands. MiL is known within its member network, but not very much outside of it. Volvo develops, produces and markets tangible things, like cars and trucks, even though services have become a large part of the business. MiL is a knowledge company in an intangible field.

The Volvo brand name is jointly owned by the Volvo Group and Volvo Car Corporation (formerly one of the Volvo Group's subsidiaries but in 1999 acquired by Ford Motor Company). Read more about the history of Volvo and about MiL Institute in the supplements following this introduction. Here, Volvo denotes all Volvo companies.

But also similar – award winners dedicated to innovation

Volvo and MiL are both dedicated to learning and are both constantly seeking to lead the development in their respective areas. In the year 2000, Volvo Car Corporation was awarded the Swedish Competence Award. In the year 2001, MiL Institute received the highest overall rating of all Swedish knowledge companies by the users of the services in the annual survey of Image Survey International.

The Volvo Award and the MiL rating do not come as complete surprises. The long-term, continuous cooperation between the two is certainly part of the explanation why these two organizations receive this kind of attention.

12 years of major joint initiatives

The cooperation between Volvo and MiL has a long history. Volvo was actually one of the first member companies in MiL, which in the early '80s turned MiL into a national and quite soon thereafter into an international institute instead of merely a regional one. Volvo already had several participants in different open and partner programs run by MiL during the early '80s.

This book, however, is limited to the last 12 years of activities and it is exclusively about in-company initiatives. During this period about 50 professionals from Volvo and MiL have been involved as program directors, learning coaches, and program coordinators in almost 40 major joint initiatives.

Some of these professionals have been more deeply and frequently involved than others. In this book, most of the key actors are among the 17 authors and they interview a few more. Even though nearly all of the Swedish-oriented activities and some of the international ones are not covered in the book, it will most certainly represent the major thrust of what has been at the core of the Volvo-MiL Partnership since the late '80s.

There are, of course, other competence development initiatives within Volvo, and the Volvo-related business of MiL only accounts for a minor part. This book is about the experiences, learning and conclusions for the future drawn from the Volvo-MiL cooperation in different in-company activities during the years 1990-2002.

Thank you – participating managers and project sponsors

Many individuals have been involved in these very diverse forms of development activities designed and run by Volvo and MiL. First of all, those, almost a thousand, who have participated in different activities – top managers from the executive echelons, area and business leaders, line managers on different levels, leaders of product development, operations, marketing and Human Resources.

Nearly a hundred of these are present in the book as many of the chapters are based on interviews with participants. These interviews have

been undertaken within the framework of the most rigorously designed research format as well as in more anecdotal ones. In some cases the presence of those interviewed remains anonymous; in others, personal references are made. This inclusion will provide the reader with a multitude of perspectives on the development initiatives.

Thank you, all participants, who have so generously shared your opinions, criticism and perspectives in the interviews. And thank you, almost a hundred or so Volvo executives, who have sponsored the initiatives behind the scenes, participated as guest resources in various activities and, not least of all, contributed with real life strategic business challenges as sponsors, clients and project hosts.

Suggestions for reading the book

You can choose to read this book from cover to cover; we have tried to structure the chapters that way. But you can just as easily choose chapters of interest and read them in any order. All chapters are written as “stand alone articles”, including references for those chapters that have them. The individuality of each chapter is emphasized by the fact that some of them are written in American English, and some in British English – as the authors are American, British and Scandinavian.

As you will experience, some are very research based; others are stories about what happened in the actual process. To assist you in identifying your favorites, some comments on the structure and content of the book are provided here.

The chapters are divided into four sections, each one with an introduction. These describe how the different chapters in the sections relate to one another and to the main themes of the book. A short summary of each chapter is presented as well as a note on its character. Moreover, backgrounds of the respective authors are presented. One strategy would be to initially read these four introductions, especially if you choose to read only a few chapters. For an initial overview, each section is briefly presented here.

The first section focuses on earning while learning and is all about the VTM Programs at Volvo Truck Corporation (VTC). This was the first major international initiative in the partnership between Volvo and MiL, starting in the late '80s. The first chapter describes the learning and lessons from the first six programs; the second presents the design, the flow and the experiences of one program, VTM 8 in 1999; and the last chapter of this section is a research-based account of how five of the first six programs contributed to the transformational learning of the participants.

The second section focuses still more on the development of global leadership. The first chapter of this section is about the participants' and the learning coaches' experiences of the Global Leadership Program (GLP) 2 and 3 at Volvo Car Corporation from 1997 to 1999. The second chapter is a personal account of how to use an unfamiliar environment to broaden perspectives and grow personally, what we often call "out-of-the-box". The third chapter of this section is, just as in section I, more research oriented. The clash of culturally based different mindsets in global programs are discussed, based on the actual process at the start-up off-site meeting of The Volvo Group Edge Program 2000-2001 in Korea.

The third section has several themes: self-directed learning and development with organizational and strategic implications; activities still closer to the actual operations and businesses of the participants; and time-compressed initiatives. All these ways of working with management and organizational development as well as leadership skills places new demands on the role and tasks of Human Resources managers and internal coaches. The first chapter is about how the HR function identified new ways of working in a more strategic and integrated manner and how, at the same time, the HR staff improved their own competencies through a participant-led development program. The other two chapters of this section describe initiatives to get even closer to actual operations and to compress time. Catch Management (second chapter) is a new concept developed by Volvo and MiL for these kinds of initiatives, ideas which are further developed for operations management in the MOD concept (third chapter).

The fourth section is characterized by reflections on aspects of the joint experiences from the Volvo-MiL partnership, such as those presented in

the first three sections. The first chapter examines the learning philosophy of the initiatives described in this book – Action Reflection Learning. It is typical for the ARL approach to start with concrete experiences (i.e., action) and end up with the more conceptual or theoretical understanding (i.e., reflection). The MiL philosophy involves theories being created by practitioners, out of their own reflections about their actions – supplemented by scholarly scientific investigations. The two last chapters comment on the partnership – from a Volvo perspective (second chapter) and from a researcher’s perspective (third chapter).

The empirical bases

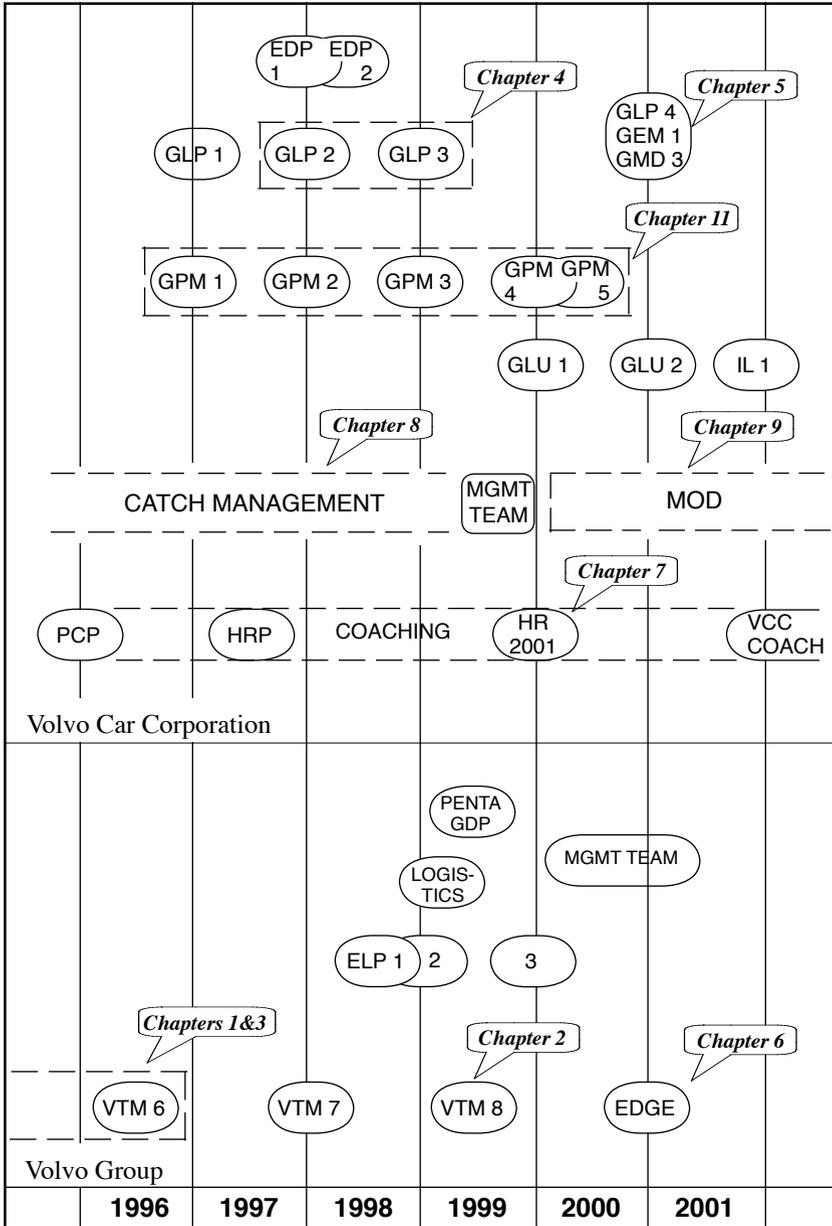
Obviously, the chapters in this book are empirically based on experiences from different Volvo-MiL joint initiatives. On the next page, most of these are presented chronologically, from 1996 to 2001, starting with the Volvo Car Corporation initiatives and ending with the Volvo Group initiatives. The years 1990 to 1995 are not included. The principal initiatives during these years were the VTM Programs 1-5. Including these, it amounts to 37 major initiatives – minor ones are not shown. Almost half of all these initiatives are described in detail in different chapters, while others are referred to.

Showing a graph like this can be misleading. The empirical data from different programs and initiatives – both participant interviews and reflections – are, of course, important, but still more important are the general conclusions that can be drawn. Our hope is that we as authors present the empirical data and our own reasoning in a way that makes this possible for the reader.

A note on the cultural biases

Volvo and MiL, both founded and based in Sweden, build upon the Scandinavian culture and traditions in their leadership and learning philosophy. This means strong beliefs in democracy, humanistic values, and consensus as something good to strive for. Most often, it means respect for competence and knowledge, and perhaps less respect for status and positional power. A kind of eclectic “both-and” perspective instead of

INTRODUCTION



The Volvo-MiL Partnership 1996-2001. The major joint projects 1990-1995 were the first five VTM Programs. Complete program names and other facts are presented in the chapters shown. Chapters 10 and 12 are not based on specific program experiences.

a one-sided, “either-or” perspective can also be seen as a Scandinavian cultural bias.

Due to a limited home market, many industrial Swedish companies went international over a hundred years ago and today there are quite a few global companies with Swedish origins. These have had to develop proficiency in managing globally, and sometimes they have chosen to do so strongly influenced by “the Scandinavian way”, sometimes less so. Volvo might be classified in the middle ground, less Scandinavian than IKEA, and more so than many other global Swedish companies. MiL is clearly based on a Scandinavian way of management and leadership. The Institute was actually founded in 1977 as a kind of “movement” in order to bring in more of the Scandinavian cultural roots into management and leadership.

These comments are made for a reason: We suggest that the lessons drawn from the experiences of the Volvo-MiL Partnership should be filtered culturally. Most of the initiatives described in this book are international, and in many instances truly global. Several of those who have been involved as participants and in designing and running the initiatives are of non-Scandinavian origin, and so are many of the authors. With this book, our aim is an international audience and we do hope that these experiences can inspire and be useful for people working with innovations in the development of leaders, organizations and businesses worldwide. But, at the same time, we do respect cultural differences and the need for “local adaptation”.

A note on what is taken for granted – ARL

The paradigmatic shift from teaching to learning was one of the main points of departure when MiL was founded in the late '70s. This learning perspective is taken for granted in all the initiatives described in this book. This might not be the case in all cultures.

The more specific learning philosophy, Action Reflection Learning, is also taken for granted. The educational principle in the classic teaching tradition is that you as a student first learn the theory, the principles, the abstract generic qualities in the classroom – and then try to apply all this

in your practical assignments and contexts, i.e., first concepts in theory, then application in practice. This is a deductive approach, as they say in science. Typically, most business schools use project work in real life as a final exercise in application and in order to check that the students have captured the theory and the concepts.

The ARL learning and development philosophy is different. Here theory is developed by the participants (inspired by the theories of others); here dialogues in seminars around concepts as well as the sharing of experiences are intertwined with parallel periods of practical application; here the actual dilemmas of practical business and organizational situations to a much higher degree set the agenda of the seminars instead of a content pre-planned by experts; here the participants are appreciated as experienced actors and creative human beings instead of as pupils to be taught. This is theory and practice interwoven, this is learning instead of teaching, “learn while you are applying, apply while you are learning”, instead of the traditional principle of “learn first, then apply”.

Another dimension of ARL is the combination of learning and earning. Traditionally, learning has been looked upon as a separate activity, very different from running the business, inventing the new and making a buck. We do know that a focused and challenging task with real life implications is one of the most important factors in moving a group into becoming an effective high performing team. In one way or the other, all the initiatives in this book are examples of this. The projects are real strategic issues which need to be resolved from a company perspective. This challenge – and pressure – makes the process real, and as a participant you cannot lay back, dwell on an interesting discussion or, perhaps, be required to assemble some data and write a report. Instead, you take responsibility for staging a change and development process involving several important others in real life businesses.

In most cases, this approach achieves two parallel objectives: New creative solutions to the strategic challenges are invented and, even more important, often implemented in the real systems of the company. Usually this results in revenues or savings in an order far beyond the investments of running the program. Secondly, the learning context becomes much more realistic, and therefore more easily transferable to new situations.

Also taken for granted

Some of the techniques and instruments often used in personal, team and leadership development such as MBTI and 360 are mentioned in some chapters without further explanations. Myer-Briggs Typ Indicator (MBTI) is a personality inventory based on Jungian psychology. There are several versions of 360, but the general concept is that information given by the person in focus is supplemented by information from others around her such as co-workers and superiors. SWOT stands for Strengths, Weaknesses, Opportunities and Threats, an often used tool to analyze the situation for a group or an organization.

The initiative, financing and editing

This book is the result of reflections based on experiences, and its 17 authors are the ones to be credited for this achievement, as well as all the people at Volvo who have supported this project. But an effort like this also has to be initiated, financed, coordinated and completed.

Anders Lindberg is the one at MiL who has had the principal responsibility for managing the MiL-Volvo relationship since the mid '90s, and he has had this idea of putting together the experiences from the Volvo-MiL Partnership for several years. Without his ambition and connections within the Volvo structure, this project would never have been realized.

Anders joined MiL in the mid '80s as program director and learning coach, while continuing his role as head psychologist with responsibility for competence and leadership development in the Swedish correctional system in Göteborg. In the beginning of the '90s, he left that position and he has now for about a decade worked almost full-time for MiL, including establishing MiL activities with responsibility for MiL in Göteborg.

His vision has always been to integrate learning and business development through long-term partnerships with companies. This came true with Volvo and in practice this has meant close and continuous contacts with several actors within different Volvo companies – and all the MiL people who have worked with Volvo programs.

In 2001, MiL Institute started a project on “Knowledge and Concepts”, in part financed by the MiL Management Research Foundation. Its purpose was to mobilize energy into “Learning from Experience” – to assemble, refine, document and disseminate pioneering innovations in learning. This became the institutional driving force of this project.

At the first meeting among the authors in the fall of 2001, I was appointed editor in chief of the project – as the one having a continual perspective on all the different initiatives and actually having experience as an editor before the creation of MiL. Of course I accepted, but demanded the formation of an editorial committee, in addition to Anders Lindberg consisting of Katarina Billing and the person chosen by the Volvo people, Mikael Wickelgren.

Katarina is a journalist and psychologist who joined MiL in 1999. She has been a learning coach in several MiL programs, including Volvo initiatives such as the global Volvo Group Edge Program and the Swedish GLU Program. She is also program director of PUMA, a new MiL program for young high potentials and editor of MiL International Newsletter 6. She also works as a freelance journalist specializing in the field of organization and management development. Katarina has written chapter 7 in the book.

Mikael worked at Volvo Car Corporation in various HR departments, 1984-92. After work with adult education and as a consultant in interpersonal communication, he has been, since 1997, back at the School of Economics and Commercial Law at Göteborg University, where he once graduated in business administration. He is a member of GRI, the interdisciplinary research institute of the School, and he is now finalizing his doctoral thesis on business development processes in the automotive industry. Mikael has been involved in – and co-authored – two of the initiatives described in this book, Catch Management (chapter 8) and MOD (chapter 9).

The main task of the editorial committee has been to support and give feedback to the authors. When needed, Eileen Deaner has made language corrections. Helena Nilsson and Gudrun Nilsson at MiL have been responsible for putting the text into the layout format.

Join in the learning journey!

The authors have all written these chapters as original articles for this book in 2001 or early 2002. They are all contributing to “Learning from Experience”, one of the 12 leadership behaviors in the Volvo competence inventory that has proven to be one of the weakest among Volvo managers.

Admittedly, it has not been the main strength of MiL either. It is more exciting to start over from the beginning and invent the new, create what has never been created before. Consequently, this book is also a project of self-renewal for all parties in the Volvo-MiL Partnership.

We do hope, however, that this book will be useful for all readers, all those who have a passion for pushing the frontiers of learning in leadership, organizational renewal and business development. We hope it will function as an inspiration for each and everyone traveling on the road of uncertainty. For those who dare to challenge the established ways and experiment with the new and unproven. For those who want to further pursue any kind of value-based and business-driven development.

CONTENTS

INTRODUCTION:
VALUE-BASED AND BUSINESS-DRIVEN
MANAGEMENT DEVELOPMENT 1
Lennart Rohlin

THE VOLVO SAGA 13
Mikael Wickelgren

THE STORY OF MiL..... 17
Lennart Rohlin

Section I:
TRANSFORMATIVE LEARNING WHILE EARNING

INTRODUCTION 25

Chapter 1:
CHALLENGES WE FACED AND LESSONS WE LEARNED..... 29
Eva Arnell and Ernie Turner

Chapter 2:
WE COME FROM THE VALLEY OF NO RETURN..... 49
Thomas Sewerin

Chapter 3:
TRANSFORMING LEADERS TO SUCCEED
IN THE 21ST CENTURY..... 79
Sharon Lamm

**Section II:
DEVELOPING MINDSETS FOR GLOBAL LEADERSHIP**

INTRODUCTION 113

Chapter 4:
BUILDING GLOBAL LEADERSHIP
– THE MANAGERS’ VIEWS..... 119
Inger Dræby and Bill Braddick

Chapter 5:
WHEN MOTHER EARTH IS THE CLASSROOM..... 145
Lars Cederholm

Chapter 6:
READING THE ROAD WITH DIFFERENT MAPS..... 167
Øystein Rennemo

**Section III:
LEARNING INTEGRATED WITH OPERATIONS**

INTRODUCTION 201

Chapter 7:
ARL AS THE GUIDING STAR IN HR INTEGRATION..... 207
Katarina Billing

Chapter 8:
CATCH MANAGEMENT – ARL IN ACTION..... 241
Mikael Wickelgren, Lars-Göran Järvung and Anders Lindberg

Chapter 9:
CHANGE AT WORK – THE MOD CONCEPT..... 273
Åse Hagerström and Mikael Wickelgren

**Section IV:
REFLECTIONS ON ARL AND THE PARTNERSHIP**

INTRODUCTION 293

Chapter 10:
EXPLORING THE MANY MEANINGS OF
ACTION LEARNING AND ARL..... 297
Victoria J. Marsick

Chapter 11:
A WALK ON THE WILD SIDE – THE POTENTIAL OF ARL 315
Anders Boglind

Chapter 12:
LEARNING IN PARTNERSHIP – AN EXCITING JOURNEY 333
Agneta Karlsson

Earning while Learning in Global Leadership

The Volvo MiL Partnership

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Bill Braddick ♦ Lars Cederholm ♦ Øystein Rennemo ♦ Katarina Billing
Lars-Göran Järvung ♦ Anders Lindberg ♦ Åse Hagerström
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