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Contents

The Assessment of Competence in University Adult Education: A Dynamic Approach

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The present paper aims to explore the field of adult education and competence development in university settings. An ICT-based tool was used to assess three successive target groups of professionals considered adult students. Our results have a research and practical series of implications. Individuals gain self-knowledge and perception in terms of present and future competences; furthermore, the process of self-analysis could be initiated. Group level results are important for teachers and educators helping them towards a student-centred teaching/learning initiative, putting emphasis on the issue and managing diversity. Educational management can improve the quality of teaching and design a competitive path through differentiation.

Keywords: competence; competence assessment; competence development; change; educational leadership; adult education; learning

Introduction

Presently there is a rich knowledge base on nations', regions' and firms' competitive advantage. Moving towards a more micro level approach, it is interesting to tackle the issues of individuals. Competences can be thought of as the competitive advantage that human beings have. Their existence and levels of achievement can have an impact on performance. Traditional business environments have placed special emphasis on competences, resulting in a relatively rich source of knowledge in terms of models, levels of achievement, measurement tools and methods, certification systems, and other aspects. A great deal of discussion occurs around the topic of educational environments, internationally at all levels of teaching/learning. The debate is whether and up to what degree graduates should demonstrate being competent at the end of their learning path, often synonymous with the beginning of a professional career. It is in this framework where competences turn into a possible outcome, a complement of the traditional

knowledge teaching educational system. Most often competences, rather than knowledge, represent an asset highly appreciated by future employers.

Although education has always played a key role in human development, the competence-based educational model was stated explicitly in Europe only after the Bologna Process began. It may have been in use in the UK and outside Europe; however, their importance has been made explicit with the emergence of the unique European Higher Education Area. Because universities are structurally and organizationally complex, due to their hierarchical nature, relative size and the coexistence of multiple structures, they characteristically develop at a slower pace than businesses. Therefore, both decision making and implementation follow a less accelerated rhythm.

On the other hand, university activities are not confined to adolescents and young people, but should extend to adults of all ages who are starting or changing their careers, returning to study or continuing an unfinished career. Adult or mature students represent a special target group for analysis from an educational, social, and professional perspective.

Adult education is often used as an umbrella term and can be defined as the practice of teaching and educating adults. In practice it is associated with training and development, often referred to as professional or workforce development. It can be distinguished from vocational education (classically adult education or adult learning), which is mostly workplace-based for skill improvement, and also from non-formal adult education, which includes learning skills or learning for personal development. The Commission of the European Communities (2006), in its communication entitled 'Adult learning: It is never too late to learn,' defines adult education as follows: 'All forms of learning undertaken by adults after having left initial education and training, however far this process may have gone (e.g., including tertiary education).' A broader definition of the concept can be found in a document that is intended to provide the European terminology for adult learning in order to facilitate common understanding and monitoring of the sector, namely, 'The entire range of formal, non-formal and informal learning activities which are undertaken by adults after a break since leaving initial education and training, and which results in the acquisition of new knowledge and skills' (National Research and Development Centre, 2010, 6).

The present paper has the aim of exploring an emerging trend in the field of human resource management, namely competency modelling and assessment, focusing on adult students who have an initial university career and considerable professional experience. The paper examines empirical evidence in this rather unexplored field. A dynamic perspective is applied, since competences are subject to change, as well as distinguishing the different student groups attending university education.

In order to fulfil this objective the following research questions have been formulated:

RQ1 *What are the different strengths and weaknesses that adult students perceive in their competences?*

RQ2 *What is their vision and attitude towards change relative to competences, in general?*

The paper is structured in six main sections. After the Introduction, we present the relevant literature about adult education and competences. These are the two main pillars of present study, which is intended to fill the research gap detected in previous studies. In Section 3, we describe the methodology used. The results are presented and discussed in Section 4. Section 5 presents the main implications for research and practice, while Section 6 concludes.

Institutional Framework and Literature Review

As regarded in the Triple-Helix innovation model, all actors – government, academia and business – are important contributors, having often differentiated structure and functioning, while still cooperating towards a common goal. To summarize, policy-makers create the adequate institutional framework and policy measures, academia generates and transfers knowledge, while practitioners convert knowledge into real innovations.

In this section, we describe the two main pillars of our work; adult education, on the one hand, and competences and resulting competence models, on the other hand. Adult education is described from an institutional perspective, while competences and competence models are described using previous relevant work in the field.

The Institutional Perspective: Adult Education

The importance of training and education has always been recognized. They are considered critical contributors to economic competitiveness, growth, as well as social inclusion, among others. Discussion on adults as a special community seem to have started at the beginning of the twentieth century, for an example see the American Library Association study on Libraries and Adult Education published early in 1926 (American Library Association, 1926). Another important era started in the 1990s, when, with the proliferation of computer and the Internet, adults rolled in specific courses in order to gain knowledge that would further help them toward promotion or would give access to a better job.

As understood in the present study and following current trends, such as adults expanding and complementing their initial studies/degrees, it is

relatively recently – in the last decade – that important international actors (EU, OECD, UNESCO) have recognized the importance of life-long learning, creating specific communications, reports, research, organizations, programmes, and action plans for its promotion. However, universities, as adult education providers, have contributed relatively little in practice.

In the following we describe some institutional documents that relate to this topic.

A recent study organized under the framework of the 2007 Action Plan on Adult Learning, (National Research and Development Centre, 2010) identifies the main fields of analysis in the adult learning sector. The main dimensions refer to adult learning strategy, policy and legislation, adult skills and competences, access to and participation in adult learning, investment in adult learning, quality of adult learning, and outcomes of adult learning. The particular dimensions of *adult skills and competences* include: digital competences, learning-to-learn, skills for active citizenship and learner persistence, as the main fields of analysis, while the sub-fields of analysis are problem-solving in technology rich environments, literacy, reading, numeracy, and work-related skills.

Although competences are established as the main dimension of adult education and learning, the report on adult education trends and issues in Europe (European Association for the Education of Adults, 2006), under the chapter titled issues and actions to take adult learning and adult education forward in Europe, describes the following: quality and development in adult education, recognising and validating other forms of learning, basic skills and *key competencies* – emerging issues, active citizenship and adult learning, local learning centres, partnerships and decentralisation, the research base for adult education and learning, the training and development of adult education personnel. It is interesting to observe that the competence issue is labelled as an emerging issue.

Conceptually, adult education is a broad topic and different documents, both institutional and research-oriented, deal with the concept definition, delimitation, and characteristics. The report by Powell, Smith, and Reakes (2003) aims towards *defining common issues across Europe for adult education* and it provides a historical approach to the term, as well as valuable comments regarding definition, concepts, and a country-specific approach regarding the term for a limited number of countries. It is interesting to reproduce the phrase 'there is a common understanding of adult education, but not a common definition.'

Another recent study on the role of higher education institutions as providers of continuous professional learning and adult education (Directorate-General for Education and Culture, 2011) discusses the *stereotype of the adult student.* The report states that the standard vision of adult learn-

Table 1   Characteristic of Adult Students: Pragmatic Evidences

Characteristic	Adult student	Young student
Age	>25	<25
Motive to access education	Gain complementary knowledge/degree	Gain initial knowledge/degree
Short term objective	Increase the knowledge base	Pass final exam
Motivation to study	Higher	Varied
Capacity towards content understanding	Higher	Lower
Capacity to memorize	Lower	Higher
Capacity to interconnect knowledge areas	Higher	Lower
Study routine	Lower	Higher
Professional experience	Higher	None or lower
Availability for class attendance	Lower	Higher
Contribution to class discussion	Higher	Lower
Main barriers to learning	Lack of time; Professional life, personal life and study balance	High distraction Lack of achievement orientation
Competence levels	Higher	Lower
Study performance	Equal or higher	Equal or lower

ers has been based on the unfounded stereotype that adults are less effective learners simply because they are adults (Kasworm, 1990). This has often been linked to the loss of memory and the lack of the necessary flexibility to adopt new perspectives. However, this stereotype has largely been refuted by research.

Regarding both teaching and learning, adult students are valuable from a variety of perspectives, as they can bring valuable input to class discussion, they make sense of new information and new situations, and their results are no worse than those of younger students. Interestingly, one problem is that, even if adults are not less effective learners, they may believe they are and act upon these shared stereotypes; consequently, this may push them away from higher education. Therefore, one important aspect is *motivation* (Aramo-Immonen et al., 2011).

Adult students have received a great deal of attention in the field of psychology and much less in management. According to the authors' experience and the findings of few studies detected in this particular field, we generate a profile of the adult student. The contrast is even more interesting when we compare this group to regular young students (see Table 1).

The Employment and Training Administration (2007) report describes adult learners in Higher Education and makes considerable efforts to identify *barriers to success* and strategies to improve the results. Although spe-

cific to the US, the general message is valid for all countries and is formulated according to the following key aspects:

- *accessibility:* greater flexibility and more accelerated learning options are needed for adult learners,
- *affordability:* new strategies of student aid and institutional financing are necessary to support the needs of adult learners,
- *accountability:* efforts to monitor quality and drive improved outcomes must incorporate measures of adult learner success and finally
- *recommendations:* a plan for addressing adult learners' needs in higher education.

Another important aspect is *institutional commitment.* Universities and governments commit to promoting life-long learning and consequently adult education. This is formalized in the document published by the European Association of Universities (2008), which states that universities commit to the following lines of actuation: embedding concepts of a widening access and lifelong learning in their institutional strategies, providing education and learning to a diversified student population, adapting study programmes to ensure that they are designed to widen the participation and attract returning adult learners, providing appropriate guidance and counselling services, recognising prior learning, embracing lifelong learning in quality culture, strengthening the relationship between research, teaching and innovation in the context of lifelong learning, consolidating reforms to promote a flexible and creative learning environment for all students, developing partnerships at local, regional, national and international level to provide attractive and relevant programmes, and acting as role models of lifelong learning institutions.

Still at university level, but considering the other side of the coin, the key issue is what kind of *professional is needed in adult education.* At institutional level, the research reported by Research voor Beleid (2010) defines a set of generic competencies, specific competences directly involved in the learning process and specific competencies supportive of the learning process, as well as potential ways of using them. Among the potential ways of making use of the set of key competences, we highlight the options of self-assessment and evaluation, selection of training courses, assessment of competences, and continuous professional development.

In summary, there is great institutional interest in the field of adult education and competencies appear to be an emerging trend. Although their importance is recognized, relatively little research has been conducted in the field, especially focusing on exploring the conjunction of university adult education and competence assessment. In the present paper, we aim to

target this specific field, keeping in mind the degree of complexity and challenging nature of our task.

Literature Review: Competences and Competence Models

In general, the term 'competences' refers to the traits, knowledge, skills, experience, and values that an individual needs to accomplish his or her tasks. Competences are also defined as behaviour models (Roberts, 1997), or as hidden characteristics of personality with an effect on performance at work (Spencer & Spencer, 1993). Based on these definitions, our rationale is that the assessment of competences is an important means of anticipating work-role performance, and thus, competence evaluation becomes an important instrument in several stages of human resource development.

The variety of definitions and approaches related to competence is no less than the variety of perspectives on adult education discussed above. Professional associations in the field, as well as research, deal constantly with this matter. Universities have only relatively recently turned their attention explicitly to competences as a way of preparing students for real professional settings. In their work, Draganidis and Mentzas (2006) make a review of systems and approaches for competency-based management. We complement their table of definitions (Table 2) in order to capture the existing variety.

Models of competence are a descriptive tool that identifies the competences needed to operate in a specific role within a job, occupation, organization, or industry. Simply stated, a competency model is a behavioural job description that must be defined for each occupational function and each job (Fogg, 1999). According to Shippman et al. (2000) 7 to 9 competences are necessary for a job, often varying according to work type, position, organizational environment or culture. Competences organized according to different criteria form competence models habitually mapping the constituting elements and the relationships established between them. For the specific example of the present research we use the Cycloid competence model for project management developed by Liikama (2006).

Although similar studies using exactly the same tool in adult education context have not been conducted, there are other publications describing the use of this Evolute platform tool in similar settings. These studies describe the cases of Tampere University of Technology at Pori in Finland (Kantola, Vanharanta, & Karwowski 2005; Kantola, Karwowski, & Vanharanta, 2011), Brunel University West London in the UK (Makatsoris, 2009), engineering students in South Korea (Chang, Kantola, & Vanharanta, 2007), university students in South Korea and Finland at three different universities (Chang et al., 2009), and the University of Girona in Spain (Bikfalvi et al., 2007).

Table 2 Competence Concept Definition Examples

Author	Definition
Wikipedia	The ability of an individual to do a job properly.
Boyatzis (1982)	Underlying characteristics of an individual, which are causally (change in one variable causes change in another) related to effective job performance.
Spencer and Spencer (1993)	A subjacent characteristic in a person that is causally related to performance, referred to superior criteria in a job or situation.
HR-XML	A specific, identifiable, definable, and measurable knowledge, skill, ability, and/or deployment-related characteristic (e.g. attitude, behaviour, physical activity), which a human resource may possess and which is necessary for, or material to, the performance of an activity within a specific business context.
Oracle	Knowledge, skills, abilities, and personal traits that an individual should have to be effective on the job.
International Project Management Association (2006)	A competence is a collection of knowledge, personal attitudes, skills, and relevant experience needed to be successful in a certain function.
DeSeCo (N. d.)	It is more than just knowledge and skills. It involves the ability to meet complex demands by drawing on and mobilizing psychosocial resources (including skills and attitudes) in a particular context.
University of Girona (2006)	A complex concept linking different kinds of knowledge that an individual acquires in different contexts, moments, and ways through his life, with different situations or problems the individual could front and resolve, which could have different complexity degrees.
American Job Center	The capability to apply or use a set of related knowledge, skills, and abilities required to successfully perform 'critical work functions' or tasks in a defined work setting.

Notes Adapted from Draganidis and Mentzas (2006)

It is also interesting to consider the more specific human resource management perspective on competences. The *Human Resource Management Review* dedicated an edition in 2008 to critical issues in HRM theory and practice, and diversity management is one of the topics considered. Although diversity is often linked to age, gender, race, and background (Liakhovitski, Stone-Romero, & Jaccard, 2008; Dencker, Joshi, &, Marocchio, 2008) – characteristics that are difficult or impossible to change – in this paper, we focus on competence diversity, a field that is much easier to change.

From this section, it is clear that there does not seem to be a well-accepted unique definition of the term competence nor there is any generally accepted operational limitation for the term adult education.

Therefore, for the purpose of the present study a generic definition of competence will be used, namely *knowledge, skills and abilities as contributors in successful job performance.* Regarding adult education, we also opt

for a broad definition; adult education is thus understood as the *range of activities undertaken by adults to acquire new knowledge and skills.*

Methodology

The process of moving towards a European Higher Education Area is meant to offer the opportunity of high-level (superior) degree studies to those who start out studying for medium-level (technical) degrees. It is interesting to consider a special target group, adult professionals wishing to move from a medium degree (Technical Architecture) to a superior degree (Construction Engineering) by attending a 1-year additional pack of specific courses in order to attain the higher status and recognition of the latter degree.

The evaluation method utilized in this study was developed on the generic, Internet-based, computer application environment Evolute. The application involves the use of self-evaluation in assessment through an ICT-based tool adapted to the project management work role. In the application, statements describing various aspects of project manager competences are linguistic variables. Day-by-day situations described in the present (actual) and in the future (desired) capture the individual's vision through 120 statements. The gap between the actual and the desired states, often called *creative tension* or *intentional change,* shows possible fields of intervention and motivation to learn and develop further.

In practical terms, the study was conducted using three different groups of participants. Participants were asked to complete a self-evaluation and a post-evaluation questionnaire. Once all statements have been answered, the application provides an immediate result in the form of a graph or *competence map.* Participants have the option to consider the results at different levels of aggregation (30 competences, 6 groups of competences, or 2 main groups of competences), and a variety of graphs according to their current level of competences (blue bar), target level of competences (red bar), or creative tension, the gap between the present and future state.

The step-by-step description of the methodology used for the two groups is depicted in Figure 1, which also shows the typology and role of the main participants.

Participants were provided with a written guide describing the objective of the evaluation, the step-by-step process, and a sample interpretation of the resulting report of a competence map. The evaluations took place in a regular university PC room with assistance offered during the sessions.

Although this ICT-based tool, available through regular Internet connection, permits self-assessment conducted outside the university setting, we prefer a guided and assisted session, gathering participants and providing them with the necessary information and explanations. This ensures that the participants know and understand all the issues related to the exer-

Educator	Student	Administrator	Task
Step 1			Conduct self-evaluation
Step 2 ⟶		Step 2	Detect and send functioning and/or content error
Step 3 ⟶		Step 3	Prepare and send a list of participants
Step 4 ⟶	Step 4		Explain method and provide documentation
Step 5			Reserve PC rooms
	Step 6 ⟵	Step 6	Communicate the date and place of evaluation
		Step 7	Create ICT platform users
	Step 8		Conduct self-evaluation
	Step 9		Interpret individual results
Step 10			Show and comment aggregated group/class results
Step 11 ⟶	Step 11		Deliver post-evaluation questionnaire
Step 12 ⟶	Step 12		Deliver filled in post-evaluation questionnaire

Figure 1   Step-by-Step Methodology Applied in the Project by Roles and Tasks (adapted from Bikfalvi et al., 2007)

Table 3   Post-Evaluation Questionnaire Constructs' Cronbach Alpha Values

Constructs	Cronbach alpha	Cronbach alpha if item deleted
Professional experience, a contributor to competence development	0.745	0.751 (Social skills)
Education, a contributor to competence development	0.786	0.804 (Self-knowledge)
Need for change	0.678	0.702 (Self-knowledge)
Intention to change	0.781	0.828 (Self-knowledge)
Subjective validity of the tool	0.736	0.793 (Self-knowledge)

cise. Once the students had been fully informed about the process and the purpose of the study, they participated voluntarily in the experiment. No specific incentive was provided; howver, their curiosity to conduct self-evaluation providing immediate results in the form of a 'competence map picture' made students participate actively.

The framework for conducting the competence evaluation of adult students is called 'Development of organizational behaviour for health and safety.' A total of 202 subjects filled in the evaluation and afterwards 116 completed the post-evaluation questionnaire. Before data analysis and refinement, we conducted a reliability analysis (Table 3). The most widely used reliability coefficient is Cronbach's coefficient alpha with an acceptance level at least 0.7 (Nunnally & Bernstein, 1994). Coefficient alpha is estimated as an indication of how the sample of items performs in capturing the construct. In the majority of the considered constructs, the coefficient alpha values exceeded the conventional minimum demonstrating fair internal consistency and hence reliability of the scale used.

Table 4   Methodological Summary of the Research

Item	Year 2009/2010	Year 2010/2011	Year 2011/2012
Framework subject for conducting competence evaluation	Development of organizational behaviour for health and safety		
Present degree	Technical Architecture (3 years study)		
Future degree	Construction Engineer (4 years study)		
Target population	88	78	70
Valid competence evaluations	52	43	36
Response rate	59.1%	55,1%	51,4%
Valid post-evaluations	47	38	31
Self-evaluation	During December 2009	During October 2010	During October 2011

Those who stated that they had no experience in the field of project management were asked to consider their student career as a project that they were managing, and relate their responses to that. Table 4 is a summary of the methodological aspects of the study.

Results and Discussion

This section presents the results compiled in the framework of the study, and they are organized as follows. First, we describe the profile of respondents in order to gain insights on the characteristics of the analysed adult student group. Second, we present the results of the self-evaluation phase, which reflects competence levels grouped in perceived strengths and weaknesses. Third, we show outputs of the post-evaluation phase which collected opinions, intentions, and willingness to change.

Profile of Respondents

In total more than half of the students registered in the course completed the self-evaluation phase and more than 80% of those filled in the post-evaluation questionnaire. The main descriptive features of respondents are presented in Table 5. In general, we highlight the large proportion of adult students combining studies with full time work. Two thirds have more than 5 years of work experience. One third are women and their overall mean age is approximately 33 years. This characteristic is entirely in line with the general characteristic of the entire population (Technical Architecture graduates) where in all courses considered since its first edition academic course 1999/2000 male graduates exceed female ones in the proportion of two thirds. We believe that the sample obtained is an accurate representation of the population, except for their higher motivation and commitment to all types of exercises and activities, as demonstrated by their willingness to engage actively with the present study. No important differences can be ob-

Table 5   Profile of Adult Students as Project Managers

Item	Total		2009		2010		2011	
	N	%	N	%	N	%	N	%
Actual study and/or working situation								
Full time student	9	7.8	3	6.4	3	7.9	3	9.7
Studies and work – part time	21	18.1	5	10.6	9	23.7	7	22.6
Studies and work – full time	76	65.5	37	78.7	25	65.8	14	45.2
N/A	10	8.6	2	4.3	1	2.6	7	22.6
Total	116	100	47	100	38	100	31	100
Actual working experience								
Non-existent	2	1.7	0	0.0	0	0.0	2	6.4
Some to 5 years	34	29.3	15	31.9	13	34.2	6	19.4
More than 5 years	80	69.0	32	68.1	25	65.8	23	74.2
Total	116	100	47	100	38	100	31	100
Gender								
Female	40	34.5	18	38.3	14	36.8	8	25.8
Male	76	65.5	29	61.7	24	63.2	23	74.2
Total	116	100	47	100	38	100	31	100
Age								
Mean (years)	33.1		33.3		32.6		33.3	

served between the population taking the degree and those in the sample. Minor differences arise in the case of the last group analysed compared with the previous two groups, which are more similar. We detect a minor increase in the proportion of full time students, as well as the proportion of those with no work experience.

Competence Evaluation

The aggregated results (all professional students) are presented in Table 6. The information is extracted from the detailed 30 level competence map. Competences are ordered based on decreasing creative tension. This ordering is helpful in order to determine perceived strengths and weaknesses.

The results indicate that the highest creative tension is perceived for *stress tolerance* (defined as the ability to handle unfavourable, tiring and stressful matters and situations and strong emotions), *language proficiency* (ability and courage to use foreign languages), and *communication* (sincere listening and sending messages), irrespective of the course considered. These are complemented with *relationship building* (establishing, maintaining and developing beneficial relationships and unofficial networks) and *innovativeness* (natural and open attitude towards new ideas, views and information) in the first period considered, with *understanding others* (perceiving, considering and understanding other peoples' emotions and views) and *de-*

Table 6 Status of Competences and Competence Groups

Competences	Weaknesses	Stress tolerance Language proficiency Relationship building Communication Innovativeness	Language proficiency Stress tolerance Communication Understanding others Decision quality	Stress tolerance Language proficiency Self-assessment Communication Management
	Strengths	Trustworthiness Initiative Emotional awareness Collaboration Commitment	Conflict management Trustworthiness Initiative Commitment Self-confidence	Trustworthiness Developing others Emotional awareness Initiative Collaboration
Comp. groups	Strengths	Self-knowledge	Self-knowledge	Empathy
	Weaknesses	Motivating oneself Empathy Social skills Self-control Cognitive capability	Motivating oneself Social skills Empathy Self-control Cognitive capability	Self-knowledge Motivating oneself Social skills Cognitive capability Self-control

cision quality (making decisions based on high principles, goals and values) in the second period, and *self-assessment* (understanding one's own weaknesses and strengths) and *management* (management focusing on matters) in the most recent evaluation.

Conversely, professional adult students feel themselves to be strong in *initiative* (perceiving opportunities, seizing opportunities and ability to create new opportunities) and *trustworthiness* (honesty and following professional ethics).

Table 6 also groups the 30 competences into 6 groups of competences. The results show major development opportunities in *cognitive capabilities,* a competence group that includes analytical thinking, conceptual thinking and language proficiency followed by *self-control.* These results are in line with the fact that adults are willing to undertake new learning and they perceive their being (again) in an educational centre as an opportunity.

The purpose of this section was to provide an overview of the personal vision of adult students in relation to competences through self-evaluation. In the following section, we present the results that reflect the opinions and attitudes collected through the post-evaluation questionnaire.

Competence Post-Evaluation

The post-evaluation questionnaire gathers data grouped under the following main areas of interest: the contribution of education to competence development compared with professional experience, willingness to improve, subjective validation of the tool, factors hampering competence development, and demographic characteristics of the respondent (age, gender, pro-

Table 7   The Contribution of Education and Professional Experience to Competence Development

Competences	Self control	Self knowledge	Empathy	Motivating oneself	Cognitive capability	Social skills
Prof. experience	5.1	4.8	4.9	5.1	5.0	5.2
Education	3.7	3.8	4.1	4.5	4.6	4.6

Table 8   Need for Change and Intention to Change

Competences	Self knowledge	Motivating oneself	Self control	Social skills	Empathy	Cognitive capability
Necessity to change	3.7	3.9	4.2	4.3	4.3	4.4
Intention to change	4.7	4.9	5.1	5.0	4.8	5.1

fessional experience). This last group of data has already been discussed in the opening of this section.

If competences are knowledge in practice, we believe that education and professional experience are the main contributors to competence development. We asked adult students to assess whether education and professional experience are relevant in competence development, and if they are, to what extent. The responses (see Table 7), rated on a standard 7 point Likert scale of agreement, show that irrespective of the competence groups considered, professional experience is seen as a stronger contributor than formal education. In the view of adult students, education contributes to the development of social skills, cognitive capability and motivating oneself, while professional experience develops self-control, self-motivation and social skills. There was stronger consensus around the role of professional experience.

Another interesting point is the degree of consensus on the need for change and the actual intention to change. The pattern of results show consistency in terms of the gap between these two items, with the obvious trend that respondents assign higher levels of agreement to the intention to change. The results in Table 8 are arranged according to a decreasing perceived need for change. It is interesting to observe that adult students express the greatest need for change and the strongest intention to change in relation to cognitive capability. This may, to some extent, be described as motivation to learn.

It is interesting to observe that intention exceeds necessity to change. A strong intention towards change is synonymous with high disposition and immediate action implementation as a contributor to competence development. This represents a very positive starting point of the complex process of competence development. However, it should be complemented with a clear action plan formulated by the student and agreed with his/her tutor or teacher.
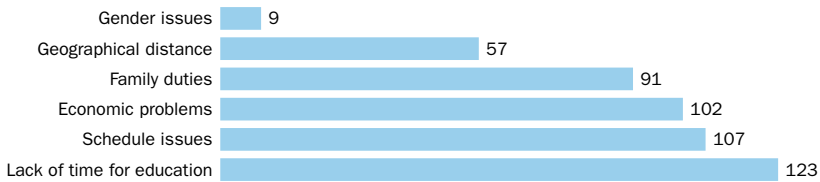
Figure 2 Barriers for Competence Development

Table 9 Subjective Validity of the Tool

Competences	(1)	(2)	(3)	(4)	(5)
Empathy	3%	9%	30%	29%	30%
Self Knowledge	6%	13%	20%	29%	32%
Motivating oneself	5%	10%	19%	37%	28%
Cognitive capability	5%	7%	23%	33%	32%
Self control	5%	10%	18%	38%	29%
Social skills	3%	10%	15%	30%	42%

Notes (1) strongly disagree, (2) disagree, (3) neither agree nor disagree, (4) agree, (5) strongly agree.

Once necessity and intention to change are assessed, it is interesting to tackle whether a specific circumstance acts as a barrier or hampering factor. Arranged from more to less importance in Figure 2, the lack of time for education, schedule issues, economic problems and work-life balance are the main difficulties for competence development. Geographical distance and gender issues are less relevant.

Since the present study introduces a new tool for competence self-assessment, it is important to assess the degree to which respondents consider the tool to be valid. The results shown in Table 9 indicate substantial levels of agreement in all considered competence groups. The lowest level of agreement (as a sum of the *agree* and *strongly agree* options) was 58% in the case of empathy, followed by 61% for self-knowledge, 64% for motivating oneself, 65% for cognitive capability, 67% for self-control and finally 72% for social skills.

Discussion of Implications

Our research has a series of possible implications both for research and for the practitioner community, which are detailed below.

Research Implications and Originality/Value

The *Human Resource Management Review* devoted two Special Issues in 2009 to the discussed issue; namely, one to collecting *emerging trends* in the field and the other to highlight *critical issues* in HRM theory and research. It stated that research involves extending previous work by a)

using a different subject population, b) using a different operationalization of one or more variables, c) including different levels of a variable than were studied previously, d) simultaneously examining two variables that have in the past only been studied independently, e) including potential mediating and moderator variables, or f) extending previous work in a variety of other ways.

Accordingly, we first explore an emerging field of HRM – competence assessment and development. Second, we bring valuable empirical evidence provided by a special subject population, adult students who have considerable professional experience in a field characterized by project-based work. They return to university to achieve a higher education degree. Third, we manage examined individuals' visions of competence from a global, aggregate, and group perspective.

Complementarily, this study has a series of practical implications which will be discussed briefly in the following.

Practical Implications

The practical implications of the study are various, according to the actors and institutions involved.

Individuals, adults in this case, gain knowledge and visual representation of their own perception of their level of competence necessary to perform project management. The results of self-evaluation are immediate and easy-to-understand. They represent a possible starting point towards a professional development plan. Once self-evaluation has been formally performed, students become more aware of possible development gaps and they may become more committed to change. Active managing of the learning process is part of the same student-centred learning model. ICTs offer a wide range of tools in the educational area – digital content, knowledge sharing platforms, communication – and they also generate positive attitudes. In the case of our specific study, we believe that students show a rather proactive attitude towards the competence aspect of their curricula.

Group level results are important for *teachers/educators* in order to orient their regular activity towards more innovative student-centred teaching/learning that takes into account the diversity of learners. This is considered a critical issue in recent HR management trends. Developing competences has become an important complement to regular teaching/learning. If educational centres promote a competence culture, teachers should be their voice. They might experiment with important changes in both working methods and material provided to students. An illustrative example is Spanish students' relatively low level of English language knowledge. This is reflected in the competence assessment map, where language proficiency is detected as a desired priority development area. Students are often ret-

icent about reading and handling tasks based on the material provided in a foreign language. Once both students and educators are aware of the development areas and they share the common objective of improvement through learning, a new situation is created. It generates commitment on all sides; the achievement of the goal is made more probable. Another issue concerns individual tutorial activity. The guiding role of teachers can be adapted to personal competence specificities and needs, consequently, a more customized system of tutoring is possible. This later could turn into better student results and greater student satisfaction.

Educational management or committees in charge of improving the quality of teaching can enrich their inputs with competence-base knowledge. Overall, competences can be considered a measure of superior work performance. It is the aim of any educational institution to provide competent graduates to the labour market, and to improve the levels of those who are already in the labour market. Students' work performance is a result of their previous educational experience and evaluation of competences is important from this point of view. Competence assessment, or in its more advanced form, university competence certification (as in the case of some UK universities) can make the difference between competitors. Another strategic argument is that competence development of students is a relatively new area of intervention for teaching staff. Specific training, tools and methods should be provided at this early stage in order to ensure, first, a positive attitude on the part of teachers/educators towards the topic, and second, that appropriate actions are taken to handle this new scenario.

Conclusions

In the new era of education based on *student-centred teaching/learning,* didactic approaches are increasing in importance. Managing student diversity, responding to their particular needs, cooperating with them, and having common objectives are some of the principles of modern universities. Competence assessment and development is a relatively recent issue that needs to be considered alongside older concerns, and research in the field of university competence development is still at a very early stage.

This article has explored the results of a self-evaluation of project management competences by a group of adult students. Linking regular teaching with competence development is a challenging task. Universities developed the framework, designed the strategy, formulated the objectives and ICT makes it feasible in practice. Although regular teaching has standard performance evaluation systems, at this stage, we still lack measurement tools to evaluate competence performance.

In this article we have presented a web-based tool to evaluate competences. We have illustrated its use and provided empirical evidence of its

perceived validity. The choice of competence assessment tool is of vital importance in evaluating outcomes. In our view, the most important issue in the evaluation is the detection of development gaps and the generation of awareness regarding these gaps. Intention and motivation towards change are also stimulated. The tool presents reasonable acceptance levels and it has a series of advantages for the different communities involved.

Generating knowledge and learning on a continuous basis should be a priority for both individuals and organizations. Universities, by their nature, provide a good example of this notion. Adult individuals represent a relatively neglected target of the universities. Traditional business concepts, such as competences, innovation, and service-orientation, call for higher quality and, consequently, radical changes in the system. This paper attempts to combine all these elements and test them in a middle-sized, non-elite higher education institution in Spain. It is likely that there will be parallel developments, and the results may be applicable, in many similar organizations worldwide.

Future research should address the extension of the present results, broken down by gender, as well as the application of more sophisticated statistical approaches. It is important for universities to expand and diversify their target population, while international comparisons and detailed analysis of some specific competences (like *innovation* or *initiative*) are planned future priorities.

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Job Performance, Job Satisfaction and Human Capital in the Labour Market in Bosnia

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The paper analyses the effect of job performance, job satisfaction and human capital. It shows that together with monetary factors, such factors as the perception of the social importance of the job, the ability to meet good friends in the team, and the atmosphere within which the respondents work, may also have a high level of impact on labour supply through human capital. The paper demonstrates the power of non-monetary factors in achieving improvements in the context of the 'job performance-job satisfaction-human capital' chain, thus bringing about positive changes in labour market supply in Bosnia.

Keywords: job performance; human capital; job satisfaction; Bosnia

Introduction

During the past 20 years, dramatic changes have taken place in the labour market in Bosnia. The transition from a centrally planned economy to a market economy has created new conditions for the supply and demand of labour. Job performance is a component of this market, affecting both supply and demand. One of the conditions for good job performance is the level of job satisfaction, which is expected to have a positive influence on it.

There are many aspects of this relationship that have not yet been sufficiently explored. For example, a high level of job satisfaction creates incentives for activity with many external effects, which result in the encouragement of economic agents to improve their individual performance, and, in particular, to expand their knowledge and skills, to work better, to increase their creativity, etc. Job satisfaction is one of the central factors that creates incentives for human capital improvement and thus for a better quality of labour supply. The decision to pursue such improvement is strongly related to the value systems of individuals and is defined by a complex of social, economic, psychological, ethical, and other elements, which is reflected in their job satisfaction. As Hamermesh (1999) indicates, 'Only one measure, the satisfaction that workers derive from their jobs, might be viewed as reflecting how they react to the entire changing panoply of job characteristics.'

Thus, job satisfaction can be regarded as a pivot point between job performance and human capital. The increase in knowledge and skills as the main characteristic of human capital is expected to contribute to a greater job satisfaction, which in turn should lead to improved job performance. Certainly in real life the link is not so linear, but we apply this simplification to facilitate the analysis of this complex problem. All these three elements – job performance, job satisfaction and human capital – are reflections of various facets of the labour supply. For this reason, we initially concentrate on the link between job performance and increased knowledge and skills – that is, on the quality of the human capital. We then try to observe the effect of job satisfaction on this relationship.

Based on this perspective, we can outline the following research objectives:

1. To construct the theoretical background of the study examining the links within the labour market triangle, job performance-job satisfaction-human capital, with the aim of capturing significant new characteristics of this market.
2. To identify suitable analytical methods for the quantitative measurement of the links within this triangle and the factors affecting its components and their relationships.
3. To test the formulated theoretical hypotheses using concrete data from the labour market in Bosnia and to outline further problems of studying labour markets from the perspective of job performance, job satisfaction and human capital.

In the first part of this paper, we present a critical review of the literature on the basic relationships. Theoretical models used in further work, as a result of the review, are then outlined. The statistical data and the features of the sample are explored by means of factor analysis. Next, we examine some of the basic characteristics of the relationship between job performance and the quality of human capital, using a logistic approach. As a result of the features of the collected data, most of the models are tested by means of the Maximum Likelihood technique, followed by a detailed analysis of job satisfaction and the factors influencing its extent. Consequently, the link between job performance and human capital is analysed, taking into account the effect of job satisfaction on both, job performance as well as human capital.

The discussion of some of the main issues that are not fully examined in this paper highlights problems such as the expected biases and the search for more objective methods of data collection, i.e. looking at the sample 'from outside.' Finally, conclusions are presented and recommendations outlined for further studies.

Brief Critical Review

Job performance is certainly an important feature of the labour market. Introducing three categories of job performance, namely organizational citizenship behaviour (OCB), counterproductive work behaviour (CWB) and task performance, Ong (2012) indicates the way in which 'job performance could benefit organizations and their members.' From a psychological viewpoint, job performance is presented as a significant ingredient of the personality dimensions in the work of Barrick and Mount (1991), who outline three criteria of job performance: job proficiency, training proficiency and personal data. The Human Resources project at the University of California, Berkeley (Human Resources at UC Berkley, 2011) made great strides in the methodology of Job Performance Standards, formulating them as describing 'the scope, key responsibilities, and knowledge and skill requirements of a specific job level within a family.' Morrison et al. (2008) indicate that 'job performance standards are critical to help ensure the success of the employee, supervisor, work unit and agency.'

Judge, Thoresen, Bono and Patton (2001) add to this discussion the effect of job satisfaction on job performance, providing a reliable qualitative and quantitative review of the relationship between the two, and underlining the difficulty of producing a clear estimation of this relationship.

Although both job performance and job satisfaction are psychological entities, they have important socio-economic dimensions and without doubt can be regarded as a part of labour market studies. Bartel (1992) looks for the link between on-the-job training, wages and job performance, and indicates how biases can be avoided in such estimations. Bartel's conclusion is that training (the growth of human capital) leads to wage growth and improvement in job performance.

During the 1960s, an important observation was formulated by Lawler and Porter (1967). According to their work, 'much of the interest in job satisfaction seems to have come about because of its presumed relationship to job performance.' In more recent times, this relationship remained somewhat neglected, as most of related studies are oriented either toward various aspects of job performance or toward job satisfaction. The level of job performance, as one of the indicators of the quality of labour supply, is most probably determined largely by job satisfaction and the whole spectrum of factors influencing it. Pugno and Depedri (2009) not only confirm the positive relationship between job performance and job satisfaction, but also indicate that the economic incentives may not be the main motivations of job performance. This is an additional piece of evidence that job performance is influenced by a complex of factors and it is difficult to outline a universal scheme of their interrelationships.

While the analysis of job performance includes a broad range of studies at individual and company level, research on job satisfaction has been more directly oriented towards individuals. Advances have been made in both theoretical and empirical aspects. Brayfield and Rothe (1951) construct one of the first indices of job satisfaction and incorporate differences in work values, presenting job characteristics as 'key explanatory variables.' They empirically test the theoretical background, examining the relationship between job satisfaction and such indicators as work values and job rewards associated with 'six dimensions of work-intrinsic, convenience, financial, relations with co-workers, career opportunities and resource adequacy' (Kalleberg, 1977).

This concept has been enriched in the modern vision of job satisfaction, which indirectly traces out the link with job performance. Both job-related issues are analysed in relation to the monetary (wage, income, etc.) and non-monetary factors. Arvey, Bouchard, Segal and Abraham (1989) study the role of intrinsic, extrinsic, and genetic satisfaction with the current (or major) job. Weiss (2002) underlines the role of overall evaluative judgments about jobs, affective experiences at work, and beliefs about jobs in job satisfaction. The complexity of the link between job satisfaction and the monetary factors affecting it is demonstrated in the work of Grund and Schmitt (2013) on the effects of works councils on employees' wages and job satisfaction in general and in subgroups with respect to sex and occupational status. These studies enable the formulation of the hypothesis that the monetary reasons for job performance/satisfaction are not always the most important and that non-monetary factors may also play a significant role in this chain.

Several studies seem to be more directly relevant to our paper, thus helping to define the choice of the variables for testing the models in part 3. Special attention has been paid to the choice of non-monetary variables, due to a wide variety of possible approaches. Among the numerous studies in this area, we selected indicators following the results of Troup and Rose (2012), examining the link between job satisfaction and the way the time is spent during working hours, and the detailed study by Jones (2005) of various aspects of job satisfaction and communication with amiable people, which were divided into two parts, namely the satisfaction gained through meeting friends on the job (Krug & Rebien, 2012), and the satisfaction of working in a good team, even if this does not necessarily turn into friendship (Gockel, Robertson & Brauner, 2013).

Other social factors that are relevant to our study are analysed by Kulkarni and Nithyanand (2013) and include the level of friendship in the unit in which the respondent works, and the perception of the social importance of the job. However, account must also be taken of the factors that could

have a negative influence on job satisfaction (Fraňek & Večeřa, 2008), such as poor social environment, perception that the work is of low value, etc.

In terms of the choice of suitable methods of analysis, we followed Judge et al. (2001), who underline the importance of using advanced analytical methods, since both job performance and job satisfaction are multifaceted phenomena that not only exist per se, but also depend on the point of view from which they are analysed. This problem is discussed in detail in part 4.

Next we narrowed down our analysis of the literature by focusing on human capital; the literature on this is vast, and a full survey would fill many volumes. For the purposes of this study, we have constrained it by using knowledge and skills as a proxy for human capital, although in our previous publications it was analysed in a broader sense that included individuals' health and value systems (Danchev, 2010).

Among the vast literature that connects the different elements of our triangle, we should also mention Blinder and Weiss's (1976) study on human capital and labour supply, and the projects within the Center for Effective Organizations at the University of Southern Carolina's (http://ceo.usc.edu/research/human_capital.html) research programme on strategic talent management and human capital, combining 'organizational, managerial, and economic perspectives to bridge the strategic, business, and organizational aspects of human resource management.'

In the wider research context, studies on the link between human capital and its affect on labour supply reveal various other aspects of the problem, including life cycle issues, effects of human capital on wages, and the determinants of labour supply in developing countries (Sahn & Alderman, 1988). López-Bazo and Motellón (2012) report the results of a study of human capital and regional wage gaps, thus indicating the necessity of research on the role of both monetary and non-monetary factors of human capital formation.

These studies provide evidence of the advances in research on the complexity of human capital and the factors influencing its formation, which help to better orientate its link with job performance and job satisfaction.

For this reason, in our study we considered human capital to only be the starting point for analysing the relationships between job performance and job satisfaction. These relationships are presented in this way merely in order to simplify the analysis with a view of moving toward more realistic models in the future.

The Theoretical Background

As previously stated, job performance is defined by many external and internal components, and it is not possible to construct a model that could encompass all of them. For this reason, we narrowed down our analysis and
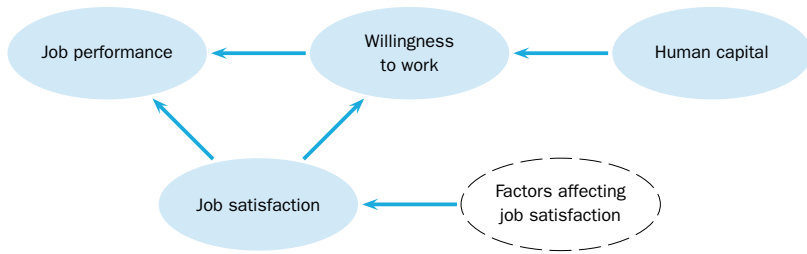
Figure 1   The Scheme of the Study

formulated the hypothesis that job performance primarily depends on the Willingness to Work (*WTW*), which in turn depends on job satisfaction and human capital:

$$JOBPN = f(WTW, SATISF), \tag{1}$$

$$WTW = h(PSKILL, SATISF), \tag{2}$$

where *JOBPN* is job performance and *PSKILL* is the present level of knowledge and skills as a proxy for human capital. It should be noted that, similar to Willingness To Pay (*WTP*) in demand studies, we regard *WTW* as a basic characteristic of labour supply reflecting a complex of social, economic, psychological, political, and other elements. On the other hand, the rationale of including job satisfaction and human capital in this relationship is based on the results from the abovementioned studies on the role of both job satisfaction and human capital in the labour market. Combining 1 and 2 gives:

$$JOBPN = f[h(PSKILL, SATISF)]. \tag{3}$$

In our opinion, such an interpretation of the problem reveals new aspects of the labour market that have not previously been presented. The scheme of our study is presented in Figure 1.

In order to more adequately outline the influence of human capital and job satisfaction on job performance, we initially defined the factors influencing job satisfaction. It is a process that includes many possible factors, and as shown in the critical review, there are many approaches to it. For the purpose of our analysis, we selected several factors and divided them into two groups:

- *Monetary factors* – the level of income and related factors (if these increase, the level of job satisfaction increases).
- *Non-monetary* (some of these can be defined as hedonic) *factors,* which can increase or decrease the level of job satisfaction.

To facilitate our analysis we assumed a continuous, concave and twice-differentiable function of job satisfaction (the mathematical reasoning of these conditions are not presented for technical reasons) so that:

$$SATISF = f[\exp(\alpha, \beta)]. \tag{4}$$

Correspondingly, we can decompose monetary and non-monetary factors as follows:

$$\alpha = f(x_1, x_2, \ldots x_n), \tag{5}$$

where $x_1, x_2, \ldots x_n$ are monetary-related factors; and

$$\beta = z(z_1, z_2, \ldots z_n), \tag{6}$$

where $z_1, z_2, \ldots z_n$ are non-monetary (hedonic)-related factors.

We can combine monetary and non-monetary characteristics into one equation as:

$$SATISF = f(\alpha, \beta, t) = f(x_1, x_2, \ldots x_n), z(z_1, z_2, \ldots z_n). \tag{7}$$

If we assume a non-linear form, the equation would be:

$$SATISF = \alpha_0 x_1^{\alpha_1} x_2^{\alpha_2}, \ldots x_n^{\alpha_n} z_1^{\beta_1} z_2^{\beta_2}, \ldots z_n^{\beta_n}. \tag{8}$$

The next problem was to select the concrete indicators for the empirical test of (8). As can be seen from the critical review, there are many approaches to different aspects of the problem, which allows a selection of various indicators to cover the most essential part of the model.

Following the results of the critical review, our study considered such factors as the way the time is spent during working hours (z_1), together with the satisfaction derived from communication with amiable people, which has two aspects: the satisfaction gained through meeting friends on the job (z_2), and the satisfaction of working in a good team, even if this does not necessarily turn into friendship (z_3). In our opinion, another important non-monetary characteristic is the perception of social significance of one's work (z_4), which is also included in equation 8.

However, the analysis would be incomplete if we did not take into account the negative aspects of this relationship. Thus, the basic dependent variable *SATISF* was regressed against the following factors:

Factors that are expected to have a positive influence on job satisfaction, namely (the number in parenthesis reflects the corresponding number in the questionnaire):

- *JOBMON* – level of income sufficient 'to enjoy my life' (1.7.1),
- *JOBFR* – ability to make friends on the job (1.7.2),

- *JOBSOC* – the perception of social importance of the job (1.7.3),
- *JOBNICE* – working hours pleasantly spent (1.7.4.),
- *JOBTEAM* – the pleasure of working within a team (1.7.5).

It is envisaged that these variables, except *JOBMON*, reflect the main social factors of job satisfaction outside the influence of income level. The choice of these variables was on one hand inspired by the work of Pugno and Depedri (2009), which emphasizes the role of interest in the job, and Helliwell and Huang's (2005) study on the role of social capital in the workplace, which finds a significant and substantial relationship between trust in management and job satisfaction, etc. On the other hand, the choice was influenced by factors such as the perception of social importance of the job, which have so far not been sufficiently discussed, but which could also be expected to have significant influence on job satisfaction.

Factors that are expected to negatively affect job satisfaction. The choice of factors that negatively affect job satisfaction is difficult due to the complexity of the relationships. Analysis of the various factors that have negative effects on job satisfaction is presented in the studies of Redman and Snape (2006), who suggest that 'age discrimination acts as a stressor, with [...] negative effects of perceived age discrimination on job and life satisfaction, perceived power and prestige of the job.' Willem, Buelens and de Jonghe (2007) describe the negative effect of centralization on job satisfaction. Hsu (2011) indicates that work-family conflict has a negative effect on job satisfaction.

In order to allow comparison of the effects of the factors affecting job satisfaction positively and negatively, we selected negative factors as opposites to the positive ones. In this way, we expect to be able to present a more comprehensive analysis by comparing the extremes. For example, if we choose a factor such as a level of income sufficient to 'enjoy my life,' we correspondingly formulate a factor at the other extreme – too low a level of payment; to the perception of the social importance of the job, we countervail the perception that the job is useless for society, and so on.

Next, we formulated the following factors with negative effects on job satisfaction:

- *NJOBMON* – the level of payment is too low (1.8.1),
- *NJOBATM* – dislike the atmosphere in the work team (1.8.2),
- *NJOBUL* – the perception that the job is useless for society (1.8.3),
- *NJOBBOR* – the job is boring and irritating (1.8.4),
- *NJOBIP* – there are no interesting people in the firm (1.8.5).

Our expectation is that these two groups of variables will encompass a

broad spectrum of the basic factors defining the level of job satisfaction. Finally, we added socio-economic indicators, such as age, gender, working experience, educational level and health status, to the model.

Research Strategy

The theoretical background presented above imposes the requirement of a search for a suitable strategy to test the theory with empirical data. The starting point is the three basic dependent variables – job performance, job satisfaction and human capital – and a complex of other variables that are expected to affect the dependent variables in various ways. Several problems can be outlined, the solution of which influences the research strategy of the study.

Data Collection

The nature of the variables in the models is such that it requires the participants to be interviewed in the labour market. This entails the construction of a suitable questionnaire and the organization of the interview process. Since telephone and postal interviewing normally have low response rates, and taking into account the features of the questions that require more direct links with the respondents, the survey took the form of personal interviews with the respondents. Despite the need to collect a large volume of information to cover the details of the problems, the questionnaire was controlled, so that it took no more than 15–20 minutes of the respondents' time. The selection of the respondents was random.

Defining the Methods of Measuring the Relationships

Data collection in the form of interviews allows a large number of interrelated performance measures to be collected, with this number subsequently being reduced (Kalogeras et al., 2013). In this case it is normal to apply the principal component (factor) analysis to outline the main groups (eigenvalues) of relationships. The merits of factor analysis are multifarious: it not only defines the basic groups of interrelated components, but also provides useful information on the links between the components, which can be used as a basis of further in-depth analysis, an approach demonstrated by many studies (Papadimitriou, Theofilatos & Yannis, 2013; Broberg, Salminen, & Kyttä, 2013; Siddiqui & Ahmed, 2013). Such an approach also provides information that is useful as an orientation measure in the search for suitable methods of analysis for the next, more detailed, stages of the study of these relationships.

Traditionally, the results of the factor analysis are consequently used to construct the econometric models applying ordinary least square (OLS) or other techniques. As most of the observations in our study are in the

form of ranked variables, following the practice of Al-Najjar and Elgammal (2013) and Zhang, Duysters and Cloodt (2013), we selected the Ordered Probit technique (quadratic hill climbing), which is expected to help produce relatable estimations of the relationships.

Search for Suitable Interpretation

The methods presented above allow many sides of the estimations to be revealed, and the presentation of these would fill many pages of comments and interpretation. We restricted the interpretation within the following basic reasonable boundaries:

- First of all there is a need to analyse the descriptive statistics of the main variables to determine their suitability for further analysis.
- For the results of the factor analysis, we restricted our exposition within the comments of the scree plot to determine the degree of explanations of the variables by the eigenvalues. To reduce the number of variables we applied the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Barlett's test to determine the proportion of the variance that is due to the basic factors.
- It also makes sense to analyse the scatter plot of the matrices in order to test for outliers and other deviations.
- As most of our variables are in the form of rankings, it is important to apply the Ordered Probit (quadratic hill climbing) method for calculating the regression coefficients and their statistical significance, as well as such characteristics as Pseudo *R*-squared coefficient, Schwarz criterion, LR statistics and other characteristics.

Research Results

The data were collected by interviewing Bosnian citizens, who were randomly selected from various parts of Bosnia. Taking into account the features of the study, the enumerators were trained by the authors to carry out semi-structured interviews, recording both the respondents' answers to the basic questions and their idiosyncratic comments. In such a way, we collected data that allowed us to apply both positivist and phenomenological strategies in the research. For technical reasons, this paper presents only the results of the econometric models, leaving the phenomenological analysis for further presentations.

During the process of data gathering, quota control was applied in line with the structure of those parts of the population that represent the main characteristics of job performance, job satisfaction and human capital for the country. The quota control was constructed in such a way as to retain only the main information necessary for the purposes of the model. Special

attention was paid to the structure of education and work experience as the main components needed for the next stage of the study, as well as such socio-economic indicators as age, gender and place of residence.

The sample consists of interviews with 287 citizens from Bosnia as part of the project 'Managing human capital for the aims of sustainable development (case study of some Balkan countries),' which was funded by the Fatih University (Istanbul, Turkey). The questionnaire also covered some general issues relating to human capital and sustainable behaviour.

Not all respondents gave answers to all the questions asked. Thus, out of the 287 respondents, only 256 gave relatively complete answers. Of these, 0.7% have primary education, 50.2% secondary education, 45.1% a university degree, 3.3% a master's degree and 0.7% a doctorate. With regard to working experience, out of 256 respondents, 31.3% have up to 3 years of work experience, 21.9% between 3 and 6 years, 12.6% between 6 and 10 years, 10.8% between 10 and 15 years, and 23.4% more than 15 years.

Socio-economic indicators were also collected, namely place of residence, age and gender. With regard to the regional aspect, most of the respondents were from Sarajevo (76.3%). The age distribution within the sample was: 2.1% aged 16–19 years, 47.0% aged 20–29, 23.2% aged 30–39, 9.8% aged 40–44, 11.9% aged 45–49, 4.9% aged 50–59 and 1.1% aged 60 or over. In terms of gender, 53.2% were male and 46.8% female.

These features characterize the sample as sufficiently indicative for outlining a general picture of the 'job performance–job satisfaction–human capital' triangle, as well as the factors influencing various aspects of this chain in Bosnia.

We selected several indicators for characterizing these relationships. Job performance and job satisfaction are represented on the 5-point Likert scale *JOBPN* and *SATISF*, while human capital is defined by the level of education *EDUCATION*, and the present level of knowledge and skills necessary to complete the respondents' jobs *PSKILL*. The descriptive statistics of these variables are presented in Table 1.

We observed relatively high levels of job performance and job satisfaction, as well as high levels of education and accumulated knowledge and skills. Next we applied factor analysis in order to more distinctly outline the level of correlation between variables.

Factor Analysis of the Variables in the Sample

The theoretical analysis presented above does not take into account all the variables included in the questionnaire, and outlines only the main relationships that are expected to reveal the link between the theory and empirical observations. However, by means of factor analysis we tested all obvious

Table 1 Descriptive Statistics of the Basic Variables

Item	JOBPN	SATISF	EDUCATION	PSKILL
Mean	4.027344	3.972656	2.546875	4.269531
Median	4.000000	4.000000	2.000000	4.000000
Maximum	5.000000	5.000000	6.000000	5.000000
Minimum	1.000000	1.000000	1.000000	1.000000
Std. Dev.	0.693976	0.779161	0.655108	0.687143
Skewness	–0,45944	–0,65038	1.126210	–0,69478
Kurtosis	3.780489	3.864101	6.037315	3.867689
Jarque-Bera	15.50386	26.01205	152.5192	28.62673
Observations	256	256	256	256

and latent relationships and attempted to enrich the theoretical postulates with inductive insights.

All extraction communalities in the sample are high, which is evidence of a good presentation of the variables by the extracted components, and there is no need for further component extraction. However, we observed that the 9 initial eigenvalues were above 1, which explains only about 71% of the variation. This result is the first confirmation of the hypothesis of the complexity of the relationships between the variables in the model, in which variance is dispersed among a relatively high number of eigenvalues. We have to restrict the number of eigenvalues in further analysis, but reducing this number results in a loss of information, which is high even with 9 eigenvalues (29%).

The problem is exacerbated by the fact that there is not a great difference between the extraction and rotation sums of the squared loadings, which indicates that the rotated component matrix would not contribute much more to the interpretation of the results than the original matrix. This is illustrated clearly in the scree plot presented in Figure 2.

However, it makes sense to analyse the rotated component matrix to determine the composition of the components. Due to technical reasons we are not presenting the results in detail here. Nevertheless, it has been clearly demonstrated that the first component is most highly correlated with
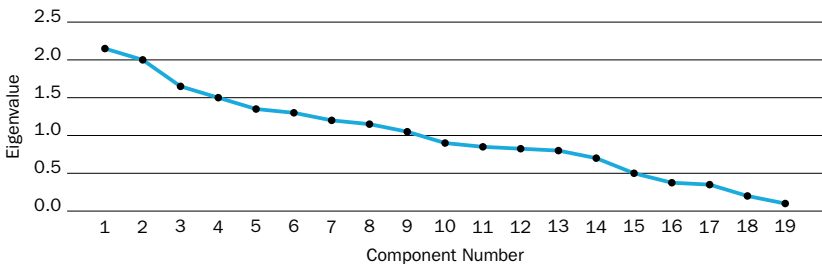
Figure 2 The Scree Plot of the Variables in the Model

job satisfaction (0.749), job performance (0.717) and *WTW* (0.697). The second component, which can be defined as demographic, gives highest values in relation to age (0.928) and years of working (0.913), with a large difference between this and the next variable, *PSKILL* (0.324). A similar picture is observed for the third component, which can be defined as human capital: education level has a value of 0.888 and years of schooling a value of 0.815, while the next variable, the present level of knowledge and skills, has a value of 0.521. Such a clear difference is not observed in the next components; therefore, we were able to restrict our analysis to the first three components. However, it should be noted that restricting the analysis to the first three components would result in a loss of 69% of the information, which is unacceptable, although all variables in the model are well represented in these three components.

The scatter plot of the matrices (Figure 3) illustrates the links between the components. There is skewed distribution in the first component (the first plot of the first row) as a result of the skewness of some of the variables, as indicated above. In all matrices we observed outliers, which were excluded from further analysis.

The fact that 9 eigenvalues account for around 69% of the variation requires an attempt to be made to try to reduce the size of the data by means of extraction of the principal components, which complicates the analysis as it is already based on a rotated component matrix. In order to more clearly outline the structure of the sample, the number of variables is reduced and the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy is applied to calculate the proportion of the variance that is due to the basic factors. As it is not clear which variables should be eliminated due to the structure of the eigenvalues, we calculated the KMO Measure of Sampling Adequacy for the whole sample; this is known as KMO and Barlett's test. The result is 0.296, which is regarded as low (< 0.5), and requires a revision of the structure of variables included in the model. However, the Bartlett's test of sphericity indicates a significance level of 0.000, which provides encouragement to apply factor analysis for a more detailed study of the problem.

Despite some fuzziness of the results, the interrelation of job performance, job satisfaction and human capital with various variables of the sample is distinctly observed. This provides the reason to take the next steps: first, to test the relationships between these three variables, and then to extend the analysis to include other variables until suitable results are obtained.

Ordered Probit Analysis of the Relationships

As the data for first variable – job performance – were collected in the form of a ranking, we applied the Ordered Probit technique (quadratic hill
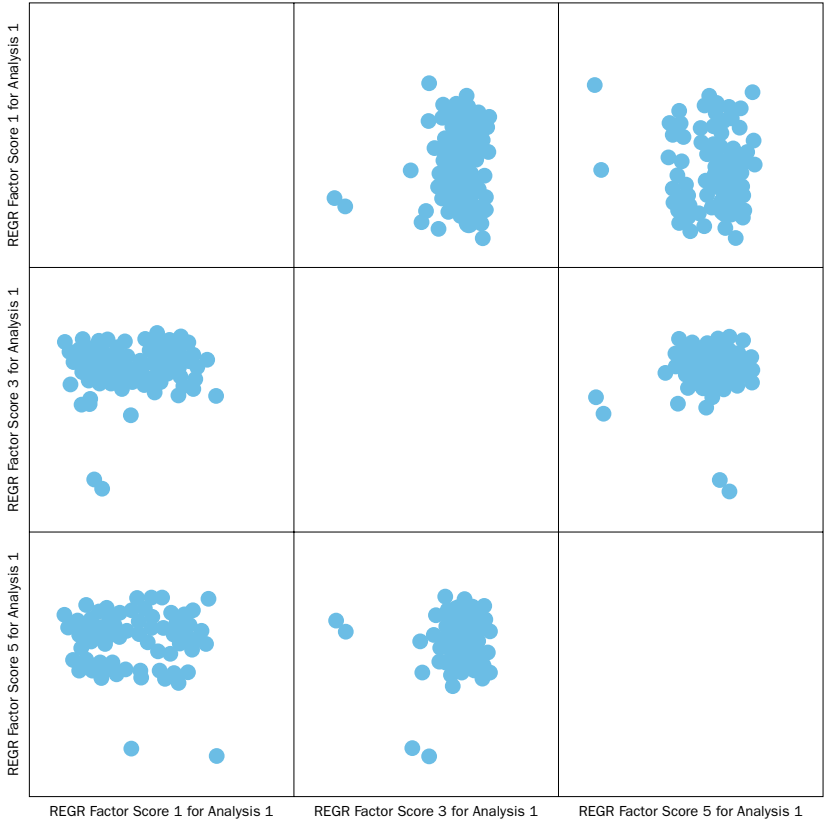
Figure 3   The Scatter Plot of the Matrices

climbing). The results of econometric calculations of the link between job performance, job satisfaction, and knowledge and skills are presented in Table 2. Job performance and job satisfaction are positively correlated, which supports the above formulated assumption. Knowledge and skills have less influence on job performance, but the link is also positive and sufficiently influential.

The results provide evidence of the fact that both job satisfaction and the accumulated knowledge and skills positively affect job performance. However, job satisfaction in turn depends on a number of factors. Following the literature recommendations (Aitchison & Silvey, 1957; Chimka & Wolfe, 2009), the dependent 5-scale variable *SATISF* was next regressed against various combinations of positive and negative factors by means of Ordered Probit regression. Table 3 displays the parameters of the best combination.

The results indicate that the 'money to enjoy my life' factor has the greatest effect on job satisfaction in terms of probability, a fact that is

Table 2 The Influence of Job Satisfaction and Knowledge and Skills on Job Performance

Variable	Coefficient	Std. error	z-Statistic	Prob.
SAFISF	0.712619	0.097995	7.271964	0.0000
PSKILL	0.572106	0.105512	5.422184	0.0000
Pseudo *R*-squared	0.158481	Akaike info criterion		1.759060
Schwarz criterion	1.838180	Log likelihood		−234.9912
Hannan-Quinn criterion	1.790817	Restr. log likelihood		−279.2466
LR statistic	88.51081	Avg. log likelihood		−0.857632
Prob. (LR statistic)	0.000000			

Notes Dependent variable: *JOBPN*; Method: ML – ordered probit (quadratic hill climbing); Sample: 287; Included observations: 274.

Table 3 The Influence of Various Factors on Job Satisfaction

Variable	Coefficient	Std. error	z-Statistic	Prob.
JOBFR	1.010156	0.313283	3.224417	0.0013
JOBNICE	1.139422	0.320520	3.554916	0.0004
JOBTEAM	1.018901	0.287842	3.539793	0.0004
JOBSOC	1.092107	0.277519	3.935256	0.0001
NJOBMON	−0.388302	0.200749	−1.934268	0.0531
Pseudo *R*-squared	0.047635	Akaike info criterion		2.222809
Schwarz criterion	2.353299	Log likelihood		−298.9705
Hannan-Quinn criterion	2.275161	Restr. log likelihood		−313.9243
LR statistic	29.90762	Avg. log likelihood		−1.075433
Prob. (LR statistic)	0.000041			

Notes Method: ML – ordered probit (quadratic hill climbing); Sample: 287; Included observations: 278; Number of ordered indicator values: 5; Convergence achieved after 4 iterations; Covariance matrix computed using second derivatives.

also reported, albeit ambiguously, by other authors (Clark, 1996; Weaver, 1980). The role of non-monetary factors is also strong in the sample: the understanding of the social importance of the job is very close to that shown by the results for monetary factors. We can surmise that non-monetary factors play a strong role as well; these include the pleasure of working with the team (1.15), a pleasant time spent during working hours (1.21), and making very good friends on the job (1.11).

Interestingly, of the factors that were expected to negatively influence job satisfaction, only the monetary factor was found to be statistically significant (at a 10% level of confidence). This indicates that, beyond income, the lack of positive experiences, rather than the presence of negative experiences, drives down job satisfaction, and by extension job performance, in our sample. This result is most probably influenced by the fact that most respondents indicate a high level of job satisfaction.

Overall, the analysis indicates that the respondents are willing to partic-

ipate in the market and demonstrate a high level of job performance when they are satisfied with their jobs; furthermore, they assess their knowledge and skills as high. As a rule, *WTW* is very sensitive to the level of accumulated knowledge and skills and this demonstrates the power of human capital to influence the state of the Bosnian labour market.

Discussion

The attempts to shed light on the 'job performance–job satisfaction–human capital' triangle raise several questions.

First of all, as job performance is based on self-estimation it includes a large element of subjectivity. There is a need to improve the methodology for estimating job performance, in spite of significant progress in this area during the past few decades. Most of the studies that are similar to the discussed study are based on respondents' self-assessment, a process that inevitably suffers from subjective drawbacks. As Lawler (2010) indicates, 'There are also numerous examples of situations where individuals thought they were doing the right thing and performing well, only to find out they were mistaken when they had their annual appraisals.' It is necessary to apply a methodology that produces more objective views on this issue.

In relation to job satisfaction, it would be useful to complement the positivist-based survey with a phenomenological approach and balance the analysis based on structured data with the idiosyncratic information provided by the comments of the respondents for every level, including the scale of job dissatisfaction. Moreover, many elements of job satisfaction – and in particular the role of job conditions and perceived organizational support, etc., which may also have double effects, remained outside the scope of our study. As Eisenberger, Cummings, Armeli and Lynch (1997) indicate, 'Further research is needed on factors influencing employee perceptions about the organization's discretionary control over the favourableness of job conditions.'

Reducing human capital only to knowledge and skill neglects recent research achievements in this area. Our attempts to extend this vision to include value systems, health, and other modern components of human capital could not be supported by empirical data.

The combination of factor analysis and Probit-based calculations reveals only one approach to the relationship between the variables. Discrepancies are observed in some correlations and it is not always clear which of the outlined relationships are closer to the real situation. It would be appropriate to complement the present analysis through the use of neuro-fuzzy and other approaches to produce a more complex and thus more realistic picture of the problem.

Conclusions

This paper is a part of a complex study of the influence of human capital on sustainable development in the Balkan countries. An important task in this process is to reveal the influence of human capital on labour supply. In our opinion, the key contribution of the study is the analysis of the combined effects of monetary factors (income) and non-monetary factors (such as the perception of the social importance of the job, meeting friends and spending a pleasant time during the working hours) on job satisfaction and thus on job performance. The results are an indication that the 'job performance-job satisfaction-human capital' chain is influenced by both monetary and non-monetary factors, which may have positive and negative effects on the Bosnian labour market.

Although not very strong (low Pseudo *R*-squared), the positive effects of job satisfaction and knowledge and skill on job performance are evident. Job satisfaction is sensitive to the level of payment and is positively affected by a number of non-monetary (hedonic) factors. Nonetheless, as indicated above, a great deal remains to be done. Further studies should include broader aspects of human capital. There is a definite need to complement this study with research regarding how individuals' value systems affect many idiosyncratic features of human behaviour that create incentives for increasing knowledge and skills, but remain outside the traditional economic analysis. Our paper presents findings that could benefit further in-depth studies in this area.

These results have direct practical implications. They are a starting point for understanding the motivation and factors that influence job satisfaction, which would allow firms to manage their human resources more effectively and create favourable preconditions for sustainable and prosperous growth. The case study on Bosnia reveals interesting relationships between job performance, job satisfaction and human capital in an area 'where special-interest groups and patron-client relations prevail over generalized norms and networks of reciprocity, trust, and cooperation that promote wider social welfare and development objectives' (Christoforou, 2011). Our study is the first step towards revealing a complex relationship in a rather complicated setting.

responsibly with the necessary data. Thanks to all colleagues whose critical remarks helped us considerably improve our analysis.

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Organizational Development: A Tool for Nonprofit Organizations to Become Professional

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The paper is based on international research and on the ongoing research of the authors in the field of professionalization of nonprofit organizations. Desk research is supported by the analysis of the results of the pilot project of an organizational development programme in Hungary. The findings of the empirical research serve as a benchmark for the large sample research. Since the paper gives insight over changes in the operational environment of nonprofit organizations that are connected to their learning needs and chosen solutions, and brings practical evidence, it contributes to the current research of professionalization of nonprofit sector organizations internationally.

Keywords: nonprofit organizations; professionalization; learning; organizational development; knowledge

Introduction

In the last decades a shift can be observed in the nonprofit sector towards using models and solutions of the business sector (Maier & Meyer, 2011; Hwang & Powell, 2009). Nonprofits need to improve the existing organizational structures and processes, and become innovative organizations. It is fact that changes in their environment affect nonprofit organizations: this applies not only to the domestic but also to the international environment. As a consequence of the changes, nonprofit organizations are forced to face risks and also meet challenges and use their opportunities (Ridder, McCandless, Piening, & Erk 2012). Due to these circumstances, they seem to realize that they have to become more professional in their activities.

It also has to be mentioned that the increasing importance of nonprofit organizations in the overall performance of national and global economy is an intensively discussed topic in nonprofit research (Anheier, 2009). Their role in the economy is a generally accepted fact. However, they are still relatively neglected in research, when compared to other sectors. This is why the aim of the paper is to contribute to a better understanding of this sector of growing importance and to develop a more founded picture about it.

According to the above presented objectives, the paper first describes the applied research methods and tools, and formulates the research questions. After that, it continues with an insight over the present situation and trends in the research field, such as the impact of improving cross-sectoral cooperation; or the trends that can be considered as relevant drivers of the changes in the nonprofit sector.

The central issue addressed in the article is how the application of management tools impacts the nonprofit organizations, how it contributes to their present and future performance. As a background to the analysis of learning and development needs of nonprofit organizations, it is also discussed how they react to the trends that are observable in their operational environment and what they do to meet those requirements. A detailed analysis of the present situation within the sector is supported by empirical evidence from the sector in Hungary, which is focusing on organizational development as a tool of professionalization in the sector.

So, the study provides insight over issues in connection with commercialization and managerialism and parallel to them, it also highlights certain aspects of learning and development as influential factors of the professionalization of nonprofit organizations. The paper concludes with evaluation of the research, its limits, its relevance for international research and practice, and also with an outlook for future studies.

Research Questions and Methodology

In alignment with the aims of the paper, the authors draw dominantly upon the international research of the last decade and they also analyze the on-going research in the field of learning and development. Hence, through literature and practice, the article provides evidence of the fact that nonprofit organizations are learning to find ways how to effectively use the tools of business sector managers and leaders.

The authors used different research methods to answer the following *research questions:*

1. Do theory and practice prove that nonprofit organizations learn from business sector managers and leaders in order to become more professional in their activities?
2. Is organization development a suitable tool to promote and enhance management professionalization of nonprofit organizations?

Desk research was used to create the background of the empirical research. It concerned mainly literature of the last decade and helped provide an analysis of the factors that play a decisive role in the development of nonprofit organizations. The desk research and literature was used to draw

a picture of the *general state* of the research performed in the field of professionalization of the sector, and to give an insight over different approaches, which help the authors link their own research to these streams, and also to formulate their own definitions, used in the paper (the third and the fourth section). By choosing this approach, the authors can also inspire possible research ideas in readers or other researchers. The desk analysis not only contained theoretical approaches but also information about the present performance and impact of the sector, based on data from different countries.

The aim of the *empirical research* is to examine the responses of nonprofit organizations from the perspective of the trends that are studied in the desk research. Empirical data are based on the results of the *pilot project* of an ongoing research carried out by the authors of the article. The pilot project represents the first phase of the research; namely, a test of the large-sample research that is in progress at this moment. The findings of the empirical research are based on *document analysis, online survey* among the participating organizations, and also *semi-structured interviews* completed with representatives of these organizations. The survey took place in 2011 and 2012. The purpose of the empirical research is to test and predict the results that can be *expected* from the research. As opposed to future research, they can serve as *benchmark.*

In connection with the *evaluation,* the opportunity of expanding the research towards international comparison is briefly outlined, including *limitations* of the research at present stage (Henriksen, Smith, & Zimmer, 2012; Dobrai & Farkas, 2008, 2010; Billis, 2010; Millesen, Carman, & Bies, 2010; Neville & Murray, 2008); furthermore, a table of *enablers of professionalization* is put together under consideration of structures, processes and people; and a conclusion is drawn.

Nonprofit Organizations Driven towards a Continuous Change

Non-profits vs. Organizations in Other Sectors

It is necessary to briefly explain what the authors understand under nonprofit organizations, because it is relevant for present study. The authors share the view that an organization that belongs to the nonprofit sector has to fulfil the criteria by Salamon and Anheier providing a principal definition of the sector (1992, pp. 10–12):

- These organizations should be formal, institutionalized to some extent: they should have a meaningful structure and organizational permanence, and also regularity in their procedures, and operations.
- They should be private, separate from the government (non-governmental), even if they are supported by the government.

- They are not allowed to distribute profits to their owners or directors (hence, they should be non-profit-distributing). However, they are supposed to use their surplus earnings for realization of the objectives of the organization.
- They are not controlled from outside the organization, but they are self-governing: they have their own internal procedures and mechanisms of governance.
- They are based on voluntary membership, so participation in the activities of the organizations is not compulsory.

This description allows us to state that a nonprofit organization is not prohibited from earning a profit, but it shows how the profit earned or otherwise received has to be used (Heyman, 2011). We also have to consider other specific features of the nonprofits, such as their mission or the challenge in connection with their dependence on volunteers: factors that clearly differentiate them from business and government sector organizations. They rely to a great degree on the contribution of volunteers for the fulfilment of their objectives and for carrying out the operations and activities helping with their management.

Sector Growth

One of the main indicators of the development of the nonprofit sector is a general sector growth. We study this by using the example of Hungary (the empirical research presented in this paper was carried out in Hungary), the United States (a country with the strongest Third Sector traditions), and also certain other international indices.

In Hungary, the number of nonprofit organizations has grown by 87 percent in the last 20 years, and their revenue has also grown by more than 90 percent (Hungarian Statistical Office, 2012). Their contribution to GDP is increasing steadily and in 2010 it accounted for 4.5 percent of the GDP (Table 1). It is interesting to look at the revenues in the period of crisis. We can see a growth of revenue even then, by 10 percent in 2010, as compared with lower percentages of the earlier years (Table 1).

The changes in the field of employment in the sector are also very informative. As a result of the rapid growth of the sector, 65 thousand organizations (Table 1) employed three times as many people in 2010, as in 1993. From 2009 to 2010, employment grew by 9.2 percent, so it is now 143 thousand. About 100 thousand people have a full time job in the sector. Volunteers' number is approximately 418 thousand.

However, we cannot say that these phenomena, which were emphasized in the case of Hungary, are unique and that they could be explained through the comparably short time of the development of the nonprofit sector in

Table 1 Number of Nonprofit Organizations and Their Contribution to the Hungarian GDP (2005–2010)

(1)	(2)	(3)	(4)	(5)	(6)
2005	56694	100.0%	854755.1	100.0%	3.88%
2006	58242	102.7%	896244.1	104.9%	3.79%
2007	62407	110.1%	964309.0	112.8%	3.86%
2008	64925	114.5%	1093694.2	128.0%	4.12%
2009	66145	116.7%	1114404.2	130.4%	4.35%
2010	64987	114.6%	1202255.0	140.7%	4.52%

Notes Column headings are as follows: (1) year, (2) number of organizations, (3) change in the number of organizations, (4) total revenue (mio HUF), (5) change in revenue/income, (6) total revenue/GDP. 1 euro = approx. 290 HUF. Adapted from Központi Statisztikai Hivatal (2012, pp. 251–252, 278–279).

Table 2 Change of Employment (%) in the For-Profit and in the Nonprofit Sector in the USA (2000–2010)

Sector	2000 –2001	2001 –2002	2002 –2003	2003 –2004	2004 –2005	2005 –2006	2006 –2007	2007 –2008	2008 –2009	2009 –2010
Forprofit	–1,0	–1,9	–0,3	1,3	2,0	1,9	1,0	–1,1	–6,2	–0,9
Nonprofit	3,3	2,8	1,6	1,8	1,9	2,2	2,5	2,6	1,2	0,8

Notes Adapted from Salamon (2012, pp. 5–6).

Hungary. If we look at the flagship of the third sector 'movement,' the USA, there were 2.3 million nonprofit organisations in the USA in 2010, which shows an increase of 24 percent in the period from 2000 to 2010 (Blackwood, Roeger, & Pettijohn, 2012, p. 2). We also see that between 2000 and 2010, nonprofit employment rates grew in each field of activity, while the for-profit sector showed decreasing employment rates (Table 2). These estimations of Salamon, Sokolowski, and Geller (2012, p. 6) are based on data from the US Bureau of Labour Statistics' Quarterly Census of Employment and wages, and show that this trend also continued in the years of the economic crisis (see data for 2007–2010). According to the Nonprofit Employment Trends Survey (2012, p. 3), more than 40 percent of over 450 nonprofit organizations that responded to the survey increased the number of employees in 2011, and 43% of the surveyed organizations want to increase the number even in 2012. The nonprofit sector is the third largest employer in the United States with about 11 million employees (Salamon et al., 2012, p. 2). From the perspective of the USA, this has an enormous effect on the economy as a whole.

If we look at the sector globally, similar statements can be made. Salamon, Sokolowski, Haddock, and Tice (2013, p. 2) estimate that on the average, 7.4 percent of all employees are working in the nonprofit sector (13-country-average, based on Israel, Australia, Belgium, New Zealand,

United States, Japan, France, Norway, Portugal, Brazil, Kyrgyzstan, Czech Republic, Thailand). The sector's contribution to GDP is on average 4.5 percent (16-country average, the above mentioned countries + Canada, Mexico, Mozambique).

Cross-sectoral Co-operation and Competition as Drivers for Learning in Nonprofit Organizations

Nonprofit organizations are facing challenges and pressure to ensure the efficient use of their resources, and to meet the demands of providing more high quality services and better performance. Greater emphasis is on demonstrating the effectiveness and efficiency in the sector, and all this in times when *obtaining funding is getting harder:* a trend that can be observed for nearly a decade now.

The *competition* from business and public sector organizations, and also from other nonprofit sector organizations – as formulated by Ryan (1999) – has been growing for a decade and a half. Carman (2009) and also Carroll and Stater (2009) stress that nonprofits also have to follow growing accounting, auditing, and reporting requirements. We can argue that they need to show accountability and meet performance requirements if they want to receive financial support from public or private donors. We could also argue, however, that not only competition challenges nonprofit organizations but also *collaboration,* alliance, and partnership as articulated by Chen and Graddy (2010) and also by Hesselbein (2004). The cooperation between business and nonprofit sector can be beneficial for the participating organizations. Hickman (2004, pp. 153–154) presents the results of the Business for Social Responsibility (2003) survey, according to which – as an outcome of cooperation – the *capacity* in a nonprofit organization can improve (employee skills and training), employee teamwork can improve, employee leadership skills can further develop (followers become leaders), more innovative work structures (organizational structures) are developed, employee morale improves, retention, attendance, and performance get better, new improved relationships develop between the organization and the external community or society.

All these data prove that the economic weight of the sector is continuously growing. Salamon (2012) also emphasizes that this is the result of increased revenue from *business operations* (fees for services, investments, sales of products). The growing economic importance also proves that the sector's organizations can flexibly react to the challenges of the environment, and that they are using the opportunity to sell their services and products to customers that need their services and are also able to pay for it.

The tendencies shown in this section of the paper explain why we look

at the motions within the sector more carefully in the following sections of the paper.

Disappearing Boundaries between the Sectors of National Economy

A New Mindset Penetrating the Nonprofit Sector

We should add another worldwide phenomenon to the above mentioned factors, precisely that organizations of different sectors show a growing number of similar features (Epstein & McFarlen, 2011; Dobrai & Farkas, 2010; Anheier, 2009). Business sector organizations show more social responsibility, while the organizations of the nonprofit sector are getting similar to the organizations of the business sector. The numerous similarities between nonprofit and business sector organizations make experts coming from the business sector very useful for the nonprofit sector organizations (Epstein & McFarlen, 2011; Beck, Lengnick-Hall, & Lengnick-Hall, 2008); they are the carriers and transferors of business knowledge.

It is characteristic of the nonprofit sector that it is implementing management knowledge and practices, and developing specific nonprofit managerial knowledge. From this perspective, managerialism, professionalization, and hybridization are important processes.

For most people, the word management even nowadays means 'business management.' However, Ridder et al. (2012) and also Meyer and Leitner (2011) emphasize that nonprofit organizations also need to learn how to use *management as their tool* for successful operation. Agard (2010), Cutler and Waine (2000), Salipante and Aram (2003), and Maier and Meyer (2011) draw attention to a new approach, which is observable in the nonprofit theory and practice, the so called nonprofit managerialism. Managerialism is a mindset and behaviour and has its origins in the business sector, but as time passed it has found its way into the nonprofit sector.

The organizations of the sector increasingly participate in commercial ventures. Hence, their income comes not from memberships, but from sales for the commercial market. This develops the entrepreneurial mindset in these organizations. In relation to this, Salamon (2012) addresses the issue that these organizations provide work instead of service, and this leads to the emergence of various types of social enterprises. However, the most interesting is possibly the fact that the driver of the *entrepreneurial activity* is not the goal of revenue generation, but the fulfilment of the organization's fundamental charity mission. Nonprofit organizations use their revenue for a variety of goals, such as financing the programs of their mission or to cover operational costs.

We agree with what Austin (1998) stated, namely that *effective management* of nonprofit organizations requires special competencies, which can be ensured by people coming from the business sector. The board partici-

pation of business people brings their expertise to the nonprofits and helps develop their managerial and business mindset. The influence of managerialism affects not only the management level, but also results in a growing efficiency of organizational functions, namely in the changes of these functions and in changing activities.

It is a well known fact that in their everyday operations, nonprofit organizations traditionally depend on the contribution of volunteers and also on donations to a great extent, otherwise it would be hard for them to fulfil the organization's mission and deliver higher level service to the target group (Langer & Schröer, 2011). A phenomenon regarding this is that managerialism negatively influences voluntary work, consequently, the role of volunteers in the sector decreases.

Hannum et al. (2011) and Hesselbein (2004) draw attention to the changes in the leadership models of nonprofit organizations, which have occurred lately. These enormous challenges require learning and development of the nonprofit organizations. Such factors, which make learning for the nonprofits necessary (Hannum et al., 2011), are the commitment and the need to operate under new types of leaders. Another difficulty is to become increasingly diversified. Of course, organizational contingencies influence the decisions regarding the solutions (Brown & Guo, 2010; Epstein & McFarlen, 2011), managerial or governance tools (Bradshaw, 2009; Ridder et al., 2012; Kreutzer, 2009) that should be adopted by the nonprofit organizations.

The Emergence of Hybrid Organizations

Traditional methods are not sufficient to describe third sector organizations. Markström and Karlsson (2012) see the causes in the blurring of the boundaries between organizations of public, private and nonprofit sector. One sign of this trend is the emergence of hybrid organizations or organizations with mixed-structure.

We have to consider hybrid organizations as the organizations possessing the characteristics of organizations of more than one sector. They can be *hybrid organizations* regarding their organizational structure, where different structures co-exist in the same organization. Not only form but also solution combinations can be viewed as *hybridization.* Markström and Karlsson (2012) stress the advantage of the hybrid forms in their feature that they allow the nonprofit organizations to access strong and powerful unions, social networks, and structures, which are formalized and professionalized. It is not simply a mixture of the characteristics of different sectors but, as seen by Billis (2010), this also means using different governance and operational methods and techniques. There is a variety of organizational and legal forms existing parallel to each other such as community interest companies, so-

cial enterprises, partnerships etc. Regarding this situation, Hasenfeld and Gidron (2005) show that hybrid organizations combine the characteristics of social movements, volunteer-run associations, and nonprofit service organizations. They also argue that third sector organizations are *dynamic* entities, so the individual organization can change during its whole existence. This same feature is addressed by Salamon (2012) emphasizing the resilience as a determining feature of nonprofit sector organizations; for which we can find proof all over the world.

Professionalization of the Sector

In connection with an increasing degree of the usage of management techniques and management tools, one of the current issues discussed in nonprofit research is *professionalization* (Maier & Meyer, 2011). This means striving for more efficient structures, more efficient operation (Mannsky & Siebart, 2010). According to various research findings, influencing factors of professionalization can be found in the operations of the nonprofit organization (Mannsky & Siebart, 2010), in the increasing level and amount of expertise within the organization (Hwang & Powell, 2009; Dobrai & Farkas, 2008), and in adopting managerial tools (Maier & Meyer, 2011). It is commonplace that professionalization goes along with hiring full time, paid staff, which traditionally is not a common phenomenon in nonprofit organizations. Professionalization brings expert knowledge not only in the functional fields of the organization, but also in the leadership positions. Performance orientation is consequently improving and leads to the development of organizational competences, building capacity, and facilitation of their realization. As professionalization, we understand the process of becoming professional; the fulfilment of both organisation-related tasks, and internal and external services with expertise and excellence.

By looking at the trends that have been described in the previous chapters – no matter if we talk about co-operation, managerialism, or hybridization – we have to consider the fact that these are important forces, which drive the nonprofit organizations in the direction of more professional operations. They choose the ways that support them in their learning and development processes, and in developing knowledge and skills facilitating their professionalization process.

Organizational Development and Capacity Building

Cummings and Worley (2008, p. 752) consider organization development (OD) to be 'the system-wide application and transfer of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness.'

Buchanan and Boddy (cited by Senior, 2002, p. 302), describe organizational development by using similar aspects; however, they also emphasize that it is goal- and process-oriented – resulting in improved organizational *capacity:*

- It deals with change over medium to long term, that is, change which needs to be sustained over a significant period of time.
- It involves the organization as a whole, as well as its parts.
- It is participative, drawing on the theory and practices of the behavioural sciences.
- It has top management support and involvement.
- It involves a facilitator who takes on the role of a change agent.

It is a well known fact that organizational development is an important tool of leading change in organizations. It includes everything concerning the organization, such as organization culture, leadership and management, strategy and structure, productivity and performance, systems and processes, creation and reinforcement of change, innovation, problem solving, people (teams), workplace relationships, group dynamics, work design, technology etc. OD views organization as a complex system.

According to our understanding, organization development is a top-down approach involving the whole organization that aims to increase the efficiency and the lifecycle of an organization though structured actions. We define *an organisational development program* for the nonprofit sector as an organized (national, regional, sector-specific) program that is carried out and fulfilled within professional framework that ensures targeted organizational development in the nonprofit sector and in its organisations.

One more characteristic of OD should be emphasized, namely that OD is an ongoing process in a changing environment. Its aim is to develop skills and knowledge of the organization members and to build organizational capacity. McKinsey (2001) emphasises that each element of the capacity building is important for the success of the organization (among others, also organizational development). Also, the European Union has acknowledged the importance of *capacity building* of nonprofit organizations. A research conducted by the European Foundation Centre (EFC) (Carrington, 2008) looks for the factors that help improve the effectiveness and the quality of the work of nonprofit foundations. Based on 100 interviews, the study initiated by the EFC Capacity Building Committee, identifies the tasks, roles, and priorities that help these foundations in the improvement of capacity building, which is: 'Actions that improve effectiveness – the process of strengthening an organization (and the people within) to enhance skills, knowledge and confidence.' (Carrington, 2008, p. 3.) This short definition

sums up the most relevant aspects that we principally consider when talking about the professionalization of the nonprofit sector organizations, and it also helps us fit the organization development approach in the research trends focusing on the professionalization of the nonprofit sector.

Evidence from the Practice

Aim and Participants of the Empirical Research

The importance of meeting the demands of nonprofits for development found response in the organization development program that was offered to the nonprofit organizations in two counties of the Southern Transdanubian region of Hungary (Table 3), namely in Baranya and Somogy. The aim of the program was to enable the nonprofit organizations to consciously influence the factors that impact their situation and to consciously meet the expectations towards them. Furthermore, the program helped these organizations with choosing the right management tools necessary and appropriate for their progress.

The research was conducted and coordinated by the House of Civic Communities, an umbrella organization that focuses on providing all kinds of professional services to help other nonprofit organizations. Documents of and about the program's details and the list of participating organizations were provided by this organization. The pilot project with the aim to study the professionalization and knowledge management features of the Hungarian nonprofit organizations was based on this program.

Table 3 shows the number of nonprofit organizations in the surveyed regions. From these organizations, a total of 58 organizations completed the complex organizational development program. The participating organizations were the target of our online survey. The organizations included in our analysis were mostly associations and foundations, the two main types of nonprofit organizations in Hungary: 70 percent of them were associations, one quarter were foundations. This structure corresponds fairly well with the structure of the nonprofit sector of this region, where most nonprofit organizations are operating in the form of associations (Table 3).

Research Process

The collection of the data used in our research took place in 2011–2012. A *questionnaire* consisting of 18 questions, most of them with 5–8 subquestions, was developed. It consisted of questions with a 7 point ranking scale and also several open-ended questions.

An e-mail containing the link to an online questionnaire was sent to 58 participants of the organizational development programme, 33 questionnaires were returned and analyzed. Later on 10 additional questionnaires

Table 3   Number of Nonprofit Organizations in the Surveyed Region
(Southern Transdanubia)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2005	1726	236	3357	77	81	238	146	17
2009	1863	226	4136	49	90	254	206	10
2010	1841	216	4119	44	79	226	209	11

Notes   Column headings are as follows: (1) year, (2) private foundation, (3) public fundation, (4) association, (5) chamber, (6) labor union, (7) professional organisation, (8) public benefit organisation, (9) other. 1 euro = approx. 290 HUF. Adapted from Központi Statisztikai Hivatal (2012, p. 205–210).

were filled out by the representatives of organizations that hadn't partici-pated in this particular OD programme. Since this was an online survey, the results (statistical analysis) were generated by the online program. We anal-ysed only those survey questions that provided general information about the organizational development program, about its main objective and the outcome of the research, general expectations and outcomes, indepen-dently from activity field or size of the organization; namely the following questions:

- *Question 3.* Name the most important areas of your interest where you expected to gain new knowledge in the framework of organization development program.
- *Question 4.* In your opinion, how well did the organizational develop-ment program satisfy your expectations that after finishing the pro-gram you will be able to meet the following challenges your organi-zation is facing: to participate in national and regional cooperation, learn principles of organizational and service management, learn the methods of fund raising and financial management, be able to write projects and execute them, and be able to deliver quality services.

In order to have a more complete picture about the organizations and the sector, the authors of this paper took 37 interviews in the summer and autumn of 2012. The aim of the semi-structured interviews was to get the information that completes the data received from the questionnaire. It involved the learning and development needs, and actions of the organiza-tions during their whole existence. The information from the questionnaire and the interviews was used to do the necessary alterations for the country-wide research.

Findings and Evaluation of the Pilot Project

For such research it is always relevant to compare the expectations and the outcomes from the perspective of the organizations involved, to learn

Table 4 Expectations of the Participating Organizations

Development needs of the surveyed organizations	Percentage
Improving fundraising techniques	76%
Communication development	67%
Cooperation development	64%
Financial management	55%
Public relations	48%
Volunteer development	45%
Project planning and management	23%
Conflict management	21%
Administrative activities, documentation, accounting	11%
Other (during the disagnosis arising, not foreseen development tasks)	9%
Nonprofit marketing	1%

why the participating organizations wanted to do this project. The authors did the same in the framework of the examined pilot project. Based on the document (application) analysis of the participating organizations, the two questions (concerning the general expectations and the outcomes) and the interviews in connection with the same issues, we summed up the results of the pilot survey in order to answer the research questions.

Expectations of and Tailored Solutions for the Organizations

In accordance with the above articulated development needs of the non-profit sector organizations, the complex organizational development program was supposed to have long term impacts on the involved organizations. Such a program is able to prepare the participants for more stabile operations, helps the strengthening and deepening of inter-organizational cooperation, cooperation between the sectors, decreases the inequalities between the city and the country, improves their information and communication infrastructure, improves experience in the field of activities (particularly those in connection with writing applications and successful projects accomplishment). Through all this, it is able to ensure long lasting existence of the involved organizations.

According to the results of the survey that was conducted by the authors of the present paper, it has been proven that the program, which contained training and development facilitating teamwork and organization-specific programs was very useful for the participating organizations. This can be explained through the fact that they offered not only general programs that fitted all of the participating organizations (foundation nonprofit knowledge, financial issues in nonprofit organizations, human resource management in nonprofit organizations, developing partnerships between organizations and sectors, improvement of organizational activities of the services, op-

erational issues of nonprofit organizations etc.), but also programs which were tailored to the special needs of different organizations.

By covering an extremely broad variety of development fields, they helped the participants learn and improve their skills and knowledge, and to become more professional in their service.

Lessons Learned from the Research

From the perspective of the demands generated by existing knowledge, the organizations have a *constant learning need* they are experiencing in their everyday routines. Most of them need different kinds of funding to be able to participate in the formal development. Many organizations are lacking financial knowledge and skills.

The participating organizations value both *formal and informal learning.* They often use umbrella organizations to satisfy their need for expertise in a special field. A lot of the nonprofits acquire skills and expertise by carrying out tasks themselves. Projects seem to be very beneficial for them. A very efficient way of learning is networking, which enables easy access of information.

Organizational development has special values for the participating nonprofits, because the OD programs contained also programs that were tailored to the specific needs of the individual organizations. Each organization, no matter the level of its professionalization, could gain new knowledge. These programs were very important because of an organizational diagnosis, which helped them identify their strengths and weaknesses and consequently develop and build capacity.

We can learn *from both desk and our own empirical research* that nonprofit organizations must turn to managerial tools if they want to find the right responses to the challenges of their operational environment. There is a need to become institutionalized and to adjust the existing organizational structures to the *changing expectations.* Among others, mixed forms, networks, communities can be viewed as more efficient structures. The implementation of these new forms goes along with a learning pressure for the nonprofit organizations, or with pursuing the aim of knowledge sharing for the sake of the nonprofits and the communities that they serve.

Implementing managerial techniques, finding better and newer solutions to problems, and improving the organizational processes help nonprofits with their capacity building. Focusing on the knowledge-related processes in their operations, learning, personal and organizational development and developing learning-friendly culture (where expertise and creativity, skills, knowledge and competences are valued) is among the prerequisites of becoming a professional organization.

Findings of the desk and field research are compiled in the model in

Table 5 Enablers of the NPO-professionalization

Structures	Processes	People
More efficient structures	Implementing managerial techniques	Professional knowledge in functional areas
Organization design	More efficient operations	Expertise
Hybrid organizations	Adapting new and better solutions	Professional management/leadership
Lean structure	Standardization	Improved competences
Blurry/fuzzy boundaries	Learning	Increased qualification level of leaders
Networks	Knowledge sharing	Skills
Partnerships	Co-operations	Learning culture
Knowledge communities	Capacity building	Professional volunteers
Projects/teams	Organization development	Human capacity

Table 5, which shows the three main pillars of professionalization of the sector's organizations.

General Statements About the Research

We can learn *from both desk and our own empirical research* that nonprofit organizations must turn to the managerial tools if they want to find the right responses to the challenges of their operational environment. There is a need to become institutionalized and to adjust the existing organizational structures to the *changing expectations.* Among others, mixed forms, networks, communities can be viewed as more efficient structures. The implementation of these new forms goes along with a learning pressure for the nonprofit organizations, or with pursuing the aim of knowledge sharing in interest of the nonprofits and the communities that they serve.

Implementing the managerial techniques, finding better and newer solutions to problems, improving the organizational processes, help nonprofits with their capacity building. Focusing on knowledge-related processes in their operations, learning, personal and organizational development and developing learning-friendly culture (where expertise and creativity, skills, knowledge and competences are valued) is among the prerequisites of becoming a professional organization.

The *application documents, the survey and interview results* showed that there was a large *scale of drivers* for participating in the project. The differences in age, size, and the current development level of the organizations influenced how they formulated their expectations; this proved a different level of expertise and also a difference in the professional background of the participants (the beneficiaries) of the project. However, we can agree that they all recognized the importance of the learning and development

need in order to ensure the sustainable existence of their own organization. Also, the contingency factors such as location, activity field, lack of operation resources, lack of info-communications technology, lack of application experiences, dependence of revenues on governmental (central) sources, and other characteristics of different organizations found their manifestation in the large variety of priorities (Table 4).

A *common feature* that could be observed was that they needed to acquire and develop the managerial skills and knowledge; that they wanted and had to develop their performance, and increase the quality of their service; that they were lacking the financial knowledge they would need for their everyday operations. They also needed to develop their cooperation and partnership with other organizations; moreover, they had to improve their skills in the field of team work and nonprofit specific activities such as fund raising. These findings correspond completely with the results of several earlier research projects (Henriksen et al., 2012; Dobrai & Farkas, 2008, 2010; Billis, 2010; Millesen et al, 2010; Neville & Murray, 2008).

Limitations and Future Perspectives of the Research

The sample of the studied organizations cannot be viewed as representative for the whole country due to the limited number of the surveyed organizations and limited geographic area. This is why it is not relevant for the research to go into more detailed description of the participating organizations and give more detailed analysis of their characteristics (mission, number of personnel, extent of activity) at this stage. However, the regularity of the answers collected during the pilot project may become representative for the sector.

The experiences are now being used in the large sample research that includes each county of Hungary, with a large number of representatives of organizations from different fields of activity. The proper differentiation of organizations caring for old and disabled, those who are delivering services in the field of health, sport and recreation, education, or advocacy and other activities will be possible.

Conclusion

The paper gives a critical overview of a variety of issues in connection with the professionalization in the nonprofit sector. Focus is on the use of soft tools of change, such as organizational development.

The phenomena that have been described in the first part of the paper are important forces, which drive the nonprofit organizations in the direction of increasing efficiency and effectiveness of operations, more conscious operations, improving service quality, and providing more professional operations. If we look at the nonprofit organizations from this perspective, we can

state that, as a consequence of the changes in their external environments, they have to learn constantly.

As a summary of the empirical research, it can be stated that organization development programs for nonprofit organizations offer great opportunities for them to build capacity, acquire new knowledge, learn new methods, develop capabilities; and by using those improve their organization and ensure their long-term existence. This was proven by the presented analysis of the pilot project of a greater empirical research.

The lessons of the project can be useful not only for other nonprofits in Hungary but also in other countries. If we consider that many aspects addressed in the present paper are mainstream areas, we can say the perspective of organizational development fits well in these trends and adds to the research in the field of professionalization of the nonprofit organizations.

The findings also suggest that, based on the lessons learned from the pilot project, a modified questionnaire will help the researchers expand the areas of research both geographically (to include all the regions of the country into the survey) and on as many fields of activity as possible, and would consequently give a reliable picture of the country's nonprofit sector. Because of the increased interest in the issue, and the model developed as a result of the desk research and the pilot project, we can assume that a deeper international comparison would also be possible. Furthermore, the decreasing independency of nonprofit organizations, as a new element of the professionalization, deserves deeper analysis.

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Learning through Learning: Experiential Resonance in an Online Management Course

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Experiential resonance is a pedagogic approach that allows learners to gain a deeper understanding of the subject matter theory by using that theory directly in the structure, dynamics, and learning spaces of the course. Learners informed about the application of course theory are asked to reflect on its use. In this preliminary study, management principles were embedded in the learning spaces of two online distance learning management courses. A post-course survey, although statistically limited because of the sample size, showed strong learner agreement that management theory had been a resonant theme in the learning experiences and that its uses had been beneficial.

Keywords: authenticity; critical reflection; double-loop learning; experiential learning; knowledge; learning spaces; management; online distance learning

In all teaching and learning environments – whether conducted in traditional face-to-face or online distance modalities – a primary objective is creating learning spaces in which productive learning can take place. At a macro level, especially in traditional campus-based teaching, the learning space begins with a physical setting and architectural design that invites and sustains learner participation and engagement (Oblinger, 2006). Subsequently, learners create their own unique interior spaces in which personal learning occurs. For all students, significant learning does not take place in formally designated places (Cross, 2007): it takes place in informally designed locations, and for online distance learners it takes place in a virtual learning environment (Johnson & Lomas, 2005; Thomas, 2010). The task of the online distance learning instructor is to create learning spaces that provide learners with optimal benefits and facilitate their learning experiences.

There has been a significant move towards distance learning (Allen & Seaman, 2011), although its origins – in the form of print-media and correspondence schools – date back more than 150 years (Schulte, 2011). In the present generation of distance learning, Web 2.0 and online technology – using synchronous or asynchronous platforms – have been widely employed (Taylor, 2001). Some online distance learning courses are preconstructed by instructional designers; however, most courses allow instructors considerable opportunities to design and facilitate their individualized

learning spaces. In designing them, the most widely used pedagogical approach is constructivism (Anderson & Dron, 2011). Constructivist pedagogies understand that knowledge is not passively transmitted, but actively assembled by the learner in an interactive social environment (Cakir, 2008; Jonassen, Marra, & Palmer, 2002; Richardson, 2003). Constructivist pedagogies challenge the online course designer/facilitators to create learning spaces within which new and useful knowledge can be created and co-created through learner interaction.

This article considers a learning space in which significant and authentic learning could occur. The learning experience was an online distance course in Management and Organizational Design, offered by an accredited American university. Course participants were adult learners, who were either active service members of the US military or military dependents. In designing and facilitating the learning experience, it was recognized that participants had accumulated considerable experience of management and organizational settings. This provided a valuable resource and it was considered important to encourage and support the participants to reflect on their work experience in light of the theory taught in the course. This suggested purposefully embedding a management framework – with elements such as planning, organizing, communicating, and leading – into the design and dynamics of the course. It was thought that such a framework would provide an opportunity for the participants to appreciate that the course was conducted in a manner that reflected the theory studied. It was hoped that this appreciation would lead to a deeper understanding of the theory and to a sense that learning was authentically grounded in a real-world application of that theory. This approach – where course dynamics mirror the underlying theory of the subject matter – is referred to in this article as 'experiential resonance.'

The first section of the article begins with a consideration of the theoretical underpinnings of experiential resonance and a discussion of why such an approach might enhance learning. The second section describes the research context and methodology used to determine the extent to which experiential resonance was effective in contributing to a significant and authentic learning experience. The third section discusses results obtained and is followed by a discussion and the limits of the study. It is important to recognize that this is a preliminary exploration of experiential resonance and that the sample size and methodology limit the overall reliability, validity, and generalizability of the findings; nevertheless, it is hoped that the findings will provide a basis for future research initiatives. The concluding section explores the situations where experiential learning might be implemented, suggests the areas for the continuing development of the approach, and considers future research possibilities.

Experiential Resonance: Theoretical Framework and Literature Review

Experiential resonance (Starr-Glass, 2011) is a pedagogic strategy that is embedded in the design and facilitation of an online distance learning course. Course design, and the way in which the instructor facilitates the course, mirrors the core theoretical issues presented in the subject matter. The object is to provide a resonance between the learner's experiences of taking the course and the subject matter explored. Experiential resonance connects the learning experience with applied principles and concepts derived from the course subject matter. For instance, in Management and Organizational Design the learning objectives include the functions of management and the ways in which organizational design impacts the managerial process.

In using experiential resonance, key principles of management behaviour are employed in designing and facilitating the learning space. In implementing experiential resonance within a Management and Organizational Design course, the instructor would select learning activities, monitor learning goals, provide goal-centred communication, employ motivation, and use leadership in ways that mirror management theory.

Learners might not be initially aware of this mirroring. When resonance is explained to them, however, they can be asked to reflect on their experiences. They can be asked to consider how the course was organized and facilitated. They can also be asked to examine their experiential involvement in the course in light of the management principles, trying to see whether theory was applied and discernible in their learning engagement. Encouraging learners to reflect on actual experience – seen through a new awareness of management theory employed – may lead to a greater appreciation of the relevancy and applicability of the theoretical issues raised.

Pedagogically, experiential resonance draws on a number of distinct but related approaches: experiential learning, double-loop learning, theories-in-action, critical reflection, and authenticity. In order to appreciate the usefulness of experiential resonance, these different learning approaches are briefly reviewed.

Experiential Learning

David Kolb (1984) defined experiential learning as an on-going learning experience in which 'knowledge is created through the transformation of experience' (p. 38). Kolb's work was deeply influenced by the writing of John Dewey (1938) and reflected Dewey's approach to the learning process: learning is not an exclusively interior process of cognition, but requires contact with, and adaptation to, an external world. Learning was understood as a continuous process involving four phases: engagement in concrete experience, reflection on that experience, abstract conceptualization based on

reflection, and active experimentation that tests the abstract model by a new engagement in concrete experiences of the world.

Cantor (1995) found that the potential value of experiential learning lay in activities 'that engage the learner directly in the phenomena being studied' (p. 1). Direct experience leads to reflection, reappraisal, and a growing awareness that manifestations of the subject matter exist beyond the specific learning context. Alice and David Kolb (2005), noted 'primary focus should be on engaging students in a process that best enhances their learning – a process that includes feedback on the effectiveness of their learning efforts [. . .] a holistic process of adaptation to the world' (p. 194). Kolb's work has provided significant ways of looking at the process of learning and its connection with incursions into the learner's world (Bergsteiner, Avery, & Neumann, 2010; Fenwick, 2001). His insights have been particularly important to practitioners, and experiential learning has been vigorously advocated in many areas of higher education, including business and management education (Hagan, 2012; McHann & Frost, 2010).

Double-Loop Learning

Argyris and Schön (1974, 1996), considering the manner in which organizational learning took place, distinguished between single- and double-loop learning. In single-loop learning a problem is detected and dealt with. If the problem subsequently re-appears, it is again dealt with the use of experience gained in the first encounter. Learning is developed in recognizing the problem and in applying past experience in resolving it; however, the learning loop is 'single' in that it focuses on the reality of the present problem. A deeper approach involves not focusing on the isolated problem, but connecting it with a broader context and seeking other explanations and more fundamental loops of causation.

The analogy most often cited is of a thermostat. The room is too hot and a single-loop action strategy calls for opening the window. This is effective, and the room is quickly restored to the desired temperature. Single-loop learning focuses on the temperature rise and provides effective solutions – which might be described as first-order changes – such as opening windows. Actionable strategies may well be effective, but they are restricted to currently known conditions and causations: *adaption.* If, however, the temperature in the room continues to increase despite multiple single-loop interventions, then those in the room might explore second-loop action strategies. These involve looking beyond the phenomenon encountered (increased temperature). In this case, those in the room become aware that there is an air-conditioner and that its thermostat is set too high. Changing the thermostat setting will result in a permanent solution, which keeps the room at the desired temperature without the periodic opening of windows. Double-

loop learning moves beyond the immediate locus of the problem, looks for connections and drivers, and suggests new strategies that address the fundamental relationships and causal chains. In dealing with organizational problems, double-loop learning leads 'to second-order change and transformation [...] to a paradigm shift, to a change in the fundamental governing values that define the institution' (Tagg, 2010, p. 54). Double-loop learning recognizes deeper change issues that are masked or obscured by single-loop expediencies. Rather than seeking adaption, double-loop solutions can be regarded as a learning process predicated on *innovative disruption.*

Originally advocated as a strategy for bringing about paradigm-shifts in organizations, double-loop learning is also a significant learning approach for the individual (Tagg, 2007, 2008). Learners moving from single- to double-loop approaches begin to question their theories-of-action. Learners may claim to hold a general 'espoused-theory' that they have learned; however, when actually confronted with problems, they consistently use a more limited and specific 'theory-in-use' (Argyris, 1976). Both theories lead to appropriate solution, but one consists of opening windows even when it is 'known' that the preferred solution might involve readjusting thermostats. For example, many learners correctly espouse central theories in management and in social work; however, when confronted with real-world situations they fail to appreciate how the espoused theory could be applied and instead resort to their own theories-in-use (Annan, Bowler, Mentis, & Somerville, 2011; Savaya & Gardner, 2012). These learners do not reject espoused-theory. They are perfectly well aware of it, but they simply do not make a cognitive connection between its abstraction and applicability.

Theories-of-action and double-loop strategies have been widely used in higher education teaching (Freeman & Knight, 2011; Todd, Bannister, & Clegg, 2004). Experiential resonance encourages learners to engage in double-loop thinking and challenge their personal theories-in-action. In doing so, experiential resonance seeks to reposition the learning process from a surface learning activity – where theories are learned and satisfactorily reproduced at examinations – to a deep learning activity. In deep learning, subject matter theories encountered by learners are recognized as relevant, applicable, and capable of explaining real-world situations and actual learner experience (Biggs, 1999; Prosser & Trigwell, 1998).

Critical Reflection

Donald Schön (1983, 1987) encouraged practitioners – and those wishing to apply their knowledge generally – to critically reflect on the outcomes of their work. Reflective practice allows the opportunity 'to experience surprise, puzzlement, or confusion in a situation, which he finds uncertain or

unique [. . .] [consider] the phenomenon before him, and on the prior understandings which have been implicit in his behaviour' (Schön, 1983, p. 68). In a similar manner, Conrad and Donaldson (2004) argued that critical reflection 'can provide insight for instructors on their teaching and for the students in their learning' (p. 73). Many consider that reflective practice is a necessary and valuable counter-balance to teaching subject areas such as management, in which rationality and evidence-based approaches are espoused: reflective practice accentuates the ambiguity and complexity of real experience (Saltiel, 2006).

Boud, Keogh, and Walker (1985) understood reflective practice as a conscious process allowing teachers and learners to reconsider learning activities. Indeed, reflective practice has been used successfully in that regard in online distance learning environments (Glowacki-Dudka & Michelle, 2007). A reflective approach has also been particularly influential in many different communities of professional practice, and it has been advocated as a means of exploring the scholarship of teaching and learning (SoTL) in higher education (Duarte, 2007; Tsang, 2009). Conscious and critical reflection is valuable for faculty and instructors; however, it is also beneficial for students and their attempts create and refine knowledge. Correia and Bleicher (2008) have noted that critical reflection stimulates connection-building between theories learned and actions taken, because it 'helps students make stronger connections between theoretical perspectives and practice [. . .] [assists] students in making sense of their learning experience' (p. 41).

Consistent with critical reflection, experiential resonance alerts learners to the relationship between the subject matter and its expression in the learning space. It triggers learners to reflect on the different way in which theory has been encountered and encourages them to consider different ways of knowing theory and connecting it to real experience.

Authentic Learning

Fink (2003) affirmed that significant learning takes place when learners are changed by their experience and that there must be 'some kind of lasting change that is important in terms of the learner's life' (p. 30). Significant learning suggests that learners arrive at a different way of appreciating subject matter and have been personally changed by the encounter. Significant learning leads to critical reflection and re-evaluation. Learning activities that resonate with real-word concerns and prior experience recognize that learning is relevant and authentic (Andersson & Andersson, 2005; Cranton & Carusetta, 2004; Jordi, 2011). Recognizing that the object of learning is relevant and authentic is critical for the learner, particularly the adult learner. A demonstrated connection between theory and utility fosters higher motivation to learn, deeper engagement with subject mat-

ter, and better opportunities to integrate what is learned into the learner's world.

Authentic approaches to learning have been used extensively in higher education (Ma & Lee, 2012). They have been employed as a teaching practice to promote more genuine teacher-learner and teacher-discipline connections (Cranton, 2006; Kreber, 2007). Learners can be encouraged to connect their own desires and aspirations to what they learn and how they learn. There is also evidence that learners are inspired to on-going self-development in disciplinary areas if they recognize that their instructor not only understands the topic but is genuinely committed to it. As Palmer (1998) noted about his own teaching practice: 'no matter how technical my subject may be, the things I teach are things I care about – and what I care about helps define my selfhood' (p. 17).

In experiential resonance, the instructor is encouraged to design learning spaces that project – in a professionally assured and educationally relevant manner – an authentic concern for self, learners, and subject matter. For example, how can the learner confidently answer the question 'Why is learning this particular management theory important for me?' when the instructor seems disengaged from the theory that is being presented? If it seems that the subject matter is neither valued nor present in the professional life of the instructor, why should it be important or integrated into the learner's world?

The use of 'resonance' in experiential resonance is significant. Resonance implies that the structure and dynamics of the learning encounter respond to, and accentuate, themes in the subject explored. At a minimal level, resonance supports and exemplifies the dominant themes in a subtle, barely realized level. For example, in facilitation of a Management and Organizational Theory course, learning activities and asynchronous conference facilitation are attuned to managerial expressions: planning, effective communication, and motivational encouragement. Using a musical analogy, the way in which the online environment is facilitated picks up the management theory harmonics and resonates sympathetically with them.

If learners are told that experiential resonance has been employed in the course, they can then be asked to reflect on how they encountered and experienced that alignment. This requires a reappraisal of what was learned experientially, a consideration of double-loop possibilities, a critical reflection on experience, and an awareness of subject matter and instructor authenticity. During this process, the amplitude of the resonance between experience encountered and theory taught is expected to increase. Experiential resonance is an internal property of the online course, not its driving force. It is a way of producing an integrated learning space in which what was taught is in harmony with what was experienced.

Survey Methodology

The conceptual framework for experiential resonance has been considered. Based on this framework, two sections of a senior-level online management course were designed and facilitated using an experiential resonance in the winter semester of 2012. The question was whether this learning space provided utility for students. In the sixth week of the eight-week online course, participants were told that management theory had been used in designing and operating the online class. They were asked to consider this. In the final week of the course, they were invited to complete an online survey.

The survey was delivered to all course participants via the learning platform (Jansen, Corley, & Jansen, 2006). Participation was anonymous and voluntary. Participants were informed that survey completion would not impact their final grades. Sampling was opportunistic – limited to those readily accessible because of their course participation – and not random. Because of this restricted sampling approach, results cannot be generalized to the wider undergraduate population. The survey explored participant understanding of how management principles were reflected in course design and administration, and the degree to which they felt this had been beneficial. The survey used a five-point Likert scales (1 = strongly disagree; 5 = strongly agree). Questions asked had face validity, but no claims can be made regarding the reliability or validity of the survey instrument. This research was conducted with attention and concern for ethical issues in the selection and inclusion of participants, consent, anonymity, data collection, and data storage

Survey Findings

The number of participants in the two sections of the course totaled 40, all of whom were sent the survey. Thirty useable returns were collected, constituting a return rate of 75%. The survey was voluntary and those who had decided not to participate were neither re-contacted nor reminded. The responding group comprised 14 men and 16 women, which closely reflects the gender composition of the classes involved. Most participants had considerable prior online distance learning experience (average of 7.5 completed courses), although three had none. All respondents were either active US military service members or military dependents.

A summary of the findings in this initial exploratory study are set out in Table 1. The table shows the survey statements and participant responses as percentages on a five-point Likert scale. Modal values are shown in bold type. Generally, participants expressed strong positive agreement with the questions posed. Again, it should also be noted that the sample size is low and extrapolation or generalizability accordingly limited.

Table 1 Distribution of Five-Point Likert Responses to Survey Statements

Statement	1	2	3	4	5
Learning environment demonstrated good planning and clearly defined goals for learning expectations.				10	**90**
Feedback was timely and designed to keep you focused on these goals.				17	**83**
Learning activities directed towards learning goals.				20	**80**
Instructor used appropriate motivation to enforce these expectations.			7	7	**86**
Instructor demonstrated leadership skills in facilitating the learning experience.			4	13	**83**
Management *theory* should be used in designing and facilitating the course.			10	10	**80**
Management *instructors* should use management principles in facilitating online management courses.	3	3	24		**70**
I would have more confidence in a management instructor who actually applied management theory in the class.				20	**80**
Course facilitation caused me to reflect on my own management experience.			3	27	**70**
Instructor seemed to value my management experience.			3	27	**70**
Using management theory in course design and facilitation helped me.			3	27	**70**
Reflecting on prior experience was more helpful than textbook cases.		3	6	27	**64**

Notes 1 = strongly disagree; 5 = strongly agree. Numbers indicate percentage of responses ($n = 30$), with the modal value shown in bold type.

Additionally, while no request for comments was made on the survey instrument, several students added notes. These may serve to provide a qualitative aspect to the study:

- *Student A:* Overall, the environment in the class has been incredibly conductive to learning. The way the conferences are set up have allowed me to comment and participate in an open and stress free style, learning from other students, the course work, and from the professor.... the professor's involvement has been very positive throughout the course, giving individual feedback and positive reinforcement to individuals and to the class.

- *Student B:* Your approach to get other students to stay people active in the conferences was super effective. Maybe one day the rest of the instructors will figure it out.

- *Student C:* The instructor was clearly very knowledgeable and answered questions with a great deal of passion for his topic.

- *Student D:* I really have enjoyed the course. This class has allowed me to check and verify my management style with management theory.

- *Student E:* I felt that you had a realistic approach to our course, you

demonstrated exactly what you taught and that made it easier to understand how what we are learning will be useful in real life. Thank you for commitment to this course.

Discussion

Results, which are preliminary and tentative in nature, suggest that experiential resonance is a useful strategy for allowing learners to consider the subject matter that they have been studying. Students considered that the inclusion of management principles in the course design and facilitation was appropriate and not idiosyncratic. Reference to the subject matter theory in the course management seemed to provide confidence in the instructor and validate the participants' prior experiential learning. It allowed them to understand the structure and dynamics of the learning space in a different manner, a manner that demonstrated the applicability of the subject matter theory in real-world situations. In real-world situations, experiential encounters lead to useful insight; however, in the virtual world of online distance learning encounters are muted but just as real: 'in the most basic form, the online learning environment is just another physical environment: more complex than others, but a new space for teaching and learning' (Alexander & Boud, 2002, p. 4).

Experiential resonance recognizes these opportunities, and learners in this study also seemed to appreciate the existence of new dimensions for considering the theory they were studying. But a number of questions are raised: Can experiential resonance be incorporated in other online courses? What limitations might be encountered? How can experiential resonance assist instructors and learners, rather than confuse them?

- *Effective practice.* Online learning spaces present multiple opportunities for instructors and learners; however, the enthusiastic adoption of online distance learning modalities has not been matched by training novice faculty to appreciate or utilize these opportunities (Bonk & Zhang, 2008; Diaz & Bontenbal, 2000; Lloyd, Byrne, & McCoy, 2012). Training faculty in facilitating online distance learning environments often focuses on novelty and the perceived barriers of technology, rather than on pedagogy (Baran, Correia, & Thompson, 2011). It is critical that online distance learning spaces are constructed as appropriate and effective places in which learning can take place. Experiential resonance is not a separate learning theory, but it does actively connect the subject matter content and the instructor's disciplinary interest with the teaching/ learning process. Although experiential resonance relies on learning theory, it does not require the instructor to be familiar with this theory. As such, it might be a simple but useful option

for the novice online instructor, making a useful bridge between disciplinary theory and practice.

- *Teaching as well as learning.* Experiential resonance is suggested as a structural approach to building more effective online learning spaces. Instructor innovation, creativity, and responsibility extend beyond course design. A sense of instructor ownership and professional responsibility is increased by instructor-led explorations of learning and educational outcomes. Encouraging faculty to be actively involved in the issues of teaching and learning allows them to create innovative learning spaces and to evaluate their impact on the learning process (O'Brien, 2008). Experiential resonance – with its concern for both disciplinary and pedagogic theory – is a useful bridge for those not currently engaged in the scholarship of teaching and learning. Bringing pedagogy and disciplinary theories together may encourage faculty members to appreciate that instructors in online distance learning require competencies in both education *and* subject matter (Pecorino & Kincaid, 2007).

- *Promoting deep learning.* Experiential resonance provides a cohesive element to the structure and dynamics of an online course. It favors deep, rather than surface, learning. Deep learning is a pervasive desire in higher education, but for it to materialize 'we must devote ourselves to intentional rather than happenstance efforts to teach for deep student learning' (Smith & Colby, 2007, p. 9). Experiential resonance is a contributing aspect of the pedagogic strategies that inform the online course. It would be easy for a blinkered focus on experiential resonance to introduce unnecessary instructor-centred perspectives into the learning space, weakening learner-centred constructions of meaning.

- *Suiting some disciplines better than others.* Experiential resonance presents new opportunities, but its limitations have to be recognized. Some disciplines lend themselves more easily to incorporating theory directly in the strategic design and course dynamics: if there is a presumption of fit, experiential resonance might be useful. It is important that there is a natural alliance between the approach and the specific subject matter being presented, not an artificial and potentially dysfunctional mix. In management and business education, experiential resonance would seem to be possible for a number of courses: communication, cross-cultural management, motivation, and project management to name a few. The decision as to whether experiential resonance is employed should be carefully evaluated by the instructor. He, or she, needs to feel comfortable with the approach: seeing

it as adding value – rather than as being a distraction – and providing real opportunities for the learner.

This article has set out the theoretical framework and the case for experiential resonance, which is understood to be a novel teaching approach not been previously reported in the literature. By embedding relevant subject matter theory in the way in which the learning space is structured and facilitated, there is an attempt to produce learner experiences that resonate with the theories of the subject.

Learners, alerted to the approach, can consider their course experience and reflect on it regarding the value and applicability of the theory encountered. It is anticipated that this will prompt critical reflections on course experiences, promote double-loop learning, and develop as a sense of subject matter presented in an authentic manner. These opportunities provided in online distance learning spaces will undoubtedly be more attenuated than real-world encounters. Although attenuated, it is suggested that experiential resonance is sufficiently strong to provide learners with a direct connection between experience and theory and enhance learning.

The findings in this study indicate that an experiential approach allowed learners to reflect on their experience and understand it as an authentic application of theory. Findings also strongly suggest that learners found the experiential approach a legitimate approach to learning, providing a sense of involvement with an instructor authentically engaged. Experiential resonance can provide benefits by enhancing the richness of learning spaces and presenting opportunities for deep and reflective learning. It can also provide benefits for faculty by encouraging them to explore the dynamics of online distance learning, see the connection between disciplinary expertise and the art of teaching, and develop a more thoughtful approach to the educational process.

Limitations and Future Research

This initial survey is an exercise in proof-of-concept. Although findings suggest that such a proof exists, a number of considerations must be kept in mind. Hopefully, these reservations will be addressed in further research into the place and efficacy of the experiential resonance concept.

First, while the results are positive, the size of the experimental group surveyed places statistical limitations on the measures of reliability, validity, and generalizability. The study was considered tentative and preliminary, and more extensive work with a larger sample is called for. More extensive research – including more learners and perhaps different instructor approaches to experiential resonance – will hopefully increase the robustness and generalizability of results.

Second, the study used embedded management theory to create experiential resonance. Participants strongly agreed that this was both appropriate and beneficial; however, it might be argued that any well-organized and well-presented course should evidence management skills. Management is not a specific disciplinary area: it is a pervasive practice in the course design, educational presentations, and daily life. Thus, there remains some degree of ambiguity as to whether participants in this study understood 'management' in terms of a specific body of espoused theory, or in a more generalized way. In other contexts, approaches similar to experiential resonance have been used in management instruction. For instance, Goal-Setting Theory (a motivation theory) has been purposefully embedded in an undergraduate distance learning course dealing with motivation in the workplace (Latham & Pinder, 2005; Locke & Latham, 1990; Mitchell & Daniels, 2003). Learners, when informed of the embedded theory, were able to identify the specific teaching strategies used and successfully named the motivational theory-in-action. This suggests it may be useful to differentiate between a specific 'resonance' and background noise – such as general approaches to management and motivation – by embedding a more distinctive theory in the course and have learners explicitly indicate how they identified it in the course facilitation (Starr-Glass, 2011).

Third, further research is required to explore the different subject areas, both within and beyond the business curriculum, where an experiential resonance approach might be beneficial. Although experiential resonance seems natural in a management course – something with which students readily agreed – it is untested in other subject areas that might have more diffuse or less applicable theory.

Lastly, research is needed into the dynamic of how learners react to an awareness of experiential resonance: of how they actually go about recognizing experiential learning in their coursework; of how they engage in critical reflection on their experiences; and, how these processes lead to a deeper appreciation of subject matter and contribute to greater learner satisfaction. This study reflects sentiments and opinions; however, it does not explore the actual dynamics involved in the learner's recognition and utilization of experiential learning. Learner-centred research is needed to reveal the experiences, learning dynamics, and utility that an experiential resonance approach provides to individual learners. It is hoped that these different lines of research will contribute to the construction of learning spaces that encourage learners to learn more effectively through their learning.

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The Knowledge Management for Innovation Processes for SME Sector Companies

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The complexity and variability of the modern economy means that the information becomes a key resource, essential for the proper functioning of any enterprise and in the broader sense of the country and the national economy. Currently, practically all areas of modern economics are grappling with the problem of information management, both in theory and practice. It is especially visible in the attempts to support knowledge management in the areas, which are considered core from the viewpoint of increasing market competitiveness of the company. Knowledge management in the field of company's innovative potential or in the area of intellectual capital may serve as an example. This situation forces the search for new solutions of knowledge management in the field of research and evaluation of the innovative potential of companies. The main purpose of this article is to present an Internet platform for innovation audit, as a tool which supports knowledge management. An additional goal of this article is to present the preliminary results of a research carried out by means of the described tools.

Keywords: knowledge management; IT based KM system; innovation potential

Knowledge Management Based on IT Systems: Short Literature Review of the Problem Concept

Knowledge management is defined as all activities aiming at identifying, gathering, processing and making available of explicit/tacit knowledge in order to increase the efficiency and effectiveness of the company's operations (Roa, 2004, p. 23). The model describes the elements of knowledge management system as presented by J. Liebowitz (1999). All currently functioning knowledge management systems are using this model (or models with minor modifications).

Recently, knowledge management applies to all crucial areas of business activity and essentially includes the following areas (Watson, 2003, p. 31; Awad & Ghaziri, 2007):

1. Information and access to information management (support of the management process for knowledge codified in the structured or not structured databases – that is management of public knowledge).
2. Management of the organizational process knowledge.

3. Management of the company's employees' knowledge (tacit knowledge).

4. Management of the company's knowledge integration from internal and external systems.

5. Intellectual capital management (supporting the process of generating value from intellectual assets available in the company).

The debate concerning the issues of knowledge management equally focuses on the methods and techniques of gathering knowledge as well as on the technical measures utilized in this process.

The importance and significance of the modern knowledge management supporting tools is particularly emphasized in the so-called Japanese knowledge management model (SECI), created by I. Nonaka and H. Takeuchi (1995, p. 69). In the recent years, a number of models illustrating development and operation principles of the knowledge management system in a company have been created. Published models present interactions of the knowledge management system with the business processes taking place in a company.

In the model proposed by G. Probst, S. Rauba, and K. Romhardt (2002, p. 119) the following stages of knowledge management have been distinguished:

- knowledge locating,
- knowledge acquisition,
- knowledge development,
- knowledge sharing and knowledge distribution,
- knowledge usage,
- knowledge preservation.

Analysis of this model indicates the necessity of connecting the knowledge management system with the information system of the company. It is especially visible in the areas of knowledge distribution, processing and storing. Connections between the knowledge management system in a company and the IT systems are presented schematically in Figure 1. The schema illustrates the cycle of the process of the creation, storage, distribution and the implementation of knowledge (in relation to the use of IT tools). Furthermore, the schema indicates the functional areas of enterprises, which take into consideration active participation in the processes of creation and use of knowledge. Generated knowledge, thanks to methods of controlling, bears on the organizational processes in the enterprise. Effective organizational processes profitably influence the culture of the enterprise and consequently also effective resource management.
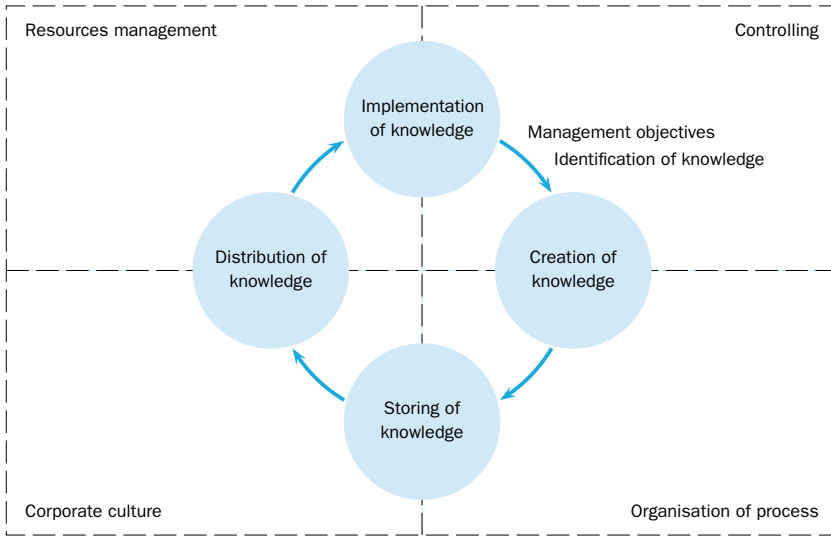
Figure 1   Significance of IT Systems in Knowledge Management

For a long time, formalized knowledge management was in fact only re-served for large companies. Meanwhile, increase in market competition and dynamic changes in companies' external environment in the recent years have also influenced small and medium enterprises to attribute great importance to the issues of knowledge management. It is especially visible in the attempts to support knowledge management in the areas, which are considered core from the viewpoint of increasing market competitiveness of the company (Chan, 2009). In the field of a company's innovative potential or in the area of intellectual capital, knowledge management may serve as an example.

Analysis of literature and practical solutions in the described scope shows that, from the perspective of knowledge management, benchmarking is an excellent source of information. The main advantage of this method is the ability to measure and compare the quantitative and qualitative char-acteristics of the surveyed enterprises. This allows a better understanding of the processes taking place within the company for the effective creation of knowledge.

The knowledge created in the process of benchmarking can be used in practice to improve the competitiveness of enterprises (usually by improv-ing the quality of products and services and through the reorganization of business structures). And in the long term, thanks to the possibility of iden-tifying best practices, knowledge created in the process of benchmarking can contribute to a precise enterprise strategy.

Supporting Knowledge Management in the Area of Innovation Potential for SME Companies: The Adopted Methodology and Research Limitations

In the area of company's innovative potential, dedicated information systems begin to play a more important role in the process of deliberate knowledge creation. IT tools allow efficient gathering of data related to the evaluation of innovative processes, and they provide an advanced tool, which allows detailed and in-depth analysis of different aspects of the innovative process stages from the company viewpoint. In addition, thanks to gathered data, such systems enable a number of benchmarking comparisons to be conducted, which may become the basis for formulating a strategy concerning the development directions for innovativeness. Knowledge management in the area of innovative potential is not only facing a problem related to the lack of effective support tools, but also the problem of obtaining adequate data to accurately describe the main determinants of innovation.

At the same time, it can be indicated that large companies have already noticed this problem long time ago and systematically modify their IT infrastructure in order to obtain as high analytical knowledge management effectiveness in the above designated areas as possible (Prahalad & Krishnan, 2008, p. 31).

Meanwhile, companies of the SME sector do not have at their disposal any dedicated tools, which directly support knowledge management in the area of the company's innovative potential. Knowledge management in the companies of the SME sector is usually based on the commonly available IT solutions, which often do not provide sufficient efficiency.

Situation described above demands a search for new solutions of knowledge management in the field of research and evaluation of the innovative potential of companies. Dedicated IT systems, which facilitate gathering and analyzing of data describing the innovative potential of companies may be a partial solution to the aforementioned problems (Falbo, Arantes, & Natali, 2004; Zanjani, Rouzbehani, & Dabbagh, 2008).

An audit of the company's innovative potential based on modern IT solutions may be an example of such a dedicated IT system. It may be a perfect tool for creating knowledge about the company's innovativeness and it may stimulate construction and improvement of the strategy in the field of innovativeness development.

At the beginning of 2009, at the Faculty of Management and Economics of Services at the University of Szczecin attempts were made to create an IT system for supporting knowledge management in the field of analysis and evaluation of a company's innovative potential.

The author of the publication formulated the following research hypothesis:

H1 *A properly designed IT system improves the efficiency of knowledge management in the area of analysis and evaluation of innovative potential of the company.*

The main research goal was to design and implement knowledge management tools to assist in the analysis and evaluation of innovative potential of the company. The following activities were performed in the framework of the research:

1. Analysis of the innovation process implemented in the enterprise.
2. Preparation of the specification and design for the knowledge management system.
3. System implementation.
4. Research of the innovative potential of enterprises using the created knowledge management system.
5. Evaluation of results.

The basic research goal was achieved through the logical induction method, which was based on the analysis of innovative abilities measurement of the small and medium businesses sector companies, and detailed analysis of the innovative process implemented in a company. The research includes all key internal determinants influencing the company's ability to implement efficient innovative activity. In the study we used a benchmarking method, which helped with comparative analyses. The research was conducted according to the model presented in Figure 2.

The created system was expected to be applicable for small and medium enterprises. We assumed that the designed system, created in the form of an audit platform, would be an easy to use, flexible and effective tool, which would support entrepreneurs in the process of gathering and analyzing data concerning the crucial areas of the company's innovative policy. Additionally, the created system was supposed to allow benchmarking comparisons of the obtained results with other data registered in the system.

The structure of an innovation audit corresponds with the analysis of subsequent phases of the innovative project's implementation process, starting from the analysis of the situation and environment of the subject, through competent search for new ideas, accurate estimation of future results, obtaining sources of financing, to an effective and efficient implementation of initiatives along with necessary control of their products and results.

The course of the innovation process in an organization, based on the adopted strategy of innovativeness, requires continuous, reliable analysis, whose results will provide reliable source for effective business decisions. It may include identification of organization's problems, development of ideas, creation of programs and projects in the area of innovations, conducting re-
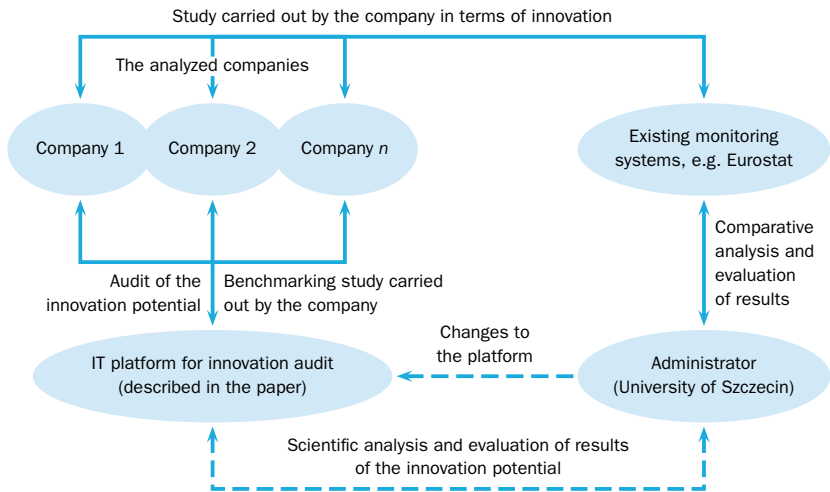
Figure 2 Research Model

search and development and improving particular process phases process in an organization and products, and evaluation of acceptance of new solutions by clients and other stakeholders.

Based on the concept of resource innovation in enterprises, the author made an attempt to identify the main determinants of the innovation potential of SMEs in Poland – factors affecting the feasibility of innovative activity. In the literature, there are many definitions of resource companies – in the context of the implementation of innovative activity. Based on the analysis of literature and research results of other authors, the paper proposes an original concept of internal resources that make up the innovative potential of enterprises; namely, the concept of creative resources that affect innovation activity. This concept is based on the functional decomposition innovation processes used in practice. Simplified diagram of the innovation process with an indication of the role of internal components of the innovation potential is presented in Figure 3.

Innovation audit process is conducted using a research survey. The questions are divided into eight categories – which correspond to the stages of the innovative process in the company and the concept of creative resources:

1. analysis of the situation inside and outside the company (cat1),
2. problem of seeking ideas for innovation (cat2),
3. the issue of planning projects in the field of innovation (cat3),
4. financing of innovative projects (cat4),
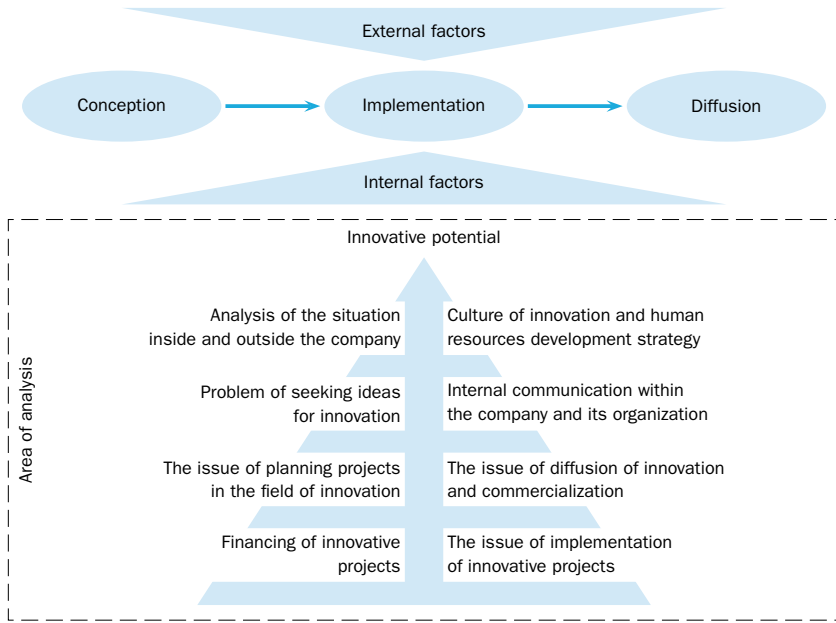
Figure 3   Simplified Diagram of the Innovation Process with an Indication of the Role of Internal Components of the Innovation Potential

5. culture of innovation and human resources development strategy (cat5),

6. internal communication within the company and its organization (cat6),

7. the issue of diffusion of innovation and commercialization (cat7),

8. the issue of implementation of innovative projects (cat8).

Such research methodology is consistent with the path of implementation of the innovative process, universally described in subject literature (Vahs & Burmester, 2003, p. 144).

In the process of preparing a research tool, it was extremely important to prepare the data model. The system adopted a multi-dimensional data model dedicated to OLAP analytics. Such solution enables the advanced data analysis. Information generated across sections can be a direct source of knowledge for the process of applying for the study area. An example of an OLAP data cube is presented in Figure 4. The following dimensions (descriptive data) were proposed: company size, industries and type of innovation. Numerical data was used in the assessment of creative resources.

Technical design of this system, its rules, and basic functionality has already been the subject of other publications. This publication is deliberately
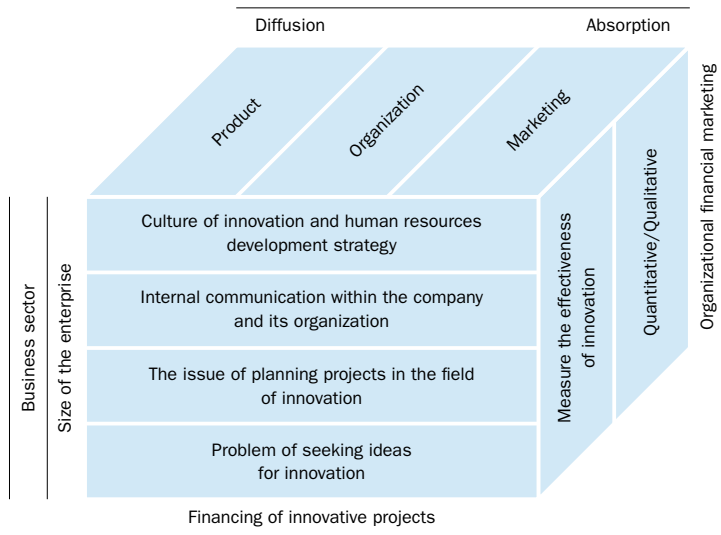
Figure 4   Used Analytical Data Model Describing the Innovative Activities
of Surveyed Enterprises

limited to the description of the data model and its benefits in the context
of knowledge management research

Preliminary Results of Empirical Research

Research of the innovation of SMEs is a key project carried out by the Faculty of Economics and Management Services US. Previously described tool
provides a series of data in order to analyze the innovation processes in an
enterprise. In the remainder of the publication, some results of the analysis
of the innovation potential of SME companies in the West Pomeranian region will be presented. The selection of firms for the research was random.
The information regarding the audit platform was sent to 3000 firms of the
SME sector. The author analyzed all firms, which voluntarily registered in
the described system.

At the moment, (as of 1 November 2012) 418 companies were registered in the system (innovation audit of the registered companies was
performed). Registered companies performed 796 audits. Companies registered in the system performed more than two thousands comparisons
with other companies (groups of companies) registered in the system.

Registered data allowed the users of the system (enterprises) to make
precise evaluations of company's innovative process potential, analyze the
company's position in comparison to selected segments of companies, and,
at the same time, evaluate competitive position in the field of innovation,
or eventually evaluate the dynamics of changes of the innovative potential

Table 1 Statistics of User Registration in the System and Statistics of Conducted Innovation Audits

(1)	(2)	(3)	(4)	(5)
1 May 2009	0	0	0	0
1 July 2009	3	3	5	5
1 September 2009	5	8	12	17
1 November 2009	6	14	9	26
1 January 2010	34	48	44	70
1 March 2010	45	93	49	119
1 May 2010	22	115	34	153
1 July 2010	0	115	18	171
1 September 2010	21	136	31	202
1 November 2010	25	161	29	231
1 January 2011	13	174	26	257
1 March 2011	19	193	45	302
1 May 2011	35	228	24	326
1 July 2011	34	262	12	338
1 September 2011	34	296	56	394
1 November 2011	21	317	49	443
1 January 2012	12	329	49	492
1 March 2012	22	351	38	530
1 May 2012	14	365	67	597
1 July 2012	26	391	54	651
1 September 2012	16	407	67	718
1 November 2012	11	418	78	796

Notes Column headings are as follows: (1) period, (2) number of registrations, (3) aggregate number of registrations, (4) number of audits, (5) aggregate number of audits.

over time. This data provides valuable knowledge to companies concerning the formulation of a strategy of activity with regard to creating company's innovative potential and competitive position. Statistics of the number of registered users and statistics of the conducted surveys in the period from 1 May 2009 to 1 November 2012 are presented in detail in Table 1.

Data registered in the system made it possible for employees of the Faculty of Management and Economics of Services to conduct a number of researches and analyses related to the assessment of company's innovative potential at the regional level. Based on the results, the first of the hypotheses can be confirmed.

The size structure of enterprises registered in the system is as follows: micro 65%, small 31%, average 4%, and business activity structure is: 65% services, 35% production. This structure confirms the need for management expertise in the innovative potential, especially in micro and small enterprises. This is probably due to the fact that micro and small enterprises

often do not have the tools to efficiently acquire and manage knowledge in the described area. Is should also be noted that the companies performing a service, used the platform more often. This is partly due to the structure of the West Pomeranian region's economy, and also it can assumed that the services sector companies are more dedicated to seeking information about the possibility of more intensive knowledge management in the field of innovation potential.

The second hypothesis is:

H2 *Information provided via the described tools allows you to evaluate the innovative potential of the enterprise.*

In order to confirm this hypothesis, the author presents the results of the research and the benefits of scientific research findings.

Table 2 presents the aggregated values for the innovative potential of the enterprises surveyed in the analyzed areas (darker color highlights below average distribution). The table also presents the dynamics of changes in value (year 2011 compared to 2009 – data from the year 2012 was deliberately omitted because it does not represent the whole year) and calculated significance of individual characteristics (weight). Based on the analysis of obtained results it can be stated that the examined companies demonstrate the lowest internal innovative potential with regard to:

1. Innovative culture (general evaluation of this category for the whole sample is 2.23, the importance of this area was rated by respondents at 5).
2. Internal communication within the company and its organization (general evaluation of this category for the whole sample is 2.37, the importance of this area was rated by respondents at 3.0).
3. The issue of planning projects in the field of innovation (general evaluation of this category for the whole sample is 2.43, the importance of this area was rated by respondents at 3.0).
4. Financing of innovative projects (general evaluation of this category for the whole sample is 2.9, the importance of this area was rated by respondents at 5.0).
5. These areas can be simultaneously considered as the most important barriers to the development of innovativeness of Polish enterprises.
6. Such low result in these categories may be caused by the lack of experience of examined companies related to innovation, historical lack of innovation culture in Polish SME companies and continuously lasting transition of Polish economy (from centrally planned to free-market).

Table 2 Aggregate Values for the Innovation Capacity of Enterprises Surveyed

Type of business/stages of the innovation process	Aggregate Values					
	2009	2010	2011	2012	(1)	(2)
Culture of innovation and human resources development strategy	1.97	2.23	2.23	2.22	0.00	5
Internal communication within the company and its organization	2.33	2.37	2.37	2.38	0.00	3
Diffusion of innovation and commercialization	3.50	3.40	3.47	3.45	–1.96	5
The issue of innovation implementation	3.27	3.13	3.27	3.27	–4.26	4
Financing of innovative projects	3.30	3.13	2.90	2.91	7.45	5
The issue of planning projects in the field of innovation	2.50	2.43	2.43	2.41	0.00	3
Problem of seeking ideas for innovation	2.97	3.20	3.20	3.21	–3.23	4
Analysis of the situation and environment	3.30	3.23	3.67	3.65	–13.40	3
Innovative potential	2.89	2.88	2.94	2.93	—	—

Notes Column headings are as follows: (1) the dynamics of changes 2011/2010 (%), (2) importance.

It should be noted that, in spite of a low innovative potential in most of the researched categories, the analyzed companies evaluated their own capacity with regard to transferring the results of innovative activities onto the market as very high (general evaluation of this category for the whole sample is 3.47).

A positive aspect is the fact that the examined companies, over the three analyzed years, increased the innovative potential in most of the evaluated categories, the general change of innovative potential of the examined companies amounted to 1,73%. In the analyzed period (2009–2011), the examined companies increased the innovative potential the most with regard to innovative culture (change by 13,56% between the first and the third research) and with regard to the analysis of the situation and environment (change by 11,11% between the first and the third research). However, the biggest decrease in the potential of the examined companies occurred in the category of financing (change by –12.12% between the first and the third research) and in the category The issue of planning projects in the field of innovation (change by –2.67% between the first and the third research) – which may also be explained by a reduced availability of financial funds for innovative activities.

Among the examined companies, a higher innovative potential can be seen in production companies rather than in service companies. When analyzing the size of the companies, it may be concluded that medium companies have a much larger innovative potential. The result analysis indicates that the lowest internal innovative potential can be seen in micro and small

service companies. Medium production companies have the highest innovative potential.

The author also examined the strength of the correlation between the determinants of innovation capacity. This allowed the assessment of the mutual influence of each variable. The author conducted a correlation analysis for all eight areas studied – correlation analysis was performed using SPSS software (Pearsons correlation test). The analysis showed that the largest (strongest) effect on other variables was exerted in the following areas:

1. innovative culture,
2. financing of innovative projects.

A taxonomic cluster analysis conducted by means of SPSS package (supporting statistical analysis), which demonstrated the existence of three main groups of examined companies:

1. not innovative companies,
2. companies developing in terms of innovative potential,
3. leaders of innovative potential.

For the creation of innovative activity models for examined companies the Author applied the agglomerative clustering method based on the closest neighborhood, the group average method and the Ward method. The author took into consideration the number, significance and intensity of the features describing the innovative potential of the examined companies and deliberately applied three methods of taxonomic clustering (in order to achieve comparability of results). Such constructional assumption regarding the created models is correct from the econometric point of view and provides the data required for the creation of the innovative activity models of companies and for the inference. The presented taxonomy results and the consequent descriptive models of innovative activity of the examined companies only consider the data of the full year of research period, namely the year 2011 – data from the year 2012 have been deliberately omitted because it does not represent the whole year. The presented descriptive models provide the general characteristics of innovative activity of the examined companies. Table 3 presents the overall results of clusters analysis.

The first group (61%, namely 256 of the examined companies) consists of the companies with their potential definitely below the average potential as compared to the examined companies. This group may be identified as not innovative. This group includes, first of all, micro and small service companies and micro production companies. Companies in this group

Table 3 The Results of Clusters Analysis

Type of business/stages of the innovation process	(1)	(2)	(3)
Culture of innovation and human resources development strategy	1.3	3.8	4.3
Internal communication within the company and its organization	1.8	3.0	4.3
Diffusion of innovation and commercialization	2.4	3.8	4.0
The issue of innovation implementation	2.5	3.3	4.2
Financing of innovative projects	2.8	3.3	4.1
The issue of planning projects in the field of innovation	1.8	3.4	4.3
Problem of seeking ideas for innovation	2.4	3.7	4.0
Analysis of the situation and environment	2.8	3.4	4.0
Aggregate innovative potential	2.2	3.5	4.2
Numbers of companies in the group	256	91	37
	(61%)	(22%)	(9%)

Notes Column headings are as follows: (1) non innovative companies, (2) developing companies, (3) leaders of innovative potential.

have low innovation culture; they practically do not conduct organized and formalized innovative activities with regard to analyzing the situation and environment, searching for ideas for innovative activities or implementing innovative projects.

The companies of this group reveal very low tendency to take a risk. Profits of this group of companies result from innovative activity to a very small extent and the innovations introduced by these companies are usually seeming and imitative (or there is a complete absence of innovative products or services).

The companies from this group hardly assign any financial means (either own or external in the form of e.g.: bank loans or available subsidies for the development of innovativeness) for the implementation of their innovative activity, very seldom they cooperate with other market participants (companies, research centres or institutions from business environment).

The companies from this group are not able to make a precise evaluation of own innovative potential, of the results of own innovative activity, and they do not pursue their future in the field of market innovation introduction; they declare the limitation of their activity exclusively to the basic scope of activity – which indicates closure to innovativeness.

The second group (22%, namely 91 of the examined companies) is a group of companies that demonstrate innovative potential on the border of the average value of particular distributions with an increasing trend. This group includes mostly small and medium companies conducting mainly production activities. This group may be identified as a group of companies developing in terms of internal innovative potential. Companies from this group demonstrate the largest potential with regard to evaluating and planning in-

novative projects, analyzing the situation and environment, and searching for ideas with regard to innovation.

Unfortunately, the companies from this group frequently have problems with financing innovative undertakings, which may be explained with innovation market facilitation problems (which is a common feature with the companies described as non-innovative).

The companies from this group often reveal unsatisfactory experience in the scope of of innovative undertakings implementation (lack of the ability to cooperate with other market participants) and the lack of the ability to analyze and evaluate own innovative activities.

The companies of this group gradually increase their innovative culture, they try to formalize their innovative activity (with human resources development, formalizing the knowledge management in the company and constructing company structures responsible for the implementation of innovative projects) and actively try to procure means (especially external) for financing the implementation of innovative projects. The companies from this group are characterized by the openness to ideas and relatively high ability to take a risk related to the implementation of an innovative activity (which is a common feature of the group of innovativeness leaders).

The companies from this group almost unambiguously see their future in conducting innovative activity as well as undertaking actions aiming at improvement of their innovative potential, but they seldom have precisely determined directions of own innovative activity development.

The third group (9%, namely 37 of the examined companies) consists of companies with high potential as compared to the analyzed group and is characterized by high innovation culture. Companies from this group often introduce innovations on a trade scale. This group may be called the leaders of innovative potential in the Polish SME sector. This group includes mainly medium companies conducting production activities. These companies demonstrate a higher innovative potential in all categories when compared to other examined companies.

The companies from this group gain large profits (market facilitation) with the sale of innovative goods and services, reveal high innovative awareness and culture, and attach importance to organized and planned innovation management (searching for ideas in scope of innovations, implementation of innovative ideas or the ability to measure and evaluate the efficiency of own innovative activity) and to the development of human resources related to the implementation of the innovative processes.

The companies from this group have funds in their budget assigned to the performance of innovative activity and reveal extensive activity in procuring external financial means for the implementation of innovative projects. The companies from this group reveal extensive ability to undertake inno-

vative projects and they widely cooperate in scope of innovativeness with other market participants and research institutes. The companies from this group explicitly pursue their future in the field of introduction of innovative goods and services to the market and have precisely defined directions of developing own innovative activity.

This indicates the presence of large polarization between a leader of innovation and developing companies in relation to not innovative companies. Additionally, this situation may cause perpetuation of innovative models of implementation activity – which is highly unfavorable in the case of not innovative companies.

Based on the results, the second hypothesis can be confirmed.

Conclusion and Recommendations for Further Research

The conclusions of the study can be broadly divided into two areas; namely, the description of the proposals for a tool to support knowledge management; current capabilities and future direction of the development of the system. The second area consists of the requests for the data obtained and, in particular, their values in the process of scientific research.

A large interest in the platform stimulates employees of the Faculty of Management and Economics of Services to continue the research and development work related to the system. While some of the planned changes and implementations of the system's subsequent modules are own ideas of the department's employees, others are the consequence of the comments and suggestions reported by current users of the platform.

At the present time, works related to the development of a graphic presentation module of the gathered data are in progress – the system will present predefined indicators describing innovative potential of a region in a tabular form and in a form of graphs. Users of the system will also be allowed to create their own sets of indicators and subject them to observations.

Another planned step related to the extension of the described audit platform is the system of monitoring and automatic notification of users regarding the changes in the area of crucial indicators. This module will – according to the user's definition – monitor defined groups of indicators and will notify the user of the platform in case of changes (threshold value of change which the system will react to will also be defined by user). In the future, authors also plan the implementation of a module presenting gathered data on maps – this will enable effective and transparent analysis and evaluation of a company's innovative potential in a geographic perspective.

First researches completed by the presented system indicate that this is a very effective tool, which has a significant impact on supporting knowledge management in the field of gathering and processing information concern-

ing crucial areas, which create innovative potential, and conducts precise evaluations of company operations. An additional positive aspect of the created system is that it supports scientific research in the field of companies' innovation. The author examined the opinion of the firms using the described system; namely the following features: the operating comfort of the system, the utility of the delivered information, and the efficiency of the system. 82% of the users evaluated the system (general mark) as very good and 11% users evaluated the system as good. Such result permits to describe the system as a perfect tool.

Data provided by the described system enables research of the enterprise innovative potential. The big advantage is the ability to analyze the dynamics of the processes (comparison period to period) and compare these with each group of selected companies (benchmarking). It seems that further development of the system will be to increase the amount of data recorded by the system (the development of measurement tools). This will allow a wider range of conduct analyses and in-depth analyses. In the author's opinion it is also necessary to compare the results of the research with the results of other authors (or the results published on the basis of publicly available data, eg EUROSTAT).

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Balancing Structure and Learning in an Open Prison

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Leira Prison is a branch of Trondheim Prison, functioning as a relatively small, open prison with a maximum capacity of only 29 inmates. Leira Prison applies the method 'consequence pedagogy.' This article aims to pinpoint how consequence pedagogy is executed at Leira. 50% of the Leira inmates are released back into society, while new ones enter the prison. It is therefore interesting to see how they balance structure and at the same time adjust to changes, enabling Leira Prison to continue as a learning organization. This article identifies three items, consequence pedagogy and the view of humans, maintenance of the philosophy and coherence in the community, and self-regulation of justice through interaction. The use of consequence pedagogy is deeply aligned to their positive view of humans and has generated a constructive organization based on empowerment and involvement of both staff and inmates. Consequently, management, staff and inmates maintain the philosophy of consequence pedagogy through interaction and self-regulation. However, questions regarding the fundamentals of the consequence pedagogy are not raised.

Keywords: management; knowledge; learning; prison; consequence pedagogy; view of humans

Introduction

Dilulio (1990) observed that prisons are very different and that they are run differently. He also noted that the word 'prison' had a quite bad connotation in the literature. Looking to popular films, for instance the Hollywood film *Shawshank Redemption* featuring Tim Robbins and Morgan Freeman (Darabont, 1994), prisons seem to be run by a control-and-rule oriented regime where the director is corrupt, and the wardens exploit the systems and create alliances with inmates. The movie also portrays a Hobbesian state waging war against the prisoners where assault and gang rapes are

practiced. The individual is not seen and inmates are not prepared for reha-
bilitation by the correctional system, thus institutionalizing them to depend
upon the system. A more positive outlook, although introducing a new per-
spective, is presented by the film *Caesar Must Die* by the Taviani brothers
(Taviani & Taviani, 2012). In a high-security correctional facility in Rome,
inmates with severe sentences are about to set up the play Julius Caesar
by William Shakespeare. The film exposes a more humane side of the in-
mates, showing their passion for the play and finding new meaning in their
lives when given the opportunity. We need to gain better understanding of
the complex task of how to manage prisons in an effective way (Molleman
& Leeuw, 2012). The interaction between the keepers (management and
wardens) and the inmates is clearly interesting from an organizational per-
spective. The question is what the management system is based on, and
how the prison as a system is able to interact and learn.

Leira Prison is situated in rural surroundings approximately seven kilo-
meters outside the city of Trondheim. Since its inception in 1986, Leira has
applied 'consequence pedagogy' – a method based on social learning the-
ory and a humanistic and existential approach. The method was developed
by a Danish philosopher and pedagogue Jens Bay (1982, 2005). Central
aspects of the consequence pedagogy are freedom, choice, action, conse-
quence and responsibility (Bay, 2005). Leira faces the challenge of changing
people (inmates) while at the same time maintaining the pedagogy platform
as well as developing the organization. The following research question is
consequently raised in this article: *How does Leira balance between the
structure of consequence pedagogy and the ability to learn and develop?*

Theoretical Background

Traditionally, organizational effectiveness of prisons has been viewed in
terms of control, rather than rehabilitation of the inmates (Craig, 2004;
Sykes, 1958). Houchin (2003) maintains that a reorientation of the way we
think of prisons, and change toward communication of inclusion rather than
rejection of offenders from society after their sentences are served, is nec-
essary. It has also been argued that modern prisons have become more
complex to manage than before (Wright, 2000; Dilulio, 1991; Toch, 1988;
Gendreau, Tellier, & Wormith, 1985). Craig (2004) points out that prison
management is also about personnel management, including the inmates.
This can be seen as a participatory model, opening up also for empow-
erment among prisons. Dilulio (1987) distinguishes between three types
of prison approaches: control, responsibility and the consensual model.
The difference between these approaches is the degree of control on one
hand, and the degree of cooperation on the other. Taking communication
into account, in a control model prison, communication is restricted to of-

ficial channels going through the chain of command (Dilulio, 1987). The responsibility model prison presents a freer-floating mode, crossing the levels of authority. Typically inmates are more included in the decision-making processes (Dilulio, 1987). Reisig (1998) found that those prisons possessing a responsibility and consensual model often reported lower levels of serious and less serious disorder than prisons with a control model. Historically and traditionally, prisons are seen as a more humane alternative to punishment (Sykes, 1958). More recent writers claim that prisons with the fewest security lapses tend to apply programmes that keep prisoners occupied, as well as contribute to their skills (McCorkle, Miethe, & Drass, 1995; Gaes and Mcguire, 1985). It is hoped that these skills will also have an effect after release from custody (Craig, 2004). Johnson and Bennett (1995) found that programmes and hobbies helped both inmates and staff to manage boredom in the prison, since time in a prison seems to pass at a slower pace than in society at large. In their survey, Molleman and Leeuw (2012) found that safety, human dignity and efforts made regarding reintegration, as perceived by inmates, are connected to staff characteristics. Garland (1990) argues that the staff is the primary bearer of the penal culture and the conditions for the prisoners. However, there are a limited numbers of studies on the interaction between staff behaviour and orientation when explaining inmates' perception of the conditions. When inmates interpret the staff's authority as merely procedural, there are less inmate misconduct and rule violations (Reisig & Mesko, 2009). Liebling and Arnold (2004) reported that respectful treatment by staff, as perceived by inmates, is highly correlated with various dimensions of prison life, such as perceptions of humanity. Similar results are found in relation to distress to inmates (Liebling, Durie, Stiles, & Tait, 2005).

Gaes, Camp, Nelson, and Saylor (2004) write that in 25 state and federal American and Canadian jurisdictions 48% pronounce that efforts should be made to treat prisoners humanely. Similar pronouncements are made in England, Wales and in the Netherlands. At the same time, mission statements do not guarantee the realization of these goals or prison correction resulting from them (Molleman & Leeuw, 2012). We believe that perception of the inmates is important for the organization in order to learn.

The idea that an organization could learn and knowledge could be stored over time was a key breakthrough, which was first articulated by Cyert and March (1963). A significant portion of the literature on organizational learning is founded on the individual learning theory, while social learning theory in the organizational learning literature has grown out of criticism of the individual approach (Brandi & Elkjaer, 2011). Argyris and Schön (1987, 1996) pointed to the interaction between organizational members focusing on the processes restricting an organization to single-loop learning (fo-

cusing merely on adjusting the organization within a given assumption), while other organizations ask more fundamental and critical questions on how things are actually done. This is a more fundamental question. Stacey (1996) points out that this form is more likely to result in innovation and creativity. Argyris and Schöns' (1978, 1996) concept can be viewed as part of the same scheme as March (1991); distinction between exploitation and exploration. Both forms are important depending on the purpose; however, exploration can gain the most impact. Argyris and Schön (1996) also stress the deutero learning concept, i.e. meta-learning focusing on critical overview and reflection of the learning process. Flatter organizational structures create a tension that elicits development by employee development. This individual learning contributes to a transformation process in the organization (Pedler, Burgoyne, & Boydell, 1990). Thus organizations should adopt flat, decentralized organizational structures that facilitate open communication and dialogue (Pedler, Burgoyne, & Boydell, 1999).

Interpersonal challenges experienced in less hierarchical organizations encourage individuals to engage in developing communication and other interpersonal skills, creating organizational learning (Pettigrew & Whipp, 1991). The learning organization model is seen as a context where learning improves as a result of proactive end empowering intervention by senior management (Sicilla & Lytras, 2005). De Geus (1988) stresses the importance of learning from planning by looking ahead and seeing different scenarios. Here De Geus is in line with Senges' concept of visioning, which means seeing different perspectives (Senge, 1990).

A distinction has been made between the 'first' and the 'second' way of organizational learning. The first way is identified as individuals' skills and knowledge acquisition in organizations as systems, and learning through participation in communities of practice. The second way is about learning participating in communities of practice. The 'third way' of organizational learning is defined as the development of experience and knowledge by inquiry (or reflective thinking) in social worlds held together by commitment. One of the practical implications of the 'third way' of organizational learning is to bring intuition and emotion to the fore in organizational development and learning. The implication for research is to work with situations and events as units of analysis in order to understand individuals and organizations as being mutually forming and formed (Elkjaer, 2004). In this case, the focus of learning is more on the interaction between actors and implies that understanding is a form of social construct (Fiske and Taylor, 2013). Brandi and Elkjaer's (2011) point of departure are the theories of John Dewey (1916). Dewey (1916) believes that learning takes place through social interaction and cannot yet be passed from person to person, this implies a social constructionist's approach to knowledge management (Easterby-Smith

and Lyles, 2011). Dewey's notion of experience is not to be confused with the one found in humanistic and individual-oriented psychology, in which experiencing is viewed as intrinsically physical, mental and private processes. Dewey's concept covers both the individual and the world, and experience is always culturally mediated (Bernstein, 1960; Dewey, 1981; Miettinen, 2000). However, to quote John Dewey; 'To "learn from experience" is to make a backward and forward connection between what we do to things and what we enjoy or suffer from things in consequence"' (Dewey, 1916, p. 140). We position this paper along with Brandi and Elkjaer's (2011) social learning theory, as this maintains that the point of departure for learning is life experience: 'All social learning theory departs from an understanding participation processes emphasizing both issues of knowing and issues of being and becoming' (Brandi and Elkjaer, 2011, p. 24).

Case Description

Leira Prison started up in 1986, and its manager has been there from the outset. There are several buildings located on the property: a barn and a stable, a few hothouses for plants, a market garden with an indoor shop, and a repair shop for cars. Additionally, there are two smaller buildings with two apartments where inmates may enjoy family visits for a short period of time on the weekends, provided they have permission in advance. While there are no fences around the property, the prison boundaries are indicated by crossroads and buildings. A prisoner moving beyond these limits is considered to be attempting escape.

In total, there are 50 people at Leira, divided into the following groups: 25 male and four female inmates, 13 prison guards, four employees in the market garden (two full-time and two part-time positions), three managers, and one employee from a nearby technical school in the car repair shop. The staff does not wear uniforms. Managers, employees and inmates are on a first-name basis. This conveys a message of equality between inmates and staff, in marked contrast to the traditional division between prison staff and inmates in prisons at large. A central aspect of Leira is that inmates apply for coming to Leira and this can only be attempted after serving at least three years in a traditional prison. Leira is governed by the same laws and regulations as Norwegian prisons in general, but the institution has had the opportunity to develop with relative freedom within the legislative framework. The prison has chosen to give the inmates considerable personal freedom. Since its inception in 1986, Leira has applied 'consequence pedagogy' – a method based upon the social learning theory and a humanistic and existential approach. The method has been developed by a Danish philosopher and pedagogue Jens Bay (1982, 2005). Leira has maintained close contact with Bay over the years, principally because all employees

at Leira are trained thoroughly in the method developed by Jens Bay. Consequence pedagogy is anchored in the existential viewpoint that each individual has free will and therefore will have to take responsibility for his/her own actions and their ensuing consequences (Bay, 2005). The way Leira applies consequence is in line with Bay (1982, 2005) considerations on how to apply it. Central aspects are freedom, choice, action, consequence, and responsibility. The following are Leira beliefs as stated in their documents and reported by Olsvik, Johansen, and Steiro (2007, p. 13); 'When we say that humans are "thinking, willing and acting" we need to have in mind that this is meant subjectively – though dialectic relations to other people. In order to be able to understand how each inmate thinks, we need to be in a dialogue with each person and refrain from judging the other by applying our own unfounded beliefs.' Consequences are not considered to be mere punishments or sanctions, but are rather viewed to be the logical results of one's actions (Olsvik et. al. 2007; Olsvik, Johansen, & Steiro, 2008). Such a paradigm gives the individual a choice and provides each inmate with an opportunity for personal development by learning new and more constructive modes of behaviour. Central aspects of the consequence pedagogy are freedom, choice, action, consequence, and responsibility (Bay, 2005). Leira faces the challenge of changing people (inmates), while at the same time maintaining the pedagogy platform and developing the organization. Thus, the following research question is posed in this article: *How does Leira balance between the structure of consequence pedagogy and the ability to learn and develop?*

Method and Collection of Data

In this study, the research question as well as the studied case is focused on Leira Open Prison and how Leira's pedagogical approach is suited for organizational learning. First, this is a case study, which is very useful for studying small samples in depth or to understand phenomena (Yin, 2004; Stake, 1995, Ragin & Becker, 1992). A case study can involve producing context-dependent knowledge that research on learning shows to be necessary (Flyvbjerg, 2001; 2006). Second, in the study of human affairs, only context-dependent knowledge appears to exist. While there has been skepticism to the case study approach, it is however considered an opportunity to learn something (Eysenck, 1976). Flyvbjerg (2006) claims that case study is suitable for different research activities. However, case study design has been prone to claims of containing a subjective bias and of not being able to generalize the produced results (Flyvbjerg, 2006).

As part of the case study and in order to answer the research question, a mix between different qualitative approaches was chosen. The data collection consisted of semi-structured interviews, participant observation both

formally (in meetings, etc.), and informally during daily activities. Denzin and Lincoln (2000) claim that the word 'qualitative' means investigations that aim at a deeper understanding of how people construct their lives in a meaningful manner. It can also generate knowledge of interactions between people and how these interactions are interpreted (Denzin & Lincoln, 2000). The interviews were semi-structured, based on a prepared and not too closely knitted interview guide, where the informants had the freedom to speak on topics they found important to convey. Interviews lasted approximately one hour to one hour and a half. An approach like this offers the informants an opportunity to express their personal views and explain issues in their own words (McCracken, 1988). Most interviews were recorded digitally and transferred to sound files on a PC for full transcription and further analysis.

The project was formally registered with the Norwegian Data Inspectorate and a permit for the project was obtained from the Norwegian Correctional Services. Since Leira is a prison with convicted inmates, it was of high importance that ethical considerations and precautions were taken into account. Ethical considerations are important in qualitative methods, since these methods provide a rich source of information on informants' public and private lives, and consequently researchers are responsible for the maintenance of high ethical standards (Silverman, 1993). It should be emphasized that the inmates were not asked about the reason for their prison sentence in order for the researcher to avoid personal presuppositions and possible apprehension when meeting alone with almost every kind of convict in a one-on-one dialogue inside the prison. Information was processed several times: first during the interviews, then by listening and transcription, and finally in writing for further reading and analysis (Kvale, 1996).

During the participant observations, full accounts of the meetings were made a short time afterwards in order to be submitted to the management as a means of communicating the process and serve as an opportunity for feedback and comments. On less formal occasions, notes were taken. The collection of data took place from October 2006 until May 2007. In total it comprised of 15 interviews with present or former inmates, interviews with all three managers of Leira, two group interviews with the staff, and five interviews with some of the external partners of Leira. In addition to the information gathered informally through participant observation, there were 18 referred observations from different meetings at Leira; from the introductory course for new inmates or from interviews with potential new inmates.

Based on the referred observations and transcriptions of the interviews, we performed an item-centred analysis of all the material, searching for clues and patterns (Thagaard, 1988). From the material we identified the

following categories: interviews and notes from observations. Peer discussions between the researchers were also important in order to compare and contrast the material. The data collected was also discussed among the researchers as recommended by Yin (2004) in order to limit the individual researcher's interpretations of the data.

Results and Analysis

Analysis of qualitative data is rarely a straightforward process. However, Kvale (1996) writes that analysis of qualitative data goes through different stages. Typically, an initial analysis is performed during the interviews. Certain patterns and themes may emerge as clues for further investigations. This can lead to adjustments in the interview guide. However, this was not the case in our study. Kvale (1996) also highlights that at some point the scientist assumes the data collection reached a saturating level where the scientist is no longer provided with new information. The research team, at such a juncture, decides whether to stop the interviewing. The second phase consists of data transcribing. Again, data is interpreted and can be seen as a non-linear process. Observation notes served as a reflection when put down on paper. In the review of the empirical findings, as seen in relation to theory, reflections and interpretations, the following three items were identified as relevant in answering the research question:

- consequence pedagogy and the view of humans,
- maintaining the philosophy through community and coherence,
- self-regulated justice through interaction.

In the following section, each item will be elaborated and discussed. We will also justify the connections between the items and the knowledge that can be derived from Leira. In addition, we will discuss the quality of the findings and their external validity.

Consequence Pedagogy and the View on Humans

Leira's staff interacts with the inmates as much as possible and their main tool is dialogue. The staff reported that it was very important for them to foresee difficult situations that may result in serious consequences. However, they also said that inmates are encouraged to assess situations, predict eventual outcomes, and act accordingly. Inmates reported a similar view. We observed that staff members work consciously at not giving advice but rather, through dialogue and the use of questions, empower inmates to find their own solutions. All new inmates are, over a three-day period, given an introductory course of approximately six hours in duration on Leira and consequence pedagogy. This is to ensure that the newcomers have a clear understanding of Leira, its norms and values. In a system such as this, it

is possible to be open with the inmates, ensuring that consequences also include those of a positive nature. We observed that staff and inmates work together on an everyday basis, as well as engage in mutual activities in their spare time. The staff is expected to participate in leisure activities outside fixed working hours. The inmates must meet the same requirements at work as do any other employees in the general population. They are expected to take responsibility for their job, and are not permitted to call in sick without a good reason. In addition to the focus on job training, Leira concentrates on helping the inmates to develop social skills. The inmates themselves have signed a written agreement to partake in the social community at Leira.

The inmates viewed the applied consequence pedagogy as positive and expressed the perception that they were addressed as humans. They regarded it as a good and fair framework that was easy to understand. They knew what to expect should they break the rules and had no problems with the methodology. Many inmates considered the mandatory physical activities to be a positive requirement, and used this as an opportunity to increase their physical exercises in order to change and grow as persons. In the interviews, the former drug addicts particularly reported that they found this activity helpful, both mentally and physically, in order to live without any intoxicating substances. Furthermore, the management explained that, over time, a number of inmates at Leira improved their physical condition. According to this, the staff always expressed their appreciation of these accomplishments and often rewarded the prisoners who reached their goals with prizes. Management and staff emphasized that the prizes are not the crucial factor, but serve more as a means to uphold and maintain the system.

Our informants described the managers and general staff as being very competent, even if not all of the staff were equally esteemed by the inmates. They believed, however, that the entire staff worked in the inmates' best interest. This is seen as a prerequisite for the prisoner's perception of the condition (Molleman & Leeuw, 2012). The inmates typically described the wardens as humane and wise, but at the same time quite realistic. The inmates felt that such characteristics were very important in a place such as this. On their part, the wardens stated that they needed to be genuinely engaged in the inmates' wellness and in their future, otherwise the inmates would soon see them as insincere. This point was also considered a prerequisite for the staff's chance to have any influence on the inmates at all. The wardens claimed that new inmates may typically find it difficult to really believe in what they are offered in terms of personal freedom, but most of them settle down quickly and begin to cooperate with other inmates.

Von Krogh, Ichijo, and Nonaka (2000) point out that the key 'quality of knowledge workers is their humanness' (2000, 12). The goal of organiza-

tional learning is therefore to bring out this humanness by creating a proper balance (Nonaka, 1998). Humaneness arises in our relationships with others through communities (Plaskoff, 2011). The continuity of the community is ensured from a tactical point of view with activities such as meetings, distributing information, setting agendas, and facilitating gatherings. The second form is by mentoring, namely giving value directions (Plaskoff, 2011). When we look at the interview data, we see that there is a clear link between humanness and consequence pedagogy. They go very well hand in hand at Leira. This can be illustrated by an interview with the region director of the Correctional Service North. He said in the interview; 'What is important to note here is that the way they work at Leira is very constructive. I also think it is important to be able to feel that things are predictable as well as safe. And in my experience of Leira, that is how it is. There is a red thread running throughout the whole organization, as there is a fundamental philosophy which influences everything they do.'

Several inmates stated that they were given a second chance when they came from a high-security facility to an open prison. They also mentioned the canteen with small tables, allowing small groups to sit together – management, inmates and staff alike. Based on the observations, we found that management, wardens, and inmates are on a first-name basis when addressing each other and talking about each other. No uniforms are used, entailing that clothes do not create a distance.

Many of the inmates were parents, and, in the interview, they reported their appreciation of how Leira arranged for them to normalize their family lives through extended visits with their children and spouses in separate apartments. Most informants mentioned that they felt Leira worked with them in order to make their lives as similar as possible to living outside the prison, in ordinary society.

We observed in our study that many former inmates call or visit Leira. Also, at the end of most meetings or other informal occasions, we observed the staff ended up talking about the former prisoners in a very positive way, as people with whom they still had relations. Good communities turn disagreements into learning experiences and chances to foster understanding through managed conversations (Von Krogh et. al., 2000). Members express different opinions, approaches and philosophies and find ways to reconcile differences, combine approaches, and create new knowledge (Von Krogh et. al., 2000). We observed that staff members often recounted former prisoners' accomplishments achieved after having left Leira. In the unfortunate instances where this was not the case, the staff still offered understanding and expressions of hope for their future success. We perceive this to be a special phenomenon, a cultural artifact in Leira's organization. It also demonstrates an arena for knowledge sharing (Nonaka, Toyama, &

Konno, 2000). Even though they were not all success stories, former inmates were always mentioned with respect and with expressions of hope for them. The consequence pedagogical method builds upon the humanistic and existential view, which is internalized by the managers and the staff. Their personal views were noticeable in practice as more than mere theory; namely, as a holistic view of a person as a whole, an undividable entity. Hence, the individual's subjective experience represents the truth for that person. In practice, this view facilitates real relationships between the inmates and the staff, as they are all human individuals of equal worth, working together to achieve common goals. Naturally they have different roles and authority, but this does not mean that someone is above anyone else. The criterion for judging an individual's worth is by how he or she acts – from day to day – not what that person has done in the past. This approach gives the inmates the freedom to choose new ways of behaviour without anyone taking their past actions into account. One warden answered the question of what is special about the consequence pedagogical method in this way:

> It must be the fact that we see the human being as a whole, and that we provide new competence on many levels. It is not enough just to learn to drive a car. You have to learn to get up in the morning and to function in a small community; you must socialize with other people. The mastering of practical tasks is easy to learn, but all other things this involves, may be just as important [...] that you become a whole person who functions well together with the rest of us.

An inmate describes it like this:

> We still have lost our liberty because we have physical limitations as to where we are allowed to move around [...] so it might be right to say that the wall is situated in our heads. But for the soul [...] it is actually much better. Assuming you can handle the choices you have to make continuously.

The two previous quotes highlight the empowerment, of course within limitations, at Leira. We see the view of human as the essence and the point of departure. In the implementation of consequence pedagogy with its focus on openness, respect freedom and choice go well in hand. However, consequence pedagogy executed without the fundamentals in the positive and humanistic view of people might be something completely different.

Maintaining the Philosophy through Community and Coherence

Leira has a strong and united organizational culture that not only includes the managers and staff, but also the inmates. The only indication of existing

subcultures is the form of self-regulated justice, which changed from the traditional, negative form, as found in closed prisons, into a more positive form. Some informants mentioned that new prisoners would sometimes cause trouble in the social group and that they would usually settle down after being informed by the others of how unwelcome their behaviour was. Some inmates wanted Leira to be selective about whom they accepted, to make sure that hardened criminals who failed to realize how fortunate they were to serve out their sentence there would not upset the positive environment. However, this is not Leira's policy. They will admit anyone to serve their time at Leira, as long as the applicants qualify and accept the rules.

We observed a significant amount of noise from a group of second-generation inmates, i.e. inmates with a criminal record, where one of the parents had a criminal record as well. In that case we witnessed a lot of frustration, especially from the staff and other inmates. In an interview, an inmate serving life imprisonment sentence said that Leira should consider whether Leira might not be suited for all prisoners. However, these second-generation inmates had not violated any Leira rule, so sending them back to a high-security facility was not an option. The response was that management and staff organized a meeting with the inmates, informing them, in a casual way, of their observations. They continued by restating the prison's values and norms, explaining again why they are the way they are. They also reminded everyone about their personal commitments and responsibilities. In another case, the staff witnessed two foreign prisoners from a non-western culture who did not seem to be willing to be a part of the community. A question regarding whether this was a result of racism was raised among the staff. No one had witnessed any behaviour that would indicate this. The two non-western inmates were asked, but they reported no racism or other form of excluding behaviour, although reporting behaviour and reporting culture might differ. Based on the conversation with the two inmates and other inmates, this was understood as a communication challenge to understanding the rules and what was expected from themselves and others. In an interview with another outsider, the balance at Leira was explained in an interview with the representative from The Norwegian Labour and Welfare administration (NAV):

> The flexibility is not easy to handle, as one probably needs to be very conscious about the fine line between freedom and certain conditions for action in this kind of organization.

It is worth noting that leadership in a community of practice is distributed and takes two forms. The first form is administrative leadership. Bottoms (1999) claims that prison management may have an important indirect influ-

ence on prison conditions. For instance, superiors can incite staff to adopt a desirable orientation towards inmates. In this case, offering education, courses and trainings are common means. Molleman and Leeuw (2012) point to the fact that prison management can pursue a balance in supportive and rule orientation, something to consider since they both have positive connections with dimensions of perceived prison conditions. Transformational leadership focuses on faith rather than tasks and economic interests (Northouse, 1997; Bass & Steidlmeier, 1999). According to Argyris and Schön's (1996) perspective, we found significant evidence of congruence between theory and practice at Leira. If an effort or method did not have the expected outcome, we observed that the people involved quickly returned to the starting point to investigate the reasons and make the necessary changes. Both management and the general staff pointed out that they often made mistakes because they had too little information or had misunderstood a situation. Inmates confirmed this in interviews.

Self-Regulated Justice through Interaction

Inmates, as well as staff, mentioned the common 'self-regulated justice' that prevails in prisons. In closed prisons, this self-justice is often harsh and negative and is often meted out by the inmates as well as the prison guards. In contrast, Leira's self-justice is a positive, regulating force within general social life. The staff claimed this positive self-regulated justice to be so potent that often no corrective action was necessary on their part. Inmates coming from closed prisons soon learned that the other inmates did not appreciate bad behaviour. Up to 90% of the inmates at Leira are serving sentences for drug-related offences. Generally, drugs are considered to constitute some of the greatest challenges for prisons, especially when the prisoner himself has been addicted. Many new inmates barely completed the process of becoming addiction free before entering Leira; however, as sobriety is a stipulated requirement, most inmates comply without relapse. The council meeting, where the applications to transfer to Leira were processed, showed that no differentiating took place when applications were discussed.

> When we shall start on a project, the inmates take part in the planning from the beginning in order to be involved from the start, instead of later being told what to do. They gain ownership of the task in question. And many times it might be the inmate who has the most knowledge and competence [. . .] plumbing, construction work or electrical work. [Employee]

According to Argyris and Schön's theory, organizations often experience a discrepancy between their espoused theory and their theory-in-use (Ar-

gyris & Schön, 1996). At Leira there is an apparent congruence between their espoused theory and their theory-in-use, with reference to what we experienced. Leira is also continuously looking for new partners in order to maximize the inmates' possibilities for rehabilitation and successful re-entry to society.

> The mentality among the inmates here is much to stay 'clean,' because everybody knows that it is very stupid not to do so. It doesn't take long before you understand that you are really lucky to be here instead of in another prison. In other words, it is pretty stupid to get yourself caught because of a positive urine sample. The general attitude among the other inmates is that if this happens, it serves you right to suffer the consequences. [Inmate]

On the other hand, few gave a critique of the consequence philosophy itself. That in itself might be problematic and can serve as a preservation of the system, thus not representing double-loop learning, but rather preserving the system in itself and thereby constituting single-loop learning. If, in the future, Leira decides to expand their activities and include more external programmes for rehabilitation of the prisoners, this may cause imbalance in their overall organization. This was raised as a concern among some of the staff members. A similar development was studied and observed in the work of Schumacher (1997). Kang, Morris, and Snell (2007) conclude that culture affects learning, but argue that exploratory learning may be suppressed in cultures emphasizing strong ties. This could suggest that feeling too 'comfortable' within a particular setting may not necessarily be conducive to deeper level learning (Shipton & DeFilippi, 2011). Good communities turn disagreements into learning experiences and chances to foster understanding through managed conversations (Von Krogh et. al., 2000). Members express different opinions, approaches and philosophies and find ways to reconcile differences, combine approaches, and create new knowledge. We are of the opinion that questions of a double-loop character are important in all varieties of organizations, but in particular in organizations with strong ties where the overall perception is that the organization is operating well.

Prisons are now subject to more tight budgetary control and are often obliged to report their performance against a number of different measures (Houchin, 2003). If, due to budgetary reduction, Leira decides to cut down on the training of personnel, this may cause more severe consequences than anticipated, regardless of the systemic nature of Leira as an organization. De Geuss (1988) writes that scenarios can be powerful in addressing different challenges and different solutions as a means not only to create strategies, but also to foster learning. Senge (1990) and Pedler et. al.

(1990) stress the importance of working on the future. In particular, Senge (1990) highlights the visions as a contributor to learning and change. Based on the interviews, it became apparent that the meetings at Leira played a significant role. In our participative observations we noted that the meetings both with and without inmates were highly structured and that the meeting agenda was applied at all times and carried out the way it was intended. The participants were very conscious about the meeting culture. Consequence pedagogical themes or methods were often referred to and were used to explain or elaborate on something in discussions or were used as a means for new learning. In meetings, while talking about inmates not present, the tone was still as respectful and proper as if the person had been present to hear what was being discussed. This was also reported as something they were explicit about.

Conference meetings with management, employees, and inmates also played an important role. This was strongly supported by all groups of informants. The manager would begin by welcoming everyone, then preparing people for inmates to arrive and stating their names. In the next point of the agenda, inmates soon to be released were mentioned. In one general meeting we observed that the manager refrained from using words like 'if everything goes well' or 'if people behave' in his speech. He talked about the release from prison as something positive and implied that all people present would be happy for the people leaving the prison. At one meeting, the manager predicted a nice and steady period with a few changes in the inmate group, adding; 'That is, if no major escapes happen or no-shows after days away from the prison on leave.' This remark was met by a lot of laughter and more joking in return. It was interesting to observe what was called 'Leira's favorite theme.' This was informal talks that would often pop up at the end of meetings and gatherings where the staff would remember and describe previous inmates and their, more often than not, positive situation after the release.

Possible Methodological Issues to be Addressed

In the literature of information games, actors can use information in order to serve their own interests at the expense of interests pertaining to the system as a whole (March & Olsen, 1989; Krehibel, 1987; Shepsle & Weingast, 1987). This could imply that both inmates and employees recognized an interest in keeping a harmonic view. Inmates apply for admission to Leira after having served three years in an ordinary prison. The self-selection can serve as a way of justifying own behaviour and avoiding cognitive dissonance (Festinger, 1957). However, conducting observations over a relatively long period of time should give more insight into the 'back stage' of Leira. A survey without the one-on-one interaction between the

researcher and the respondent could create more space and ensure more comfort in order to raise more critical comments and questions. However, in the end it will of course still be the reader who must make up his or her mind on whether the results are valid (Polkinghorne, 1988). This point of view should not result in the researcher being passive. A reader can make up his or her mind on the validity. However, we acknowledge Tjora (2010), who claims that the overall responsibility for the validity lies solely with the researcher.

Concluding Remarks

The basis of this article is how Leira functions as an organization. Based on our data, Leira has shown itself to be an organization built on a pedagogical platform, but even more important on a distinct view on humans. At the same time, the organization contains patterns of being a learning organization looking forward and adjusting its course when necessary and therefore be in a position to learn through interaction. Leira therefore does not apply to the traditional criticism of prisons seen from a Theory X perspective on inmates, which is basically negative (Craig, 2004). The views reported in particular by the inmates demonstrate small differences between the espoused theory and the theory in use (Argyris & Schön, 1996). Earlier studies have confirmed the importance of staff following the book (Molleman & Leeuw, 2012). The inmates at Leira perceive the rules as clear and relevant, but within the limit, considerations and decisions have to be made. The consequences for breaking the rules are consistent, stated clearly in writing. The consequence pedagogy platform in itself is not questioned and that is something to consider if Leira is to develop as a learning organization. All new inmates are properly informed about Leira, its philosophy and rules. It seems from this study that being met with recognition, respect and a feeling of being on equal terms is viewed as very positive and may well explain the fact that the informants find both Leira and consequence pedagogy to be positive. Over time, the inmates receive increasing responsibility. The consequence pedagogy applied at Leira supports the cooperative approach of a learning organization (Brandi & Elkjaer, 2011). The small size of Leira plays an important role in order for new members to be introduced and socialized into the philosophy. There are relatively many experienced managers, wardens and prisoners to follow up a relatively small number of newcomers. At the same time, Leira is subject of continuous changes, since 50% of the people are changed meaning that the platform must be reconstructed. The structure of consequence pedagogy and the view of humans are applied as a platform, while the institution must at the same time adapt to new situations and new inmates, and also allow the management, staff and inmates to act and be

responsible for their choices. The view of humans and the humanness enables the structure making it flexible and, according to our interpretation, in balance.

The lessons learned for other organizations is that some form of structure on how to interact is very useful, however, the structure and/or other processes must allow for adjustment and learning to be made by all members. It should not be restricted to the management level. At the same time, an organization can clearly benefit from the awareness of its espoused theories and the theories in use, and attempt to lessen the gap, thus creating a more authentic framework. We therefore believe these aspects are generic and might be valid for other organizations as well.

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Value Judgements and Continuing Education

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This article examines the perceived value of continuing education courses and discusses how value is related to satisfaction, value for money judgements and willingness to pay for education. Data was collected through an online survey at four universities in two nations. A four-factor value structure was identified with the following dimensions: institutional image, career value, learning value, and social value. Differences between Austrian and New Zealand based respondents in the relative importance of the four dimensions were observed and the possible origins of these differences are explored. We propose a theoretically informed model that is consistent with our observations.

Keywords: learning; continuing education; perceived service value; community education; value for money; satisfaction; willingness to pay

Introduction

Continuing education in the form of community courses, lectures, and/or professional development is offered by most universities to members of their regional and professional communities. The primary motivation has more commonly been to provide a public service rather than deliver programmes on a commercial basis (Winter, Wiseman, & Muirhead, 2006). Historically, all or some of the costs of these courses have been born by governments, professions, employers and/or by the universities themselves (Geertshuis, 2009). However, times are changing, resources are less readily available and students are having to shoulder a greater financial burden (Milam, 2005). This applies to degree programmes and is well documented; however, a similar, or even more radical, shift is being experienced in continuing education. In New Zealand, for example, all subsidies for non-credit continuing education programmes delivered by universities were withdrawn during 2011 and 2012 (Treasury, 2009, 2012). As a consequence, continuing education units are being pressurised to displace costs on to learners and to base provision on the market rather than on perception of need.

While, as educationalists, we may rail against the hegemony of neoliberalism, as pragmatic practitioners our stance is that we must do

what we can, where we are and with what we have. This paper, therefore, unashamedly takes approaches from the field of marketing and applies them largely in an unproblematized fashion to continuing education. Our rationale is simple; if we are to survive, we must persuade our learners to pay higher fees. If we can find out what learners value in our courses, perhaps we can make them more valuable. If courses are valuable, presumably learners will enrol in them, pay their (high) fees, be satisfied and become loyal and regular customers. However intuitively appealing (and optimistic) this line of reasoning is, a cursory examination of the literature makes it clear that the precise nature of these variables and any causal relationships between them are not only complex but relatively uncharted particularly when educational services are considered.

The paper begins with an introduction to the concept of perceived value and the constructs purported to relate to it, as well as to the willingness to pay higher fees or prices. We draw upon the marketing literature in general and upon the scant literature that relates to educational services. The high level aim of the present study is to provide insight into how the concepts of value and price can be applied by researchers and practitioners to inform and improve the provision and viability of continuing education. More specifically, we seek to identify the dimensions of perceived value and establish their generality. We then aim to investigate the relationships between perceived value, satisfaction, value for money and willingness to pay.

Review of the Literature

The notion of value and value creation is pervasive within the marketing and business literature. Indeed, creating value is what businesses strive to do, but what is value? Efforts by scholars to both define and measure value constructs have not resulted in a clear and easily comprehensible set of guidelines for practitioners or theorists and the area remains contested (Boksberger & Melsen, 2011; Heinonen, 2004). Zeithaml (1988, p. 14) defines perceived service value as 'the consumer's overall assessment of the utility of a product /service based on perceptions of what is received and what is given.' Thus the notion of exchange is central, perceived value can be seen as a trade-off between the benefits of using a service and the sacrifices made to gain the service. Based on this fundamental concept, Rust and Oliver (1994) indicated in their work on service value that perceived value should increase as prices decrease and quality increases.

Zeithaml's (1988) perception of value as a single overall judgement culminating in a decision to purchase a service has been overtaken of late by the notion that consumers have a set of values, which collectively inform consumption decisions (Smith & Colgate, 2007). Trade-off models are criticised as being too simplistic for consumption and service experiences, because they ignore the multidimensionality of the construct of perceived

value (Holbrook, 1999; Sweeney & Soutar, 2001). Recent findings define customer value as a multidimensional construct that consists of several dimensions and interrelated attributes (Babin, Darden, & Griffin, 1994; Holbrook, 1994, 1999; Sheth, Newman, & Gross, 1991). Writers identify values that relate to service quality and to symbolic constructs such as status enhancement (Hirschman & Holbrook, 1982; Richins, 1997). Various attempts have been made to design multidimensional conceptual frameworks to assess the perceived value in several areas of interest (Holbrook, 1994, 1999; Smith & Colgate, 2007; Spiteri & Dion, 2004).

Sheth et al. (1991) defined five types of consumption values: functional value, social value, emotional value, epistemic value, and conditional value. Functional value represents the economic utility of a product or service. Social value concerns the utility derived from the association with certain groups that are deemed to play a decisive role in the evaluation of products and services (Park, Jawarski, & Macinnes, 1986; Park & Lessig, 1977). Emotional value captures the value placed on the services' ability to produce affective states, such as excitement, security, fear, and happiness. Epistemic value is the interest, curiosity or learning stimulated by the product or service. Finally, conditional value is derived from the specifics of the purchasing situation, which may influence perceived value. These concepts have been applied in a range of contexts and a measurement scale known as PERVAL was developed and validated positively (Gallaraza & Saura, 2006; Sweeney & Soutar, 2001). Of particular relevance for this paper has been LeBlanc and Nguyen (1999) and to a lesser extent Ledden and Kalafatis (2010), who took Sheth et al.'s (1991) model and adapted it for investigations of values placed on, and derived from, university business school education.

LeBlanc and Nguyen (1999) assessed the perceived service value of business degrees and identified 33 items that were related to value dimensions. They proposed a six-factor value structure of perceived service value as follows: 'functional value' relating to degree utility with regard to gain future employment, 'epistemic value' relating to the institution's capacity to offer educational services through guidance and knowledge provided by the faculty and 'image' relating to the reputation of the business school that is linked to the value of the students' diploma, 'emotional value,' defined as positive feelings students have towards their field of study, 'function value' relating to fair pricing and 'social value' that derives from group and social activities that add value to the learning experience.

Development of Hypotheses

Using LeBlanc and Nguyen's (1999) work as a foundation, a suite of hypotheses was developed within the values framework in order to examine the perceptions and judgements of continuing education students. The

study is unique in applying the theoretical approaches drawn from marketing and business and represents an attempt to both deepen our understanding of the perceived value of educational services and better equip the practitioners for an emerging economic reality.

Multidimensionality of the Construct of Perceived Service Value

Previous work clearly indicates that categories of value exist, although the number and nature of these values is contested (Holbrook, 1999; LeBlanc & Nguyen, 1999; Sheth et al., 1991). Whilst considerations of the dimensions of perceived service value and their measurability seem to be the topic of an on-going critical debate, the conceptual framework of the present paper is based on the findings of LeBlanc and Nguyen's (1999) adaptation of the Sheth et al.'s (1991) model of consumption values. This approach ensures traceability and meets the requirements of a clear value definition.

The importance of LeBlanc and Nguyen's findings results from the uniqueness of the study, which identified the factors that have an impact on students' evaluation of value during their educational experience. It represents the first examination in this vein and therefore builds an appropriate basis for further research. To establish that LeBlanc's and Nguyen's six-factor model can be adopted and generalised to continuing education students we propose that:

H1 *Categories of values will be identifiable.*
H2 *Categories identified will reflect the value dimensions reported by LeBlanc and Nguyen.*

Influence of a National Context

To the knowledge of the authors there are no studies that examine the differences in the perception of perceived service value and price of education across institutions and nations. Several relationships have been established between values and contextual and demographic variables for other services areas (Creusen, 2010; Dittmar, Beattie, & Friese, 1995; Henry, 2002; Williams, 2002). A number of workers have sought to compare values across geographic or cultural boundaries (Zhang, Beatty, & Walsh, 2008). Given the need to understand global consumer markets, studies are needed that capture both individual and cultural elements, that is, we need to understand the customers/students in their entirety for who they are rather than where they may be. However, studies regarding the influence of multiple contextual and personal variables on value construct are scarce (Raajpoot, 2004). Ladhari, Pons, Bressolles, & Zins (2011), having compared respondents from two nations, emphasise the need to consider both micro (individual) and macro (national) influence on values. They report

on a common set of values and identify differences in the degree to which values are upheld. In our study, we also anticipate finding differences in the importance of commonly held values.

Whilst both of our study sites are advanced western nations, they differ in the degree to which the state subsidises education. Austria has an extensive education system, which supports students taking degrees and provides subsidised continuing education. Within New Zealand, learners who attend university either for degree programmes or for less formal continuing education contribute to the cost of their education. Ladhari et al. (2011) note that organizational and structural differences between nations also serve to shape expectations and perceptions. Work by Geertshuis (2009, 2011) has shown how important expectations and reference prices are in judgements of willingness to pay for continuing education. We would therefore expect that New Zealanders, accustomed to paying for courses, would be willing to pay more than Austrians, who are used to accessing continuing education at minimal personal cost.

We therefore propose that:

H3   *The value placed on value dimensions will vary with context.*
H4   *The New Zealand sample will be willing to pay more than the Austrian sample for the same courses.*

The Consequences of Value

We assessed three outcome measures: satisfaction, value for money and willingness to pay, and expect positive relationships between perceived service value and outcomes. Our rationale is laid out below.

Most authors, who have investigated the relationship between customer value and satisfaction, see customer value as an antecedent of customer satisfaction. Numerous studies support this assumption (Cronin, Brady, & Hult, 2000; Eggert & Ulaga, 2002; Liu, Leach, & Bernhardt, 2005). In their work, authors such as Wang, Lo, Chi and Yang (2004), and Spiteri and Dion (2004) assume a direct relationship between individual value dimensions and satisfaction.

Value for money is a concept that may summarise perceived service value or quality and incorporate an element of price. Thus it captures the summative perceptions consumers have of the trade-off between value received and value lost in exchange for a given price or fee as a result of a transaction (McDougall & Levesque, 2000). As such, we would expect that perceived service value predicts 'value for money.'

Judgements of value and quality are considered to be antecedents of customers' behavioural intentions (McDougall & Levesque, 2000; Monroe & Dodds, 1988; Monroe & Krishnan, 1985). Willingness to pay (WTP) is

one such behavioural intention and is regarded as the amount of value, in monetary terms, a customer places on a service (Breidert, Hahsler, & Reutterer, 2006). Equity theory would directly predict that as value or quality increases, so would customers' tolerance of higher prices, which has been confirmed in the literature (Boulding, Kalra, Staelin, & Zeithaml, 1993; Zeithaml, Berry, & Parasuraman, 1996). The concept has been applied to investigate WTP for health insurance (Dror, Radermacher, & Koren, 2007), energy saving (Banfi, Farsi, Filippini, & Jakob, 2008) and renewable energy (Scarpa & Willis, 2010). It must be noted, however, that there are critics of the method who suggest that willingness to pay judgements made in the laboratory may not closely reflect the purchasing decisions made on the market (Sichtmann & Stingel, 2007; Spash, 2008).

A study by Frank and Enkawa (2009) analysed economic influences on perceived value and willingness to pay (WTP) and found, that customer satisfaction, as well as perceived value of services, were positively related to an increase in income. This was attributed to customers with higher income being able to adapt the range of products/services they purchased. In our study, all respondents, irrespective of income, received the same service so we do not predict a relationship between income and satisfaction or value for money; nevertheless, we did control for income in our analyses.

To establish the impact of perceived service value dimensions on the outcomes: satisfaction, value for money judgements and willingness to pay, we predict that:

H5 *Categories of values will determine satisfaction levels.*
H6 *Categories of value will determine value for money.*
H7 *Categories of value will determine willingness to pay.*

Satisfaction has been reported to be a weak predictor of consumer behaviour in other studies (Mittal & Kamakura, 2001). To examine and understand the impact of customer satisfaction on value for money and willingness to pay, it is again necessary to draw upon equity theory, which focuses on fairness in social exchange (Pritchard, 1969). Equity theory claims that parties to an exchange base their judgement of fair treatment on a comparison of outcomes and inputs (Bolton & Lemon, 1999). Cronin et al. (2000) found that value was impacted both directly through behavioural intentions and indirectly through satisfaction.

Homburg, Koschate and Hoyer (2005) found some evidence to suggest that customers are thought to be willing to pay more if they are satisfied with quality. Furthermore, it is believed that satisfied customers become repeat customers and purchase more (Cooil, Keiningham, Aksoy, & Hsu, 2007). However, despite the general belief that satisfied customers are willing to pay more, supporting evidence is less than overwhelming (Homburg et al., 2005).

Finally, Berwick and Weinstein (1985), examining willingness to pay for health care, and Carpio and Isengildina-Massa (2009), who looked at purchasers of farm produce, both report that income has a significant impact on WTP judgements even when quality is constant. Indeed, Shiroiwa et al. (2010) found household income to be the most consistent and greatest predictor of WTP for one quality adjusted life year across six nations.

With regard to the relationship between satisfaction and income and willingness to pay we predict:

H8 *Satisfied learners will rate overall value for money higher.*
H9 *Satisfied learners will be willing to pay more.*
H10 *Wealthier learners will be willing to pay more.*

Methodology

The present study was conducted at four institutions: two in New Zealand (The University of Auckland and Waikato University) and two in Austria (Uni for Life Graz and University of Teacher Education Styria). Respondents had all enrolled in one or more continuing education courses in the previous 12 months. Courses ranged from short one-off workshops or seminars to diploma or certificate courses lasting over a year. For practical reasons, an online questionnaire was selected for data gathering. It consisted of demographic items, satisfaction, attitudes to quality and price, and items relating to customer perceived service value. To collect the data to examine the willingness to pay, participants indicated the fee they would pay to attend four sample courses. Courses were of similar length and were on the following topics: history, foreign language, presentation skills and photography, thus providing a mix of skills and interest based topics. A mean willingness to pay score was calculated for each respondent. All analyses were carried out using the Statistical Package for Social Sciences (SPSS) version 18.0.

Sample

661 students completed the questionnaire, which represents a response rate from between 5 and 10 percent at each study location. Of the sample, 77% were female and 23% male students, 378 (57%) studied in New Zealand and completed the survey in English. 283 (43%) attended classes at one of the two locations in Austria and completed the survey in German. The sample was highly educated with almost 70% having a university degree; furthermore, a range of age and income groups were represented.

Results

Dimensions of Perceived Value

In order to determine the factor structure of perceived service value, an exploratory factor analysis, using principal component analysis as the method

of extraction, was conducted. A four factor solution with varimax rotation provided a satisfactory solution with clear interpretation. A final check on this factor solution showed that the four factors altogether explained 56.27% of the variance, that there were no items with communalities less than .2 and all factor loading was greater than .3. Any item loading on more than one factor was assigned to the factor on which it loaded most highly. Cronbach's alpha was measured for the identified dimensions and found to be acceptable.

The factors identified can be described as follows: career value, representing the utility of educational services to ensure and improve job performance, promotion prospects and payment; social value, concerning the social side of attending courses and interpersonal exchange in learning environments; personal learning value, capturing the subjective evaluation of an educational service offer to enable personal development as well as the ability to provide novelty and image value, covering variables that represent the students' inference from the institution's reputation to the value of the service. This clear identification of value dimensions, which was replicated for the combined data set and when each nation was considered separately leads to the confirmation of H1.

While we identified four core dimensions of value LeBlanc and Nguyen (1999) identified six, the values identified here map very closely to four of the values identified by Le Blanc and Nguyen (1999). Their functional value corresponds well with our career value. Their epistemic value corresponds with our learning value. Both studies identify image as a further dimension and they, like us, propose a social value. Unlike Le Blanc and Nguyen we did not identify price or emotion as separate values. Our results provide partial support for H2.

National Context

Analysis revealed significant differences between the New Zealand and Austrian samples in the benefit they placed on career value ($t = -2.31$, $p < .05$), social value ($t = -5.7$, $p < .01$) and image value ($t = 8.2$, $p < .001$), with the Austrian sample evaluating career and social value and the New Zealand sample placing greater emphasis on the image value. H3, which predicted differing relevance of individual value dimensions across nations, is supported.

t-tests were performed to compare means and identify demographic differences according to nation and a regression analysis was conducted to establish the extent to which apparent group differences in value perception could be attributed to demographic variables or national differences. The samples were significantly different on the frequency with which they attended courses either at current ($t = -2.93$, $p < .001$) or other institutions

($t = -3.98$, $p < .001$), their age ($t = 12.78$, $p < .001$) and how many hours per week they worked ($t = -10.23$, $p < .001$), with the New Zealand sample attending fewer courses, being rather older and on average working fewer hours. One third of the New Zealand sample were over the age of 60 while less than 1% of the Austrian sample fell into this age group. Nearly 25% of the New Zealand sample were not employed and a further 12% worked for less than 15 hours a week (only 4% of the Austrian sample worked for less than 15 hours a week). The most striking difference ($t = -11.03$, $p < .001$) was in the responsibility for paying for courses, which lay largely with the individual in New Zealand, but mainly with the employer or the university in Austria ($\chi^2 = 189$, $p < .001$). As predicted (H4) there was also significant differences in the willingness to pay between the two national groups ($t = 4.12$, $p < .001$).

We can accept that there are differences in the values and willingness to pay between the two study sites (H3 and H4). However, our exploratory efforts to identify the causal links between demographic and contextual matters and values were unsuccessful. The differences in the perceptions of social value and image value between the two nations cannot be safely attributed to any specific demographic or contextual factor, as the two samples are so very different and so many aspects are confounded. We have cautiously accepted H4, which attributes differences in willingness to pay to differences in payment expectations. This effect was predicted, is proximal and is reported elsewhere in the literature. It is reasonable to accept that individuals who usually receive a service free of charge will be less willing to pay for it than will customers who are accustomed to paying substantial fees.

The relationship between Values and Outcomes

Given the significant differences between the New Zealand and Austrian samples in their expectations regarding payment for educational services, all further analyses reported here were conducted only on the New Zealand sample. Our rationale was that it is inappropriate to ask people who do not pay for services about value for money or price. These questions would be hypothetical. Caution must therefore be taken before extrapolating from the results to a wider population. They are derived from and are likely to hold only for samples accustomed to paying for services.

A series of regression analyses were conducted with gender, age and income as control variables, career value, social value, learning value and image as predictors and, in turn, satisfaction, value for money and WTP as the dependent variables. (See Table 1 and 2 for correlations and regression analyses). The control variables were not predictive of the outcomes with one exception: income significantly predicted the willingness to pay ($\beta =$

Table 1   Correlation Matrix Showing Correlations between Values, Income and the Three
Outcome Variables: Satisfaction, Value for Money and Willingness to Pay

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Value – Career	1							
Value – Social	.169**	1						
Value – Learning	.065	.173**	1					
Value – Image	.291**	.174**	.153**	1				
Satisfaction	.254**	.187**	.295**	.373**	1			
Household Income	–.095	–.087	.002	–.034	–.018	1		
Value for Money	.087	.127*	.279**	.314**	.577**	.089	1	
Willingness to Pay	.128	–.109	–.033	.049	.106	.262**	.125*	1

Notes   Column headings are as follows: (1) Value – Career, (2) Value – Social, (3) Value –
Learning, (4) Value – Image, (5) Satisfaction, (6) Household Income, (7) Value for Money, (9)
Willingness to Pay. Sig.: * $p < .05$; ** $p < .01$.

.27, $p < .01$), confirming hypothesis 10. The results confirmed H5 and H6
with value dimensions predicting both satisfaction and value for money.
Three of the four values significantly and positively predicted satisfaction
(career $\beta = .21$, $p < .01$; social $\beta = .07$, $p > .05$; learning $\beta = .13$, $p < .05$;
image $\beta = .22$, $p < .01$) and collectively explained 18% of the variance ($F =$
16.65, $p < .01$). Similarly, three of the four values significantly and positively
predicted value for money (career $\beta = .10$, $p > .05$; social $\beta = .12$, $p < .05$;
learning $\beta = .15$, $p < .01$; image $\beta = .21$, $p < .01$) and collectively explained
14% of the variance ($F = 11.85$, $p < .01$).

None of the values predicted the willingness to pay, collectively they
explained only 3% of the variance ($F = 2.01$, $p > .05$) and so H7 must be
rejected.

Two further regressions were conducted in which satisfaction was in-
cluded as a predictor rather than the outcome (see Table 3). Satisfaction
was observed to be a strong predictor of value for money judgements
($\beta = .58$, $p < .01$), confirming H8. It should be noted that when satisfac-
tion is included in the analysis, values cease to be a significant predictor
of value for money. This, taken into account together with the results of
the earlier regressions, indicates that satisfaction may be a mediating vari-
able. That is, perceived service values act on value for money judgements
through satisfaction.

Satisfaction with service appears to have no impact on the willingness
to pay ($\beta = .00$, $p > .05$); therefore, Hypothesis 9 must be rejected.

To summarise, ten hypotheses were proposed and a number of analyses
are reported that test and explore the hypotheses. Our results are sum-
marised in Table 4 and show that while 2 hypotheses had to be rejected,
the remainder were wholly or substantially confirmed.

Table 2 Regressions of Values as Predictors of the Outcome Indicators: Satisfaction, Value for Money and Williness to pay

(1)	(2)	(3)	(4)
Step 1			
Gender	−.03	−.1	.07
Age	.09	.04	.00
Income	.04	.08	.27**
R^2	.01	.02	.08
F	1.07	1.58	8.38**
Step 2			
Career	.21**	.10	.10
Social	.07	.12*	−.09
Learning	.13*	.15**	−.06
Image	.22**	.21**	.08
Change R^2	.18	.14	.03
Change F	16.65**	11.85**	2.01

Notes Column headings show Beta values as follows: (1) Predictor Value, (2) Satisfaction (New Zealand data only), (3) Value for Money (New Zealand data only), (4) Willingness to Pay. Sig.: *$p < .05$; **$p < .01$.

Table 3 Regressions of Satisfaction Pred. Value for Money and Willingness to Pay

(1)	(2)	(3)
Step 1		
Gender	−.1	.07
Age	.04	.00
Income	.08	.27**
R^2	.02	.08
F	1.58	8.38**
Step 2		
Career	−.03	.10
Social	.08	−.09
Learning	.07	−.06
Image	.09	.07
Satisfaction	.58**	−.00
Change R^2	.27	.00
Change F	132.56**	.00

Notes Column headings show Beta values as follows: (1) Predictor Value, (2) Value for Money, (3) Willingness to Pay. Sig.: *$p < .05$; **$p < .01$.

Table 4 Summary of Hypotheses and Results

H1	Categories of values will be identifiable	Accepted
H2	Categories identified will reflect the value dimensions reported by LeBlanc and Nguyen	Partially supported
H3	The value placed on value dimensions will vary with context	Accepted
H4	The New Zealand sample will be willing to pay more than the Austrian sample for the same courses.	Accepted
H5	Categories of values will determine satisfaction levels	Accepted
H6	Categories of value will determine value for money	Accepted
H7	Categories of value will determine willingness to pay	Rejected
H8	Satisfied learners will rate overall value for money higher	Accepted
H9	Satisfied learners will be willing to pay more	Rejected
H10	Wealthier learners will be willing to pay more	Accepted

Discussion

The research presented set out to investigate the issues related to the nature of consumer perceived service value, specifically to identify the underlying multidimensional structure and to examine the demographic and contextual antecedents and the purported consequences: satisfaction, value for money and willingness to pay. We made ten predictions and these were
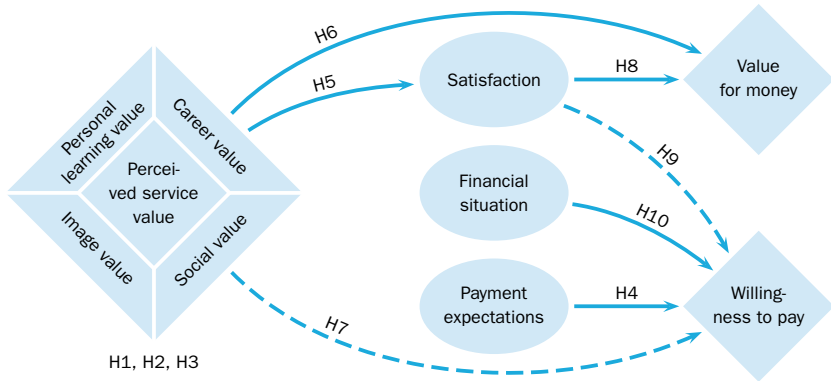
Figure 1   Perceived Service Value and the Outcomes of Educational Services

mostly confirmed (See Table 4 for a summary). In Figure 1 we offer a model that captures our findings.

The work highlights the role of consumer perceived service value in the sector of continuing education. Given the considerable explanatory power and the four identified value dimensions career value, social value, personal learning value and image value, our work offers a theoretically grounded evidence base for institutions from which to analyse consumer perceived value in their field of activity.

The analyses identified national differences in the perception and judgement of values, with Austrian learners judging career value and the social aspects of learning and the New Zealand sample valuing the image and reputation of an institution more highly. However, given the striking differences in the demographic profile of the samples, this was more likely to be attributable to the demographic differences including life stage and to the educational context than to the underlying socio-cultural distinctions. Providers may need to be mindful of all perceived service values, but perhaps should strive to understand the priorities of the specific markets that they are operating in. Our results indicate that it is not safe to assume that all continuing education learners will prioritise values equally. If service values are understood then service and communications can be tailored to market segments.

Our results clearly showed a direct and significant relationship between value and satisfaction with service. Similarly, perceived service values positively predicted value for money judgements. This is all as expected and indicates that efforts to drive up service value should result in a more satisfied clientele whose value for money judgements are elevated. However, we did not find that perceived service value would translate into higher willingness to pay. Willingness to pay more was determined by factors other

than the learner's experience or perceived service value. Learners were willing to pay more when they expected to pay more and when they had the capacity to pay more. This implies that whatever providers do to enhance the quality and perceived service value, it may not result in students willing to pay higher fees. Tentatively we could suggest that in an effort to build revenue providers must target customers with disposable income. However, this may be unpalatable to many community education workers. We might also suggest that providers manage expectations so that students have realistic expectations regarding fees. Geertshuis (2011) has shown the power of reference pricing on willingness to pay but has not shown that willingness to pay in turn predicts purchasing behaviour. Additionally, on a note of caution, it should be pointed out that the New Zealand sample participants are mostly learning for pleasure or out of interest rather than for accreditation or professional development. We cannot say whether our findings hold for other groups of learners.

Having conducted our research from a commercial stance we may claim to have acquired something of an inside view of the commodification of continuing higher education. Before closing our discussion we would, therefore, like to consider our findings in the light of this wider debate. While the purported aims of higher education remain to provide a public good (Tilak, 2008), our data tend to support the conclusions of many that market forces run counter to ideals of, for example, access, critical discourse and meritocracy (Giroux, 2002). Our samples from New Zealand and Austria offered contrasting perspectives; while in Austria, continuing education remains largely funded as a public good, in New Zealand a more overtly market oriented approach has emerged. Possibly, as a consequence, the samples were markedly different as were the offered programmes. The New Zealand sample participants, motivated by interest rather than employment, were engaged largely in short courses and were older, with many being post retirement age. Although other workers argue that market forces may narrow educational provision until it becomes wholly focused on employment and on driving the economy (Kezar, 2004), in this case, it appears that education has been driven towards edutainment and, albeit highbrow, leisure industry.

Our results indicate that efforts to improve quality and service value may not entice people to pay more. In our New Zealand sample only people who have more appeared to be willing (or able) to pay more. Thus fee increases will work directly counter to universities' espoused ideals of a meritocratic society and equity of access. A continuing reduction in central support will lead to an increasingly elite student base, perhaps, as our data suggest, increasingly motivated by image and prestige and less by career and learning value. From a practitioner point of view this could create a vicious cycle

as serving the elite can be a justification for further reductions in central support, which in turn drives fee increases and results in further restriction of the student base and so on.

It appears that, in a financially constrained environment, practitioners cannot attract and maintain a diverse constituency of learners through incremental changes. The only way to maintain our ideals of outreach, access, equity and merit may be to innovate in far more radical ways (Christensen & Eyring, 2011). The University of Auckland, New Zealand, for example, is developing a pan university strategy for outreach that provides free or low cost access to its learning and research. Using electronic channels rather than small face to face continuing education classes, the university hopes to remain true to its aspirations to serve its communities well and yet work within the constraints imposed by Government.

Further Research

In addition to replicating this study and further validating and improving the instrument in similar and dissimilar contexts there are a number of other avenues which merit investigation.

If perceived service values are to be used to inform service design then care must be taken in the wording and approach. The instrument used here asked respondents to report on the value they derived from past service. It was therefore a reflection of value derived, not value desired. It could be that particular values were not rated as valuable because that aspect of service was poor or it could be that the service was good but not of importance or value to the respondent. These difficulties remain unaddressed in most instruments, but may be concealing important nuances in perceived service value. If values are to be captured and used to guide service development, it is very important to know whether it is value as delivered or value as required that is being captured.

The failure to predict willingness to pay requires investigations using alternative methods. Observations of purchasing behaviours and experimental manipulations might be necessary.

If WTP judgements are to be captured then it may be better to conduct data collection close to the point of an actual purchase. Presumably then customers will have a greater awareness of their purchasing decision. In other studies by the authors, respondents were asked how important price was and this affected WTP sensitivities (Geertshuis, 2011). It may be that investigations that ask about the importance of price as well as wiliness to pay will offer us greater insight.

Conclusions

The results extend the theory on customer perceived value as a multidimensional construct, and give insights into the consequences of customer per-

ceived value within an educational context. In terms of practice, the results inform the strategic management of continuing education programmes. We found that increased service value leads to enhanced satisfaction and enhanced perceptions of value for money. However, any link between value and willingness to pay appears tenuous and payment expectations and financial situation were the strong predictors of willingness to pay in our data. Therefore, it would seem that customer orientated program design executed in combination with an appropriate marketing message and targeting may go some way to safeguard an institution in times of economic cutbacks and reduced subsidisation. Nevertheless, it needs further research to provide reliable recommendations that can be safely generalized.

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Abstracts in Slovene

Merjenje kompetenc pri univerzitetnem izobraževanju odraslih: dinamični pristop

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Članek poskuša raziskati področje izobraževanja odraslih ter razvoj kompetenc v univerzitetnem okolju. Ocena treh zaporednih ciljnih skupin strokovnjakov, katere smo opredelili kot odrasle študente, je bila izvedena z uporabo IKT-orodja. Pridobljeni rezultati imajo vrsto raziskovalnih in praktičnih implikacij. Posamezniki pridobijo poznavanje samega sebe in percepcijo glede trenutnih in prihodnjih kompetenc, poleg tega pa se lahko prične proces samoanalize. Rezultati na nivoju skupine so pomembni za učitelje in vzgojitelje, saj jim pomaga pri oblikovanju pobude za na študenta osredotočeno poučevanje/učenje pri čemer je poudarek na vprašanju in upravljanju raznolikosti. Menedžment v izobraževanju lahko izboljša kakovost poučevanja in oblikuje konkurenčno pot skozi diferenciacijo.

Ključne besede: kompetence; ocena kompetenc; razvoj kompetenc; sprememba; vodstvo v izobraževanju; izobraževanje odraslih; učenje

IJMKL, 2(1), 3–23

Delovna uspešnost, zadovoljstvo pri delu in človeški kapital na trgu dela v Bosni

Alexi Danchev in Erkan Ilgün

Članek se posveča analizi vpliva delovne uspešnosti, zadovoljstva pri delu in človeškega kapitala pri čemer pokaže, da poleg monetarnega vidika, dejavniki kot so percepcija družbenega pomena službe, možnosti oblikovanja prijateljstev v timu ter atmosfera na delovnem mestu anketirancev lahko preko človeškega kapitala pomembno vplivajo na ponudbo delovne sile. Članek tako prikaže moč nedenarnih dejavnikov pri doseganju izboljšav v povezavi z verigo »delovna uspešnost–zadovoljstvo pri delu–človeški kapital« kar bi posledično prineslo pozitivne spremembe na trgu dela v Bosni.

Ključne besede: delovna uspešnost; človeški kapital; zadovoljstvo pri delu; Bosna

IJMKL, 2(1), 25–44

Organizacijski razvoj: orodje za profesionalizacijo neprofitnih organizacij

Katalin Dobrai in Ferenc Farkas

Članek je osnovan na mednarodni raziskavi ter redni raziskovalni dejavnosti avtorjev na področju profesionalizacije neprofitnih organizacij. Raziskava področja je podprta z analizo rezultatov pilotnega projekta programa za organizacijski razvoj na Madžarskem. Ugotovitve empirične raziskave služijo kot

merilo za raziskave velikega vzorca. Članek podaja vpogled v spremembe delovnega okolja neprofitnih organizacij, ki so vezane na njihove učne potrebe in izbrane rešitve, ponuja praktične dokaze ter pripomore k sedanjim raziskavam profesionalizacije organizacij v neprofitnem sektorju na mednarodnem nivoju.

Ključne besede: neprofitne organizacije; profesionalizacija; učenje; organizacijski razvoj; znanje

IJMKL, 2(1), 45–64

Učenje skozi učenje: izkustvena resonanca pri izvedbi predmeta menedžment v spletnem okolju

David Starr-Glass

Izkustvena resonanca je pedagoški pristop, ki omogoča učencem pridobivanje poglobljenega razumevanja teorije področne vsebine na način, da teorijo uporabijo neposredno v strukturi, dinamiki in učnih okoljih predmeta. Učenci so obveščeni glede uporabe teorije pri predmetu ter so pozvani, da razmislijo o njeni uporabi. V predstavljeni preliminarni študiji so bili principi menedžmenta vključeni v učna okolja dveh spletnih predmetov menedžmenta v okviru učenja na daljavo. Anketa izvedena po končanem predmetu je, kljub statistični omejenosti zaradi velikosti vzorca, pokazala močno soglašanje učencev z dejstvom, da je bila teorija menedžmenta resonančna tema učnih izkušenj ter da so bile njene uporabe koristne.

Ključne besede: avtentičnost; kritično razmišljanje; učenje z dvojno zanko; izkustveno učenje; znanje; učna okolja; menedžment; spletno učenje

IJMKL, 2(1), 65–82

Upravljanje znanja inovacijskih procesov sektorja MSP podjetij

Tomasz Norek

S kompleksnostjo in variabilnostjo modernega gospodarstva so informacije postale ključni vir; so bistvenega pomena za pravilnost delovanja katerega koli podjetja ter v širšem pomenu države in nacionalnega gospodarstva. Trenutno se praktično vsa področja sodobnega gospodarstva tako v teoriji kot v praksi spopadajo s problematiko upravljanja informacij. Slednje je zlasti razvidno iz poskusov podpore upravljanja znanja na področjih, ki so, z vidika povečane tržne konkurenčnosti podjetja, opredeljena kot ključna. Kot primer lahko služi upravljanje znanja na področju inovativnega potenciala podjetja ali pa na področju intelektualnega kapitala. Takšna situacija zahteva iskanje novih rešitev upravljanja znanja na raziskovalnem področju in evalvacijo inovativnega potenciala podjetij. Glavni cilj članka je predstavitev internetne platforme za revizijo inovacij kot orodja za podporo upravljanja znanja. Poleg tega pa članek predstavi še preliminarne rezultate raziskave izvedene z uporabo opisanih orodij.

Ključne besede: upravljanje znanja; informacijski sistem upravljanja znanja; inovacijski potencial

IJMKL, 2(1), 83–99

Uravnoteženje strukture in učenja v zaporu odprtega tipa

Trygve J. Steiro, Bjørn Andersen, Linda Solveig Olsvik in Per Johansen

Zapor Leira je podružnica Trondheim zapora, ki deluje kot relativno majhen zapor odprtega tipa katerega maksimalna kapaciteta znaša zgolj 29 zapornikov. Zapor Leira je implementiral metodo »konsekvenčne pedagogike«. Članek poskuša opredeliti način izvedbe konsekvenčne pedagogike v Leiri. 50 odstotkov zapornikov v Leiri se namreč vrne v družbo medtem ko istočasno novi zaporniki vstopijo v zapor. Posledično je vpogled v njihov način uravnoteženja strukture ter istočasnega prilagajanja spremembam, kar omogoča zaporu Leira nadaljevanje svojega delovanja kot poučevalna organizacija, nedvomno zanimiv. Članek identificira naslednja tri področja: konsekvenčno pedagogiko in pogled na človeka, ohranjanje filozofije in skladnosti v skupnosti ter samoregulacijo pravičnosti skozi interakcijo. Uporaba konsekvenčne pedagogike je tesno povezana s pozitivnim pogledom na posameznika in je oblikovala konstruktivno organizacijo, ki je osnovana na spodbujanju in vključevanju tako zaposlenih kot zapornikov. Posledično tako vodstvo in zaposleni kot tudi zaporniki ohranjajo filozofijo konsekvenčne pedagogike preko interakcije in samoregulacije. Toda kljub temu vprašanja glede osnov konsekvenčne pedagogike niso izpostavljena.

Ključne besede: menedžment; znanje; učenje; zapor; konsekvenčna pedagogika; pogled na človeka

Ocene vrednosti in vseživljenjsko izobraževanje

Susan Geertshuis in Otto Krickl

Članek preučuje zaznano vrednost predmetov vseživljenjskega izobraževanja ter razpravlja o povezavi med vrednostjo z zadovoljstvom, oceno vrednosti in plačilom ter pripravljenostjo plačati za izobraževanje. Podatki so bili zbrani preko spletne ankete na štirih univerzah v dveh državah. Identificirana je bila štiri-vektorska vrednostna struktura z naslednjimi dimenzijami: podoba institucije, vrednost za kariero, učna vrednost ter družbena vrednost. Opredeljene so razlike med anketiranci iz Avstrije in Nove Zelandije glede na relativen pomen štirih dimenzij ter raziskani možni vzroki ugotovljenih razlik. Predlagamo teoretično opredeljen model, ki je skladen z našimi ugotovitvami.

Ključne besede: učenje; vseživljenjsko izobraževanje; zaznana vrednost storitve; izobraževanje skupnosti; vrednost za denar; zadovoljstvo; pripravljenost plačati