

## How Transformative Learning Informs the SEAM Process

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### Abstract

SEAM is a very successful approach to managing an organization. At the heart of a SEAM intervention is the change in beliefs about management on the part of the organization's leaders. The transformative learning literature has described the steps and conditions needed for changing beliefs. One of the reasons that SEAM works so well is that the transformative learning steps and conditions are embedded within the SEAM intervention process.

**Key words:** SEAM, transformative learning, TFW virus.

The Socio-Economic Approach to Management (SEAM) is a very successful approach to organizational change. To our knowledge, SEAM has the highest success rate of any organizational change methodology in terms of sustainable improvement to the people involved in the workplace and to the economic efficiency of the organization. The question arises, what makes SEAM so effective? We believe that one of the factors is that in SEAM people change some of their deep beliefs and values about management and the nature of work, and the outcome is a significant change in organizational culture. Changing beliefs and culture is difficult work, and we believe that transformative learning theory explains part of what makes SEAM effective. The purpose of this paper is to offer our understanding of how the elements of transformative learning are woven into the SEAM intervention.

SEAM is based on the premise that in many organizations, the current mental model of management is destructive of both human potential and economic gains. Savall (2016) and his colleagues at ISEOR have developed a metaphor of the TFW (Taylorism, Fayolism, Weberism) virus. Essentially the "virus" is a metaphor for the mental model of modern management practices that have developed from the often distorted understanding of the works of the three giants of management theory. The goal of a SEAM intervention is to change the mental model of those managers who are afflicted by the TFW virus.

One theory about changing mental models is transformative learning which was first developed in 1978 by Mezirow (2000). Frequently SEAM has been successful in changing the mental models of management of actors at all levels of organizations. (Note: we use the term "actors" to describe all of the persons involved in the organization.) We believe that one of the reasons SEAM is successful is because of the implicit use of the elements of transformative learning in SEAM interventions.

Changing mental models is difficult work. What is involved in this work is changing one's beliefs or values. In SEAM, the goal is to help managers to change the way they understand management, by replacing the traditional management model with the one that is shaped by socio-economic theory. Change at this level is unsettling, and often resisted. As Mezirow wrote, "Transformative learning, especially when it involves subjective reframing, is often an intensely threatening emotional experience in which we have to become aware of both the assumptions underlying our ideas and those supporting our emotional responses to the need to change" (2000, p. 7). This parallels the caution of Edgar Schein, "such learning is intrinsically difficult because the reexamination of basic assumptions temporarily destabilizes our cognitive and interpersonal world, releasing large quantities of basic anxiety (Schein, 2004, p. 31).

### **Transformative learning theory**

Two different models of transformative learning discussed below complement each other. The first was posited by Mezirow (2000) who wrote that "Learning is understood as the process of using a prior interpretation to construe a new or revised interpretation of the meaning of one's experience as a guide to future action" (p. 5). That is to say, learning is the process of taking what people know from the past, understanding this knowledge in a new way, and using this new knowledge to shape new behavior in the future. This is different from learning a new language or a new theory. It is a challenge to people's previous beliefs and assumptions about what is true.

Mezirow (2004) outlined the usual process of transformation. This is a general outline, not a rigid set of steps through which one mechanically marches.

1. A disorienting dilemma.
2. Self-examination with feelings of fear, anger, guilt or shame.
3. A critical assessment of assumptions.
4. Recognition that one's discontent and the process of transformation are shared.
5. Exploration of options for new roles, relationships, and actions.
6. Planning a new course of action.
7. Acquiring knowledge and skills for implementing one's plans.
8. Provisional trying of new roles.
9. Building competence and self-confidence in new roles and relationships.
10. A reintegration into one's life on the basis of conditions dictated by one's new perspective. (p.22)

Mezirow also described transformative learning as objective and subjective. Objective reframing involves wrestling with the assumptions of others, as in task oriented problem solving processes such as action learning. Subjective reframing comes from self-reflection, wrestling

with one's own assumptions. An example of subjective reframing in an organization or workplace is Argyris's double loop learning. Our observation is that in a SEAM intervention both objective and subjective reframing happen within the actors.

### **Mezirow's 10 steps of transformation and SEAM**

For many people, transformation through learning is somewhat accidental. A common source of transformation is foreign travel, in which the experience of a different culture causes people to reexamine their own cultural assumptions. Culture shock ensues, out of which the person chooses what practices to accept from the new culture, and what to drop as a practice from the old culture.

Events happening in a SEAM intervention are not accidental. The Mirror Effect and demonstration of Hidden Costs are by design a disorienting dilemma. The dilemma might pass, but it is reinforced by the Expert Opinion, and for managers by the teaching about socio-economic theory, the tools and coaching. The intervener-researchers do not blame, they merely point out that the old mental model of management is not working as well as people want. Some participants resist, but if the top leaders are supportive of SEAM, most begin to recognize that they would like a better management system, one that is more productive, more participative, more effective, and more joyous.

New ways of managing begin to be tested. Better communications and cooperation begin to happen, and people's hope, that SEAM might work after all, grows. The projects are the immediate instances of planning a new course of action. The tools reinforce the planning. The Internal/external Strategic Action Plan is the longer term planning, and includes the internal work of reducing dysfunctions. Every six months, the Priority Action Plans clarify for all actors where to focus their time – what they will do and what they will not do.

In the process of planning, actors are pressed to consider the tasks of maintaining the work of the moment, and of developing the human potential in the organization. For many organizations this is a cultural turning point, in which the concern for developing human potential becomes as important as the completion of the daily maintenance tasks.

Mezirow's 10 steps are implicit in the SEAM process. They are not neatly orchestrated into 10 sequential steps, but they are present:

- 1. A disorienting dilemma – this starts with the Mirror Effect and continues with the Expert Opinion.**

2. Self-examination with feelings of fear, anger, guilt or shame – sometimes managers have feelings of guilt or shame as they realize the damage they have done through following the old management mental model.
3. A critical assessment of assumptions – this occurs as actors reflect on the discrepancy between their old model of management, and the SEAM model.
4. Recognition that one's discontent and the process of transformation are shared – this begins in the Mirror Effect as actors realize that many others share discomfort at the organizational dysfunctions.
5. Exploration of options for new roles, relationships, and actions – this is the outcome of coaching, modeling by the intervener-researcher and organizational leaders, and the projects.
6. Planning a new course of action – this begins with the projects and the Internal/External Strategic Action Plan, and continues with Priority Action Plans and Periodically Negotiated Activity Contracts.
7. Acquiring knowledge and skills for implementing one's plans – the result of competency grids is new learning opportunities for all actors.
8. Provisional trying of new roles – as the SEAM intervention continues, the actors test out new ways of behaving in the workplace.
9. Building competence and self-confidence in new roles and relationships – after actors test new roles, and find that these are effective, they gain competence in the new roles and confidence grows.
10. A reintegration into one's life on the basis of conditions dictated by one's new perspective – this happens over time: personally as the new model of management becomes comfortable, and organizationally part of the change in culture.

Support from leaders and the intervener-researchers reinforces the new habits of mind. A SEAM intervention usually takes at least eight or nine months to work through the horizontal and then a few vertical groups. In the following years other vertical groups are included, and the new habits of mind become integrated into the organizational culture. It takes time for the transformation to become truly the new way of living. As it does, each year the organization is more effective, and more profitable. For instance, in the SEAM intervention in the Lebanese hospitals, each year the profitability increases. A measure of value is the amount per hour each actor contributes to the value added for the organization, and over four years the value per hour increases (Tabchoury, 2016).

Table 1

*Change in the Amount per Hour Each Actor Contributes to the Value Added for the Organization*

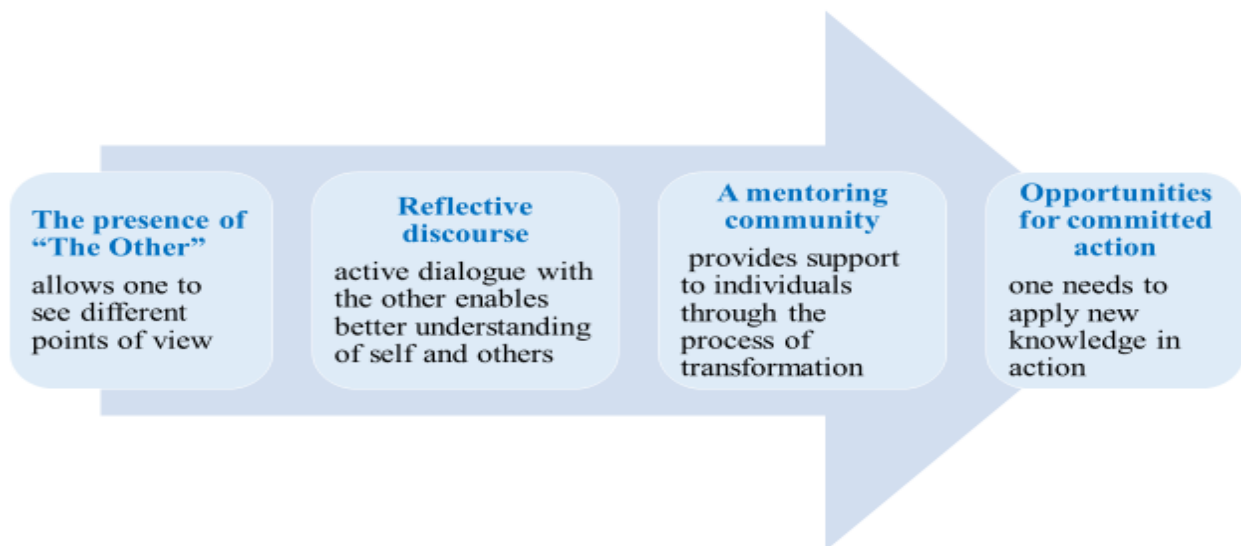
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2010	\$13.80
2011	\$14.22
2012	\$15.00
2013	\$19.00

Clearly, as the transformation, which was fostered by the SEAM intervention, settles into becoming the new way of working, the benefits of the transformation increase over time.

### **SEAM and the four conditions for transformative learning**

A second model of transformative learning was posited by Daloz (2000). According to this model, four conditions are needed for people to engage in the difficult task of transformative learning. Figure 1 is a visual representation of these four conditions.



*Figure 1. The four conditions for transformative learning*

The first condition is “the presence of the other.” If a manager does not interact with people who are different, one never has the impetus to consider if there are better ways to manage. For many, the obvious presence of the other comes in foreign travel. As professors, we have taken many groups of students to Ukraine to work in Organization Development practica.

The usual outcome is the observation that our students learned more about themselves and their culture than Ukrainian culture. The Ukrainians were the “other,” the mirror in which the students could explore each difference and then ask, “Why do they do this their way and I do this differently?”

Reflective discourse is the second condition needed for transformative learning. Frequently discourse is intended to inform or convince people. Reflective discourse seeks common understanding, and is inherently non-judgmental. This implies emotional maturity and emotional intelligence. As one explores one’s own values, placing them next to someone else’s different values, the tendency is to start with the belief that one’s values are better. Reflective discourse means internal and external dialogue in which one examines differences, tries them on for size perhaps, and sees if they make sense.

As simple as that may sound, the process can be unsettling. In SEAM, managers are faced with the premise that much of what they have learned is not effective, and indeed may damage employees and productivity. It takes emotional maturity to accept the premise as worth examining. It is hard to accept that what one has been taught may be flawed. It is harder to accept the premise that one’s management may have been hurtful. However without such discourse, one can never gain enough distance from one’s closely held beliefs to consider letting in new knowledge and beliefs.

A mentoring community is the third condition for transformative learning. Since changing one’s beliefs and values can be internally threatening, the process is easier if there are guides whom one trusts – mentors. Mentors in the SEAM process include the SEAM coaches, and peers and leaders who wrestle with SEAM. Together the collection of mentors is a mentoring community, the group of people with whom one can have reflective discourse. This is where one can safely explore differences as one decides what of the old and new to keep, and what to discard.

Finally, transformative learning cannot be just cognitive, it needs to lead to actions in which one tests the new amalgam of beliefs and values. If one is not behaving differently, there probably has not been real transformative learning. Below, we elaborate on each of these conditions as it pertains to SEAM.

### **The presence of the other**

Table 2 demonstrate how socio economic management differ from traditional management belief system. Thus managers are exposed to the other view of what good management entails.

Table 2

*Traditional and Socio-Economic Management*

<b>Traditional Management</b>	<b>Socio-Economic Management</b>
The mental model is rooted in ideas of Industrial Revolution	The mental model is based on socio-economic philosophy
Focus on economic aspects of the organization	Focus on both people and economic aspects of the organization
Employees are capital to be used as long as they benefit the organization, then discarded	Developing human potential is the source to increasing organizational value
Traditional accounting does not measure hidden costs	Hidden costs are measured, averaging over \$20,000 per employee per year
In organizational change the focus is on structures and behaviors	In organizational change the focus is on identifying dysfunctions, calculating hidden costs, and reducing these so there are new resources for the development of employees

We argue that for some managers learning SEAM is a transformative learning experience. That means that managers become critically reflective of the assumptions that drive their managerial behavior. The management theories that are taught in business schools, and also which are transmitted through society as “the way we do things,” are the result of managerial theories developed during the late industrial revolution. These theories were articulated by Taylor, the developer of scientific management, Fayol who spelled out the work of bureaucracy, and Weber who articulated the modern understanding of administration (Heorhiadi, Conbere, & Hazelbaker, 2014). Over time their theories have been distorted, so that what we have now can be titled Taylorism - Fayolism - Weberism. One might sum up the TFW approach in this way:

- The purpose of business is profit.
- People are disposable and are the first resource to be cut in the time of crisis.
- Leaders decide what should happen and how to fix problems.
- Leaders do not need structures to hear the voices of people lower in the hierarchy.
- Specialization is more effective than holistic thinking.
- Employees must be obedient.
- Hidden costs are not measured.

In addition, there are two outcomes that frequently can be found.

- Being a manager does not mean that one knows how to manage.
- The price for manager's poor decisions is paid by employees lower in the hierarchy.

In a SEAM Intervention, the intervener-researchers become the other, as they teach about socio-economic theory and management tools, and as they present the Mirror Effect and Expert Opinion. They offer in their teaching and coaching a new way of understanding management.

Some people resist exploring the differences. Others are sympathetic. In any case, the intervener-researchers and "the other" as they introduce the organization to the SEAM model of management. In addition, as the intervention grows in an organization, the leaders who are trained in SEAM become *the other* for the rest of the organization.

### **Reflective discourse**

People need to talk about the SEAM ideas. This happens in several ways. First is teaching managers about socio-economic theory and six management tools. In the Mirror Effect, as people see the extent of the dysfunctions in their workplace, and the hidden costs that are associated to these dysfunctions, they begin to talk with each other. A month later, the Expert Opinion adds the intervener-researchers' insights to the discussion. Two things have happened at this point, in our experience. Actors began a new kind of discourse throughout the organization, talking without fear about real problems. At the same time, quietly, old assumptions began to be questioned and, without pressure, began to change. An example is the supervisor who discovered that she did not have to punish people every time they made a mistake. This may seem simple yet this revelation is actually a sign of a change in a deeply held belief about the role of the supervisor.

### **The mentoring community**

Within the organization, a mentoring community forms. This starts with the SEAM intervener-researchers teaching, coaching and modeling with the organizational leaders. As the intervention cascades through the organization, the leaders become the mentoring community for each new part of the organization that is introduced to SEAM.

In France, ISEOR serves as the primary mentoring community for intervener-researchers. Conferences, teaching, publishing and a variety of formal and informal meetings are the context for the mentoring. In the United States the mentoring community is in the process of forming. Universities that promoted the practice of SEAM, such as the University of St. Thomas, New Mexico State University, and Western Carolina University, have been pockets of mentoring. The



three conferences that have been held at the University of St. Thomas in Minnesota in 2012, 2014 and 2015, and the conferences at the College of St. Scholastica in Duluth, Minnesota in 2016, have been a forum for gathering intervener-researchers and leaders who use SEAM, and developing a more comprehensive mentoring community.

### **Opportunities for committed action**

Within the organization, the opportunity for committed action begins with the projects. Each Expert Opinion discourse leads to direct actions, a series of projects designed to be inclusive, not top down. Each project is designed to change the workplace, reducing dysfunctions and hidden costs and increasing the opportunities to develop human potential. The projects challenge the old belief that leaders or top managers should be the ones to diagnose and solve organizational problems. Instead, employees from all levels of the organization are included in the project teams. They take ownership of change, which in turn reduces resistance and makes change sustainable.

### **Conclusion**

The SEAM process may take different routes. In France, leaders may be trained at ISEOR before or during the intervention. The intervention may move quickly or slowly through the organization. Sometimes the intervention might not start at the top or “horizontal” level. Nonetheless, the elements of transformative learning are present in each SEAM intervention. The actors and intervener-researchers may not know the theory, but this does not matter. What matters is that the intervention is designed to lead the actors through Mezirow’s 10 steps, and to create the four conditions described by Daloz. Moving from the disorienting dilemma of the Mirror Effect to the reintegration, which is a new way of managing, is built into SEAM. This, we suggest, is one of the reasons SEAM works so well.

Also, it can take months, or even years, for a leader to decide to use SEAM. Part of the courtship period is one of discernment to see whether a leader is courageous and emotionally stable enough to accept the destabilizing part of transformative learning. If not, the organization is not ready for SEAM.

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