“LESSONS LEARNT” FROM
IMPLEMENTING A LARGE SYSTEM
DEVELOPMENT PROJECT IN CHINA

ADOPTED FROM PAPER PRESENTED AT
IAAP CONFERENCE 1998 IN SAN FRANCISCO
“LARGE SYSTEM DEVELOPMENT IN CHINA:
USE OF ACTION RESEARCH TO
STRENGTHEN EXISTING TRAINING SYSTEMS
(PARTY, ADMINISTRATION, AND ECONOMICS)

by

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“Lessons Learnt” from Implementing a Large System Development Project in China

Abstract

As our economies and countries become increasingly interdependent, success or failure of change processes in planned economies become critical factors for the future of those transitional countries as well as for the rest of the world. Large system change and organisational transformation are already a difficult undertaking in developed OECD countries. It is even more difficult to successfully conduct capacity-building and institution-development change projects in developing countries with a planned economy. Reports from field experiences are scarce. This paper describes the design and conclusion of a recent large system change process in China where an action research approach was applied as a method for systemic development.

This change project lasted for three years from 1994 to 1996 and achieved its development objectives on three levels: individual, institutional and network. The actors of this project included individual training managers, human resource development planners, management trainers, and a network of in-service training institutions in China.

The outcomes of this action research process will be described and critically assessed. In addition, the subsequent discussion of constraints, failures and success factors encountered in this field project should help further broaden and deepen the existing theories on organisational change in general and on action research in particular. It will also bring us a step closer to a cross-cultural validation of action research methods and principles.

Key words: Action research, network development, large system change
“LESSONS LEARNT” FROM IMPLEMENTING A LARGE SYSTEM DEVELOPMENT PROJECT IN CHINA

Introduction

This paper intends to 1) describe the use of action research (AR) in the context of an international development cooperation; and 2) examine the efficacy of action learning (AL) and AR as OD strategies in a large system change context. A case study based on a Sino-Swiss technical cooperation project will be used to illustrate the various salient lessons learnt in regard to the use of AL/AR as the primary OD strategies at the systemic level and in regard to the application of AR in an inter-cultural context.

Socio-Political Context of the Case Study

Since 1978, China has embarked on an economic modernisation campaign based on Deng Xiaoping’s reform policies. A fundamental transformation has since gradually taken hold in China continuing to the current days. The changes brought about by these new policies have not only improved the life of millions of Chinese but also positively affected the governing structure of the Chinese system. But it also became gradually apparent that economic reform had to be accompanied by administrative reform requiring professional expertise which could not be engineered through traditional “correct political thinking”.

The rapid economic growth, averaging 10% over the last fifteen years, has created unexpected social tensions amongst different social groups and exerted greater performance pressure on existing social, political and administrative infrastructures. In this social and political context, the Chinese Government with the support of the Chinese Communist Party (CCP) has attempted various reforms of the public administration over the last two decades. The most recent renewed drive to reform the Chinese public administration was announced by the Premier Zhu Rongji in March 1998.

These successive public administrative reform efforts in 1982, 1988, 1993 had some common features. First of all, consecutive attempts were made to streamline the administrative structure which involved redesigning of the ministries and governmental offices at the national, provincial and municipal levels. Second, efforts had to be made to strengthen the regulatory environment by establishing new regulations and policy guidelines. One example was the establishing of the civil service codes in 1993. Third, continued efforts had to be made to downsize the administrative apparatus. The latest initiative by Premier Zhu aims at reducing the size of administrative staff by 50% (from approximately 8 million civil servants down to 4 million, Far Eastern Economic Review, 1998). Fourth, major efforts had to be made to upgrade the knowledge and skill level of the government officials. Of these policy initiatives, the last has been considered to have been fundamental in strengthening the performance of China’s public administration and in ensuring the sustainability of the present economic and administrative reforms. Cadres and government officials alike are now expected to contribute to the establishment of the socialist market economy by the year 2000 (Jiang, 1997) by working efficiently within the newly streamlined administrative systems.

This task of reshaping the leadership and managerial competence of the Chinese government officials is primarily the responsibility of the multitude of administrative cadre schools and party schools at the central, provincial and county levels. For the past decade, government officials have been told to undertake pre-assignment training (“Gong Chien Pei Xun”), requalification training, and in-service training (“Sun Gong Pei Xun”) at regular intervals as part of their career development steps. Duration of these training programmes vary from three months to one year depending on the rank and function of the trainees. These training activities focus mainly on the
rationale and policies of economic reform and general management concepts applicable to a Socialist market economy. This emphasis on upgrading educational qualification and technical competencies constitutes a major shift from the pre-Deng’s reform period (before 1979) and represents a major investment of limited public resources. It was recognised that “strengthening the training of the state civil servants is an effective measure and guarantee for the transition of the economic system” (Sheng, 1994, p. 7).

It was in this context that an international technical cooperation project was first conceived in 1987 and implemented in 1994-1996 between China and Switzerland. The objectives of this bilateral cooperation project were to strengthen the in-service training and development function within the administrative system (training management) and to improve the efficiency and effectiveness of training delivery system i.e. administrative cadre training schools and party schools.

A combination of action learning (AL) and action research (AR) methods were used in order to accomplish the said objectives within the limited project life cycle. The choice of these action-based methodologies was of particular significance since they had not been tried as OD strategies for developing internal capacity for continuous improvement and for system-wide multi-level intervention. Secondly, these action based approaches were novel in China1. Thirdly, to apply these two action technologies in the context of international cooperation and international know-how transfer constitutes another pioneering contribution to the field.

This Sino-Swiss bilateral project was the first large scale development project that the CCP has ever undertaken with a foreign partner. This project was viewed as a test case for possible other future cooperation projects between CCP and the Western world. Therefore, insights into how to manage and conduct a multi-level and highly political action research (AR) based learning process could prove to be of interest to other consultants who plan to work on related development projects in China.

**A Large System Change Project: Sino-Swiss Bilateral Project**

**Scope.** The case study reported here describes a Sino-Swiss joint project which was carried out from 1994 to 1996 as part of China’s global strategy of strengthening the management capacity of the Chinese government by developing qualified and competent civil servants2. The immediate objective of this bilateral cooperation project was to modernise the management training institutions so that they can improve their curricula, training methods and effectiveness. In turn, it was expected that these training institutions would improve their utilisation of training resources and make greater contributions to the modernisation of China’s public administration.

**Target population.** The target population was defined on an institutional rather than on an individual basis. It included provincial administrative cadre training institutes and provincial party schools and their respective supervisory bodies such as the training departments of Provincial Organisation Departments of the CCP. While the former conducted management training programmes, the later defined the overall training plan which included training curriculum, training targets, duration and budget.

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

2 Detailed description of this Sino-Swiss Bilateral project was presented in a publication of the Centre for Socio-Eco-Nomic Development (CSEND), 1997.
The Chinese training systems was organised into a matrix consisting of three-tier administrative levels (national, provincial and county) and three sectors (economic, public administration and political/party). Of the training institutions within the party and administrative sector, the total number of institutions was approximately 3,000 nationwide (Yiu and Saner, 1998). Additionally, there were more than 2,800 training institutions catering to the needs of the economic sector. This figure however did not encompass the number of training centres within the large state-owned enterprises and companies. One of the key critical question to be addressed by the project was “how to transform a critical number of training institutions within the limited time of a bi-lateral project in order to achieve a real impact China’s total training system?”

**Project Structure.** This Sino-Swiss bilateral project was structured into two learning cycles following the established AR steps of designing-implementing-reviewing-feedback and modification-implementing. The first cycle lasted 15 months, the second 10 months. Feedback from the first cycle was incorporated into the redesign of the 2nd cycle and helped make the project management and administration of the 2nd cycle more efficient and effective by reducing cycle time by 5 months.

It was also envisioned that by the end of the second cycle, the main Chinese counterpart organisation, the China Training Centre for Senior Personnel Management Officials (CTCSPMO), would be able to work with the prototype AL/AR training design developed through this bilateral project and continue the development processes with the remaining Chinese target institutions independently after the completion of the three-year Sino-Swiss development project. Therefore, one of the key components of this project was to develop concurrently the institutional capabilities of CTCSPMO so that its trainers and training managers would be ready to guide and facilitate AL and AR based management development processes. A critical question to be addressed by the project was “how to transfer the know-how concerning AL/AR and the larger field of organisation development (OD) to CTCSPMO within the time limit of this project?”.

**Project Actors.** Different institutional actors participated in the project. On the Swiss side, it consisted of two main institutional actors, namely, the Swiss Agency for Development and Cooperation (SDC) and the Centre for Socio-Ecological Development (CSEND). While the former assumed the roles of financing and policy guidance, the latter was contracted to provide the project design and human resources for implementation.

On the Chinese side, multilevel institutional actors were involved. At the central level, there was the Organisation Department of CCP and its training affiliate CTCSPMO. While the former provided its political approval and support to the project, the latter was assigned the responsibilities of coordinating and implementing the Sino-Swiss project on behalf of the Chinese authorities.

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3 SDC is a department within the Swiss Ministry of Foreign Affairs responsible for the provision of financial and technical assistance to the developing countries. As of 1996, its mandate has been enlarged to include cooperation with Eastern Europe, Russia and CIS states. As the lead agency in providing Swiss aid, SDC assumes a policy making and project supervision role without operational responsibilities.

4 CSEND is a Geneva based not-for-profit education and research institute. It was founded in 1993 with a mandate to conduct international development cooperation and technical transfer projects. Its main focus of work has been in the field of institutional development and capacity building for good governance.

5 CTCSPMO was established in 1984 to meet the needs of political and economic reforms as well as for the needs of the “Four Modernisation” drives. It is entrusted by the Central Government and the Organisation Department of the Central Committee of CCP to offer training courses to personnel officials of central ministries, national commissions, the provinces, autonomous regions and special municipalities (e.g., Shanghai, Beijing, Tianjin). Since 1987, CTCSPMO has served as the official window for the Organisation Department of the CCP to acquire management and organisation know-how from the West.
Other institutional actors were also involved in the projects as participating institutions (PI’s) without project management responsibilities. At the ministerial level, some of the key national PI’s included the Ministry of Personnel, State Economic and Trade Commission, State Commission of Nationalities (responsible for minority affairs), Central Party Schools, and National School of Administration. A total of seven central level institutions participated in this project.

At the provincial level, the participating institutions (PI’s) consisted of the Training Units within the Organisation Department of the Provincial Committee of the CCP, the Provincial Party Schools, and the Provincial Administrative Cadre Training Schools. The total number of provincial level based participating institutions were Twenty-seven\(^6\). Figure 1 shows the management training infrastructure as it existed in 1993 at the national and provincial levels. A similar infrastructure existed at the county level where the provincial government acted as the focal point with a cluster of county and municipal training centres providing training and education to various categories of cadres.

The last group of training centres which also participated in this Sino-Swiss project represented some of the major large state-owned enterprises\(^7\) such as the Bank of China, Dong Feng Automobile Company, Wuhan Iron and Steel Company. To include the training function and schools of these enterprises was both a technical and a policy decision. In 1993 during the final feasibility study of the project, the public sector of China remained the dominate sector of the economy (more than 85% of GDP), and was either directly controlled or closely supervised by the state apparatus and the party organs. How to better manage the interface between the political and governmental structures and the economic structures was and continues to be a major objective of China’s administrative reform. The revised design hence provided for a mixed representation of government and state enterprise institutions in order to facilitate mutual understanding of their operational needs and to allow for inter-sectoral and inter-organisational synergies.

\(^6\) The participating provinces and special municipalities which participated in the projects were: Anhui, Beijing, Fujian, Guandong, Gansu, Henen, Hunan, Jiangsu, Jilin, Liaoning, Nanjing, Shaanxi, Shandong, Shanghai, Shangyang, Sichuan, and Tianjin. Cities like Wuhan, Chengdu, Lanzhou and Qindao also sent their own delegates to the TOT programme.

\(^7\) Large state-owned enterprises in China operate a large number of diversified conglomerates in the business world. These enterprises employ up to 300’000 employees and operate a large number diverse business and community related activities, e.g., housing, health care, education.
* Ministry of Personnel is directly responsible for the Provincial administrative schools and provides technical guidance to the National School of Administration in Beijing.

Figure 1: Chinese management training infrastructure and responsibility structure at the national and provincial levels

The composition of the participating institutions varied from the first learning cycle to the second cycle of the bilateral project. A larger proportion of the PI’s represented provincial administrative systems during the first cycle while more institutions of the economic management systems participated in the second cycle. As a result, various training institutions under the supervision of the State Economic and Trade Commission participated in the bilateral project along with some large sized state enterprises. The larger representation of state enterprises institutions reflected the domestic needs of China to accelerate the performance improvement of its state-owned enterprises. Figure 2 provides an overview of the project organisation as the implementation went under way.

Project Management Structure. This Sino-Swiss project was co-managed between CSEND and CTCSPMO. While the former was responsible for the overall design, technical inputs, and quality standards of the project, the latter was responsible for the day-to-day management, recruitment of PI’s, supervision of AL/AR projects, and quality assurance of the project implementation in China.
A project management team was established within CTCSPMO and CSEND which consisted on both sides a Project Director, Project Administrator and Project Secretary (CSEND, 1997). The project teams met regularly once a year to coordinate general policy and logistical matters of the project. Ad hoc meetings were also organised in order to meet the needs as they arouse during the project life cycle. In addition, regular consultation and discussions were conducted over telephone or via faxes. Changes and adaptation of the project design and specification were based on negotiation and consensus. The project document, an integral part of the state treaty signed by both governments, served as the basis and operational framework for project implementation.

A project advisory group was established to provide a forum to discuss issues relating to the technical content and specification of the project. This advisory group consisted of the Chinese and Swiss project directors, the Senior Swiss Advisor, and Senior Chinese Associate Expert. This advisory group met also regularly once a year to review the content and quality of the teaching inputs as well as the quality of action research projects. Communications between the Chinese and Swiss members of the advisory group were carried out through the project management team.

Under the mentorship of the Senior Swiss Advisor and the Swiss Project Director, the Chinese Senior Associate expert and a group of Chinese Associate Experts acted as the set advisors to the Chinese AL teams.

**Participants.** Participants of this project were recruited from the PI’s in order to act as the internal OD persons and to carry out action research projects as part of their learning experience. It was further agreed that participants should form a cohort consisting of two to three persons from the same provincial training system (Detailed explanation is given in the section pertaining to OD strategy). Personal qualifications included:

1. Minimum level of English language proficiency,
2. Age between 35 and 45,
3. Currently holding a responsible job related to the training and development function within the administration or training institutions,
4. Career and promotion potential.

After receiving an in-depth training by international experts at CTCSPMO, these participants were later on expected to act as researchers and carry out action research projects within their respective subsystems, and to develop and recommend corresponding intervention plans for possible implementation.

**Scope of the OD Intervention**

The scope of the OD intervention focused on the strengthening of China’s training and development functions of the central and provincial in-service training institutions. By introducing both performance and quality measures to the existing traditional training management, a paradigm shift was created away from doing “thought work” (Shi Xiang Guon Zuo) to solving practical managerial and organisational issues.

The key components of the intervention, therefore, required introduction of a new way of perceiving and conducting training. This new way of perceiving and doing things consisted of the theories of training and adult education, the methods of active training, the relationship with customers and clients, and the interface management. These subject areas ranged from techniques (concrete) to management thoughts and philosophy (abstract). The later required the trainees and their respective counterparts to re-examine their assumptions and work practices which they were taking mostly for granted and to develop indigenous management development know-how which could combines the best of both western and Chinese systems. As Hedlund and
Nonaka (1993) said management transfer is a process of learning and a process of “knowledge formation” or “reformation”.

Therefore the scope of the OD intervention needed to ensure that learning would take place on all three levels, i.e., individual, institution, and systemic levels and needed also to ensure that integration would take place. The transfer of management know-how would not have been considered complete until the acquired and learnt knowledge would actually be applied in a way which would lead to effective management behaviour consistent with the emerging Chinese environment and improved organisational performance of the training system.

**Project Strategies and related OD Intervention**

**Diagnosis of the Situation**

The tasks of changing “minds and hands” of administrative and economic cadres, estimated to be around forty millions in 1993, had over-stretched both the capabilities and capacities of the Chinese training system. With a few exceptions, most of these training institutions functioned in a way similar to the formal education institutions. They concentrated mostly on inculcating organisational values, transmitting knowledge, fulfilling annual delivery quota and avoiding political risk. Concerns about solving real problems were not entertained. Therefore the existing training infrastructure was almost exclusively devoted to delivering standardised programmes as laid down by the supervisory bodies and to meeting the required number of people trained. Little attention was given to meeting the needs of the customers, i.e., trainees and their organisations. Instead, these training institutions were just a part of the big administrative machine which transmitted the flavour-of-the-day message from the top to the rank and file below.

Under these circumstances, there was little incentive to improve the delivery methods nor to find out the reactions of the customers (trainees). Questions regarding the evaluation of training in terms of technical competence were hardly raised. In a monopolistic “market” with outputs oriented performance targets, innovation in the field of adult learning and management training was considered neither necessary nor desired.

It was within the in-service training system for economic cadres that initial steps were taken to transfer Western management know-how to China in 1979 and to help promote modern management techniques in the area of marketing, production processes, and quality control. These efforts achieved visible success in a short time span of 10 years. These efforts were however less successful in regard to human resource management and organisational theory. The negative results in these areas can partially be attributed to the persistent administrative interference at the operational level of the state owned enterprises in matters pertaining to personnel management and partially to the inadequate management training approaches and the questionable quality of trainers who covered the human resource side of management training (Yiu & Saner, 1997).

In comparison to the economic sector, little had been done in regard to the upgrading of the administrative cadres training schools. Even less took place within the party schools. Instead of providing the participants with training seminars with necessary problem solving and leadership skills, these training institutions continued to provide their trainees with outmoded ready-made recipes and ideology-driven materials.

Like the economic cadres, civil servants and other administrative cadres were confronted with an environment of increasing complexity, ambiguity and uncertainty. Bureaucratic procedures no longer shielded civil servants, administrative cadres and enterprise managers from the demands of the drastically changing environment. Their need to develop problem solving capabilities and a capacity to manage complexity were mostly unattended to. Instead, they were fed abstract theories which had little direct bearing on the changing operational context of Chinese public
administration and offered little management techniques which would enhance their personal effectiveness.

The majority of these administrative training institutions and schools were ill prepared to undertake effective management training and leadership development. Most of these training institutions remained traditional in their understanding of adult learning and management training. Their approach consisted mostly of non-interactional lectures and oratories which remained theoretical and difficult to apply at the work place.

Inadvertently, these training institutions became an important bottleneck hindering rather than facilitating economic and public administrative reforms. How to reorient these in-service training institutes and schools and how to improve their effectiveness represented and continues to represent one of the main challenges for China’s government.

Keeping in mind the total context of this Sino-Swiss project, successful OD interventions had to be targeted at four different aggregate levels, namely, individuals, training organisations, provincial training systems and national training system. Each level was embedded in the larger context of next level. Therefore to create change at the training organisation level, OD interventions needed to address the systemic interconnectedness and initiate learning and change processes at all levels.

Equally important, the chosen OD intervention strategies needed to take into consideration the various stakeholders, such as the heads of the training institutes, of the training department of the provincial government and party structures, and of the personnel function of the provincial government and party structures. These stakeholders perceived existing organisational problems from different perspectives and from different political agenda. Their needs however had to be taken into account in order to preempt possible resistance to the project. Hence information exchange and dialogues had to be established between them and the various project actors. A mapping of the stakeholders and their varying perspectives of the multiple organisational problem was developed (see Figure 3) to capture the divergent interpretation of the situation and divergent interests.

Figure 3  to be inserted here

**Intervention at the Individual Level**

A network analysis was used to illustrate the traditional practices and the interplay between the Chinese trainer, his training tasks and his clients. This network modeling was intended to capture the complexity of China’s training infrastructure. By modeling its “vicious” cycle of the formal practices which was leading to sub-optimal performance of the traditional training infrastructure\(^8\) (see figure 4), the authors were able to propose intervention strategies which could be better understood by the Chinese project partners. By “vicious” we mean the self-referenced and short circuiting process of the traditional Chinese training system which inhibited adaptation and innovation.

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\(^8\) The performance of these traditional in-service training institutions between 1980-1990 was impressive when measured against a different set of criteria, namely, 1) creating new concepts and language befitting the reforms initiated by Deng Xiaoping, and 2) providing basic education to millions of semi-literate and functionally illiterate cadres. However, once these reforms were firmly underway and the country moving into the next stage of development management, it was no longer sufficient for the in-service training institutions to solely concentrate on “thought” work (Xi Xiang Gon Zua) and on remedial education (Bu Ke).
Thinking in network terms, the equilibrium of the traditional/formal state of training practices was maintained through interdependent relationships amongst various aspects of the closed circle as seen in Figure 4. Interdependencies of the network symbolised by either positive or negative relationships. Where a “+” denotes a positive feedback or reinforcement and a “-” denotes a negative feedback or stabilisation (Gomez & Probst, 1988). By using this network analysis method, various strategic options for OD interventions were subsequently formulated by the authors and presented and discussed with our Chinese partners. The following strategies were hence developed.

**Figure 4 to be inserted about here)**

<table>
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<tr>
<th><strong>OD Strategy 1:</strong></th>
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<tr>
<td><strong>To improve the professional competence of Chinese trainers as one of the means to improve the service product quality of the traditional in-service training institutions.</strong></td>
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<tr>
<td>a) An intensive Train-of-Trainers (TOT) programme was organised to provide both knowledge and technical transfer in the area of OD and management training.</td>
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<tr>
<td>b) A TOT programme was designed to model an alternative training design and methods (“learning by doing”, “learning by reflecting”) to all stakeholders of the project, especially the TOT trainees.</td>
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<tr>
<td>c) The learning process of the TOT programme was so organised that trainees was provided with opportunities to validate western theories in the Chinese context and to develop their own theories in practice.</td>
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The aim of these interventions was to transform the vicious cycle into a “virtuous” cycle as illustrated in Figure 5. Enriching and enlarging the role repertoire of the trainers, it was expected, would help them design more interactive learning processes and better motivate their own future trainees. It was also noted that these trainers needed to ground their management theories closer to the real administrative practices of China.

**OD Strategy 2:**

| **To integrate an action learning process into the TOT programme in order to foster double looping learning/change experiences.** |
| a) The TOT programme was expected to promote a radical redefinition of the role of a trainer from that of a “teacher” to that of a “coach/facilitator” and of a “process consultant”. |
| b) The action learning component of the TOT programme was designed to take place in the actual settings of the client systems, i.e., government offices, enterprises and training institutions and was designed for the use of applied research, e.g., training needs analysis, training evaluation, organisational behaviour survey etc.. The goal here was to initiate dialogue with the stakeholders and key decision makers on the current state of training quality and effectiveness in China. |
Intervention at the Organisational Level (O-Level)

When using HRD as an OD strategy, it is generally assumed that after the newly trained individuals transfer their learning to their own work site, there would be a measurable performance improvement at the organisational level after some lapse of time. However, this trickle down effect could be slow and other institutional factors could potentially undermine these individual initiatives. In order to mitigate this potential “resistance” effect, organisational level interventions were agreed by the project management team. The aim of these O-Level interventions were to facilitate the “unfreezing” (Lewin’s three-step model of system change, Burke, 1982) of the fixed institutional patterns so prevalent at the PI’s and to create a more receptive political environment for adaptation and change.

**OD Strategy 3:**

*To maintain a steady information flow between the project domain and PI’s as a means to sustain the interest of PI’s in the project and to maintain a minimum level of common understanding between the trainees and the rest of their own socio-technical system.*

a) Trainees was asked to conduct demonstration seminars on the key content areas of the TOT during their home leave as a means to provide new information for their home institutions.

b) International experts was asked to conduct site visits and to hold short information seminars with key provincial and institutional stakeholders.

**OD Strategy 4:**

*To select AR projects to improve training effectiveness at various PI’s as a means to have a direct impact on their work methods and management practices.*

a) AR projects were established which helped the trainees and respective PI’s authorities to establish a baseline of the existing service quality of the surveyed institutions.

b) AR projects were organised in order to provide useful feedback to the stakeholders for both strategic and operational considerations.

Intervention at the Provincial Training System Level:

China remained a centrally planned and controlled administrative system despite 10 years of economic reform. Cadre training, especially in the areas of personnel management and leadership development, remained the prerogatives of the Organisation Department of CCP and its various subsidiary organs. Annual training plans with clear programme specifications were centrally designed by the training function of the party and communicated down the administrative hierarchy for implementation. There was limited scope and autonomy for curriculum development and course design at the local level.

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9 Resistance is defined as the organisation’s desire to maintain status quo and to be reluctant to entertain new ideas.

10 This central planning system continues to date with a few exceptions. Enterprises are enjoying greater autonomy to supplement their core training curriculum.
A network analysis using a management perspective was developed to reflect the current characteristics of the Chinese training system (see Figure 6). It became evident that the difficulty to introduce bottom up innovation was compounded by the past experience of successive political campaigns which fostered an attitude of conservatism, cautiousness and inertia. How to introduce a more “customer” oriented training philosophy into the training system which could support more local initiatives was one of the critical questions which needed to be addressed.

Attempts to impact the system level especially by external sources were often perceived by the political bosses as being of subversive nature. In the context of this Sino-Swiss international cooperation project, this system level intervention was perceived with great suspicion. Therefore, interfacing with the training organisations and the larger training systems had to be handled with finesse and sensitivity. Managing boundaries and their interfaces between the project domain and central and provincial government and party officials, and between foreign experts and the Chinese environment were one of the key tasks and challenges which CTCSPMO had to assume throughout the project life cycle.

A network modelling representing a socio-political perspective of the total context is presented here to provide a glimpse of the complexity of the situation.

Taking into consideration the divergent beliefs of what the role, the functions, and the performance level of a Chinese training institutions should be (refer to Figure 3), the OD intervention of the project had to be perceived as legitimate and credible by the key power brokers of the Chinese administrative system.

**OD Strategy 5:**

*To sensitise the key stakeholders of the training infrastructure, e.g., senior personnel officials, training managers, and school administrator through seminars and overseas study visit and to expose them to outcome-oriented training measures in order to obtain their support for innovation and change.*

a) Briefing of the top personnel bosses to whom the PI’s were accountable were organised to clarify the objectives, activities and progress of the Project.

b) Information on alternative training management approach and as training delivery methods were disseminated across the PI network.

c) Representatives of these PI institutions (training managers from the party or the from government) were selected to for a cohort team during the TOT programme to ensure that the same messages were delivered to the training institution (production) and the training management (planning and controlling) levels within the Chinese administrative structures.

d) An one-month mini training programme was organised and held in Beijing and in Switzerland which focused on modern approaches to human resource management and development for the provincial leaders responsible for personnel matters.

**OD Strategy 6:**

*To use action research projects as a means to bridge the gap between training producers, deliverers, users and customers.*
a) Life data and feedback from the users and customers concerning the current state of the training function were brought to the attention of the key decision makers for consideration and possible actions.

b) Action research projects were used as key learning opportunities to acquire indigenous knowledge and to validate the theories and practices originating from a western cultural environment.

c) Action research projects were used as a vehicle to further strengthen the team identity between the training manager and trainers.

d) The results of the action research projects were used as the basis to develop training materials and training curricula.

e) The results of the action research was used to initiate dialogue with the stakeholders and key decision makers for possible change.

**Intervention at the National Training System Level:**

In light of the sheer size of the training system in China, it was clear from the start that a limited but critical mass of institutions needed to be involved in the project. Leveraging on the top-down nature of the system, it was hypothesised that once the lead organisations within the provincial training systems would be convinced of the merits of reorienting their training approach, a trickle down effect to the county level would take place by itself.

**OD Strategy 7:**

*To develop an institutional network with CTCSPMO acting as the lead institution in order to provide sustained technical backup support to the members of its network beyond the end of the bilateral project.*

a) The aim of this network was to develop common training standards, training methods and training materials as well as promoting modernisation of China’s training institutions.

b) The PI’s of cycle I and cycle II were conceived as playing the role of core members of this network.

c) The training capability and capacity of CTCSPMO needed to be strengthened in order to ensure that it could play this leading role successfully.

**OD Strategy 8:**

*To raise the general standards regarding professional competencies of Chinese trainers by facilitating the establishment of a professional certification procedure for the management training specialist in China.*

a) Research was conducted in order to find out what kind of certification standards for management training existed in advanced countries (benchmarking).

b) Information was disseminated amongst the key constituent agencies on the question of certification.

c) A Preparatory Certification Board for certification of management trainers was created at the national level to examine the feasibility of creating national standards and certification procedures for management trainers.

**IMPLEMENTATION AND OUTCOME**
From 1994 to 1996, a total number of 60 participants (Chinese training managers and trainers) were trained in addition to 5 associate experts (staff of CTCSPMO). Due to its highly interactive design, the impact of the project was visible and measurable at the national, provincial and enterprise levels. Feedback from the formal reviews and informal interviews was highly positive.

AR started when trainees undertook actual projects back at their respective home institutions during the Job Application phases of the TOT programme (see Figure xxxx) (Yiu & Saner, 1998). Our programme design was based on a dual focus orientation whose goal was to balance personal development of trainers and managers with simultaneous institution development even though Lawrence (1977) pointed out the inherent conflict of these two aims. Yet previous long term experience in China convinced the authors that a TOT project without a corresponding development of the participating institutions would not lead to a transfer of learning to their job sites because of persistent institutional resistance and constraints.

In order to ensure sufficient theoretical grounding of the trainees before they undertook the AR projects, learning took place in a structured manner. The programmed learning was structured into 10 basic units covering topics relating to public administration, human resource management, organisational theory & development, adult learning theories & methods and training management. These topics were taught in the classrooms (Learning phase I & II) in Beijing by using active training methods. The trainees were organised into learning groups for the entire duration of the TOT programme and Chinese Associate Experts were assigned as set advisers to these learning groups.

For workplace application, trainees from the same provincial or municipal administrative structures worked as a team throughout the Application phases. They were given real AR projects by their superiors. Key criteria for the selection of action research projects were:

- relevance to the trainee’s current job or career path;
- substantial organisational and/or systemic issue or a problem requiring resolution by the senior leadership of the trainee’s own work organisation;
- vital for the survival or effectiveness of the trainee’s work organisation;
- complex issue covering different aspects of the management task in today’s China;
- viable regarding the time and resources available;
endorsed by the central and provincial authorities prior to the trainees’ start of the TOT programme.

The total TOT process lasted fourteen months during the First Cycle. Modifications were made during the Second Cycle in terms of duration of the TOT and the location of the action research teams.

The duration of the TOT was shortened to eleven months by reducing the Application Phase by 50%. This decision was taken after a mid-term review in order to accommodate various career and logistical considerations. Instead of returning to their home institutions, trainees instead stayed in Beijing under the close supervision of CTCSPMO and only returned to their respective locality for limited periods of time. This was considered to be beneficial since most of the trainees of Cycle I were requested to resume their normal job during the job application phases which left them insufficient time to carry out the action research project. By staying as a group in Beijing and by carrying out their AR projects under the full supervision of CTCSPMO, they were able to devote more time to the AR projects. This altered arrangement also helped to improve the quality of the AR due to close supervision of the Associate Experts.

**Action Research in Situ**

During these two application phases, each learning set, consisting of a cohort of trainees from the same administrative systems, was assisted by a tutor from CTCSPMO. They met every two weeks. The trainees were also asked to keep a learning journal and to record their reflections while they were carrying out their action learning/action research projects. A learning conference was scheduled at the end of each application phase for reviewing and exchanging of experiences between the groups. The Swiss advisers acted as the discussants at these learning conferences.

For each cohort, a common group project was identified with the approval of the top authority of the respective local administrative system. These learning sets had to define the scope of their projects with the client and agree on deliverables. A initial workshop was organised at CTCSPMO to assist the learning sets in their AR project planning. Afterwards, the learning sets operated as self-regulated groups with periodical monitoring provided by their tutors.

The action research followed the classic model which consisted the following steps:

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Data collection  →  Data feedback  →  Action Planning  →  Action Implementation
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A total number of 60 action research projects were carried out during the two cycles of this Sino-Swiss project. These projects could be grouped around the following themes:\(^{11}\):

- redesigning the existing management development programmes for county magistrates, enterprises managers and senior party cadres;
- identifying the core competencies required in managing the civil service training system and developing standards and project management structures within the various governmental training institutions;

\(^{11}\)For summary reports of these action research, see “Best Management Development Practices”, 1996, Centre for Socio-Eco-Nomic Development Working Paper Series.
• developing training programmes for training managers working in the prefectural level training institutions;
• identifying the minimum requirements of a well-performing training institutions and its faculty;
• developing new training programmes on managing large infrastructural projects for public sector managers;
• conducting research projects on how to improve the human resource management practices within the state own enterprises in order to improve employee motivation.

Research methods used included structured individual interviews, questionnaires and group interviews. Both descriptive and analytical statistical methods were used to analyse the data. Findings were then reported to the sponsoring superiors for reviewing and for policy deliberation.

Outcomes

Learning Outcomes for Individual Trainees
Trainees identified three major benefits from the Sino-Swiss TOT programme. They were a) knowledge acquisition concerning HRD, organisation theory and development, adult learning and training management, b) first hand experience with active training and experiential learning methods (“seeing is believing”); c) field experience through action research.

Motivation amongst the trainees was extremely high in regard to the application of their learning to their own work situations (Chen & Dubs, 1996). Some of them were subsequently entrusted by their superior to implement their recommendations as the immediate outcome of their study.

Learning Outcomes for the Participation Institutions
Research findings were fed back to the key decision makers which helped to galvanise their respective training systems into action. Financial support and resources were given to implement the recommendations. These actions included setting up a replication programme of the Sino-Swiss TOT at the provincial level, e.g., Fujian; designing a new training programme for county magistrates in the provinces, e.g., Gansu, Tianjin; setting up new training institutes for management development and training, e.g., Gansu; organising training workshops on training management and quality standards for the rectors of administrative institutes, e.g., Ministry of Personnel, Beijing. Other participating institutions embarked on an improvement of existing working methods in human resource planning and development.

In short, trainees/researchers of the Sino-Swiss project were able to carry out their action research project to fruition. Their clients were enthusiastic about their work. Since a large percentage of these learning projects dealt with training related topics, the clients found the findings and recommended solutions realistic and helpful. They therefore have became more receptive to active training methods advocated by the CTCSPMO and the Sino-Swiss project. Efforts started to be made to renew the existing curricula and teaching methods at a large scale covering the totality of China’s administrative training institutions.

Learning Outcomes for the training system
Reactions from the clients consisting of the Deputy Directors of the provincial organisation department of the CCP the Deputy Commissioner of the State Commission of the Nationalities, the Academic Dean of the Central Party School, were in general positive. They found the results of the action research informative and the recommended solutions as helpful. The rate of implementation of the recommendations was high which was later verified by independent reviewers. A final project evaluation was conducted in October 1997 and found the Sino-Swiss TOT project successful and sustainable beyond the completion of the project.
As part of the momentum from these action research projects, it was decided that upgrading of the existing training systems should be one of the key objectives of the 9th National Development Plan (1996-2000).

**DISCUSSION**

The case study presented above covered various dimensions of an complex international development cooperation project. The key features involved three domains, namely, cross-border transfer of management know-how, inter-organisational network building and institution development. Within these contexts, action learning and action research approaches played pivotal roles in meeting the stated project objectives. Throughout the life span of the project, cross-cultural issues also visibly influenced all three domains during the project implementation.

Taking into consideration the outcome obtained by the Sino-Swiss project, the strategic choices made at the outset of the project were proven to be effective. Essentially, these strategies were geared at strengthening the implementation capabilities of the training managers and trainers and at fostering a higher level environmental readiness for improvement and change at the leadership and political levels. By acknowledging the multiple embeddedness of the AR processes in China, substantial resources were given to the activities which strengthened the interfaces between the project domain and the Chinese administrative structures. In this context, AR projects served as powerful vehicles in bringing different forces into focus and in leading the PI’s to concerted actions. The AR projects galvanised the political, managerial and technical subsystems of the Chinese training infrastructure and helped the 27 PI’s and their respective sixty graduates of the Sino-Swiss TOT programme to have a visible impact. Results from the AR projects were vital to the clients since they offered the training authorities the necessary “ammunition” to initiate policy discussions.

Application of these action based methodologies in China had its challenges and limitations. Part of these challenges and limitations were due to the particular circumstances of China. Others were due to the project management structure. The following reflection and discussion will concentrate on the former.

**Systemic Level of AR Analysis**

For Action research to be defined as research, Eden and Huxham (1996) list 15 characteristics or standards which ideally should be fulfilled otherwise an AR project would not deserve to be called AR. While we agree with most of the standards, the following points have to be made. Eden and Huxham’s first standard states:

“Action Research demands an integral involvement by the researcher in an intent to change the organisation. This intent may not succeed – no change may take place as a result of the intervention – and the change may not be as intended.” (p. 539)

Our project’s aim is not focusing on a single organisation but rather on a network of organisations and the total system encompassing them (China’s training infrastructure within the public administration, economic and political sectors). We are hence broadening the perspective and propose to use our case example as a first step to put AR into the context of systemic AR.

**Consulting Model of Action Research**

Applying the consulting model of AR in China has yielded tremendous results within a very short time. After substantive preparation to enhance the readiness of the training systems for change, the AR component of the Sino-Swiss cooperation project catalysed the institution development process. As a consequence, there exists now a functioning network of in-service training institutions with a group of qualified training consultants who are working toward developing
new curricula, training programmes and new training plans and specifications. A consensus has been reached amongst the training institutions to proceed with modernisation and to increase a stronger customer (i.e., buyers) orientation.

Eden and Huxham (1996) also argue that theory building should be an integral part of the Action Research. They state that

“AR must have some implications beyond those required for action or generation of knowledge in the domain of the project. Thus it must be clear that the results could inform other contexts, at least in the sense of suggesting areas for consideration.” (standard no. 2)

“As well as being usable in everyday life, AR demands valuing theory, with theory elaboration and development as an explicit concern of the research process.” (standard no. 3)

“AR will be concerned with a system of emergent theory, in which the theory develops from a synthesis of that which emerges from the data and that which emerges from the use in practice of the body of theory which informed the intervention and research intent.” (standard no. 5)

In contrast, our Action Research within the context of Sino-Swiss cooperation project was biased towards action with less concern of building new theories. The case study demonstrated how to best apply AR as an OD strategy and use it as a viable tool for developing institution capacities in a large complex system. From an OD perspective, the strategy of using action research has handsomely paid off. As a vehicle to galvanise the various training systems and to initiate various change programmes AR has achieved its intended impact even beyond the completion of the Sino-Swiss cooperation project. The ex-post evaluation conducted by an independent joint Sino-Swiss team in 1997 already establish that the network created through this Sino-Swiss project has already shown it to be sustainable, replicable and useful. Informal feedback received to date continued to support this assessment.

**Conditionality AR in China**

The case study presented here is a success story. However, one should be cautious in drawing conclusion thinking that AR methodology could be applied in China without conditionalities. In a high Power Distance cultural setting, such as China, decision making tends to be top down. Coupled with an organisational culture which discourages risk taking, it is essential that AR researchers obtain support from the highest possible level. Otherwise, not only would it be difficult to move beyond the data analysis stage, it would also be difficult to collect data. Therefore, the first conditionality is the political support of the AR project.

As the Chinese saying goes, “the bird who sticks his head out would be shot first”. The Chinese hierarchy of the Personnel system (which is responsible for the training and education of personnel) is in general careful vis-à-vis innovation and change. Therefore, change can only take place after sufficient consensus has been reached within the reference group. Our AR projects could not proceed without reaching certain degree of political consensus amongst the key constituencies of the project. Establishing political consensus constitutes the second conditionality.

AR methodology reflects the specific cultural characteristics of its origin, namely Anglo-Saxon culture. It assumes that participation by the individuals who would be affected by the change would facilitate the implementation of the change process (“individualism”). It also assumes that everyone has the right to participate (“low power distance”). Both of these cultural assumptions

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12 Using Hofstede’s terminology, high power distance means emphasis on hierarchy and respect for authority (1980).
do not fit with the cultural-political reality of China. Instead, in a highly politicised organisational environment, especially an organisation such as the core of CCP, public discourse on contentious issues tends to be refrained and politically risky (“high uncertainty avoidance”). Therefore, full participation of the staff at various PI’s were not considered as a necessary precondition. Instead, only a few individuals were given access to the data feedback and analysis. These individuals were mostly the superiors who were directly responsible and who had the authority to decide. Therefore, the third conditionality is the discreteness of the AR researchers in handling the complex social dynamics of the organisation.

AR is designed to survey the present. Yet researching the present inevitably bring to the fore past behaviour and performance. In a culture which is highly sensitive about losing face, there is generally a reluctance to let outsiders handle such delicate matters. Therefore the fourth conditionality of conducting AR in China is the perceived status of the researchers who should be seen as an “insider” in order to connote trust and confidence towards the researchers.

AR Means Cultural Change

The Chinese administrative culture tends to discourage “critical reflection” in the tradition articulated by Reynolds (1998). Our action research provided the opportunity to check the logic of a closed circuit within which the Chinese administrators define targets and output requirements in a deductive manner without necessary questioning their own assumptions. AR provided a first glimpse at the operational reality of Chinese training practices and their effectiveness in meeting the demands of economic transition by short circuiting the routinised planning exercise and by reframing the question of accountability. Such reframing constitutes a organisational cultural change.

AR also helped put the consumers of management training into the planning equation. It created a channel for the “customers” to provide feedback and to participate in the shaping of training curricula. This process marked another departure from the administrative model of managing training in China to a more “problem-solving” model.

At the core of this transformation layed the question whether learning is mere acquisition of information or whether it is personal development. AR projects conducted by the trainees has helped the Chinese training management hierarchy understand that training has to move away from education to learning, from sole knowledge acquisition to improving personal and organisational effectiveness. By applying an AL/AR model to training, this Sino-Swiss project has also provided the hierarchy a workable approach to couple closely personal development with organisation development.

Limitation of AR in China

1) Inadequate Methodology.

Scientific inquiry in China has been restricted due to Marxist dialectics and traditional deductive orientation. As a result, quantitative methods were less common and do not enjoy the same rigour as one would expect in the West. Therefore, the use of survey data to support various observations and propositions is quite new, and the quality of data can at times is superficial and rudimentary.

Although the research design of most of our AR projects was not at the level of Western practice, the research activity helped to codify the tacit knowledge of the Chinese administrative system and helped our trainees to challenge certain assumption made concerning adult learning and delivery methods.

2) Political Risk
Partnering with a subsidiary of the Organisation Department of CCP had its advantages and disadvantages. On the positive side, it provided the legitimacy for our project which facilitated the recruitment of PI’s. Equally important, it provided our project with a credible and competent intermediary between the project and administrative domain. On the other hand, this linkage also tended to politicise the various project activities and significantly limited the space for experimentation.

Throughout the project’s live span, extraneous caution had to be taken by our Chinese partners to ensure that no political blunders were made. This task of managing inter-organisational interfaces were mostly carried out by the senior staff of CTCSPMO who did not have direct project responsibility.

Due to the potential political risk, the Swiss advisers were not given full access to the findings of the AR which reduced their potential contributions to the analyses and solution generation. Had full participation been possible, the Swiss advisers could have brought additional added value to the project.

CONCLUSIONS

Action research is one of the key methodologies used in organisation development. However AR has been much less utilised in developing countries, especially in China. Little is also known about AR’s cultural adaptability. The case example reported here attempted to shed some light in regards to applicability of Action Research methodology in China and its conditionalities.

The Sino-Swiss cooperation project was designed to increase the institutional capacity of Chinese in-service training system in supporting China’s administrative reform. The strategy used was a combination of individual and institutional development. Through the training of a small group of experienced training managers and trainers in action research, the participants-trainees were able to bring about performance improvement in their own institutions.

Transfer of know-how took place between Switzerland and China concerning different subject matters. In addition to the content materials concerning organisation and management, adult learning and training management, two main branches of action technology were also transferred. From the application of Action Learning and Action Research point of view, the work down in China was a success. However from the point of view of transferring the know-how concerning these two action methods, more work needs to be done.

Reflecting on the use of Action Research in China, one would say that it is possible and feasible provided the contextual conditions are being respected and fulfilled. Foreign AR researchers working in China have to be sensitive to both the internal and external contextual requirements and will have to devote more energy on managing the various internal and external interfaces than is normally required in the West.

In the process of conducting AR in China, foreign researchers find themselves often in a coaching role and are asked to take on the responsibility of explaining rational decision making and quantifiable data analysis applied to management behaviour to decision makers. AR researchers in China inevitably become a resource of new information for the key clients. In sharing his own learning and expertise, the AR researcher adds to the knowledge base and reshapes the perception of the clients/leaders regarding the multiple utility of training and consequently influencing the organisational course of action.

AR in a non-western context such as China takes on a more directive flavour. The AR researcher is not only an observer of the organisational phenomenon but also an active participant who shapes the future direction of the client organisation provided that he enjoys the support of the leaders. Therefore, AR in China as demonstrated by the case study is more than a participatory research methodology. It is rather true to its OD origin as a potent vehicle to facilitate organisational learning and change.
Organisational learning was defined by Edmondson & Moingeon (1998) as
“a process in which an organisation’s members actively use data to guide
behaviour in such a way as to promote the ongoing adaptation of the
organisation.” (p.12)

It is hoped that AL/AR approach to adult learning and to management training would be widely
adopted in China by the in-service training institutions through continued use and demonstrated
success of the PI network. If so, one could expect that these in-services training institutions will
become centres of excellence and be instrumental for the reform process in China as intended.

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Figure 3: Delineating of the Problem-situation from Different Perspective