NORTH-HOLLAND

INDUSTRIAL MARKETING MANAGEMENT

Assessing intelligence as learning within an industrial marketing group: a pilot study

Paul Dishman[a],*, Tim Pearson[b,1]

[a]*Department of Business Management, Marriott School, Brigham Young University, TNRB 680, Provo, UT 84604-3131, USA*
[b]*Glaxo SmithKline, 980 Great West Road, Brentford, Middlesex TW8 9, UK*

Abstract

Employees within the marketing function of a high-tech manufacturing firm were studied with regard to their opinions concerning the encouragement and utilization of intelligence as part of the overall learning within the department (and the firm) according to a model suggested by Bonthous in 1996. Initial findings indicate that there exists some variance between management and nonmanagement perception in terms of the approach needed to integrate intelligence into the organization as well as the most effective methods to create an organizational learning environment.
© 2003 Elsevier Science Inc. All rights reserved.

1. Competitive intelligence (CI) as an input to learning organizations

CI systems have acted as early warning systems in averting disaster and identifying possible opportunities (and threats) as their usage have become more widespread. Yet, despite the fact that the number of U.S. firms implementing CI departments has doubled every 3 years since 1985, many firms are now downsizing their CI operations due to reported ineffectiveness. Studies conducted by the Society of Competitive Intelligence Professionals assert that many of these firms have failed to utilize their CI departments effectively. Notably mentioned in these failings is the lack of CI to enhance organizational learning (Gilad, 1995).

Taylor (1992) summarized several descriptive studies that were conducted from 1959 to 1988 to ascertain CI practices in U.S. businesses. From these, it was found that of the 14 items of competitive information that was most needed by managers, the top five were marketing related, including information on pricing, competitive plans, sales and cost data, and marketing expansion plans. With the additional resources that are provided by a CI program, it is believed that, now, marketing research is only part of the information/intelligence puzzle from which marketing strategy should be formulated (Barney, 1986; Cottrill, 1998; Gilad, 1995; Gilad & Gilad, 1995; Maltz & Kohli, 1996; Menon & Varadarajan, 1992; Porter, 1980; Suderlund, 1990; Taylor, 1992; Walle, 1999; Weirsema, 1996; Zinkhan & Gelb, 1985). Corollary to this is the belief that the culture that contributes to a firm's marketing orientation is directly related to the competitive learning environment within that firm (Goretsky, 1983; Slater & Narver, 1995, 2000).

The concept of CI as an input to a firm's innovation and learning has a direct relationship to that firm's competitive value (Barney, 1986; Gilad & Gilad, 1995; Kaplan & Norton, 1992; Porter, 1980; Slater & Narver, 1995; Weirsema, 1996). Succinctly stated by Ray Stata of Analog Devices, "The rate at which organizations learn may become the only sustainable source of competitive advantage" (Senge, 1990). de Geus (1988) observed that approximately one third of the Fortune 500 companies listed in 1970 had vanished by 1983. He suggests that the success of several companies that have been around more than 75 years is tied to a healthy learning environment.

However, creating such a learning organization is an arduous task. While the success of many enterprises hinges

---

* Corresponding author. Tel.: +1-801-422-9005; fax: +1-801-422-0108.
E-mail addresses: paul_dishman@byu.edu (P. Dishman), tim.pearson@gsk.com (T. Pearson).
[1] Tel.: +44-20-8047-5000.

on learning, firms may not know how to organizationally learn. That is to say that deception, error hiding, and defensive reasoning are much a part of organizational life in many firms, and these commonplace mechanisms inhibit learning (Argyris, 1991). This environment is mechanistic, and the type of learning that occurs in this environment has been labeled as adaptive or single-loop learning. Generative or double-loop learning is capable of detecting not only errors but also questions underlying policies and goals. It is in this environment where employees openly confront established norms for the overall improvement of the organization (Argyris, 1991).

Bonthous (1996) points out that many CI units function with only adaptive learning and many do not address the contribution of organizational learning in order to assess the effectiveness of the CI unit. It is believed that without a learning environment, intelligence is no more than mere information. Intelligence must be able to support organizational capabilities in order for the organization to learn and continually improve. Bonthous proposed nine critical elements necessary to foster individual and organizational learning. He outlines nine continua that portray the intelligence component of organizational learning environment (Table 1).

He proposed that the overall approach to integrating intelligence into the organization is either *mechanistic* or *generative*. On the mechanistic side, information is gathered as part of a process, but it is not converted into actionable intelligence nor acted upon as it is in a generative organization or department. A generative firm produces knowledge from the information it acquires and disseminates it to decision-makers. If the firm is changing and adapting from the information acquired, the breadth of this change effort can be either *isolated* or *integrated*. That is, the change effort can be based on the belief that the problems are isolated or that problems affect the entire system and should be endemic to organization change. Related to this is the scope of the intelligence efforts, either *localized* (within departments or functions) or as *organization-wide* efforts. This scope includes not only the collection and dissemination of intelligence but also the actions resulting from the acquired intelligence.

The fourth continuum states that the horizons of intelligence are often related to the perspectives of the firm (as well as the individuals within the firm). *Fragmentation* and simplification of complex problems is sometimes the organizational approach to solving problems. However, understanding the problem in a *systemic* manner provides a more complete base for understanding and comprehension. *Adaptive* learning and *generative* learning signify the levels of learning that take place within the organization as explained above. Argyris (1991) proposed that there is also triple-loop learning, which provides feedback and a change mechanism for the individual.

The nature of the approach to intelligence acquisition is typically to obtain information about competitive movement, tracking or predicting *offensive and defensive* actions. However, many firms can also be *collaborative* in nature, gathering (and sharing) information between organizations where their intelligence networks facilitate informational

Table 1
Bonthous continua for portraying intelligence as learning

Continuum	Span	
1. Overall approach to integrating intelligence into the organization	**Mechanistic** (information is merely collected)	**Generative** (information is also analyzed and disseminated)
2. Breadth of change effort in which intelligence is involved	**Isolated** (change effort based on belief that problem is unique)	**Integrated** (change effort based on belief that problem is endemic to organizational change)
3. Scope of intelligence effort impacts	**Localized** (intelligence efforts are within departments or functions)	**Organization wide** (intelligence efforts are spread throughout the firm)
4. Intelligence's approach to seeing the world	**Fragmented** (limited perspective)	**Systemic** (broader perspective and comprehension)
5. Type of contribution to individual and organizational learning	**Adaptive** (single-loop learning)	**Generative** (double-loop learning)
6. Type of intelligence flows between company and competition	**Offensive and defensive** (intelligence efforts primarily aimed at competitive movements)	**Collaborative as well as offensive and defensive** (intelligence efforts are also shared external to the firm)
7. Type of relationship between intelligence and environment	**Reactive** (intelligence used to produce competitive responses and reactions)	**Proactive** (intelligence used to produce positive creations)
8. Approach to growing people	**Training** (traditional, passive education scheme)	**Learning** (business environment is the education environment)
9. Type of competencies developed	**Individual** (personal competencies)	**Organization wide** (company competencies)