



Abdullah MAHMOOD¹, Abdelnaser OMRAN²

FACTORS AFFECTING SMALL BUSINESS MANAGERS' PARTICIPATION IN EDUCATIONAL PROGRAMMES

¹¹ DEPARTMENT OF ARCHITECTURE AND BUILDING SCIENCE, COLLEGE OF ARCHITECTURE AND PLANNING, KING SAUD UNIVERSITY, RIYADH, SAUDI ARABIA

²SCHOOL OF HOUSING, BUILDING AND PLANNING, UNIVERSITI SAINS MALAYSIA, MINDEN, PULAU PINANG, MALAYSIA

ABSTRACT: This paper discusses a critical investigation into the factors affecting educational interests of managers of small firms. The investigation attempted to determine, from the viewpoint of the small business managers, those critical factors which affected and influenced their interest in and appreciation of education and training. The results of the study indicated a general lack of interests in education and training among the small business managers sampled. These lack of interests were influenced by seven major factors. These were: managers' evaluation of education and training, their attitudes towards education and educational establishments, personality characteristics, limitation of resources, lack of formal education, lack of awareness of educational provisions and the characteristics of training providers.

KEYWORDS: Small business, Managers' participation, Educational programme, Malaysia

❖ INTRODUCTION

It was generally agreed that the management performance and efficiency of small businesses can be achieved through education and training (Gibb, 1983). As result, a great deal of activity has been expended by training providers, both public and private, on education and training for the sector. The rationale for this undertaking was the belief that competent management capabilities within the small business sector will assist the creation of more efficient 'new enterprises' and the development of existing ones. However, despite the effort, responses from demand side (the small business managers) are often distressing. In general, interest in education and training is largely lacking within the sector. Many managers exhibit little interest in education and training while others held a more negative attitude to it (Bolton, 1971; David, 1983; Kiesner, 1985; Tait, 1988; Rosa, 1990). In contrast, it was also reported that there exists some managers who recognized the need for education and training (Gray & John, 1986; Bailey & Susan, 1980; Mangham, 1986). Although their number is much smaller than those in the earlier group (Solomon & Carhart, 1982; Sotrines, 1985) these managers perceived a more positive view of education and training (Confederation of British Industries, 1986; Bailey, 1986). The relevant questions are: 'why does the perception of need and importance of education and training exhibited by the managers vary? 'Why were some managers interested in training while others were not? And what were the factors that gave rise to the greater or less interest in education and training perceived by the managers? This article reports some of the findings of a study on the educational needs and interests of managers of small building firms (Mahmood, 1992).

❖ RESEARCH METHODOLOGY

The study to which this article relates sought to explore small business managers' perception of need for and interests in education and training. Specifically, it attempted to uncover 'the underlying motivations which affected managers' attitudes to education and training. A survey was taken of a small sectoral sample of 200 building firms within the central belt of Scotland. A total of 75 (37%) returns had been received, of which 58 (29%) were complete and usable. Based on initial analysis of the questionnaire owner-managers were divided into two groups. i.e. 'Interest' or Non-interested' depending on their response to the question 'Are you interested in training? Owner - managers who responded with a score of 1 or 2 on the five point scale were placed in the interested group while those who responded with a score of 3, 4 and 5 were placed in the Non-Interested Group.

Table 1: Frequency and Type of Positive Constructs Elicited From Two Groups of Managers

Construct groups	NInt	Int	TFr	Rank
1. Source of independent advice.	11	5	16	1
2. Access to new knowledge.	6	9	15	2
3. High level of expertise.	6	6	12	3
4. Long term benefit to business.	1	5	6	4
5. Widen network of contract	1	3	4	5
SUB-TOTAL	25	28	53	-

Note: NInt = Non-Interested Group;
Int = Interested Group; TFr = Total Frequency

Out of the total number of respondents, 28 agreed for a follow-up interview. However, a final sub-sample of 20 owner-managers was selected, 10 from each group. These were assessed in detail using the Repertory Grid Interview technique 15.

❖ RESEARCH FINDINGS

From the Repertory Grid Interview, a total of 207 constructs were elicited. Each of the constructs was examined and closely related constructs were grouped together into 27 construct groups. These can be divided into 2 types i.e. 'positive' and 'negative' depending on how it was evaluated by the managers. The list of groups of construct in each type is presented in Table 1 and 2 respectively.

Table 2: Frequency and type of negative constructs elicited from two groups of managers

Construct groups	NInt	Int	TFr	Rank
1. Ability to respond to need	10	4	14	1
2. Unsure of services rendered	12	1	13	2
3. Independence	18	5	13	2
4. Time consuming	7	5	12	3
5. Self confidence	6	6	12	3
6. Implicit knowledge of business	7	4	11	4
7. Cost of provision	7	4	11	4
8. Relevance to specified needs	8	1	9	5
9. Interruption to business	5	4	9	5
10. Unfamiliar/ somebody unknown	7	1	8	6
11. Lack practical value	8	-	8	6
12. Competency in business	5	2	7	7
13. Lack of time to attend	5	2	7	7
14. Non-continuous	3	1	4	8
15. Revealing own weaknesses	2	2	4	9
16. Need for control	2	-	2	10
17. Loyalty/ trustworthiness	2	-	2	10
18. Personal pride	2	-	2	10
19. Unavailability of support staff	1	1	2	10
20. Problem of communication	2	-	2	10
21. Age	1	-	1	11
22. Time to recoup costs	1	-	1	11
SUBTOTAL	111	43	154	-
TOTAL	136	71	207	-

Note: NInt = Non-Interested Group;
Int = Interested Group; TFr = Total Frequency

Generally, as expected, the non-interested group was more negative than the interested group in their views of education and training. Of the 154 negative constructs, 111 were given by the non-interested group. The difference between the two groups was particularly significant in 5 categories i.e. (1) "Ability to respond to needs", (2) "Unsure of services provided", (8) "Relevance to specified needs", (10) "Unfamiliarity" and (11) "Practicality" (refer Table 2).

However, it can be seen that the interested group were not significantly different from the Non-Interested group in their positive views of education and training. As displayed in Table 1 the number of positive constructs provided by the Interested and the Non-Interested group was 28 and 25 respectively. This indicated that the two groups differed in their negative attitudes but not in their positive attitudes. This suggested that

if the actions of the two groups differ, then, given the similarity of the negative constructs, the difference must be related to the negative attitudes related to training. For the purpose of objectivity, the construct groups were clustered together into 7 categories 6 in the 'positive constructs' type and 1 in the 'negative constructs' type.

❖ EXAMINATION OF NEGATIVE CONSTRUCTS

As shown in Table 3 below, the most quoted 'negative' construct category which represented the main concern of the managers, was "Credibility of Training Providers". A total of 42 elements in 5 related groups were included in this category.

Heading the list was the 'Ability (of training) to respond to needs'. The managers have serious reservations about the ability of training to provide solutions to their problems. This lack of confidence in training tends to be related closely with the second, third and fourth constructs, all of which indicated lack of admiration for trainers and training providers. Not surprisingly, these negative feelings were more frequently reported by the Non-interested group. Of

Table 3: Negative Constructs

Construct Groups	NInt	Int
1. Ability to respond to needs	10	4
2. Implicit knowledge of business	7	4
3. Practicality	8	-
4. Competency in business	5	2
5. Problem of communication	2	-
Total	32+10 = 42	

the 42 elements elicited, 32 were accounted for by this group. However, the fact that these constructs were also reported by the interested group indicated that these views were widespread within the small businesses sampled. This was in line with the suggestions made by Gibb (1990, 1987) and tends to demonstrate that the managers perceptions of the 'credibility of training provisions and its' providers' have serious consequences on their interest. It is therefore of utmost importance that this 'credibility gap' be removed before any sizable increase in the number of persons who are interested in training can be expected. The second most important construct category was "Personal Needs and Desires". On top of the list was the need for 'independence' from others and 'personal satisfaction (Table 4). However, it was observed that no significant difference exists between the two groups. Nonetheless, in general the non-interested group produced more constructs compared to the interested group. As displayed in the table, the last three needs were reported only by the non-interested group, suggesting that these 'personal needs' were more explicitly recognized within the group.

Table 4: Personal Needs and Desires

Construct Groups	NInt	Int
1. Independence	8	5
2. Self confidence / satisfaction	6	6
3. Revealing own weaknesses	2	2
4. Loyalty / trustworthiness	2	-
5. Needs for control	2	-
6. Personal pride	2	-
Total	22+13 = 35	

The next category is the 'characteristics of training provisions' (Table 5). A total of 34 constructs was included in this category. The most frequently quoted being 'time consumption' indicating managers concern for the need for speed in their day to day management of the business. This concern for time tended to be associated with the second construct 'interruptions to business. The respondent managers were training. This is especially true if courses covered a long period of time. It is therefore not unreasonable to expect that the problem would be more acute in smaller firms where no back - up staff is available. Table 5 indicated that both the interested and the non-interested group were almost similar in these two views. The finding suggested that what was needed for the small business managers were 'courses which are not very demanding on their time'. It is therefore the duty of the providers to meet this need of their customers.

Table 5: Characteristic of training provision

Construct Groups	NInt	Int
1. Time consuming	7	5
2. Interruption to business	5	4
3. Relevance to need	8	1
4. Non-continuous	2	2
Total	22+12 = 34	

It is interesting, however, to discover that this view is not absolute. A number of the managers indicated that their willingness to take time off (to attend training) if courses are relevant to what they needed. This admittance can be viewed in two ways. In the first instance it raises the question of the value of training in the eye of the managers. The question is 'Is it worthwhile for them to spend time in education and training? The answer seemed to be affirmative provided that the training on offer is relevant to their needs. Unfortunately in terms of the second, many respondents believed courses were not "relevant to their needs. This view is particularly evident within the non-interested group. The construct was elicited eight times from the Non-Interested group, suggesting that they were highly sceptical of the relevance of training. On the contrary, only 1 response was received from the interested group, implying that many of the managers in this group were convinced of its' relevance. This finding tends to suggest that it is not so much the question of relevance but, was more of a communication problem between training providers and the former group. Evidence of this communication problem can be seen in the response shown in (Table 6), 13 respondents, of which 12 were from the Non-interested group, were 'Unsure of the (type of training) services' provided. When questions regarding this issue were raised during the interviews, many managers admitted having no knowledge of any type of training on offer. One might argue that this lack of knowledge might be the result of 'lack of interest'. However, given such widespread occurrence of 'ignorance' within the group, it is not unreasonable to suggest that the communication problem factor existed. This can be viewed in two ways.

First, it might be due to the lack of information per se. As was mentioned earlier, information regarding training is not reaching the potential consumers. This deficiency, however, is straight forward and could easily be redressed with more efficient marketing efforts. On the other hand, as was suggested by Gibb (1990) and Tait (1988) is the difficulty of linking between business problems and the remedy that training contributes to organizational performance. In the smaller firms, where such specialist is absent, there is no one to turn to undertake the necessary analysis and the managers themselves are not normally trained to undertake such tasks.

Table 6: Knowledge of provisions and providers

Construct Groups	NInt	Int
1. Unsure of services rendered	12	1
2. Unfamiliar / somebody unknown	7	1
Total	19+2 = 21	

First, it might be due to the lack of information per se. As was mentioned earlier, information regarding training is not reaching the potential consumers. This deficiency, however, is straight forward and could easily be redressed with more efficient marketing efforts. On the other hand, as was suggested by Gibb (1990) and Tait (1988) is the difficulty of linking between business problems and the remedy that training contributes to organizational performance. In the smaller firms, where such specialist is absent, there is no one to turn to undertake the necessary analysis and the managers themselves are not normally trained to undertake such tasks.

Thus, more often than not, the small firms were unable to identify what their training needs were. As a consequence it was frequently the case that either the small business managers comes direct to the educator or trainer, cutting out the analytical process or does not come at all because they cannot see the link. Unfortunately, however as one respondent puts it, 'it is easier to hire new staffs or call in an experts to deal with the problem rather than go for training. In this respect, new strategies for marketing training products should be devised. One possible alternative is for training providers to provide a package which include 'need analysis', as well as training. Further research into this area is needed. The second construct group in the category is 'unfamiliarity/somebody unknown' (Table 6). Many managers admitted that they felt more at ease discussing their problem with somebody whom they 'knew' or were 'familiar' with, such as their own employees, other managers, business contacts or consultants. They knew in advance which person to go to and what could be expected of them, thus they were able to plan their action accordingly. However, as opposed to these groups of people, trainers or training providers ranked very low in the list of persons whom they knew. Accordingly, it is highly unlikely that the services provided by them will be high on the small business manager's agenda. This result again showed the need for a more aggressive marketing strategy to

Table 7: Financial Factors

Construct Groups	NInt	Int
1. Cost of provision	7	4
2. Time to recover cost	1	-
Total	8+4 = 12	

attract the small business to participate in training. The fifth construct category relates to 'financial factors' (Table 7). This construct category comprises two groups of constructs which represented managers concern about the 'cost of (training) provision. 12 responses were elicited from the two groups of managers, the majority of which were from the non-interested group. Despite the result, the managers interviewed asserted that cost is not a major deterrent for them to participate in training courses. Many were willing to pay the cost it courses were relevant. This suggested that the concern was not on the cost itself but more in terms of the 'cost-benefit' of training or 'value for money'. This finding again reflected the sample managers' skepticism of the value of training.

The last negative type construct category was 'other contingent factors' which comprises of 3 construct groups (Table 8). The first and the most frequently quoted was 'Lack of Time to Attend Training'. Time factor was contended to be one of the major factors affecting the uptake of education and training courses within the small business community (Confederation of British Industries, 1986; Banks *et al.*, 1987; Bart, 1993; Durham Small Business Club, 1984). Generally, the findings of this study tend to provide further support to the importance of time factor.

Table 8: Other Contingent Factors

Construct Groups	NInt	Int
1. Lack of time to attend training	5	2
2. Unavailability of support staff	1	1
3. Age	1	
Total	7+3 = 210	

As can be seen in Table 8 the concern for time is closely related to the second construct sub-category, the 'Unavailability of Support Staff'. Managers would be able to take courses if he had someone to turn to, to look after the business while he was away on training. However, in the small firms, support staff is not always available. The option open for the small business managers is either do not participate or attend training and bear whatever consequences later. This finding again demonstrated the importance of timing of courses. Training courses should not be too demanding in terms of duration and scheduling.

❖ EXAMINATION OF POSITIVE CONSTRUCTS

The 5 positive construct groups provided by the respondent managers can be put together into one category that is the 'Benefits of training'. The list of construct groups included in this category is shown in Table 9.

As the topic suggested, the construct groups included in this category represented the advantages of training perceived by the managers. Heading the list was the appreciation of training as a "Source of Independent Advice". Surprisingly, it was observed that the construct was more frequently mentioned by the non-interested group. However, the interested managers tend to be more inclined to value training in terms of 'Access to New Knowledge'. The result seemed to indicate that the credibility of trainers and training providers as a source of new knowledge was more significant in the eyes of these managers. It was observed that the two groups were not significantly different in their views on the remaining 3

Table 9: Benefits of Training

Construct Groups	NInt	Int
1. Sources of independent advice	11	5
2. Access to new knowledge	6	9
3. High level of technical expertise	6	6
4. Long term benefit to business	1	5
5. Widen network of business contact	1	3
Total	25+28 = 53	

construct. Despite this result, the interested group showed higher appreciation on the entire three construct. Further research could be carried out to identify if this trend would be repeated on a larger sample of small business.

❖ CONCLUSION

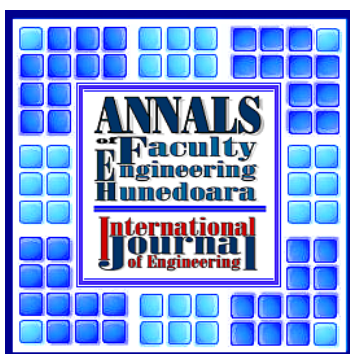
If education provision directed towards the small business sector is to be made more effective, it needs to be underpinned by a knowledge and understanding of the factors which determine and shape managers perception of the need for and interest in education and training. The way forward is to identify these factors and take them into consideration in designing and delivering courses. The findings of the study indicated that there is a serious credibility gap between the supply and demand side of training. On the demand side, in general the small business managers were highly skeptical of the value of training and the contribution of its suppliers. This cynicism is further increased by the lack of communication between the suppliers of training and their small business customers. Evidence from the study suggested that information on training was either lacking or not reaching the group which needed it most, those in the non-interested group. More effective marketing efforts were needed. Seven major elements have emerged as critical factors which shape and influence the managers' interest in and appreciation of educational and training. These are as follows:

- Managers attitude to education and training, in particular, their perception of the credibility of training providers and training provisions.
- Personal needs and desires of the managers in term of need for independence need for control, self-confidence, personal pride and self esteem.
- Characteristics of training programmes, in particular their relevance to the specified need of small business.
- Limitations due to characteristics of the manager, specifically their lack of formal educational qualifications.
- Managers lack of awareness of training on offer and the lack of knowledge of what type of training they required.
- Shortage of resources, particularly time and support staff.

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