The contribution of business/management education, to small enterprise solvency

Peter Ellis

Southern Cross University

Publication details
Copyright P Ellis 2004
For further information about this thesis Peter Ellis can be contacted at peterellis@ysp.com.au
The contribution of business/management education, to small enterprise solvency

Peter Ellis

Submitted to Graduate College of Management Southern Cross University, in partial fulfilment of the Degree of Doctor of Business Administration.

2004
“The contribution of business/management education, to small enterprise solvency.” Copyright © 2004 by Dr Peter Ellis, who reserves all rights and asserts his right under the Copyright, Design and Patents Act 1988, to be identified as the author of this work. No part of this work may be used or reproduced in any manner whatsoever without written permission except in the case of acknowledged brief quotations embodied in this work.
Statement of original authorship

I certify that the substance of this thesis has not been submitted for any other degree to date, nor is it currently being submitted for any other degree.

I also certify that I have acknowledged all sources used and assistance received in preparing this thesis.

--------------------------------------------

Peter A Ellis
I dedicate this thesis to my wife Bettina and our children, Kelsey and Byron. They have supported me without dissent for the full seven years of my unrelenting daily study regime. Their love and encouragement, given without question, has enabled me to complete this work on time and within budget, for which I thank them sincerely with all my heart.
I am fortunate to have many people to thank for their involvement in my doctoral studies. The diverse means through which this help manifested were from assistance and support, to advice and shared experiences. It is with this in mind that I take the opportunity of acknowledging the following people, either personally, or through their organisation or department.

First I thank my supervisor, guide and mentor, Emeritus Professor Geoff Meredith AM for his generous invaluable advice and positive direction throughout my research. He accepted the challenge of my completion date, formed a strategy and kept my work schedule directed to that goal.

Second, I acknowledge Associate Professor Stewart Hase and the Southern Cross University Graduate College of Management support staff, led by Sue White. The biannual workshops they organised were of enormous value to my studies. I found them particularly useful in clarifying the ‘big picture’ within which my studies resided.

In addition, all the professorial and teaching facilitators of the Graduate College of Management at Southern Cross University whom I approached, were generous with their time and assistance, being prepared to offer help and advice when I lacked the knowledge or experience and I thank them all for their support.

Finally, I acknowledge the management education facilitators who took the time to discuss their courses with me and helped in completing the first part of my survey. Completion of the second survey was due to small enterprise owner/managers that participated in those management courses, kindly offering their time and insights for this comparative survey, thus enabling me to reach my conclusions.
Abstract

The aim of the research thesis was to identify whether or not the delivery of management education at base level, made a significant contribution to small enterprise solvency.

Research by Williams (1986) indicated that over 60% of insolvent small enterprise (SE) owners gave one reason for insolvency as: ‘a lack of business/management experience or skill’. This implies that a significant percentage of SE insolvencies were avoidable, had the SE owner/managers acquired further business skill, knowledge or support. Literature suggests that increased business/management competencies may enable management blind spots within the internal activity structure of some enterprises, to be brought into focus and so controlled (Williams, 1984).

This thesis undertakes research, to identify the contribution of various management education programs to SE solvency. The methodology used to test this contribution to business management knowledge, comprised surveys of management education facilitators and program participants, by education institutions from Government and private Registered Training Organisations (RTOs) and Government and private non-RTOs. The objective was to determine, through the use of quantitative surveys, if a significant difference could be established between educational facilities offered and small enterprise owner/manager requirements, with the intention to make this an initial exploratory research.

The thesis examined perceptions of SE owner/managers participating in management education programs and whether there is a contribution to the solvency of businesses from an educational framework that gives SE owners who lack crucial business/management skills, direction towards
specific information, knowledge and abilities. The intention was to bridge research gaps concerning levels of SE solvency and skill-education available using four major types of business educational organisations.

The study included interviews with SE owner/managers participating in business programs to identify their perception of the contribution by courses to the solvency of their enterprises. The research examined whether there was a significant difference in certain clusters and competencies between researched management programs, to establish if completing any program affected positively, levels of SE solvency.

The table below, (section 5.5, Table 5.52 page 222) summarises outcomes of data analysis and indicates that of the 16 potential results of SE management education listed, only 4 achieved an acceptable level of support from course participants.

<table>
<thead>
<tr>
<th>Key</th>
<th>Perceptions and Impact</th>
<th>Section</th>
<th>Table</th>
<th>Page</th>
<th>Title</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Generated perceptions</td>
<td>5.3.1</td>
<td>5.19</td>
<td>188</td>
<td>Interest generated</td>
<td>5.60 *</td>
</tr>
<tr>
<td>1</td>
<td>Generated perceptions</td>
<td>5.3.1</td>
<td>5.20</td>
<td>189</td>
<td>Personal benefit</td>
<td>4.26</td>
</tr>
<tr>
<td>1</td>
<td>Generated perceptions</td>
<td>5.3.1</td>
<td>5.21</td>
<td>190</td>
<td>Facilitator support</td>
<td>5.73 *</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.22</td>
<td>191</td>
<td>Leadership</td>
<td>3.24</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.23</td>
<td>192</td>
<td>Control</td>
<td>4.19</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.24</td>
<td>193</td>
<td>Conceptual</td>
<td>4.55</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.25</td>
<td>194</td>
<td>Human</td>
<td>3.21</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.26</td>
<td>195</td>
<td>Technical</td>
<td>3.85</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.27</td>
<td>195</td>
<td>Management</td>
<td>4.53</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.33</td>
<td>200</td>
<td>Planning</td>
<td>4.33</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.37</td>
<td>203</td>
<td>Organisational</td>
<td>3.94</td>
</tr>
<tr>
<td>3</td>
<td>Impact on participants</td>
<td>5.3.3</td>
<td>5.31</td>
<td>197</td>
<td>Effect of course</td>
<td>5.27 *</td>
</tr>
<tr>
<td>3</td>
<td>Impact on participants</td>
<td>5.3.3</td>
<td>5.32</td>
<td>199</td>
<td>Financial benefits</td>
<td>5.06 *</td>
</tr>
<tr>
<td>4</td>
<td>Impact on solvency</td>
<td>5.3.4</td>
<td>5.38</td>
<td>204</td>
<td>Contribution</td>
<td>4.72</td>
</tr>
<tr>
<td>4</td>
<td>Impact on solvency</td>
<td>5.3.4</td>
<td>5.39</td>
<td>204</td>
<td>Improvement</td>
<td>4.40</td>
</tr>
<tr>
<td>4</td>
<td>Impact on solvency</td>
<td>5.3.4</td>
<td>5.40</td>
<td>205</td>
<td>Concepts</td>
<td>3.91</td>
</tr>
</tbody>
</table>

* = Acceptable level of support
Since the research focus was on the impacts of management education on SE solvency, another outcome was to profile the participants who reported positive and negative perceptions of the impact of SE management education courses on SE solvency. These results are documented in full in Appendix ‘C’.

Positive perceptions

The group of participants, that generally saw courses as having positive affects on SE solvency, had the following characteristics.

Predominantly male with education levels above high school level up to VET registered certificate, aged between 26-47 years, wishing to build their solvency and management skills, and wanting to focus on assistance from mentors/consultants on goals and business plans.

Negative perceptions

Course participants who perceived negative attitudes to the impact of courses in SE solvency had characteristics below.

Predominantly female with primary school or trade qualifications, but not VET certified, up to 25 years old or between the ages of 48 and 55 years, and not interested in building business or management skills. The courses they attended did not focus on goal setting and the participants had little interest in working with mentors or consultants.

Conclusion

The body of knowledge relating to SE solvency was extended as a result of this study, through working directly with management course participants. This research concludes by advancing the theory that education of business owner/managers is not solely to be focussed on management competencies. A complete business education should include character development and business activity planning, as well as business/management competencies.
# Table of contents

Statement of original authorship ........................................ ii
Dedication ........................................................................ iii
Acknowledgements ................................................................ iv
Abstract ........................................................................... v
Table of contents ................................................................ viii
List of tables ........................................................................ xiv
List of figures ......................................................................... xvi
List of tables in Appendix ‘C’............................................. xviii
Abbreviations ....................................................................... xx

## Chapter 1

**Introduction** ........................................................ 1

1.1 Thesis focus .......................................................... 1
    1.1.1 Chapter overview and objectives .......................... 2
1.2 Background to the research ........................................ 4
1.3 Research problem, questions and objectives .................. 6
    1.3.1 Research problem ............................................... 6
    1.3.2 Research issues .................................................. 7
    1.3.3 Research objectives ............................................. 7
1.4 Research justification ................................................. 8
1.5 Literature review - in brief ........................................ 10
    1.5.1 Research model .................................................. 11
1.6 Methodology .......................................................... 12
    1.6.1 Research process ................................................. 12
    1.6.2 Ethics ............................................................... 14
    1.6.3 Research paradigm .............................................. 14
    1.6.4 Theoretical framework ........................................ 15
    1.6.5 Research method and data collection .................... 16

viii
1.6.6 Data analysis ................................................................... 17
1.6.7 Research quality issues ..................................................... 18
1.7 Definitions ......................................................................... 18
1.8 Limitations of the study ..................................................... 21
1.9 Summary of thesis chapters .............................................. 22
1.10 Conclusions ..................................................................... 24

Chapter 2 Background to and justification of research ........................... 26

2.1 Introduction ...................................................................... 26
2.1.1 Chapter overview and objectives .................................... 27
2.2 SE solvency and failure in Australia ................................... 29
2.2.1 SE definitions .............................................................. 30
2.2.2 SE demographics ......................................................... 31
2.2.3 SE research into SE skills and failures: an Australian perspective ............................................................................. 35
2.2.4 SE failure demographics ................................................. 38
2.3 National SE management competency standards ................. 42
2.3.1 SE management competencies ........................................ 43
2.3.2 Competency conversion into education programs .............. 46
2.3.3 Application of competencies to management education and development ................................................................. 48
2.4 Australian education providers .......................................... 50
2.4.1 Management education course providers ......................... 50
2.4.2 Management competency programs ................................ 52
2.4.3 Incorporating competencies into management programs .... 53
2.5 Government support for education-competency development ................................................................................. 55
2.5.1 Links of support, specific to required competencies .......... 56
2.6 Research justification ........................................................ 57
2.6.1 Significance of the study ................................................. 58
2.6.2 Outcome of research ...................................................... 59
2.6.3 Research gap ................................................................. 60
2.6.4 Potential implications - Australian business and government 60
2.6.5 Contribution to business development ............................ 60
2.6.6 Further research to be generated .................................... 61
2.7 Conclusion......................................................................... 61
5.2.2 Survey populations .......................................................... 159
5.2.3 Educational institutions background .................................. 160
5.2.4 Course participants .......................................................... 163
5.2.5 Comparative statistics of institutes and participants - selecting institutions and courses ................................................... 172

5.3 Analysis of questions and responses .................................. 185
5.3.1 Perceptions by participants of programs ............................ 186
5.3.2 Perceptions of program skills and benefits ......................... 187
5.3.3 Perceptions of impact on SE owners and enterprises .......... 195
5.3.4 Perception of impact on solvency ...................................... 201
5.3.5 Solvency impact - Course participant profile ..................... 206

5.4 Consideration of research issues ....................................... 209
5.4.1 Design of courses ............................................................ 209
5.4.2 Needs of participants ....................................................... 210
5.4.3 Course selection .............................................................. 214
5.4.4 Course benefits ............................................................... 217
5.4.5 Contribution to solvency .................................................. 219

5.5 Summary of analysis outcome .......................................... 221
5.5.1 Profile of participants with positive attitude ...................... 224
5.5.2 Profile of participants with negative attitude ..................... 224

Chapter 6 Conclusions and implications ............ 226
6.1 Introduction ..................................................................... 226
6.1.1 Objectives and structure .................................................. 226
6.1.2 Research problem, objectives and theoretical framework .... 230
6.2 Outcomes - Implications of data analysis ......................... 233
6.2.1 Outcome I: ................................................................. 233
6.2.2 Outcome II: ............................................................... 235
6.2.3 Outcome III: ............................................................... 236
6.2.4 Outcome IV: .............................................................. 238
6.2.5 Outcome V: ............................................................... 240
6.3 Implications from the research .......................................... 241
6.3.1 Implication for government policy .................................... 241
6.3.2 Implication for educational institutions ......................... 242
6.3.3 Implication for candidates and enterprises ..................... 244
6.3.4 Implication for presenters ............................................. 244
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4</td>
<td>Contribution to the education process</td>
<td>245</td>
</tr>
<tr>
<td>6.4.1</td>
<td>Contributions</td>
<td>245</td>
</tr>
<tr>
<td>6.5</td>
<td>Limitations</td>
<td>245</td>
</tr>
<tr>
<td>6.5.1</td>
<td>Institution limitations</td>
<td>246</td>
</tr>
<tr>
<td>6.5.2</td>
<td>Participant number limitations</td>
<td>246</td>
</tr>
<tr>
<td>6.5.3</td>
<td>Computer program limitations</td>
<td>246</td>
</tr>
<tr>
<td>6.5.4</td>
<td>Location limitations</td>
<td>246</td>
</tr>
<tr>
<td>6.5.5</td>
<td>Time limitations</td>
<td>247</td>
</tr>
<tr>
<td>6.6</td>
<td>Opportunities for further research</td>
<td>247</td>
</tr>
<tr>
<td>6.6.1</td>
<td>Future scope</td>
<td>247</td>
</tr>
<tr>
<td>6.7</td>
<td>Summary and conclusions</td>
<td>248</td>
</tr>
<tr>
<td>6.7.1</td>
<td>Chapter summary</td>
<td>248</td>
</tr>
<tr>
<td>6.7.2</td>
<td>Conclusion</td>
<td>249</td>
</tr>
<tr>
<td></td>
<td>Bibliography</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td>Appendix ‘A’</td>
<td>263</td>
</tr>
<tr>
<td></td>
<td>Appendix ‘B’</td>
<td>268</td>
</tr>
<tr>
<td></td>
<td>Appendix ‘C’</td>
<td>277</td>
</tr>
<tr>
<td></td>
<td>C1 Solvency impact results</td>
<td>278</td>
</tr>
<tr>
<td></td>
<td>C1.1 Summary of results</td>
<td>298</td>
</tr>
<tr>
<td></td>
<td>Further Reading List</td>
<td>302</td>
</tr>
</tbody>
</table>
List of tables

Table 2.1 Units of competency available .................................................. 49
Table 2.2 Domains within each BSTP field: ............................................. 53
Table 3.1 Management skill requirements ................................................ 97
Table 3.2 Conventional v entrepreneurial education approaches ............... 111
Table 4.1 Characteristics of research paradigms ..................................... 125
Table 4.2 Differences between quantitative and qualitative approaches .... 132
Table 4.3 Selection of case and survey methods ..................................... 134
Table 4.4 Relationship of issues to questions ......................................... 144
Table 5.1 Exploratory focus groups ....................................................... 160
Table 5.2 Percentage of courses VET registered .................................... 161
Table 5.3 Type of feedback as a measure of course satisfaction ............ 162
Table 5.4 Percentage of graduates followed up after completion .......... 163
Table 5.5 Course participant age analysis .......................................... 165
Table 5.6 Course participant gender analysis ...................................... 166
Table 5.7 Course participant highest level of education attained .......... 167
Table 5.8 Analysis of course participant main area of activity ............. 169
Table 5.9 Analysis by years in business of participants’ enterprise .... 170
Table 5.10 Analysis of participant enterprise by number of staff ...... 171
Table 5.11 Participants in VET programs .......................................... 180
Table 5.12 Program delivery - interactive discussions ........................... 181
Table 5.13 Delivery to large audiences ............................................ 182
Table 5.14 Pedagogic methodology .................................................. 182
Table 5.15 Program timing ............................................................... 183
Table 5.16 Outcomes of programs - solvency improvement .............. 183
Table 5.17 Interest in further programs .............................................. 184
Table 5.18 Candidates willingness to recommend programs .................. 184
Table 5.19 Interest generated by program for participants .................... 186
Table 5.20 Personal benefits gained by participants ............................. 187
Table 5.21 Benefits of facilitator/mentor support by participants ......... 188
Table 5.22 Business leadership of participants ..................................... 189
Table 5.23 Control of business activities by participants ...................... 190
Table 5.24  Conceptual skills of participants ............................................. 191
Table 5.25  Human skills focus .............................................................. 192
Table 5.26  Technical skills of participants .............................................. 193
Table 5.27  Business management skills of participants ......................... 193
Table 5.28  Increased motivation of participants ...................................... 193
Table 5.29  Participants becoming more positive ...................................... 194
Table 5.30  Increased awareness of abilities by participants ...................... 194
Table 5.31  Effect of course on participants ........................................... 195
Table 5.32  Financial and management benefits for participants ............... 196
Table 5.33  Business planning skills of participants .................................. 198
Table 5.34  Business plan writing by participants .................................... 199
Table 5.35  Business plan review by participants .................................... 200
Table 5.36  Business plans discussed by participants ............................... 200
Table 5.37  Business organisation skills of participants ............................ 201
Table 5.38  Contribution to solvency by participants of program ............... 201
Table 5.39  Solvency improvement of participants ................................... 202
Table 5.40  Considerations regarding solvency of participants .................. 202
Table 5.41  Solvency outcome from programs for participants .................. 203
Table 5.42  Effect on sales as a direct result of participating in surveyed program ............................................................................... 204
Table 5.43  Effect on gross profit as a direct result of participating in surveyed program ............................................................................... 204
Table 5.44  Effect on net profit as a direct result of participating in surveyed program ............................................................................... 205
Table 5.45  Effect on customer payments as a direct result of participating in surveyed program ............................................................................... 205
Table 5.46  Effect on supplier payments as a direct result of participating in surveyed program ............................................................................... 206
Table 5.47  Written goals to aim for as a result of program ....................... 211
Table 5.48  Staff more positive as a result of program ............................... 212
Table 5.49  Analysis of course update regularity ...................................... 214
Table 5.50  Percentage of owner/managers choosing courses for VET certificate ................................................................. 215
Table 5.51  Percentage that would choose to receive a VET certificate ....... 216
Table 5.52  Summary of analysis ............................................................. 222
# List of figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Map of Chapter 1</td>
<td>3</td>
</tr>
<tr>
<td>1.2</td>
<td>ABS 1999 survey of Australian business</td>
<td>5</td>
</tr>
<tr>
<td>1.3</td>
<td>Literature Review Concept Map</td>
<td>11</td>
</tr>
<tr>
<td>1.4</td>
<td>Research process</td>
<td>13</td>
</tr>
<tr>
<td>1.5</td>
<td>Initial theoretical framework</td>
<td>15</td>
</tr>
<tr>
<td>1.6</td>
<td>Thesis structure</td>
<td>23</td>
</tr>
<tr>
<td>2.1</td>
<td>Map of Chapter 2</td>
<td>28</td>
</tr>
<tr>
<td>2.2</td>
<td>Average annual growth of small business numbers - November 1999 to June 2001</td>
<td>32</td>
</tr>
<tr>
<td>2.3</td>
<td>Causes of business failure</td>
<td>39</td>
</tr>
<tr>
<td>2.4</td>
<td>Major causes of insolvency</td>
<td>40</td>
</tr>
<tr>
<td>2.5</td>
<td>Business exit rates(^a) by industry, 1994-95 and 1995-96(^b)</td>
<td>41</td>
</tr>
<tr>
<td>2.6</td>
<td>Number of education course ‘resources’ by domain</td>
<td>54</td>
</tr>
<tr>
<td>3.1</td>
<td>Map of Chapter 3</td>
<td>63</td>
</tr>
<tr>
<td>3.2</td>
<td>Model of influence on SE solvency competencies</td>
<td>65</td>
</tr>
<tr>
<td>3.3</td>
<td>Characteristics of entrepreneurs</td>
<td>77</td>
</tr>
<tr>
<td>3.4</td>
<td>A synthesis of failure</td>
<td>81</td>
</tr>
<tr>
<td>3.5</td>
<td>Section 1 of model of influence on SE competencies</td>
<td>84</td>
</tr>
<tr>
<td>3.6</td>
<td>The entrepreneurs’ sequence action question guides</td>
<td>89</td>
</tr>
<tr>
<td>3.7</td>
<td>Section 2 of model of influence on SE solvency</td>
<td>90</td>
</tr>
<tr>
<td>3.8</td>
<td>Business influence variables</td>
<td>91</td>
</tr>
<tr>
<td>3.9</td>
<td>Section 3 of model of influence on SE solvency</td>
<td>94</td>
</tr>
<tr>
<td>3.10</td>
<td>Section 3 of model of influence on SE solvency</td>
<td>99</td>
</tr>
<tr>
<td>3.11</td>
<td>Management process</td>
<td>102</td>
</tr>
<tr>
<td>3.12</td>
<td>Section 4 of model of influence on SE solvency</td>
<td>107</td>
</tr>
<tr>
<td>3.13</td>
<td>Training as a subset of learning</td>
<td>110</td>
</tr>
<tr>
<td>3.14</td>
<td>Section 5 of model of influence on SE solvency</td>
<td>116</td>
</tr>
<tr>
<td>3.15</td>
<td>Section 6 of model of influence on SE solvency</td>
<td>119</td>
</tr>
<tr>
<td>4.1</td>
<td>Map of Chapter 4</td>
<td>123</td>
</tr>
<tr>
<td>4.2</td>
<td>Approaches and methodologies in research</td>
<td>124</td>
</tr>
<tr>
<td>4.3</td>
<td>Principles of survey questionnaire design</td>
<td>145</td>
</tr>
<tr>
<td>4.4</td>
<td>Flow diagram of quantitative data analysis process</td>
<td>149</td>
</tr>
</tbody>
</table>
# List of tables in Appendix ‘C’

<p>| Table C.01 | Outcomes of programs - solvency improvement | 278 |
| Table C.01a | Outcomes of programs - solvency improvement | 279 |
| Table C.02 | Relationship to solvency outcome - Participant age | 279 |
| Table C.03 | Relationship to solvency outcome - Participant gender | 280 |
| Table C.03a | Relationship to solvency outcome - Participant gender | 280 |
| Table C.04 | Relationship to solvency outcome - Participant education | 280 |
| Table C.05 | Relationship to solvency outcome - Type of enterprise | 281 |
| Table C.05a | Relationship to solvency outcome - Type of enterprise | 282 |
| Table C.06 | Relationship to solvency outcome - Number of staff | 282 |
| Table C.07 | Relationship to solvency outcome - Choosing VET course | 283 |
| Table C.08 | Relationship to solvency outcome - Requiring VET certificate | 283 |
| Table C.08a | Relationship to solvency outcome - Requiring VET certificate | 284 |
| Table C.09 | Relationship to solvency outcome - Taking program to build management skills | 284 |
| Table C.09a | Relationship to solvency outcome - Taking program to build management skills | 285 |
| Table C.10 | Relationship to solvency outcome - Taking program to develop solvency skills | 285 |
| Table C.11 | Relationship to solvency outcome - Taking program to help grow the business | 286 |
| Table C.11a | Relationship to solvency outcome - Taking program to help grow the business | 286 |
| Table C.12 | Relationship to solvency outcome - Taking program to provide competency based skills | 287 |
| Table C.13 | Relationship to solvency outcome - with no previous business experience | 287 |
| Table C.14 | Relationship to solvency outcome - Those personally recommended to program | 288 |
| Table C.14a | Relationship to solvency outcome - Those personally recommended to program | 288 |
| Table C.15 | Relationship to solvency outcome - Chose institution because of a good reputation | 289 |</p>
<table>
<thead>
<tr>
<th>Table C.16</th>
<th>Relationship to solvency outcome - Chose institution because of a personal recommendation</th>
<th>289</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table C.16a</td>
<td>Relationship to solvency outcome - Chose institution because of a personal recommendation</td>
<td>290</td>
</tr>
<tr>
<td>Table C.17</td>
<td>Relationship to solvency outcome - Chose institution because it is known to deliver competency-based courses.</td>
<td>290</td>
</tr>
<tr>
<td>Table C.18</td>
<td>Relationship to solvency outcome - Chose institution having researched course providers</td>
<td>291</td>
</tr>
<tr>
<td>Table C.19</td>
<td>Relationship to solvency outcome - Chose institution because of advertisement</td>
<td>291</td>
</tr>
<tr>
<td>Table C.20</td>
<td>Relationship to solvency outcome - with written goals from program</td>
<td>291</td>
</tr>
<tr>
<td>Table C.20a</td>
<td>Relationship to solvency outcome - with written goals from program</td>
<td>292</td>
</tr>
<tr>
<td>Table C.21</td>
<td>Relationship to solvency outcome - with increased motivation from program</td>
<td>293</td>
</tr>
<tr>
<td>Table C.22</td>
<td>Relationship to solvency outcome - becoming more positive from program</td>
<td>293</td>
</tr>
<tr>
<td>Table C.22a</td>
<td>Relationship to solvency outcome - becoming more positive from program</td>
<td>294</td>
</tr>
<tr>
<td>Table C.23</td>
<td>Relationship to solvency outcome - gaining increased awareness of abilities from program</td>
<td>294</td>
</tr>
<tr>
<td>Table C.23a</td>
<td>Relationship to solvency outcome - gaining increased awareness of abilities from program</td>
<td>295</td>
</tr>
<tr>
<td>Table C.24</td>
<td>Relationship to solvency outcome - Using a business plan</td>
<td>295</td>
</tr>
<tr>
<td>Table C.24a</td>
<td>Relationship to solvency outcome - Using a business plan</td>
<td>296</td>
</tr>
<tr>
<td>Table C.25</td>
<td>Relationship to solvency outcome - Owner/manager reviewing business plan alone.</td>
<td>296</td>
</tr>
<tr>
<td>Table C.26</td>
<td>Relationship to solvency outcome - After discussing business plan with consultant.</td>
<td>297</td>
</tr>
<tr>
<td>Table C.26a</td>
<td>Relationship to solvency outcome - After discussing business plan with consultant.</td>
<td>297</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>ABN</td>
<td>Australian Business Number</td>
<td></td>
</tr>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
<td></td>
</tr>
<tr>
<td>ACCI</td>
<td>Australian Chamber of Commerce and Industry</td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
<td></td>
</tr>
<tr>
<td>ACTRAC</td>
<td>Australian Committee on Training Curriculum</td>
<td></td>
</tr>
<tr>
<td>ANOVA</td>
<td>Analysis of Variance</td>
<td></td>
</tr>
<tr>
<td>ANS</td>
<td>Australian National Standards</td>
<td></td>
</tr>
<tr>
<td>ANTA</td>
<td>Australian National Training Authority</td>
<td></td>
</tr>
<tr>
<td>AQF</td>
<td>Australia’s Qualification Framework</td>
<td></td>
</tr>
<tr>
<td>ATLAS/ti</td>
<td>Software for visual qualitative data analysis, management and model building</td>
<td></td>
</tr>
<tr>
<td>ATO</td>
<td>Australian Tax Office</td>
<td></td>
</tr>
<tr>
<td>ATP</td>
<td>Aboriginal Training Program</td>
<td></td>
</tr>
<tr>
<td>BSTA</td>
<td>Business Services Training Australia</td>
<td></td>
</tr>
<tr>
<td>BSTP</td>
<td>Business Services Training Package</td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
<td></td>
</tr>
<tr>
<td>DEET</td>
<td>Department of Employment Education and Training</td>
<td></td>
</tr>
<tr>
<td>DETYA</td>
<td>Department of Education, Training and Youth Affairs</td>
<td></td>
</tr>
<tr>
<td>DEWR</td>
<td>Department of Employment and Workplace Relations</td>
<td></td>
</tr>
<tr>
<td>DITR</td>
<td>Department of Industry, Tourism and Resources</td>
<td></td>
</tr>
<tr>
<td>ER</td>
<td>Entrepreneurial Revolution</td>
<td></td>
</tr>
<tr>
<td>GST</td>
<td>Goods and Service Tax</td>
<td></td>
</tr>
<tr>
<td>HACCP</td>
<td>Hazard Analysis and Critical Control Points</td>
<td></td>
</tr>
<tr>
<td>ISO</td>
<td>International Organisation for Standardisation</td>
<td></td>
</tr>
<tr>
<td>ITAB</td>
<td>Industry Training Advisory Board</td>
<td></td>
</tr>
<tr>
<td>ITC</td>
<td>Industry Training Council</td>
<td></td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
<td></td>
</tr>
<tr>
<td>MANOVA</td>
<td>Multivariate Analysis of Variance</td>
<td></td>
</tr>
<tr>
<td>MEC</td>
<td>Management Education Course</td>
<td></td>
</tr>
<tr>
<td>MIC</td>
<td>Modern Industrial Capitalism</td>
<td></td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>-------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>MINCO</td>
<td>Ministerial Council</td>
<td></td>
</tr>
<tr>
<td>NAWT</td>
<td>National Assessors and Workplace Training</td>
<td></td>
</tr>
<tr>
<td>NEIS</td>
<td>New Enterprise Incentive Scheme</td>
<td></td>
</tr>
<tr>
<td>NITB</td>
<td>National Industry Training Boards</td>
<td></td>
</tr>
<tr>
<td>NTIS</td>
<td>National Training Information Services</td>
<td></td>
</tr>
<tr>
<td>NUD*IST</td>
<td>Non-numerical Unstructured Data * Indexing, Searching and Theorising</td>
<td></td>
</tr>
<tr>
<td>QA</td>
<td>Quality Assurance</td>
<td></td>
</tr>
<tr>
<td>QDSD</td>
<td>Queensland’s Department of State Development</td>
<td></td>
</tr>
<tr>
<td>RTO</td>
<td>Registered Training Organisation</td>
<td></td>
</tr>
<tr>
<td>SBDC</td>
<td>Small Business Development Corporation</td>
<td></td>
</tr>
<tr>
<td>SBET</td>
<td>Small Business Education and Training</td>
<td></td>
</tr>
<tr>
<td>SBPD</td>
<td>Small Business Professional Development</td>
<td></td>
</tr>
<tr>
<td>SCU</td>
<td>Southern Cross University</td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td>Small Enterprise</td>
<td></td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
<td></td>
</tr>
<tr>
<td>TAFE</td>
<td>Technical and Further Education</td>
<td></td>
</tr>
<tr>
<td>TPM</td>
<td>Training Presentation Method</td>
<td></td>
</tr>
<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
<td></td>
</tr>
<tr>
<td>YMCA</td>
<td>Young Men’s Christian Association</td>
<td></td>
</tr>
</tbody>
</table>
1.1 Thesis focus

Prior to the late-18th century, national economies were dominated by feudal agriculture and, in matters of domestic and international economic trade, by the merchants (Galbraith, 1994). The Industrial Revolution utilised application by power-driven machinery and as detailed evaluation of new business ideas and methods became known, more entrepreneurs were able to follow suit. With the development of cheap electricity at the end of the 19th century, the Modern Industrial Capitalist (MIC) age was established (Galbraith, 1994, p.1). From the beginning of the 20th century, studies of business structures and management procedures were carried out and business managers increased their knowledge and understanding of how to achieve results beneficial to both shareholders (owners) and employees. The MIC system has developed with significant advances from that time, developing organisational structure, management skill and culture systems within enterprises (Daft, 1997).

The focus of this study is small enterprise (SE) solvency. This research examines the contribution of management education to SE solvency, concentrating on perceived participant requirements of the facilitating educational institutions and the perceived outcomes by the participants.

SEs play a major role in Australia, providing both employment and goods/services (ABS Cat. No. 8127.0 2001c). The rationale for this study originated from major concerns displayed by Australian governments since the 1960s, regarding the financial stability and long-term solvency of SEs. Australian Bureau of Statistics (ABS) data regarding Australian private sector solvency (2001c, Section 8127.0, pp 10), indicate that on average, over 90 000 SEs deregister from the Australian economic market each year, with 75% or over 67 500, having traded for less than 5 years (Berryman, 1993).
This research examined the amount if any that various management courses impact on small enterprise solvency. Initial motivation for this research was to discover if it was possible to identify whether the high failure rate of SEs, was caused through business education deficiency.

1.1.1 Chapter overview and objectives

Chapter 1 has ten sections giving a foundation for the structure of this research. Section 1.1 is an introduction, explaining purposes and mapping chapter structure in Figure 1.1 (page 3). Section 1.2 presents research background.

Following in Section 1.3, the research problem is outlined with issues and objectives developed through the study. The consideration of these questions was at the heart of this research.

Research justification in section 1.4, substantiates studying educational institutions and their contribution to SE solvency. The study considers any significant change in solvency as a consequence of education through Australian Recognised Training Organisations (RTOs) or non-RTO training organisations.

A brief outline of the literature review, exploring research carried out on the MIC system, commences in Section 1.5. This is followed by development of generic management competencies and management development programs offered through management education courses. An explanation of areas studied in the review, introduces an examination of the research model.

Section 1.6 outlines methodology and research processes covering ethics, data collection and method of analysis. Definitions of key terms used in the thesis are in section 1.7, followed by section 1.8 covering an outline of limitations relating to this study.

In section 1.9, thesis structure and an outline of each chapter is covered and finally conclusions from chapter 1 are in section 1.10.
Figure 1.1 Map of Chapter 1

1.1 Thesis focus

1.2 Background to the research

1.3 Research problem, questions and objectives

1.4 Research justification

1.5 Literature review - in brief

1.6 Methodology

1.7 Definitions

1.8 Limitations of the study

1.9 Summary of thesis chapters

1.10 Conclusions

Source: Developed for this research
1.1.1.1 Chapter objectives

The objectives of this chapter are to describe:
- background to the research
- research problems and objectives
- research justification
- literature review and research model
- methodology
- definitions
- limitations.

1.2 Background to the research

Insolvencies are a substantial cost to the Australian economy in terms of lost tax revenue, increased social security benefit outgoings to redundant employees and financial losses to unpaid creditors, which may in turn affect the solvency of those creditors (Berryman, 1993).

Figure 1.2 (page 5) sets out both numbers and percentages of businesses and employees throughout Australia in the SE sector (ABS Cat. No 1321.0 1999b). Businesses and employees in that sector, including agriculture, forestry & fishing, number 1 051 500 or 94.55% of entities and 3 368 200 or 39.86% of employees as cited in ABS (Cat. No. 1321.0. 1999b).

Perry & Pendleton (1990, p. 7) note that within two years of registering an entity, about 50% of enterprises de-register. Failed SE owners give many causes for insolvency including lack of funds, bad management or bad luck. Perry & Pendleton (1990, pp. 7-8), also cite research by Professor Alan Williams (1986), who suggests major causes of insolvency as financial mismanagement (32%), management incompetence (15%), poorly kept records (12%) and sales/marketing problems (11%). Williams asserts that overall, 60.5% of insolvent owners questioned in his study, gave one of the reasons for their insolvency as, ‘lack of business/management experience and skill’ (Perry & Pendleton, 1990, p. 8).

This suggests a significant percentage of SE insolvencies may have been avoidable, had owner/managers acquired sufficient business competencies to control the internal activity structure of their enterprises. Most
Figure 1.2  ABS 1999 survey of Australian business

Source: Labour Force, Australia (Cat. No. 6203.0) Employed Wage & Salary Earners, Australia (Cat no. 6248.0) Agriculture Industries Financial Statistics Australia (Cat no. 7507.0), 1999
bookshops have publications explaining how to remain solvent, written by authors prepared to share successful strategies, (such as Hardy, 1987, Harvey-Jones, 1994, Gerber, 1995) or management and strategy scholars (such as Ohmae, 1982, Porter, 1985, Daft, 1997, Drucker, 1998, Griffin, 1999). Yet with all this available knowledge, together with assistance from accountants, bank managers, business consultants and business courses, tens of thousands of businesses continue to become insolvent each year (Drucker, 1998).

### 1.3 Research problem, questions and objectives

After examining the research problem, this section identifies related research questions and specific research objectives.

#### 1.3.1 Research problem

Every SE owner has distinctive personal characteristics, individual management styles, and their own personal goals, thus making each enterprise unique. Yet it is suggested in the literature that the proficiency in both general and specific management competencies, required by SE owners, may be found in generic management courses (Carland & Carland, 1990). It is also suggested that these courses may remove business management ‘blind spots’, enabling SE owner/managers to see clearly what is needed for their enterprise to function profitably and trade solvently (Bureau of Industry Economics, 1990).

Essentially this thesis examines the argument that for SE owners lacking business/management skills, consideration of the different styles and content of management development courses may offer guidance and direction to correct these inadequacies. In particular, this study considers the perception of course outcomes from participants and the quality and benefits resulting from andragogic and pedagogic teaching methods within available management courses for specific industry types and needs.
To classify and explicate the contribution to solvency of management skill programs, this study will research the following:

*The contribution of management education, to small enterprise solvency.*

### 1.3.2 Research issues

Arising from the research problem, five issues are identified:

I₁ Are the majority of SE management programs delivered at Queensland based educational institutions, designed to meet VET approved competency-based requirements?

I₂ Do Queensland based educational institutions design and deliver SE management programs that reflect the requirements of their participants?

I₃ Do a significant proportion of SE owner/managers participating in management-skill courses, choose VET registered competency-based programs?

I₄ As a result of completing management-skill courses at Queensland education centres, have SE participants gained significant general business and specific personal competencies?

I₅ Does the facilitation methodology of Queensland based business / management programs, significantly contribute to an increase in SE solvency?

### 1.3.3 Research objectives

The aim of the research is to:

1 Establish an effective theoretical model showing the development and contribution of management knowledge to SE solvency.

2 Assess the benefits and effects of different teaching methodology.

3 Establish SE owner/manager business-skills requirements.
Establish the effectiveness of SE management education programs.

Describe the contribution of management education programs to solvency.

Develop an explanatory theory that associates the contribution of management skill programs with solvency.

1.4 Research justification

As section 1.1 noted, small enterprises in the Australian MIC economy comprise over 94% of all entities and employ more than 39% of the working population. It was also pointed out in section 1.1, that these entities are “fragile” in their first five years of existence (Berryman, 1993). Some 75% of the entities deregistering each year are under five years old (Australian Bureau of Statistics, 1999b).

According to reports by Bailey and Royston (1981) Beddall (1990) and Karpin (1995), to avert this high level of early deregistration, management education is regarded as desirable. SE owner/managers are able to access a diverse miscellany of SE management education courses delivered currently in the market place from Government and non-government facilities. However, according to reports produced by Meredith (1984), Dawkins (1991) and Williams (1992) and noted in section 3.6.1 and Table 3.2 (page 111), the traditional pedagogic classroom based courses are largely unpopular with SE owner/managers, as they are too time consuming and too generic, in contrast to the more adult-oriented andragogic knowledge sharing SE owner/manager courses, which are generally focused on the topic of interest to the participant and timed to be within the available period that a SE owner/manager can absent themselves from their enterprise (Carland & Carland, 1990). Section 1.4, justifies the study of teaching constructs involved in researching management education programs and their contribution to sustaining SE solvency.

The literature review’s intermediate section, considered current management courses offered through educational institutions (section 3.7 page 117). The review explains how management competency education
courses are organised and delivered whilst other management skill/knowledge requirements are not available to be accessed.

**Literature gap**

There are many government registered RTO management courses and books available in Australia to deliver the information regarding necessary business skills. However, in order to ensure attendance/sales in sufficient numbers for a course/text to be viable, management courses and textbooks chosen for publishing tend to be generic and not industry specific. For that reason, using available education or reading existing literature alone, may not give SE owners a complete range of specific tools for the requirement of their unique businesses.

**Importance to institutions**

This research examines the reason that institutions prepare and offer their courses. Additionally, course participants give feedback in terms of perceived benefits and effects of the courses on their business. This feedback is intended to benefit the institutions, by offering an assessment of the courses by their ‘graduates’.

**Importance for course facilitators**

Course presentation and delivery is examined and direct feedback from participants offers positive confirmation regarding the type of education desired. This enables institutions to build on this knowledge for the future.

**Importance to government**

Government and academic reports such as Beddall (1990), Berryman (1993) and Perry (2001b), have identified a core reason for SE failure, as lack of appropriate management competencies. This study investigates competencies required and possible means by which SE owner/managers would be able to improve their management competencies. Chapter 2 examined justifications of this research in detail.
1.5 Literature review - in brief

Literature reviewed indicates that SEs are significant contributors to any national economy through job creation and the sustainable delivery of goods and services (Berryman, 1993). Since the 1970s, government recognition that educational support was a necessary adjunct to SE sustainability, saw the allocation of government resources towards various SE development programs as beneficial (Bailey & Royston, 1981, Beddall, 1990, DEETYA, 1998, QDSD, 2000, ANTA, 2001b, DETYA, 2002). A gap this research fills, is to identify the difference between the perception of business management course developers’ understanding of what is required by SE owner/managers and the needs and expectations of the SE owner/managers that participate in educational programs.

Parent literature review is documented in two parts as noted in Figure 1.3 (page 11). The first commenced with a general historical overview outlining the field of organisational studies and theories that began with Frederick Taylor’s classical ‘One Best Way’, through humanistic and management science that developed over the century (Daft, 1997, p63), to management studies of the 21st century.

The second parent literature contributes an appraisal of entrepreneurial development and requirements relating to prevailing exogenous and endogenous business influences affecting the solvency of the entity.

Teaching material content and presentation methods are coordinated through efforts of a number of bodies including the Australian Chamber of Commerce and Industry (ACCI), the Australian Committee on Training Curriculum (ACTRAC), Aboriginal Training Program (ATP) and Department of Employment Education Training and Youth Affairs(DEETYA) (Field & Ford, 1995). National standards identify competencies required for effective management performance. Competency standards are industry-based or general business-based and this research review surveys what is included or excluded for investigating reasons (Field & Ford, 1995).
Finally, from the literature review, a theoretical framework is developed Figure 1.5 (page 15). This focuses on variables that affect management course delivery and contributions to SE solvency.

1.5.1 Research model

The basic assumption of this research has been that effective management education programs, contribute to maintaining solvency. The provisions of this study lead to classifications of core competencies, differentiation between general and specific skill, identification of effective methods of teaching, and assessment of their effectiveness. A map of the model for

Source: Developed for this research
this study Figure 3.2 (page 65) shows sources of management competencies, specific and general skill and results culminating in a conclusion relating to activities ensuring solvency. This model is created following the detailed literature review in Chapter 3.

1.6 Methodology

Research methodology includes systematic and objective data gathering, recording and analysing, to evaluate concepts and theories to expand limits of knowledge (Zikmund, 1997). The research design method was to establish a means of knowledge transference acceptable to SE owner/managers while providing enhanced management education through training. The approach involved quantitative statistical analysis to draw conclusions and qualitative assessment of interviews to consider issues resulting from the research.

1.6.1 Research process

This study proceeded through eight stages portrayed in Figure 1.4 (page 13). Operational steps (signified by arrows), were taken to conduct the study. Theories were needed to carry out these steps (identified by rectangles). Intermediary steps (signified by circles) were needed to complete stages of research design (Kumar, 1998, p. 17).

Once the research problem was formulated, the appropriate investigation was decided upon. The survey was then ready to be actioned. Participant choice of research was a cross-sectional design. This is ‘best suited when aimed at finding out the prevalence of a phenomenon, situation, problem, attitude or issue, by taking a cross section of a population’ (Babbie, 1989, p. 89). The result gives an overall picture of the situation as it stands at the time. The survey undertaken, looked to discover the existence of a phenomenon, not to measure change; therefore a cross-sectional population design was chosen as suitable to examine the issues under consideration.
Figure 1.4 Research process

Source: Kumar, R. 1998, Research Methodology, 3rd edn.
1.6.2 Ethics

To identify competencies included for management education purposes, this research examined the contribution to SE solvency of management education and, through two surveys testing the components of Figure 3.2 (page 65). The first survey carried out an assessment of management courses offered through available management educational institutions (appendix A). A second survey (Appendix B), using graduates who completed management courses of institutes from the first survey, was also completed to assess perceived performance and benefits in improving entrepreneurial solvency. This research examined courses available and SE owner/managers’ choice of education whether pedagogic, andragogic or a combination of the two.

In addition, the reasons SE owner/managers accessed particular courses and the perceived benefits gained were examined. A primary issue of any study involving personnel was possible concern of effects of research on SE owners completing this survey by Southern Cross University (SCU) Ethics Committee. To overcome ethical concerns, a totally anonymous survey was adopted establishing guidelines to ensure that no individual or individual identifying information was made available in the research report.

1.6.3 Research paradigm

This research involved drawing conclusions, and considering research issues using a quantitative research approach. Therefore this research relies on a realism paradigm combining positivist involvement of statistical analysis approach (see Chapter 4). This is closely associated with the ‘scientific’ approach and implies that investigations should be capable of replication (Bryman, 1989, pp 6-9). To achieve this, a sufficiently large numbers of participants were required to complete the questionnaire.

In addition a qualitative methodology was used, which was associated with an induction approach, where a theory is formulated as a consequence of information gathered on the basis of retaining the richness of data collected (Saunders et al., 2000, p88). Chapter 4 examines methodology in detail.
1.6.4 Theoretical framework

The dependent variable of contribution to solvency by business/management education is influenced initially by the independent variables being the type of education chosen. Each independent variable is modified by the course content. Components of the framework are presented in Figure 1.5 below.

Figure 1.5 Initial theoretical framework

Schematic theoretical diagram.
Source: Developed from the literature review for this research
Where a specific area of education is being developed, it is possible that another area is being neglected. For example the owner/manager may be working on marketing skills yet have no project management skills. In fact the SE owner/manager must consider every aspect of the business and only by physically documenting this and regularly assessing the elements can SE owner/managers learn, grow and develop (Sekaran, 2000).

A further modifying variable is the type of information transference methodology - either pedagogic or andragogic. This modifies the sum of these variables. Of importance is the time required to work on the program and if the program takes place, whether it interrupts the daily routine or restricts work activities.

Finally an intervening variable relating to the ability of the facilitator to communicate the information can affect the dynamics of the situation.

**Conclusion - Theoretical framework**

This research shows that by considering the referenced information and the theoretical framework above, SE owner/managers that investigate each independent variable and consider the moderating and intervening variables may assess any contribution to solvency attained. In addition they will be aware as to whether new knowledge must be learned or purchased through the knowledge of specialist staff or consultants.

By documenting each element within the independent, moderating and intervening variables, the structure and effect of knowledge is assessed.

For an enterprise to remain solvent, the owner should ensure that the requirements of a business entity are covered, through the type of education chosen.

**1.6.5 Research method and data collection**

Research undertaken, involved a survey of educational institutions which designed and delivered SE management courses. The research reviewed institutions delivering SE management courses to evaluate whether delivery was in line with the perceived competency expectations of their candidates.
In addition a survey of course participants was completed to gain an insight into perceptions of courses from the point of view of SE owner/managers and the impact of courses on improvement in business competencies and the solvency of their entities.

Collections of data were through structured questions covering course delivery in 2002/3, with the qualitative methodology used for both instructors and participants. Research undertaken included secondary consideration of general and specific management skills required by SE owner/managers and the reasons for their inclusion on courses.

Consideration of the research, methodology and procedure for collecting and analysing data was in line with data gathered from secondary and primary sources. The initial stage was to establish if there was a gap between management courses available and competency-skills required. Through the second survey, comparisons and establishing reasons if any, for the gap of the parties involved was carried out. The purpose of this survey was to obtain information from defined populations, then collect data to quantitatively measure and compare results. Through this, it was possible to resolve issues that were developed at commencement of the study (Easterby-Smith et al., 1991, p122).

In addition, this study selected participants across all areas of the population - known as a cross-sectional design approach. The result gave an overall picture at that time.

1.6.6 Data analysis

Data analysis is the application of logic to understand and interpret data collected (Zikmund, 1997, p 57). In this research, business education facilitators and SE owner/managers were surveyed to establish a connection between what the facilitators proposed to offer and what the SE owner/manager perceived to be received. A multivariate analysis design, which allows the simultaneous investigation of more than two variables (Zikmund, 1997, p 657), was chosen to analyse the data.
SPSS statistical analysis software (version 11) analysed data, correlated variables and tested assumptions – see Chapters 4 and 5 of this thesis (Coakes & Steed, 1999).

1.6.7 Research quality issues

Issues of credibility relating to research findings are underpinned to paradigms and methods used. Reliability was assessed through answers to the following questions. “Will the measure yield similar results on different occasions?” and secondly “Will different researchers make similar observations if they copy this method on a different occasion with different participants?” (Easterby-Smith et al., 1991, p41).

These questions are satisfied where conclusions offer correlated proof sampled from a significant number of entities, that certain management educational courses, an appreciably higher positive attainment of management skill retention was possible.

A second issue was validity. “Are reasons for answers given, clear and unambiguous?” (Easterby-Smith et al., 1991) Significant questions were asked of both the institutions and courses graduates, questions were unambiguous and the survey was to assess if what the course provider offered, was what the recipient believed they received.

The final issue was generalising the research results. “Can a survey of some participants regarding abilities, be duplicated with a separated group, and if so will it tell us anything?” (Easterby-Smith et al., 1991) Results of papers and surveys for 30 years have shown no consistent response. Through asking different questions it is possible that a new approach to management courses could make a significant difference that was able to be generalised.

1.7 Definitions

What follows clarifies definitions of terms in this research.
**Adhocracy:** A hierarchal project team implemented when considered suitable by organisations that wish to establish and disband project teams in an ad hoc fashion (Robbins & Barnwell, 1994, p.37).

**Andragogy:** Where teaching is a process of active enquiry (Knowles, 1990, p.27).

**Benchmarking:** Through research the average performance indicators of businesses in an industry. Used at gauge the position of ones company against peer companies (Daft, 1997, p. 60).

**Case studies:** Study involving details study of a small example of the subject under investigation (McNeill, 1986, p. 87).

**Competency:** A combination of traits, skill, motivations, knowledge and focus which result in a performance outcome (Turner & Michael, 1992, p.4).

**Competency-based skill:** Clusters of related knowledge, attitudes and skill that affect a major part of one’s job; that can be measured against well-accepted standards and be improved via education and development’ (Parry, 1998, p.58).

**Dependent variable:** This is the main variable that is the main factor of investigation (Sekaran, 2000, p. 92).

**Downsizing:** The systematic reduction in managers and staff to become more cost effective (Daft, 1997, p. 416).

**Endogenous factors:** Internal strengths and weaknesses relating to structure and culture, and resources of the entity, such as knowledge, raw materials and labour (Kuratko & Hodgetts, 2001).

**Entrepreneur:** A catalyst for change, optimistic, committed and purposeful with certain abilities that appear significant regarding SE operator success (Hodgetts & Kuratko, 1989, p.43).

**Entrepreneurial revolution:** The radical transformation by entrepreneurs of national economic and social structures over the last thirty years (Timmons, 1999, p. 3).


**Ethnography:** To interpret the world of the research subjects in the way in which they interpret it (Saunders et al., 2000, p. 95).

**Ethnomethodology:** The study of the way in which people create and construct their way of life (McNeill, 1986, p. 88).

**Exogenous factors:** Opportunities or threats that include elements or groups such as local and federal taxes, foreign government tariffs, changing raw materials prices, competitors and changes in customer demand (Kuratko & Hodgetts, 2001).

**Independent variable:** Cause, influence or affect outcomes of the dependent variable either positively or negatively (Sekaran, 2000, p. 93).

**Inferential statistics:** ‘The methods used to find out something about a population, based on a sample’ (Mason & Lind, 1996, p. 7).
**Insolvency:** A firm unable to meet financial obligations (Bruns Jr, 1999, P. 1-57).

**Internal Business Mechanisms:** Activities carried out by managers to develop their department or enterprise. These are derived through learning how to plan, lead, organise and control their work place (Fayol, 1949).

**Intervening variable:** These variables are activated as a function of the independent variables activities (Sekaran, 2000, p. 99).

**Leadership:** ‘The ability to influence people toward the attainment of goals’ (Daft, 1997).

**Locus of control:** Belief in ones future accomplishment (Daft, 1997, p.181).

**Moderating variable:** This variable moderates the original relationship between the independent and dependent variables (Sekaran, 2000, p. 95).

**Ontology:** Fundamental beliefs (Saunders et al., 2000, p.86).

**Organisation:** ‘A consciously coordinated social entity, with a relatively identifiable boundary, that functions on a relatively continuous basis to achieve a common goal or set of goals’ (Robbins & Barnwell, 1994, p. 4).

**Organisational behaviour:** ‘The study of human behaviour, attitudes and performance in organisations’ (Hellriegel et al., 1995).

**Organisational culture:** ‘The set of values, beliefs, behaviours, customs and attitudes that help an organisation’s members understand what it stands for, how it does things and what it considers important’ (Griffin, 1999).

**Organisational theory:** ‘The discipline that studies the structure and design of organisations’ (Robbins & Barnwell, 1994, p. 5).

**Paradigm:** A mind-set that presents a fundamental way of perceiving and understanding the world (Daft, 1997, p. 25).

**Pedagogy:** Indoctrination method of teaching by stating facts and spaced repetition (Knowles, 1990, p.28).

**Phenomenology:** An approach concentrating on presenting the quality of a situation rather than a statistical presentation (McNeill, 1986, p. 112).

**Positivist paradigm:** An objective scientific approach, as applied to the measurement of a concept (Ticehurst & Veal, 2000, p19).

**Qualitative study:** (Mason & Lind, 1996) An inquiry process understanding social or human problem, based on building complex holistic picture, conducted in natural environment (Creswell, 1994, p. 2).

**Quality Assurance:** Systemised documentation of management, production and communication procedures, designed to achieve a standardised performance or product (JAS/ANZ, 2000).

**Quantitative study:** Consistent with the quantitative paradigm, is an inquiry into a social or human problem, based on testing a theory composed of variables, measured with numbers and analysed with statistical procedures, In order to determine whether the predictive generalisations of the theory hold true (Creswell, 1994, p. 6).
Reengineering: Radical redesign of business processes to achieve dramatic improvements in cost, quality, service and efficiency (Daft, 1997, p. 339).

Skill: See competencies.

Small Enterprises: ‘those firms having under 200 employees, with assets under $200m’ ABS (Cat. No. 8140.0, 2001b, p11).

Solvency: A situation where a firm is able to meet its financial obligations (Bruns Jr, 1999, P. 1-57).

Statistics: ‘The science of collecting, organising, presenting, analysing and interpreting numerical data for the purpose of assisting in making a more effective decision’ (Mason & Lind, 1996, p. 3).

Theory X: The assumption that people dislike work and avoid responsibility (Pass et al., 2002, p.432).

Theory Y: The assumption that people can enjoy work and exercising responsibility (Pass et al., 2002, p.432).


Total Quality Management: Continuous improvement through positive management activity and gaining of relevant knowledge (Grieves, 2000, p371).

Variable: A discrete phenomenon that can be measured or observed in two or more categories. For example, gender, age social economic status, attitude or behaviour (Sekaran, 2003, p.87).

1.8 Limitations of the study

Research strategy for this thesis was determined by utilising all available information. This was derived from researched literature, current courses being offered, and surveys / interviews with SE owner/managers. Institutions of further education have philosophies regarding strategies, and these were examined using the above methodology and researched for gaps in their intended beneficiaries attaining strong solvency skills.

Educational institutions that contributed to the first survey agreed to give the researcher access to graduates of their courses for the second survey. Referred enterprises gave greater reliability as they came from identifiable groups as noted on page 14, section 1.6.2. This grouping of participating enterprises was reliable as they could be compared to similar populations.

Analysis in the second survey had a number of limitations, for example, all the surveys were carried our directly by the researcher, therefore the cost
in terms of available time and financial loss in earnings, limited the number of enterprises surveyed to 120 in total. Although a random sample of graduates was used, one consequence of the limited location may have caused bias in selection, as the survey was carried out in the southeast Queensland area. Types of enterprises to be surveyed were diverse, but attitudes and work ethics were limited to owners in southeast Queensland. Thus socio-economic and political bias of populations may have been a limiting factor. However, diversity of enterprise type and national characteristics of some institutes offering courses was a positive factor helping to balance any location bias.

Good research outcomes will only result from careful preparation (Ticehurst & Veal, 2000, p. 39). The questionnaires were meticulously planned in order to reduce the possible limitations of result clarity. Data requirements were specific in the preparation and careful planning and organisation of the questionnaire helped to achieve adequate results. Quantified information was specifically focused on competency requirements and gaps in education and knowledge needed for solvency of various enterprises, in order to prepare a skill / enterprise type matrix.

1.9 Summary of thesis chapters

The thesis structure has six chapters as illustrated in Figure 1.6 (page 23), based on the PhD design by Perry (2001a).

Chapter 1 summarises the forthcoming thesis chapters. Chapter 2 provides background and justification to the research, considering failure and competency standards. Information regarding federal SE competency standards is recorded and levels of incorporation into courses offered by education institutes.

Government support for institutes offering competency courses is documented and also at what level educational institutes acknowledges the federal standards. Results of this study reveal significant implications and potential contributions for Australian business.
Chapter 1 - Introduction

1.1 Thesis focus;
1.2 Background to the research;
1.3 Research problem, questions and objectives;
1.4 Research justification;
1.5 Literature review - in brief;
1.6 Methodology;
1.7 Definitions;
1.8 Limitations of the study;
1.9 Summary of thesis chapters;
1.10 Conclusions.

2.1 Introduction;
2.2 SE solvency and failure in Australia;
2.3 National SE management competency standards;
2.4 Australian education providers;
2.5 Government support for education-competency development;
2.6 Research justification;
2.7 Conclusion.

3.1 Introduction;
3.2 Business and personal environment;
3.3 SE entrepreneurial development (Model section 2);
3.4 Business influences (Model section 3);
3.5 Business competencies (Model section 4);
3.6 Management competency education (Model section 5);
3.7 Effect of management education (Model section 6);
3.8 Summary and conclusion.

4.1 Introduction;
4.2 Research design;
4.3 Research strategy;
4.4 Data collection;
4.5 Data analysis;
4.6 Ethical considerations;
4.7 Limitations of combined quantitative and qualitative study methodology;
4.8 Summary and conclusions.

5.1 Introduction;
5.2 Data demographics;
5.3 Analysis of questions and responses;
5.4 Consideration of research issues;
5.5 Summary of analysis outcome.

6.1 Introduction;
6.2 Outcomes - Implications of data analysis;
6.3 Implications from the research;
6.4 Contribution to the education process;
6.5 Limitations;
6.6 Opportunities for further research;
6.7 Summary and conclusions.

Figure 1.6 Thesis structure

Source: Developed for this research
Chapter 3 presents a literature review that briefly documented twentieth-century research, showing how the focus of research moved away from entity structure towards effectiveness of positive human relations competencies. The second section of the review identifies entrepreneurial development and the exogenous and endogenous influences. Intermediate section of the review considers general and personal competencies required. The review leads to consideration of different types of management education courses available and effects of that knowledge on solvency, leading to a model framework.

Chapter 4 explains methodology used to examine and explains outcomes of research questions. The chapter discusses survey ethics, research paradigm and justification of methods chosen. Data from population, variables, collection procedures and analytical techniques are examined and explained.

Chapter 5 contains survey data from both education providers and SE owners, with an analysis of data sampled and an interpretation of issues raised through the literature review.

Chapter 6 presents conclusions for research propositions and objectives. Implications of theory on SE solvency, limitations and opportunities for further research are all considered in this final chapter.

1.10 Conclusions

The ultimate purpose of this research is to extend the body of knowledge regarding SE enterprises through examining the contribution of management education to SE solvency. To accomplish this, a theoretical framework was developed to examine different business competencies required and demonstrate how they are addressed through management education at educational institutions.

In general, to meet demands of viability, business management courses are generic in their coverage of business skill requirements, they do not focus on outcome requirements or individual business solvency issues.

This study argues that programs should be fashioned to develop personal skills, planning activities and business competencies in which SE
owner/managers may participate, or that an enterprise in times of growth or decline can use to work through their issues.

This chapter established the research problem, research issues and objectives. Given the preliminary literature review, a gap in research outcomes reported has been noted, justifying the project.

Further justification for the work was presented and an outline of the methodology, documented in detail in Chapter 4, was briefly reviewed. The chapter continued with details of objectives of terms and abbreviations used, with comments on research limitations and an outline of Chapter 5 to follow. Thus the chapter has documented what is to be carried out, how the project will proceed, and an outline of why the research contributes to the body of knowledge.
Chapter 2
Background to and justification of research

2.1 Introduction

The purpose of chapter 2 is to elucidate the background to key research disciplines and justify this study. This shall be accomplished by defining and identifying the relevance of outcomes from this research into Australian management courses available for SE owner/managers. The research focuses on examining owner/managers taking part in management education programmes and the outcomes from those courses in terms of their contribution towards SE solvency.


In 1991, Australia’s national management competency standards program was initiated to assess and advance the quality of business management in order to reduce SE failure and insolvencies (Dunlop et al., 1992). Under guidance of Karpin’s 1995 report, Federal Government initiated management competency programs for administration through RTOs for all levels of management, aimed at producing significant contributions to Australian business (Dunlop et al., 1992).

The accessed information for this research was through a review of research into SE competency standards, education formats and skill development programs in Australia and by identifying statistical data regarding SE solvency and failure. Information regarding national SE competency standards is documented and incorporation of these standards into courses offered by education institutes, identified. In 1994, Federal
Government established the Australian National Training Authority (ANTA) to ‘provide national focus for VET’ (ANTA, 2001d).

ANTA, reporting to the ANTA Ministerial Council (ANTA MINCO), administers national education programs and Commonwealth funding of VET. ANTA MINCO oversees activities of ANTA and comprises Commonwealth, State and Territory ministers with responsibility for VET. ANTA MINCO meet two or three times a year to decide strategic policy, national objectives and priorities for the education system (ANTA, 2001d). In 1998, ANTA MINCO decided that industry and community attitudes toward education needed to become more positive and this was to be achieved through effectively marketing the concept of VET.

One of ANTA’s core roles includes development, management and promotion of the national education framework. In 2002, ANTA MINCO agreed to sponsor, through the $8.5 billion VET funding, a program to develop a fully integrated national education system (ANTA, 2001d). In 2003/4, the management competency program is going through a number of phases, however as business methods and technology develops, so competencies will change and this knowledge will be incorporated into the program.

2.1.1 Chapter overview and objectives

Chapter 2 is set out in seven sections, with Figure 2.1 (page 28) listing sections and mapping chapter structures. Definitions and demographics of SEs and research into solvency/failure are presented in Section 2.2 with information regarding statistical data and small business research in the field.

Section 2.3 examines development of national SE competency standards, how competencies are converted into education programs and how programs apply to SE competencies. Section 2.4 reviews management education institutes and current education programs provided to establish how education is incorporated into management programs.
Figure 2.1 Map of Chapter 2

2.1 Introduction

2.2 SE solvency and failure in Australia

2.3 National SE management competency standards

2.4 Australian education providers

2.5 Government support for education-competency.

2.6 Research justification.

2.7 Conclusion.

Source: Developed for this research
Federal and State Departments involved with competency education programs are identified in Section 2.5, documenting government support for institutes offering competency courses and a review of whether educational institutes acknowledge federal standards.

Section 2.6 documents the significance of this study by a detailed research justification. Sections 2.2 to 2.5 are then summarised, indicating an awareness of the government regarding report outcomes relating to quality of SE competency skill and action taken to benefit this important sector of the economy.

Justification is extended to consider outcomes gained from the considerable sums of time and money spent by government on competency programs. Finally, justification of this research indicates the gaps that exist in the literature between management studies and conclusions drawn, regarding education courses that address those research findings. Potential implications of this study are also identified in Section 2.6, while section 2.7 concludes with a general summary of Chapter 2 and an introduction to literature reviews in Chapter 3.

2.1.1.1 Chapter objectives

The objectives of this chapter are to consider:

- SE solvency and failure in Australia
- Australian national competency standards
- Australian business education providers
- Government support for competency education
- Research justification
- Potential implications for Australian business

2.2 SE solvency and failure in Australia

Published data and documented demographics from studies of Australia’s SE sector over the past three decades by ABS together with other researchers are drawn on as background to this study.
2.2.1 SE definitions

Agreement on an acceptable definition of a small enterprise has proved elusive (Howard, 1996, p.47). Neck (1977) found 50 separate definitions from 75 countries. Watson and Everett (1996) quote White, Bennett and Shipsey’s report (1982) that 700 definitions were presented to a Congressional Committee in the United States of America (USA).

A variety of criteria have been used in an effort to find a universal definition of a SE including total worth; relative size within an industry; number of employees; value of products produced/sold; annual sales or receipts and net worth (Cochran, 1981). Areas of consensus relate to relative size in terms of influence within a firm’s macro-environment (Howard, 1996). In 1953 a definition within the Small Business Act in USA focussed on a firm ‘independently owned and operated and not dominant in its field of operation’ (Hodgetts & Kuratko, 1989, p.3).

Australia’s Wiltshire Committee (1971, p.7) defined small business as ‘a business in which one or two persons are required to make all critical management decisions, without the aid of internal specialists’. Section 249 of the UK Companies Act 1985, identified SEs according to the following criteria (Bridge et al., 1998, p.102).

A small firm in the UK must satisfy at least two of the following criteria:

- Turnover of not more than £2.8 million
- Balance sheet totalling less than £1.4 million
- Not more than 50 employees

Watson and Everett (1996, p. 46) cite Ang (1991) who used characteristics to define small business: including not being publicly traded, involving incomplete management teams, and lack of formality in stakeholder relationships.

To encompass the majority of firms, this research used the current definition for small businesses described by ABS (Cat. No. 8140.0, 2001b, p11) as a benchmark: ‘those firms having less than 20 employees, with assets valued under $20m’. It is noted that available statistical data from
ABS identifies 2 major groups: small enterprises and medium to large businesses (see Figure 1.2 page 5). Demographics in 2.2.2 draw on ABS ‘small business’ data.

2.2.2 SE demographics

Government-sponsored studies into Australian SE sector, such as Wiltshire (1971), Crawford (1979), Ralph et al (1982), Meredith (1984), Williams (1986) and Beddall (1990), focussed concerns about SE operators, defined by ABS (CAT. No 8127.0 2001c, pp 3-4) as persons that ‘own and run a business, ranging from proprietor to working director of an incorporated company’. These government sponsored studies above, resulted in ABS committing itself to increasing information regarding the private sector business in 1990-91 (ABS Cat. No. 8155.0, 2001a, p.3).

2.2.2.1 SE entity demographics in Australia

As noted in section 1.2 (page 4), of the 1998/9 statistics (ABS Cat. No. 1321.0 1999b), the number of enterprises and employees in Australian SE sector, including agriculture, forestry & fishing were, 1 051 500 (94.55%) enterprises and 3 368 200 (39.86%) employees in Figure 1.2 (page 5).

Statistics relating to sole traders (ABS Cat. No. 1321.0 1999b, p.3) indicated that there were 1 044 142 owner/managers. Thus 12.36% of all Australian workers, choose to be self-employed (English, 1998).

For the benefit of these entities, Federal and State governments since the 1970s, desired SE management skills to be developed and transferred to SE owners (DETYA, 1998). From the early 1980s, the number of small and single-operator non-employing firms increased significantly. From 1983 to 1999, an increase in the number of small and single-operator non-employing businesses averaged 3.7% per annum, resulted in a net increase of 71.4% entities in a 16 year period (ABS Cat. No. 1321.0 1999b, p.6).
Statistics in Figure 2.2, show that new enterprises numbers with the greatest annual growth were single-operator non-employing firms (ABS Cat. No. 8140.0, 2001b). In addition, overall there has been an 11% increase in the number of SE enterprises between 1999 and 2001 with the lowest annual growth for micro enterprises, employing from 1-4 staff.

The numbers of firms employing between 1-19 employees had a significantly smaller growth rate than the average growth in numbers for SEs. Social clubs, non-business entities such as personal superannuation funds and charities that do not employ anyone, have also had to register to comply with the new Australian Business Number (ABN) regulations (CAT. No 8127.0 2001c, p.9). This will distort future statistics, as not-for-profit and non-business entities will probably stay in the sector and appear to show that the percentage of entities deregistering is declining.

Figure 2.2 Average annual growth of small business numbers - November 1999 to June 2001

Figure removed due to copyright restrictions

Source: Australian Bureau of Statistics Cat. No 8127.0, June 2001

Change in annual growth of business is not equally spread over all industry sectors, indeed not all sectors increased in terms of numbers of enterprises (ABS Cat. No. 8140.0, 2001b). Agriculture declined steadily peaking in 1995-96, and the four-year period to 1999-2000 saw the number of firms in that sector drop by 5.4%. From 1994 to 2000, numbers of operating businesses in mining fell 35.7% and manufacturing industry had 16.8%

Power suppliers, wholesale and retail trade, finance and insurance services and hospitality industry remained relatively stable, whilst transport and storage sector increased by 5.5%, property and business services by 9.8%, and recreational services rose by 8.5%. Thus for this study, focus is on small enterprises as a whole and not on individual industries.

2.2.2.2 SE owner demographics in Australia

SE owner/managers reveal inestimable permutations of backgrounds and abilities (Daft, 1997). Information below from the Australian Bureau of Statistics indicates certain combinations and differences around Australia.

**Number of operators**

ABS Statistics released in 2002 relating to the structure of Australian businesses (Cat. No. 8127.0, 2001c, p.4), indicated that since the 1999 survey noted in Figure 1.2 (page 5), there has been a regular annual growth of 9% in the number of owner operators. The ABS figures for 2002 show an increase in self-employed persons in 1999 from 12.36% of employees or 1,044,142 people, to 18.90% or 1,597,200 persons employed being SE owner operators in 2001.

**Gender of operators**

ABS statistics as at June 2001, reveal 67% of registered operators were male and 33% female. Between November 1999 to June 2001 the annual rate of growth by gender was 8% male and 10% female (Cat. No. 8127.0, 2001c, p.4). This represented a turnaround from the previous recorded rates of February 1997 to November 1999, where the number of female operators decreased at an annual rate of 1%.

The growth or reduction by gender was significantly different across State borders. For example there was an increase of 17% in female operators in Western Australia, 13% in Queensland, however a negative growth in the Northern Territory of -0.1%.
**Location of operators**

Population size had an affect on the numerical distribution of operators across States and Territories, indeed there was a mean growth of 11% nationwide. The distribution of means was spread across the nation with Queensland and South Australia having an above-average growth of 14%, and Western Australia and the Australian Capital Territory increased number of operators by 13%. New South Wales SE increase was 7% and Victoria was 4% with the Northern Territory indicating only a 1% growth (Cat. No. 8127.0, 2001c, p.5).

**Age of operators**

ABS classified business operators age distribution into three age groups (Cat. No. 8127.0, 2001c, p.5).

- 11% of operators were under 30 years old
- 59% of operators were between 30 to 50 years old
- 31% of operators were over 50 years old

Whilst percentage of operators between 30 to 50 is a majority, the number of operators under 30 and above 50 increased significantly in the November 1999 to June 2001 period.

**Age by gender**

Distribution of SE operators by gender across age groups at June 2001 (Cat. No. 8127.0, 2001c, p.6) was:

- Under 30 yrs: 65% Male, 35% female
- 30 to 50 yrs: 65% Male, 35% female
- Over 50 yrs: 72% Male, 28% female

**Education of operators**

SE operators have been classified as educated up to school level (grade 12) 41%; post-school certificate level and trade certificate 38%; and those attaining advanced diploma and above 21% (Cat. No. 8127.0, 2001c, p.7).
Education by gender

Distribution of SE operators by gender across education groups at June 2001 (Cat. No. 8127.0, 2001c, p.7) was:

- School level: 36% Male, 50% female
- Certificate level: 44% Male, 26% female
- Diploma and above: 20% Male, 24% female

Education by State

Australian Capital Territory recorded greatest proportion of higher education graduates at 30% and Northern Territory had lowest at 12%. Northern Territory also recorded most school level operators at 49%. Tasmania had highest proportion of non-school qualification to certificate level at 44% and Victoria lowest at 34% (Cat. No. 8127.0, 2001c, p.7).

In summary, small business represents some 1 million enterprises in Australia, employing close to 40% of the private sector workforce with an annual growth in number of 11%, and with 67% male to 33% female operators, with female operators have been increasing at a rate greater than males. The majority of SE operators have achieved an education standard equivalent to high school and certificate level.

2.2.3 SE research into SE skills and failures: an Australian perspective

The large number of new SEs established, attracted government attention due to a significantly high percentage of failures in the SE sector compared failure rates of larger companies (Bickerdyke et al., 2000).

In Australia, tens of thousands of SEs exit from the business register each year (Bickerdyke et al., 2000, p. 9). These figures are a concern to government in terms of effects on fluctuating unemployment rates, unpaid debts due and taxes due from failed entities. However, keeping losses in perspective, total numbers of enterprises at any point in time remains relatively stable, as an inflow of new enterprises significantly replenishes exiting entities (Bickerdyke et al., 2000, p. xvii).
While this research is not concerned directly with the number of entities registering and deregistering as SEs in the Australian economy, it is relevant to focus on effects on the economy of tens of thousands of failed enterprises and to comment on whether some could be avoided. These failures cost Australians millions of dollars through default to creditors, banks and ATO, representing an average of $1,172 million per enterprise in gross domestic product each year (Bickerdyke et al., 2000, p.41).

Studies of SE ownership, show that a perception of personal autonomy is a major reason potential entrepreneurs establish businesses (Bridge et al., 1998, p.104). The same studies show that whilst SEs are autonomous, they are reliant on others through limitation of skill and resources, expertise and finance. Owning a small enterprise offers both benefit of individual authority and disadvantage of personal risk. SE owners are able to take advantage of opportunities available, yet are required to deal with financial and organisational threats consequent to their decisions or autonomous decisions over which they have no control (Bridge et al., 1998, p. 104).

Whilst there were a few isolated studies regarding management skill undertaken in Australia pre-1960, in 1969 F. M. Wiltshire chaired a Committee on Small Business, studying Australia’s SE sector. The Committee released findings in 1971 concurrent with the more comprehensive UK ‘Bolton Report’ (Dunlop et al., 1992, p3). The consequence of Wiltshire’s report was a groundswell of interest in skill-requirements of small firm owners. From 1974 a National Small Business Bureau and later State advisory services and agencies, promoted, developed, then distributed management-education programs (Dunlop et al., 1992, p.5).

During the 1980s, interest in assisting growth of skill education to SE owners developed in Australia, particularly through business management courses delivered by both higher education and TAFE sectors in addition to private education sectors (Dunlop et al., 1992).

Twenty years after the Wiltshire’s report (1971), the Beddall Committee (1990) recommended an active role by government to positively identify the significance of SEs for the economy and how government could benefit


SEs and Australia through appropriate action (Beddall, 1990). Beddall concluded that addressing questions relating to success factors, failure patterns and the effect of SEs on the economy, was and would always be, important (1990).

The Parliamentary Committee found that two major factors inhibiting the success and growth of small firms are lack of management skill by owner/managers and low use of management education and advisory services by small business people . . . despite the range of services available (Beddall, 1990, p.31).

The Beddall Report (1990) recommended a program of information and awareness development for SE owners, incorporating business education into secondary education curriculum. Dunlop, Moir and Williams (1992), suggested at the time of their paper that the quantity of SE research in Australia was still inadequate as a per capita proportion, with less than half the number of UK researchers and under a quarter of USA researchers involved. Their investigation showed that most Australian SE studies carried out by researchers had revealed only a peripheral interest in the small business sector.

From the middle 1980s to 2002, many studies developed relating to identification of success vs. failure prediction variables and issues. These include: researchers Berryman (1983); Haswell and Holmes 1989 (1989); Perry and Pendleton (1990); Watson and Everett (1992); Berryman (1993); Posner (1993); Kyambalesa (1994); Aderman (1995); Eidleman (1995); Watson and Everett (1996); Cunningham (1998); Watson and Everett (1999); Lussier and Pfeifer (2000, 2001); and Perry (2001b).

2.2.4 SE failure demographics

Insolvency by definition occurs when firms are “unable to meet their financial obligations” (Bruns Jr, 1999, p.1-57). Research has identified major causes of a significant number of failures as a lack of business/management skill (Perry & Pendleton, 1990, p.8). This research focuses on management skill and competencies required to prevent insolvency.

Attributes of failed SEs due to a lack of appropriate management competencies, is analysed in Figure 2.3 (page 39). Adermann’s thesis on failure processes of small business (1995, p 132), suggests business failure is a process covering apparent and/or underlying causes. Failed SE owners reveal many causes for insolvency including lack of funds, bad management or bad luck. Whilst many reasons can be given for failure in business, the majority of studies into SE failure, report that difficulties of small business generally return to the same basic cause: blind spots in business/management competence by owner/managers (Posner, 1993, p.102).

Perry & Pendleton (1990, p.8) also cite research by Professor Alan Williams (1986), who suggests major causes of insolvency in more detail are: lack of management skill (61%) financial mismanagement (32%), management incompetence (15%), poorly kept records (12%) and sales/marketing problems (11%) as seen in Figure 2.4 (page 40). Williams (1986) asserts, overall 60.5% of insolvent owners questioned in his study, included in addition to other reasons for insolvency, ‘a lack of business/management experience and skill’.

Therefore it may be suggested that a significant percentage of SE insolvencies may have been averted had owner/managers known which business and management skills were required in advance of commencing business, or before a challenge became a crisis (Perry & Pendleton, 1990, p.8). SE owner/managers did not have the management skill to perceive
the management blind spots within the internal activity structure of their enterprise, required to control their enterprises.

Figure 2.3 Causes of business failure

Watson and Everett (1999, p 4-5), concluded, that failure can be the result of one or a number of factors: bankruptcy, discontinuance of ownership for any reason with business ceasing to operate, and ‘failure to make a go of it’. However causes are overwhelmingly due to poor management (Carland & Carland, 1990, p. 29).

The introduction of the Goods and Services Tax (GST) in 2000 classified entities by type and required them to register an Australian Business Number (ABN). This new concept significantly increased types of organisations incorporated into Federal businesses statistics. This included an increasing number of non-business entities and organisations, including such diverse groups as superannuation funds, Sunday schools, government departments and sports clubs. Consequently, numbers of registered entities
increased considerably. Between 1999 (ABS Cat. No. 8127.0, 1999a, p 9) and 2001 (CAT. No 8127.0 2001c, p 10), numbers of entities registered as operating in Australia increased 17.36%. This significant and unusually high percentage increase was a result of including non-business registrations in statistical equations used by ABS for calculations of business entities.

As more non-business entities register to receive ABNs, statistics produced by ABS will indicate higher numbers of entities remaining solvent and therefore may provide misleading conclusions regarding insolvency percentages over the whole economy, as clubs and charities are included and are less likely to deregister than a business enterprise. The importance of this, is an apparent lower percentage of failures could take the emphasis of the problem of SE solvency, from the demand for education funds needed to counter failing SEs.

Federal Government’s principal review and advisory body on microeconomic policy is the ‘Productivity Commission’. In a longitudinal study by the Commission (Bickerdyke et al., 2000), a “big picture” approach was taken, where exit rates for SEs averaging 7.5% per annum of the total number of enterprises, were shown to be an acceptable adjustment and total numbers of entities increased by an average of 4% per annum (ABS

![Figure 2.4 Major causes of insolvency](source: Developed for this research from Williams (1986))
Cat. No. 8127.0, 1999a, p3). To put these figures in perspective, in order to achieve a 4% increase in entities after a net 7.5% exit, an initial increase in 11.5% in number of entities is required. Thus in the Australian economy as many as 127 000 new registrations would be required in order to support the 93 000 enterprises exiting (Bickerdyke et al., 2000, p.42).

Business exit rates are indicated in Figure 2.5 as a percentage of total SEs, broken down by industry (Bickerdyke et al., 2000, p. 17).

Figure 2.5  Business exit rates\textsuperscript{a} by industry, 1994-95 and 1995-96\textsuperscript{b}

Of the total number of all enterprises in the Australian economy as shown in Figure 2.5, 6% were cessations. The figure indicates that smaller percentages of cessations are in larger industries, such as mining and manufacturing, whilst higher percentages of cessations are in smaller employers such as retail outlets and cafes.
2.3 National SE management competency standards

The Crawford et al (1979), Ralph (1982) and Williams (1984) Reports, are examples of government enquiries concluding SE management competencies were ‘embryonic’, ‘inadequate’ and ‘generally resulted in business failure’. If this suggested link between failure of enterprises and lack of management competencies exists, the need for development and education in SE competency standards becomes apparent.

Field and Ford (1995, p. 4) cite Peter Drucker: ‘Knowledge is the only meaningful resource today and is fast being recognised as the primary resource for many of today’s enterprises’

Organisations constantly increase knowledge, learn new ideas and address educational needs (Field & Ford, 1995, p.95). This is due to reduced time frames, international marketplaces, speed that current knowledge becomes obsolete and a need for integrated approaches to new business challenges.

Australian research into business services since 1980s, has led to action by Australian governments via the Australian National Training Authority (ANTA), instigating an investigation in 1999 of management competencies through the offices of Business Services Training Australia (BSTA). BSTA was instructed to identify management competencies required by firms in the private sector and provide relevant business service education and development opportunities for owner/managers through management competency courses (BST Package, 2002a).

As the lead agency for business service education and development, BSTA’s role was to ensure Australian SE owner/managers invested in valuable education and development by preparing suitable learning packages that were of a high quality, beneficial, interesting and cost-effective (BST Package, 2002a).

Holmes and Butler (1995) identified an area of concern to BSTA regarding the attraction of courses to SE owner/managers (Table 3.2 page 111). Their research found a reluctance of many SE owner/managers to avail themselves of education opportunities, as surveyed SE owner/managers saw structured courses as ‘irrelevant and consequently only a small number
participated’. However the Holmes and Butler research (1995) concluded that ‘management education increased chances of remaining solvent’ for small enterprises and the ‘higher their education qualifications, the more likely operators were to seek education and train their staff’ (Holmes & Butler, 1995, p.287).

BSTA programs were prepared during the early 2000s, offering courses that were to a recognised educational level in line with Australia’s Qualification Framework (AQF). AQF was introduced in 1995, to achieve Australia-wide implementation by 2000. The aim was to have an Australia-wide qualification, recognised by both managers and enterprises.

AQF is a unified system of 12 national qualifications, ranging from Senior Certificate of Education gained subject to passing Year 12 at High School, through VET and TAFE or private providers, to higher education at universities up to and including doctoral qualifications (Australian Qualifications Framework, 2002).

The section below examines SE competency research values, identifies deficiencies in competencies and opportunities in education support.

2.3.1 SE management competencies

Surveys of insolvent firms, showed that the apparent cause of 64% of bankruptcies was lack of adequate management skill (Crawford et al., 1979, section 7.37). In the course of its research, Crawford et al’s Study Group (1979) on ‘Structural Adjustment’ became aware of concerns regarding quality of management practice in Australian industry. Crawford’s Group concluded that management standards should be raised through ‘a comprehensive program of management education that should be available to all areas of management’ (Crawford et al., 1979, section 7.37). In addition it recommended that the Tertiary Education Commission (currently TAFE), should report on progress in the field, at intervals.

The Ralph Inquiry (1982, p.1) considered Australian management education to be ‘embryonic’, noting the Cyert Committee inquiry (1970), had
recognised that programs and approaches to this education should be allowed to develop. Ralph (1982, p.1) recommended ‘ongoing research into the education and education needs of small business’ and the founding of a central body to ‘establish national standards for management education and encourage its development’.

The Federal Government’s ‘Australian Small Business Action Programme’ strategy in 1980s, focussed on coordination and development of small business education and education (Meredith, 1984). The program’s aim was to establish business education and management programs for SEs through TAFE providers. As a result, Professor Meredith was commissioned by Graham Herman, Executive Director of TAFE to write a paper entitled ‘TAFE and needs of small business’ (1984).

Meredith (1984) cites Alan Williams’ paper (1984), on establishment of small business management education centres, where Williams agrees with the Gibb report (1981), referring to Small Business Education and Training (SBET) study of 1980, which concluded that ‘a large majority of SE owner/managers in Australia are not oriented towards conventional education and education programs’. In addition ‘management educators need to understand the process that successful managers acquire and how to develop expertise’ (Meredith, 1984, p.17). Williams asserts that these programs were ‘failing to attract SE owner/managers with little skill or knowledge in even rudiments of starting-up and running a solvent enterprise’ (Williams, 1984, p. 3).

In North America, competency standards were developed in 1982 by Richard Boyatzis with the personal qualities/characteristics approach (Boyatzis, 1982a). During 1980s and 1990s, a number of European countries, such as France, Sweden, Germany and Britain, developed their own competency standards, each in line with each country’s unique approach to business/management, which evolved from their country’s history and culture. Key differences between European and North American aspects of competency standards approach, are the European ‘aspects of people that enable them to be competent’ and North American ‘the job at which the person is competent’ (Miller, 1998, p. 4).
Subsequent to the Beddall Report, John Dawkins, Federal Minister for Employment, Education and Training in Australia commissioned a study: ‘Australian Mission on Management Skill’ (Dawkins, 1991) to research how SE ‘enterprise and industry management education, education and development in Australia could be further enhanced’.

In 1991 the report, subsequently known as the ‘Dawkins Report’, was presented where it discussed ‘enhancing management education through a national strategy’ (Miller, 1998). Dawkins examined international management education in countries such as Germany, Japan, United States of America and Britain. This pointed a way Australian management courses for SEs could ‘improve performance in areas of management development and thus compete successfully within international environments’ (Dawkins, 1991, p. 3).

Findings of the ‘Dawkins Report’, pointed to the need for Australia to establish competency standards unique to Australian SEs (Dawkins, 1991, p. xi). ‘Dawkins Report’ recognised a key factor in successful economies as a ‘commitment to a high level of management skill within the workforce’. In addition, it was noted that where there was ‘cooperation between business, industry, unions, education providers and government, opportunities and outcomes were optimised’ (Dawkins, 1991).

Midgley (1995, p.35) concluded in his paper on the need for leadership and management skill, ‘Australian managers receive low levels of education where business knowledge is increasingly the key to competitive success’. The Department of Employment Education and Training (DEET) established a national skill curriculum in 1995 and in the same year a report from Karpin called for ‘promotion of management competencies at all levels in commerce’ (Miller, 1998, p. 2).

In the conclusion of an analysis into surveys regarding education needs for SE sector, Holmes and Butler (1995, p. 274), identified ‘forms of education preferred by SE owner/managers are at variance with conventional approaches’. These contrasting views are noted in Table 3.2 (page 65), which provide a comparison of the two approaches, supporting Meredith (1984) and Williams (1984).
"Business Services Training, recognise that whilst more than 95% of all Australian businesses are in the SE sector, SE owner/managers participation in business education courses remain dramatically under represented" (BST Package, 2002b).

Subsequent to completion of these surveys and reports written for Federal Government consideration, BSTA was formally contracted by ANTA in 1999, to produce a Training Package for Business Services ranging from micro entities, through SEs to corporations. ANTA is the Commonwealth Statutory Authority responsible for development of a national VET system in cooperation with State and Territory Governments, the Commonwealth Government and industry, (ANTA, 2001c). The requirement was to define competencies and propose courses suitable for education of those competencies to Australian enterprise throughout the private sector. *Australian National Standards* (ANS) defined competencies required for effective performance in the workplace as:

> the specification of knowledge and skill and the application of that knowledge and skill at an industry level, to the standard of performance required in employment. (BSTA, 2002a)

Competency standards currently being prepared in Australia by ANTA, are aimed at consistency over each competency unit. These competency units may be accessed by a manager from any enterprise type (ANTA, 2001c).

### 2.3.2 Competency conversion into education programs

Competencies are the application of knowledge, experience and skills (Field & Ford, 1995, p. 100), being investigated in this research. Competency standards, developed by Federal Government training packages, are understood to be the level of knowledge, experience and skill required to be proficient in the workplace (ANTA, 2001c).

Training packages are a grouping together of competencies into units of education components designed to assist in achieving proficiencies for a specific industry or industry sector. Units of these components are then
combined to form recognised AQF qualifications as awards through certificates to degrees (ANTA, 2001c).

Key features of the National Training Framework are a staged development of nationally endorsed education packages as defined by Business Services Scoping Report (BST Package, 2002a), developed to deliver workplace competency programs for a particular industry or industry function and result in nationally recognised AQF vocational qualifications (BST Package, 2002a). Throughout the 1990s to 2003, TAFE and other providers comprising public, private, association and industry specific, supplied competency education packages available.

Since formally contracted to reassess the existing packages and broaden the customer base, BSTA has furnished 5 interim reports to describe work completed to date (BSTA, 2002a, BSTA, 2002b, BSTA, 2002c, BSTA, 2002d, BSTA, 2002e) that have been derived from the ‘Scoping Report’ (BST Package, 2002b).

Newly developed Training Packages for Business Services Sector, having absorbed Administration Training Package and the Frontline Management Initiative, contain specific competencies, derived from a number of sources including (BST Package, 2002b):

- Existing business services competencies
- Competencies from other packages, either with/without adaptation
- New competencies that have yet to be developed or obtain a national competency standard.

Although initially adaptations of original competencies were undertaken (BST Package, 2002a), priorities for management courses were a consequence of the above criteria and projected client demand (BST Package, 2002a). The Honourable Dr Brendan Nelson, Australian Training Minister as at 2003, required that packages contain quality criteria grouped under headings of content, technical and process, for education packages to be worthwhile and to encourage SE owners to participate (Department of Education Science and Training web site 2002).
To convert a group of competencies into a course unit, elements of each course unit contain four components (BSTA, 1999, para. 2.1.3.1):

- Task skill
- Task management skill
- Contingency management skill
- Job/role environment skill.

Standard unit format covers various issues, for example a descriptor that links a relationship with another unit and performance criteria that describes the required outcomes for each level.

Each unit of competency education considers evidence to indicate outcomes of the course and provide a clear link to other requirements such as levels of literacy (BSTA, 1999, Para 2.1.4.6).

### 2.3.3 Application of competencies to management education and development

Prior to preparing education programs, BSTA surveyed providers of support material, accessible course providers of existing programs and potential users of proposed programs. In the third interim report, relating to the project’s stage 4 of phase 1, findings indicated a significant shortage of resources for identified courses. This resulted in quality deficiencies and relevance of available program materials (BSTA, 2002c, p 42).

BSTA investigated gaps in education in 2002 to establish necessary education and support materials required (BSTA, 2002b, p.13). To achieve this, BSTA has worked with Industry Training Advisory Boards and initially most material was industry specific.

The BSTA team identified where support material was available and where recommendations to ANTA regarding the development of support material should be prioritised (BSTA, 2002b, p.5).

Table 2.1 (page 49) shows all business competency units available and introduced to the VET sector as at May 2002. The Frontline Management, Legal Services and Assessment and Workplace Training are mostly pre-
competency units that have been assessed as acceptable to the standard. About another 30 units were pre-May 2002 and thus approximately 250 new units were introduced for which support material was required (BSTA, 2002a, p.5).

Table 2.1 Units of competency available

<table>
<thead>
<tr>
<th>Domain/AQF</th>
<th>AQF1</th>
<th>AQF2</th>
<th>AQF3</th>
<th>AQF4</th>
<th>Diploma</th>
<th>Adv Dip</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common</td>
<td>9</td>
<td>15</td>
<td>13</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>Record keeping</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Specialist</td>
<td>0</td>
<td>2</td>
<td>11</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>Administration</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>0</td>
<td>33</td>
</tr>
<tr>
<td>Frontline Management</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>17</td>
<td>14</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Legal Services</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Marketing</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Sales</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>8</td>
<td>5</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Advertising</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Governance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>15</td>
<td>0</td>
<td>32</td>
</tr>
<tr>
<td>Human Resources</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>9</td>
<td>5</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Assessment &amp;</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>8</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Workplace Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Strategic Management</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>10</td>
<td>17</td>
<td>37</td>
</tr>
<tr>
<td>e-Business</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>9</td>
<td>24</td>
<td>16</td>
<td>59</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>9</td>
<td>17</td>
<td>60</td>
<td>102</td>
<td>88</td>
<td>34</td>
<td>369</td>
</tr>
</tbody>
</table>

Source: Business Services Training Australia, First Interim Report May 2002, p.5

The areas of particular interest to this research are those units relating to SE owner/managers and will be considered in greater detail through the literature review.

2.3.3.1 Summary

Government reports recognised the importance of SEs to Australia’s economy. The reports pointed out the apparent inadequacy of management education and development available at all levels of management, from owners of SEs to CEOs of corporations.

Since the publication in 1971 of the Wiltshire report, Federal Departments have been trying to encourage the use of business and management competency programs administered through Recognised Training Organisations for all levels of management. As a direct result of reports by
(Cyert Report, 1970, Wiltshire Committee, 1971, Beddall, 1990, Karpin, 1995), government supported programs such as ANTA, interpreted the requirements and developed pedagogic, generic one size fits all business programs. These were prepared as a means to increase knowledge and skill of SE owners with the intention of reducing insolvency.

2.4 Australian education providers

In 1996/7, under provisions of the Department of Employment, Education, Training and Youth Affairs (DEETYA), a program was established to ‘find ways to provide relevant quality professional development for SEs (DEETYA, 1998, p.3). Training for initial projects was through Institutes of TAFE and Industry Training Advisory Boards / Industry Training Councils (ITABs/ITCs)

2.4.1 Management education course providers

As noted in section 2.1, the Commonwealth established ANTA in 1994 to provide a national focus using VET qualifications, to enhance management education courses for the workplace through every aspect of business from pre-employment awareness to work practices and responsibilities of company directors (ANTA, 2001d, p.1). ANTA’s mission throughout Australia was to ensure ‘skill of Australian labour force were sufficient to have internationally competitive commerce and industry’ (ANTA, 2001d, p.1). To accomplish this, A Bridge to the Future: Australia’s National Strategy for VET to 2003 was written, instituting five objectives (ANTA, 2001d).

- equipping Australians for the world of work
- enhancing mobility in labour market
- achieving equitable outcomes in vocational education and education
- increasing investment in education
- maximising value of public education and education expenditure.
There are currently in 2003, over two thousand Registered Training Organisations (RTOs) offering courses using BSTA packages of management competency programs, for all entities from micro enterprises, through SEs, to corporations (NTIS, 2002, DET, 2003). The RTOs include traditional management education organisations such as universities, TAFE, adult education centres and private management education schools such as the Institute of Business Management; Russo Institute of Technology and Frontline Management Institute. Registered providers also include many state schools and associations such as Australian Institute of Environmental Health; Construction Industry Training and Employment Association; Chambers of Commerce from every State and Territory; National Insurance Brokers Association and the YMCA Institute of Education and Training.

Small business management courses available are accessible through both government and non-government institutions, and general courses gained in one industry may be transferable for use in a SE. A serious concern by ANTA was evidence of poor quality implementation of education. A review considers integrity of courses and the VET system could be questioned regarding this issue (ANTA, 2002a, p.4).

Many industry bodies offer or insist in education through organisations such as:- the Academy of Business and Construction; Age Care Queensland; Army College of Further Education; Australian Beauty and Nail Academy; Building Standards Authority; Hospitals from every State / Territory and enterprises education in hospitality industry.

Finally, organisations have also become providers, for example: Australian Broadcasting Corporation; CGU Insurance Ltd; McDonalds Australia and QANTAS (NTIS, 2002). All the above and hundreds more are registered business service providers to their students, clients, members or staff.

The diversity of providers indicates a desire for management knowledge, skill and experience opportunities. Through these providers, individuals can gain from hundreds of business/management skill education programs offered by business services education packages in BSB01 (BSTA, 2002a).
2.4.2 Management competency programs

Management competency educational programs relating to standards as at 2002, consist of packages composed of units designed to assist in achieving competencies for a specific industry or section of industry, such as frontline management ANTA (2001a).

In early 1990s, VET implemented a number of management programs. In September 2001, BSTA surveyed and evaluated available programs against current requirements of that time (BSTA, 2002a). BSTA considered the size of its task and has instituted a continuous improvement process to ensure that education packages are seen by the National Association of Workplace Training (AWT) as ‘relevant, current and appropriate in industry requirements and education qualifications’ (NAWT, 2002, p.1)

Prior to commencing Phase 1 ‘Businesses Services Training Package’, there were 310 recognised competency units, which gave rise to 37 qualifications. As at 5 July 2002, this was revised under Phase 1 to include other disciplines such as legal services and frontline management. These disciplines added 91 units (BSTA, 2002e, p4), and resulted in changes and amalgamation that gave a total of 369 units of competency endorsed by ANTA, and 45 qualifications (BSTA, 2002e, pp. 5-6).

Whilst ‘continuous improvement is the key to growth’ (JAS/ANZ, 2000), the BST Packages were organised around “Fields” and “Domains”. “Fields” are defined as ‘broad areas of activity carried out within the coverage areas’. “Domains” are ‘discrete areas of activity within each field’. Fields in BSTP include common business, business administration, information and management services, human resource management, business development and e-business The Domains are shown under each Field, in Table 2.2 (page 53) (BSTA, 2002a, p.6).

The above Fields were chosen by Business Services Training Australia as ‘central broad areas of activity carried out within Business Services scope of coverage’ (BSTA, 2002a, p.3).

Continuous improvement developed programs, where “Fields” used in the first phase of BSTA development program, were refined from the original
“Fields” developed in 1999 of: Business administration; Business information; Business development; Financial services; International services; Legal services; Management services and People management services (BST Package, 1999, p.12).

Table 2.2 Domains within each BSTP field:

<table>
<thead>
<tr>
<th>Fields</th>
<th>Common business</th>
<th>Business administration services</th>
<th>Business information services</th>
<th>Business management services</th>
<th>Human resource management</th>
<th>Business development</th>
<th>e-Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domains</td>
<td>Common Business</td>
<td>Specialist Administration</td>
<td>Record Keeping</td>
<td>Small Business Management</td>
<td>Human Resources</td>
<td>Advertising</td>
<td>e-Business</td>
</tr>
<tr>
<td></td>
<td>Legal Services</td>
<td>Frontline Management</td>
<td>Assessment &amp; Workplace Training</td>
<td>Marketing</td>
<td>Governance (Indigenous organisations)</td>
<td>Sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategic Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Business Service Training Australia 2002, final report regarding stage 1 p.6

2.4.3 Incorporating competencies into management programs

BSTA’s primary role was to improve the quantity and quality of education for enterprises by facilitating development of education packages / support resources within VET systems (BSTA, 2002e, p.31).

Figure 2.6 (page 54) indicates the numbers of education course ‘resources’ available to the different business domain areas. It may be seen that through the supply and demand of services, ‘common’ or general business courses and administration have the greatest demand, whilst advertising, record keeping, front line management and sales are least well served.

Research was carried out for Figure 2.6 (page 54) through a survey of 1500 RTOs. In addition, information was gathered from ANTA recognised
bodies, National Industry Training Boards (NITB), business services support materials publishers and a thorough trawl of internet information, to consider for use by BSTP (BSTA, 2002b, p.8).

Figure 2.6 Number of education course ‘resources’ by domain

Source: Business Services Training Australia, 2\textsuperscript{nd} Interim Report, P. 11 June 2002.

BSTA aimed to discover, not only what competencies were required, but also how potential markets preferred to receive that information. Prior to preparing programs, this partnership of stakeholders reviewed the situation. Developing material, BSTA consider a key purpose to be cost effectiveness for the ‘target audience’ and that the product is produced in line with contracted specifications.

As at 2002, competencies and the BSTP program under construction, accept approaches of competency derived from a definition of the 1991 National Training Board, which subscribes to a knowledge and skill approach, as
opposed to narrow task-based approaches that were rejected by all stakeholders (Arnull, 1999, p. 50). The actual function/task competency method used, as opposed to subscribed approach noted above, is further discussed in chapter 3.

2.4.3.1 Summary

When examining available management education courses in 2001, BSTA found significant gaps in course resources outside common and specialist administration areas (BSTA, 2002b, p13). BSTA noted that it was an area that needs to be addressed (BSTA, 2002b, p.11), however by the end of 2002 these gaps had yet to be considered. In 2003 management competency programs were being developed on the principal of continuous improvement, reflecting existing and future business requirements (ANTA, 2002a). Over 1 000 businesses, education establishments and consulting firms are stakeholders, working with ANTA and BSTA to benefit and strengthen their enterprises or industries (Arnull, 1999, p. 50).

2.5 Government support for education-competency development

Australian government departments discussed earlier in chapter 2 have shown an interest in SE development through reports, longitudinal studies and ongoing data collection by organisations such as Australian Bureau of Statistics and Australian Productivity Commission. National and State management education authorities working through RTO organisations, have prepared programs designed to assist SEs and develop SE owner/manager competencies to reduce the percentage of enterprise failures.

Since the 1980s and 1990s when the number of SEs began to grow substantially (ABS Cat. No. 1321.0 1999b, p.6), the Commonwealth established SE and management education facilities. In 1996 DEETYA prepared a report on small business development (DEETYA, 1998) and in

In addition to ANTA’s RTOs and DETYA’s SBPD, in 2000 the Queensland Department of State Development (QDSD) began to promote the concept of sustainable development within SEs through a business skill development program. This program was introduced to establish QDSD as the principal Queensland government agency in this field (QDSD, 2000, p.2). The 2000-2004 strategic plan was to work closely with small businesses to strengthen the economy of Queensland.

Both State and Federal governments have been interested in developing competence of SE owners for over three decades, as they are cognisant of the significance to the economy that SEs represent. In addition, as large corporations continue to shed staff and redundant employees establish SEs, Federal and State governments appreciate importance to their economies of new entities remaining solvent.

2.5.1 Links of support, specific to required competencies

Not all the needs of SE owner/managers were met by the outcomes of research referred to above, in the structured and accredited, management education courses. DEETYA (1998) understood a ‘one size fits all’ approach to SE owner/managers would be counter-productive and alternative approaches could be appropriate.

Commonwealth Government introduced a Small Business Professional Development Best Practice Program in 1995, to management education course regimes for SE management. In 1996/7, DEETYA expanded programs to include NSW and Victoria through its VET and other skill enhancement components (DEETYA, 1998, p.1)

Each State and Territory found its own method of implementing government policies and continuous progress is currently encouraged with a focus on management competencies over a wide range of activities (ANTA, 2001b). The conclusion by ANTA is that the concept of
continuous improvement was correct and that it should evolve in conjunction with operators themselves (ANTA, 2002b).

Queensland’s Department of State Development (QDSD, 2000) published its 2002/4 ‘Strategic Plan’, with programs to provide SEs with easier access to government information, department advice and comprehensive support. SE owner/managers are given an opportunity to develop business skill at structured workshops developed to focus on specific elements of business, including customer maintenance, competitive advantage and cash flow management. In addition areas of formal management competency education are available.

2.6 Research justification

A basic justification of this study derives from the significant increase in SEs in the last 40 years, the high failure rate of SEs (Bickerdyke et al., 2000), failure of SE owner/managers to manage their enterprise solvently, and the alleged reluctance of SE owner/managers to participate in management competence training (Table 3.2 page 111). Government and academic reports such as Beddall (1990), Berryman (1993) and Perry (2001b), concluded that the core reason for SE failure, to be lack of appropriate management competencies. This study investigates competencies required and possible means by which SE owner/managers would be able to upgrade their management competencies.

This research deals with the SE sector, shown earlier to be significant to the national economy. The focus is the importance of SE competencies and demonstrates the impact of commercial SE management educational programs. This study evaluates SE management education programs and providers and considers the implications for governments, advisors, academics, SEs and individuals. The aim of this research is to fill a gap in both SE solvency research and literature, contributing to knowledge on SE competencies and increasing the chance of SEs remaining solvent.
2.6.1 Significance of the study

This study considers Modern Industrial Capitalism since the beginning of the 20th century, where researchers have analysed enterprises; their structure, management of resources and the manner of carrying out activities. The significance of past research shows that through the investigation of learning and teaching methods, it may be seen that there are flaws, not in the competencies but the method of knowledge and experience transference. This investigation covers from the end of the 19th century until present day with a particular focus on research over the period from the Wiltshire Committee report of 1971, to ANTA’s program of 2002.

Large corporations developed over the 19th and 20th century, however in the late 20th century, when circumstances arose that caused higher costs of raw materials and labour, management practices encouraged ‘flatter’ management styles, removing middle management positions and ‘excess’ labour. In addition technology developed causing manufacturing tasks to be less labour intensive and computers of the 1980s and 1990s grew in capability, with accounting programs becoming more sophisticated, so the number of office staff required diminished greatly (Champy, 1995).

As a result of the high level of unemployment, governments encouraged start-up SEs and this may be seen by increase in numbers of enterprises registered in this period (ABS Cat. No. 1321.0 1999b, p.6). One consequence of this huge proliferation of SEs since the 1960s, without time to assimilate knowledge or education of the methodology required to develop a solvent entity, may be seen in ABS reports of high percentages of failure. Governments however could not tolerate these high levels of unemployment, as paying unemployment benefit to 7 per cent or more of employment-aged labour was untenable.

In Australia as noted above, a number of research papers were written where in general the reports relating to business failure conclude the major reason was a lack of business and management competency and suitable education and development available. In a number of reports government
assistance was suggested. However with all the courses, books, accountants and education programs, over the last 30 years no significant reduction can be seen in the proportion of enterprise failure.

The significance of this research was to annotate and articulate progression of activities relating to management education and education styles. This paper shows where positive results are being felt and possible long-term benefits through certain types of programs. In addition a comparison of what was being asked for, what was offered, and finally an assessment of educational methodologies to clarify how the requirements of SE owners may be met and transferred, either by competent consultants or through conventional education methods.

2.6.2 Outcome of research

This study considered and evaluated activities of both Federal and State government programs since 1971, assessing programs and users, concluding with a new proposal to the education approach.

During the introduction of ANTA’s current agenda, programs prior to 2000 were evaluated and the concept of continuous improvement to its systems was implemented (ANTA, 2001d). The changing nature of business could be seen to require a mindset that accepted future managers would need to constantly upgrade their business and management knowledge. This is considered as necessary, not only for the benefit of owner/managers as they commence their entities, but also to keep abreast of current procedures as they progress through levels of business growth.

The intention of this research was to identify how to reduce the number of insolvencies and whilst at the close of 2003 only phase 1 of ANTA’s four phases were completed, the gap between requirements and delivery has been acknowledged (BSTA, 2002b), and the outcome will be judged as ABS data is released over a period of time. However, this study investigated the development and results over a period to assess the level of education available through programs developed through any of government departments to the gap area.
2.6.3 Research gap

The objective of this study was to consider the contribution of management education to SE solvency and evaluate gaps in research leading to current government and private competency and management education programs for SEs. The research assessed what education programs were offered, who accessed them and why. Finally, the research considered the perceived effect on solvency by SE owner/managers, to assess the gap between what knowledge and information they require and what they receive.

It is the aim of this research to clearly indicate the gap between areas of competence required for a strong solvent position and means of developing required skill available to all SE owners prepared to learn and understand the study required, with appropriate comments.

2.6.4 Potential implications - Australian business and government

The Productivity Commission in its longitudinal study accepted an exit rate of 7.5% or over 90,000 enterprises per annum as a tolerable situation in the larger picture (Bickerdyke et al., 2000, p.42).

The intention of the Australian government spending millions of dollars in reports, departments, agencies, courses and subsidies, was to assist SE enterprises in government concerns which included high number closing due to lack of business/management competence by the owner/managers (Beddall, 1990). Enterprise cessations costs the government hundreds of millions of dollars through loss of tax (Bickerdyke et al., 2000), and a potential implication for Australian business as a result of this thesis would be a significant increase in the percentage of solvent entities.

2.6.5 Contribution to business development

A further intention of this study is to consider and evaluate the potential to business development. A result of the survey indicated gaps in the
management-skill education field and indicated where and how to fill those gaps effectively through the quality of facilitators and use of structured and non-structured courses.

2.6.6 Further research to be generated

As a consequence of this research, serious and gainful studies to clarify specific areas of management-skill education may be generated to develop this area of knowledge. This is examined in Chapter 6.

2.7 Conclusion

In Australia, published data, distinguished committee reports and Federal or State business educational authorities, work independently towards the same goal. Since the 1970’s authorised government departments have aimed to assist SEs through education programs and seminars, yet reports such as Meredith (1984) Williams (1984) and Holmes and Butler (1995), agreed that SE owners appeared to reject conventional education courses or skill development programs.

SE owners that reject the conventional programs continue to use private enterprise courses, or numerous independent consultants with varying levels of competence, none of which link to the government programs. This research therefore will investigate not only competencies and linked education provided by Federal and State institutions, but also a number of those institutions offering alternative services.

The literature review following in chapter 3, encompasses in detail, literature available to cover all aspects of competencies, government sponsored reports, management education courses and management skill development. Literature relating to education includes all aspects of SE management education from conventional government courses to group and individual consultant mentoring.
Chapter 3

Literature review

3.1 Introduction

Chapter 2 discussed the background and justification of research examining effects on long-term SE solvency, by management education courses.

From the literature review documented in this chapter, a management competency model will be developed in the theoretical framework Figure 1.5 (page 15), with each component of the model explained and supported by the literature.

Knowledge gathering for a SE to remain solvent is achieved within the current business environment and influenced by contemporary global management developments (Frey, 2001, p.38). On that premise, this review begins with a brief history of management from the end of the 19th century, taking particular note of the environment relating to SE owner/managed business. The review continues by assessing knowledge and skill information available to owners and managers through to the 21st Century, to build and develop management skills.

Exogenous and endogenous influences requiring management competencies for continued solvency follow, before general enterprise and personal management competency skill identified in the literature are then broken down with an introduction to competency education facilities in 2003. The literature relates to International, Australian Federal and State governments and non-government sources, both general business and industry specific.

Griffin (1999) suggests management knowledge requires continuous learning. Indeed, keeping abreast of current research and information, may prevent repeating mistakes made by others in the past. In addition, root causes of under-performance are often hidden behind core management blind-spots. Organisations should therefore regularly examine the existing assumptions of their structure and management practices (Drucker, 1994).
3.1 Introduction

3.2 Business and personal environment

3.3 SE entrepreneurial development (Model section 2)

3.4 Business influences (Model section 3)

3.5 Business competencies (Model section 4)

3.6 Management competency education (Model section 5)

3.7 Effect of management education (Model section 6)

3.8 Summary and conclusion

Source: Developed for this research
3.1.1 Chapter overview and objectives

Section 3.1 of the literature review explains the structure of chapter 3 and is set out diagrammatically in Figure 3.1 (page 63). In order to identify the direction of the literature review, Figure 3.2 (page 65) outlines the model developed in this chapter and shows factors having an influence on SE solvency. This model of Figure 3.2 (page 65) is developed as an analytical form of influences on solvency, of competency constructs and management education/development, based on the literature. The literature suggests that a model, involving the following linkages can explain factors impacting on SE solvency:

Business and personal environment  
PLUS  
SE entrepreneurial development  
COMBINED WITH  
Exogenous and endogenous business influences  
LEAD TO  
Identified business competencies essential for SE owners  
DERIVED FROM  
Effective government or non-government education institutions  
WHICH WILL RESULT IN EITHER  
A positive or negative impact on solvency, that is:  
No change or increased / upward SE solvency  
OR ALTERNATIVELY  
Ineffective, unproductive or no management competency education  
AND THIS WILL RESULT IN  
No change or decreased / downward solvency

This scenario is presented in the form of a model in Figure 3.2 (page 65) and will be supported by the literature in Chapter 3.
Figure 3.2  Model of influence on SE solvency competencies

Source: Designed for current research
Section 3.2 addresses the business and personal environment of SE owner/managers. Characteristics of entrepreneurs and business development over time are followed by factors influencing business failure.

Section 3.3 examines the significant development of SEs, as corporate middle management declined and SEs increased from the late 1960s. From that time on, the knowledge required to operate solvent SEs evolved and was augmented by books, courses and consultants, offering continuous advances in education available for SE owner/managers.

Section 3.4 reviews literature relating to factors impacting on solvency, both exogenous and endogenous management competency skill. These cover autonomous opportunities including forces of competition and the possible enhancement of internal strengths.

An examination of previous and contemporary business competency-skill concepts is presented to identify an understanding of management requirements. From the literature, section 3.5 presents general management competencies required as well as the personal management competencies and skill to manage a solvent SE.

Having identified influences and skills, section 3.6 reviews differences between education methods of management competency programs. The section examines methods offered by Australian Federal and State government institutions, non-government institutions, consultants and industry programs that are available.

Links between managerial competencies, suitable education and performance constructs relating to solvency are considered in section 3.7. At every stage of the literature review, the research problem is considered to identify issues to be examined during the study.

Section 3.8 summarises and draws conclusions from literature reviewed in chapter 3 and presents an introduction to the research design and methodology for the research of chapter 4.
3.1.1.1 Chapter objectives

The objectives of this chapter are to consider SE:
✓ Business and personal environment
✓ Entrepreneurial development
✓ Business influences
✓ Business competencies
✓ Management competency education
✓ Benefits of management education.

3.1.2 Introduction to management competency model

Figure 3.2 (page 65) presents a model of influences on SE competencies that lead to solvency, developed from literature in this chapter.

This framework of competencies evolved through the literature using a number of sources, where government and non-government institutions have brought various management programs to the market and these have been considered in the literature. The study was carried out to consider and determine if available management education courses have a positive, negative or null long-term influence on SE solvency.

Sections 3.2 to section 3.7 examine literature linked to each of the six sections of the model.

3.2 Business and personal environment

Section 3.2 examines management development since the end of the 19th century as depicted by research, demonstrating how studies enabled owners and managers to understand, benefit from and use insights gathered by research. This is followed by an examination of different characteristics of entrepreneurs. Finally, factors found by research to influence insolvency are surveyed to identify commonality of cause.
3.2.1 Business management development over time (Model - 1a)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

Management understanding and education development since the end of the 19th century have had an important influence on management activity. Growth in understanding offered SE owner/managers opportunities to learn how to control and operate enterprises. The purpose of this section is to examine evolution of management concepts. In particular, development of management knowledge and style is reviewed, together with approaches in exercising authority.

Literature reviewed in this section, followed progress of management research leading to contemporary studies centred on management education and management development. This comprised history of enterprise development and internal mechanisms of enterprises over the 20th century.

Whilst this study centred on SEs, research carried out for this study relates to entities of all sizes. Regardless of entity size this study demonstrates that while each entity may be unique, there are certain common management features that are, in greater or lesser degrees, observable amongst them all (Daft, 1997).

Knowledge of organisations and management evolved, and theories espoused reflect this development. To understand contemporary theory of organisations and how perspectives evolved, Robbins and Barnwell (1994) suggested researchers should analyse the history of management styles and philosophies.

3.2.1.1 Organisational theory

Robbins and Barnwell (1994, p.5) defined organisation theory as: ‘The discipline that studies structure and design of organisations.’ To date over the last hundred years, researchers have studied the structure of
organisations and suggested improvements through studying an enactment of organisational design.

To keep the research relevant, this review of organisational theory concentrated on the post-industrial revolution period, that brought scientific studies into the area of management and production of goods and services (Hatch, 1997). The period under review began in the mid 19th century when thousands of people left the countryside and moved to the city. Labour was plentiful and some organisations offered workers very poor wages and facilities, which inspired Karl Marx (1888) to predict that the chasm between rich owners and poor workers would revolutionise the social status quo forever. Whilst some of his predictions were realised, for example, creation of a strong middle class, many of his conclusions were not, such as a worker’s revolution (outside of Russia). However, this study is not concerned with sociological roles, influences and their consequences on industry. This research concentrates on ‘classical’ management theory, which focuses on practical problems faced by owner/managers of SE organisations and how theories then became increasingly concerned with human behaviour in organisations.

From 1900 to 1930, the first general academic theories of management began to appear. Frederick Taylor, a mechanical engineer in an American steel company, searched for the ‘one best way’ for manual work to be done in order to increase productivity (Robbins et al., 1998, p.713); this was later called “scientific management.” Taylor believed, using a standard technique or tool increased efficiency, and people were motivated primarily through financial incentives (Griffin, 1999, p41). Taylor concentrated on improving management activities through his own scientific study and calculated that with better tools, sequencing and operator movement, productivity could be improved (Robbins et al., 1998, p.714). Whilst Taylor demonstrated importance of compensation as motivation and initiated careful study of jobs and tasks, he did not consider social aspects of jobs, or the fact that people had different attributes. Moreover, Taylor’s theory ignored individuality of workers (Daft, 1997, p.43).
Around the same era, French industrialist Henri Fayol examined roles of organisational management and published *General and Industrial Management* in 1919, which described his management philosophy as a code of fourteen principles.

- Division of work, authority, discipline, unity of command, unity of direction, subordination of individual interests to general interests, remuneration, centralisation, scalar chain (the unbroken line of authority), order, equity, long tenure of employees, initiative and team spirit (Robbins & Barnwell, 1994, p.31).

These principles focussed on management of an entire organisation rather than individuals within one organisation. Fayol also analysed performance of managers and concluded that they perform five tasks: planning, organising, commanding, coordinating and controlling (Robbins et al., 1998, p.5), which are considered by current management text books (such as Daft, 1997, and Griffin, 1999) to be classical management processes, focusing on administrative management and individual employee productivity.

The third key theory from this time was developed by Max Weber, a German sociologist, whose work was neglected in English speaking countries until 1947, when translated into English (Daft, 1997). Weber’s theory for an ideal form of organisation was bureaucracy, which laid foundations for contemporary organisation theory. Weber was an early academic in the field of examining management and organisational behaviour from a structural perspective. His theory of bureaucracy was in fact, a construct with all the ideal characteristics of a generic organisational hierarchy that could be related to all sizes of enterprises from small to corporate (Robbins & Barnwell, 1994).

Weber’s hierarchal enterprise concepts continue to be used in 21st century organisations, along side more contemporary structures such as adhocracy (Robbins & Barnwell, 1994, p.37). Thus, over the last century, studies of organisational structure have enabled enterprises to understand and plan different types of hierarchy.
Since the late 1990s with the development of computer technology and tight competition requiring cost cutting, traditional hierarchies have been redeveloped to become reactive to rapidly changing demands of the market. This has been necessary for the new wave of business activities (Toffler, 1971) requiring immediate access to management. A result of this change has been the concept of ‘flat organisations’, with fewer managerial layers, avoiding excessive administration being utilised (Pass et al., 2002, p.183) to allow enterprises to be flexible and proactive to trends within markets.

At the end of the 19th and beginning of the 20th centuries, employees were considered a “tool” for organisations to use, rather than a resource to develop (Robbins et al., 1998). As management research evolved, attention directed towards studying the activities of employees and pointed out various processes within organisations. Research into the position of employees, lead to the study of organisational culture, and this became a foundation for the development of further management theory.

3.2.1.2 Organisational culture

The root of organisational culture is in anthropology, focusing on human behavioural norms, values and beliefs at every level of society (Cheong, 2000). Every organisation has a culture, defined as ‘the way in which that particular organisation is seen by its members to be unique’ (Robbins et al., 1998, p. 562). Organisational culture is also defined as:

The set of values, beliefs, behaviours, customs and attitudes that help an organisation’s members understand what that organisation stands for, how things are done and what is considered important by the organisation’ (Griffin, 1999, p. 168).

Owner/managers who understand organisational culture, take appropriate action, with support of their personnel, because organisational culture guides and directs the manner in which internal activities are undertaken (Robbins et al., 1998). As an enterprise grows, the owner/manager’s job description and the organisational structure of the enterprise should evolve, affecting both management of an organisation and culture (Gerber, 1995).
Simultaneously, responsibility of owners change and seeking suitable management education is beneficial to keep momentum of the organisation moving (Schlutz, 1995).

Culture, ‘norms and shared attitudes that pervade an organisation’ (Pass et al., 2002, p119) remain constant whilst functional arrangements within might change, for example incorporating application of new technology, with contemporary organisational structures, procedures and authorities (Robbins et al., 1998), may change operating systems but not the culture.

Study of organisational culture further developed managerial understanding and increasing awareness regarding the internal workings of enterprises. The next section considers interpersonal relations, particularly organisational methodology benefiting an enterprise.

3.2.1.3 Organisational behaviour

Organisational behaviour is based on relationships between individuals in organisations with a particular interest in manager/subordinate relationships (Robbins et al., 1998). An editorial in Management Today (1999, p. 8) argued that ‘managers should be analysing relationships between managers and their team, because that is where collaboration is taking place’.

Study of organisational behaviour is defined as ‘studying human behaviour, attitudes and performance in organisations’ (Hellriegel et al., 1995, p.5). These studies are carried out to find consequences of management actions and behaviour on organisations. Motivation is defined as ‘forces that arouse enthusiasm and persistence to pursue a certain course of action’ (Daft, 1997, p.526), which achieve common goals.

Study of organisational behaviour developed during 20th century, when Maslow and McGregor introduced theories suggesting employee satisfaction as key to productivity (Griffin, 1999, p.46). Rather than structural theories turning employees into machines, McGregor (1966) supposed that organisational behaviour of trust and teamwork could be
supported and developed the polemic Theory X and Theory Y, whilst Ouchi (1981) took this further in developing Theory Z (Daft, 1997), linking eastern and western management/staff communication philosophies.

Maslow’s hierarchy of needs to understand workforce motivation (1970), i.e. psychological, safety, social, esteem and self-actualisation, may be used to recognise the culture of a workforce within an enterprise (Kotler, 1997). The entity’s culture embodied in management procedures, will determine how the whole workforce is managed.

It is not possible to effectively manage people unless you have some basic understanding of what makes them tick, such as their motivation, team skill and leadership skill (Lysons, 1999, p.3).

Work has a different meaning for different groups of people. McGregor examined what he called the ‘Hard or Soft Approach to management’ (1966, p.42). McGregor suggested that ‘hard approach’ management involved coercion and threat, resulting in antagonism and subtle but effective sabotage of management activities. Alternatively, ‘soft approach’ management focused on satisfying demands and achieving harmony, leading to abdication of management and taking advantage of the stance by staff. Effective management would have to lie somewhere between these two approaches (Robbins et al., 1998).

Study of organisations developed, and shows that as the 21st century came closer, management and staff became multi-skilled and more flexible in their work practices, to accept continuous change and development within their industry and the global economy (Robbins et al., 1998, p.18).

3.2.1.4 Summary

Detailed studies by Taylor, Fayol, Mintzberg, Weber, Hertzberg, Maslow, McGregor and Ouchi were made of organisational structures and evolution of the manner in which they and the people working in them were managed (Griffin, 1999). Research developed an understanding of business structures, from bureaucracy to adhocracy and management style from forced labour to team-led departments.
Studies viewed organisations as having different cultures, depending on size, style or due to flexibility through levels of high competitiveness and speed that some products need to develop.

Organisation styles also evolved from classical ‘hard’ management styles focussed on individual productivity to more recent ‘soft’ styles that dealt with flexible teamwork (McGregor, 1966).

Managers work / interact with individuals and teams (Robbins et al., 1998), therefore owner/managers’ interests are served by specific and continuous education and education to develop competencies, necessary to manage situations and people with whom they work in an effective, positive and productive manner.

Organisational studies examined coordinating interactive relationships of people and attaining organisation’s goals through the cooperation of a number of people in general agreement to achieve those goals (Robbins & Barnwell, 1994). Corporations interact through their hierarchies whilst SE owner/managers interact with their employees, accountant, solicitor, bank manager, consultant and/or suppliers through credit facilities (Kyambalesa, 1994, p.63).

Section 3.2.1 discussed the position that combined information learned over the past century, has enabled SE owner/managers to develop sufficient knowledge to understand global position of business. In order to accomplish their aims and achieve their goals, studies through the 20th century indicate that SE owner/managers require sufficient management skills to organise their businesses and remain solvent (McGrath & MacMillan, 2000). In addition, owner/managers are required to formally coordinate allocated tasks, decide reporting hierarchy and organise interrelated mechanisms and interaction to be followed through organisational structure (Robbins et al., 1998).

The literature review makes a case for including in the model of Figure 3.2 (page 65), an influencing factor representing the impact of management development over time.
3.2.2 Personal characteristics of SE entrepreneurs (Model - 1b)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

Researchers into aspects of entrepreneurial start-ups, such as Kay (1952), McGregor (1966), Newell (1985), Kyambalesa (1994) and Kuratko and Hodgetts (2001), examined personal characteristics of solvent SE owners. What follows is a review of key factors identified by researchers as being important as influencers of entrepreneurial decision making.

Information presented in this section relates to business operators, defined here as the person (or persons) who owns and manages the enterprise’ (Cat. No. 8127.0, 2001c, p.3). These can be identified as

- proprietor of a sole proprietorship
- partners of a partnership
- working director(s) of an incorporated company

The above group are generally included in the SE definition noted in Chapter 1.

Sections 3.2.2.1 to 3.2.2.3 identify general factors influencing entrepreneurs and section 3.2.2.4 examines personal classifications.

3.2.2.1 SE owner background

Most texts on SE start-ups or entrepreneurship list personal characteristics which they consider beneficial when initiating the start-up of a business (such as Newell, 1985, Hodgetts & Kuratko, 1989, Carland & Carland, 1990, Kyambalesa, 1994, English, 1998, and Trench & Judge, 2002). Identifying specific characteristics in the make up of the ‘definitively successful entrepreneur is difficult as they are so varied’ (Carland & Carland, 1990, p.26).

SE owners throughout Australia, come from diverse cultures, ABS estimated owner/managers born outside of Australia constitute 29% of SEs - a percentage that was growing at the rate of about 2% per year (Cat. No.
8127.0, 2001c). In the States and Territories of Australia, Western Australia reported 37% of owner operators born overseas, New South Wales and Northern Territories both 33%. The lowest proportion of overseas-born operators was recorded in Tasmania with 18% of all entrepreneurs.

3.2.2.2 Parental influence

Research by Carland and Carland (1990, p.26) found that children of parents who owned their own business, were more likely to start a business and were encouraged to do so by parents. The same research indicates that progeny of non-business oriented parents are less likely to be encouraged to start an enterprise.

3.2.2.3 Career change

Individuals dissatisfied with their work, who have been made redundant or had ideas that were ignored and want to test them, are likely to start their own enterprises where they have support from family, friends and often help from a mentor (Carland & Carland, 1990, and English, 1998).

3.2.2.4 SE owner personalities

Research carried out over many years has determined that due to external autonomous actions such as market or competitive activity and other extraneous activities beyond the control of management, specific personal characteristics that result in assured solvency for a SE operator, has not been empirically proven. However, it is suggested that some personal characteristics increase the chance of an entity succeeding more than others (English, 1998, p.5).

Solvency, requires a well-rounded competency in management, financial and operational skill as well as technical understanding (English, 1998,
This combination plus a thirst to increase knowledge, benefits SE owners in their quest for survival and success (Gerber, 1995).

A number of studies (Marshall, 1996, Vernon, 1997, Koch, 1999, Trench & Judge, 2002) have established that specific personal characteristics are consistent for entrepreneurs having a greater chance of business success. Whilst over 40 traits have been suggested, the following six traits identified in Figure 3.3 predominate (Daft, 1997, p.180).

**Internal locus of control**


**Figure 3.3** Characteristics of entrepreneurs.

Source: Daft (1997, p. 181)
High energy level


Need to achieve

Harvard psychologist David McClelland (1976) demonstrated a primary factor in deciding to start up an enterprise is personal need for achievement. As conditions in SEs are constantly changing and unpredictable, SE operators that tend to be ‘risk averters’ are able to make consistent decisions (Kyambalesa, 1994, p160).

Tolerance of ambiguity

This psychological characteristic prevents disorder and uncertainty being an overwhelming concern. The importance of this trait is that setting up a new entity is rarely straightforward and normally has a certain level of unknown factors linked to the enterprise that have a degree of risk and uncertainty incorporated within the entity (Daft, 1997, p.182).

Self-confidence

The knowledge of managerial functions such as planning, organising, leadership and control, and technical expertise offers a degree of confidence to start an enterprise. Knowledge is usually gained through a combination of education and experience (Carland & Carland, 1990, p.31).

Awareness of passing time

Business activities take time and therefore should be planned and implemented to enable all sectors of an enterprise to be functional. How the SE owner/manager uses time can determine level of success (Kyambalesa, 1994, p170).

Researchers consider a combinations of the above characteristics beneficial to start-up entrepreneurs (Daft, 1997). Concerns regarding specific empirical constructs of these characteristics are due to permutations of SE owner demographics, as noted in chapter 2 section 2.2.2.
Given the attention by researchers to personal characteristics of entrepreneurs and the significance of these factors, a component of the research model Figure 3.2 (page 65) includes such personal characteristics.

### 3.2.2.5 Summary

Section 3.2.2 suggests a range of SE owner/managers characteristics have a bearing on the level of an enterprise’s success (Daft, 1997). The general conclusion of studies is that whilst some qualitative researchers such as McClelland (1976), Lumsden (1984), Newell (1985), Hardy (1987), Roberts (1989), Robbins (1992), Chu (1992), Harvey-Jones (1994), Gerber (1995), Krause (2002) determine that personal characteristics are significant, quantitative researchers such as Perry, Meredith and Cunningham (1988) (Carland & Carland, 1990) and ABS (Cat. No. 8127.0, 2001c), consider that the statistical data of specific personal characteristics, show little or no direct bearing on either success or failure of an SE enterprise.

The entrepreneur is defined by Kuratko and Hodgetts (2001) as a catalyst for change, optimistic, committed and purposeful with certain abilities that appear significant regarding SE operator success. These are technical competence, relevant education, human relations skill, and a high drive to learn and achieve (Hodgetts & Kuratko, 1989, p.43). Therefore, 3.2.2 demonstrated as stated by Gerber (1995, p. xiii) ‘people who are exceptionally good in business aren’t so because of who they are, where they come from or what they know, but because of their insatiable need to know more’.

Following from the model Figure 3.2 (page 65), the next section reviews studies into SE failure, which became a significant area of research due to the growing role of SEs within the Australian economy (Watson & Everett, 1992, p.335). Section 3.2.3 reports proportions of business failure have increased considerably, which conclude the first section of this review, indicating entrepreneurial knowledge development would be beneficial to continued solvency.
3.2.3 Factors influencing SE solvency (Model - 1c)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

Literature demonstrates that a proportion of entrepreneurs become insolvent early in their development and this phenomena has been studied in depth (Daft, 1997, and Griffin, 1999). This section reports findings relating to common factors found in research on this topic.

Over a ten year period from 1983 to 1993, Joyce Berryman (1993) searched to understand complexities of SE failure, and found a limited number of definitions of failure including that of Williams (1992)

> a firm ceasing operations under its existing owner(s) and structure because it is unable to function profitably, or does so because of existing or impending failure, insolvency or financial difficulty.

A synthesis of literature on failure from Berryman’s papers (1983, 1993), examines insolvency research over this period and is demonstrated in Figure 3.4 (page 81). The figure’s intention is to show diagrammatically both a synthesis indicating symptoms of failure and opportunities of preventing failure. The literature relating to problems or symptoms of failure and studies of hundreds of firms considered by Berryman were used to distinguish identifiable characteristics of failed SE owners.

The three major symptoms of failure appear to be: characteristics of the firm as discussed in 3.2.1; characteristics of the owner/manager as noted in section 2.2.2 and exogenous factors to be discussed in section 3.4. Measures required by SEs to prevent insolvency were noted as follows: taking professional advice; gaining knowledge and experience through education; and thirdly management education (Berryman, 1993, p.80). Berryman concluded that:

> only by getting into the firms and trying to understand how managers function and handle all the integrated complexities of SEs and the consequences of those decisions will understanding and theories be able to be developed (Berryman, 1993, p.94).

Berryman (1993) pointed out that not all industries or sectors of an industry are equally susceptible to failure, suggesting research may be
beneficial as indicates, with results skewed specifically towards certain industries, business sectors, or geographical regions, rather than use generalised statistics over an entire economy (Berryman, 1993, p.84).

Figure 3.4 A synthesis of failure

Source: (Berryman 1993)
Through empirical studies regarding factors influencing insolvencies as noted above, Berryman (1993) demonstrated reasons for failure being a predominance of management inadequacies in certain areas and business problems relating to deficiencies in management competency skill of SE owner/managers.

Failure does not generally occur without warning (Adermann, 1995, p.132). Watson and Everett (1996, p.45) analysed 5,196 start-up businesses in 51 shopping centres in Australia, covering the period 1961-1990. Their research produced five reasons for failure, represented by different financial stages, ‘firstly discontinuance of ownership, secondly inability to make a go of it, thirdly discontinuance of business, fourthly the enterprise was disposed of to prevent further losses, and finally, bankruptcy’.

Lack of competent business skill, is considered a symptom of management inefficiency and the most commonly cited reason for failure (Berryman, 1983). Williams (1986) suggested that 90% of SE owners lack required competencies to start-up and carry on a small business. The major problem with failing enterprises Gerber suggested (1995, p. xiii), is that SE owner/managers not only have a lack of marketing, finance and/or operations knowledge, but refuse to take the trouble to learn about these tasks, rather ‘they spend their time and energy defending what they think they know’.

Drucker (1994) considers in his studies of business failure, that in nearly every case a root cause was outmoded assumptions on which organisations are built and were still being operated. For example, where there had been fundamental changes in the marketplace or product/service of organisations, the original assumptions of the organisation may no longer be relevant or valid.

An entity’s business theory are assumptions about how organisations view markets, identify customers and see behaviour/values (Drucker, 1994). They are assumptions companies use to value their strengths and weaknesses and evaluate strategic vision. They are assumptions that make, drive and work organisations. These assumptions are an organisation’s
‘theory of business’, and if not regularly re-evaluated, they become outmoded and act as a negative force (Drucker, 1994).

Statistical methodology for interpreting failure rates of enterprises, approaches the available information from one of two stances, either the perspective of exiting firms or as a proportion of the entire pool of registered enterprises.

However whichever way deregistrations are viewed, whether 75% of entities exiting the market (ABS Cat No 8127.0 2001c) or 6% of total entities (Bickerdyke et al., 2000), in 2001 there were over 92 000 entities deregistering. This research was carried out to investigate whether different forms of management education available, could significantly reduce the number of entities deregistering.

3.2.3.1 Summary

Section 3.2 of the literature review discussed studies by the “forefathers” of management research such as Taylor, Fayol, Weber, Maslow and Ouchi. These researchers defined and developed the current areas of management study covering structure of organisations, then behaviour and culture of people, justifying section 1a of the model.

The section continued, justifying section 1b of the model by identifying literature regarding characteristics of entrepreneurs starting up SEs. McGregor, Newell, Kuratko and Hodgetts discussed beneficial characteristics and personalities. The result indicated well rounded personal and management competencies and operational skill were beneficial (English, 1998) combined with a thirst for knowledge (Gerber, 1995). Finally an assessment of literature by Berryman, Drucker, McMahon and Williams regarding factors and reasons for failure were reviewed relating to section 1c of the model.

Research Framework Model, Figure 3.2 (page 65), suggests that as knowledge grows, an opportunity to develop SE owner/manager competence offers greater opportunity of remaining solvent. Section 3.3
summarizes the available literature relating to the development of entrepreneurial knowledge from management studies.

Figure 3.5 contains the components of section 1 of the model of influence on SE solvency competencies derived from the literature.

**Figure 3.5  Section 1 of model of influence on SE competencies**

![Diagram]

Source: Designed for current research

### 3.3 SE entrepreneurial development (Model section 2)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

Section 3.3 contains a review of literature explaining studies of SE owner/managers of the 20\textsuperscript{th} and 21\textsuperscript{st} centuries by researchers and
demonstrates how entrepreneurs developed knowledge and management competencies, increasing their chances of surviving.

The major thrust of this section relates to changes in technology, consumer needs/demands and government regulations/involvement. A consequence of these factors necessitates learning and development by SE owner/managers.

The world ‘entrepreneurial revolution’ (ER) of SEs commenced in the second half of the 20th century (Timmons, 1999, p.3). The revolution began in the aftermath of the Second World War with small enterprises started by returning troops or new immigrants, or as a result of a change in corporate business strategy due to effects of oil prices increasing by a factor of 10, and finally as a result of significant developments in micro-technology.

In the 1970s and 1980s large corporations restructured their management systems and ‘flattened’ management structures by removing layers of middle management. In the 1980s and 1990s utilising benefits of computers and robotics, corporations ‘downsized’ staff levels (Champy, 1995), forcing unemployment rates of western economies above 10% for first time since the depression of the 1930s. As international trade grew, globalisation and increased competition resulted in corporations focusing on core business, offering an opportunity to new SE owner/managers through outsourcing non-core business (Daft, 1997).

Since the 1980s, technological innovation and development spawned new SE industries, such as personal computers and business programs, mobile telecommunications, satellite communications, fast-track distribution services and new methods of production, causing ‘shock waves’ of change around the globe (Toffler, 1971). These industries allowed the new generation of SEs to outprice/outperform large firms (Daft, 1997). In 2000, SEs constituted over 90% of registered entities becoming the largest sector of employment in Australia, yet still having a high incidence of failure (ABS Cat No 8127.0 2001c) due to management inefficiencies (Williams, 1986, Kyambalesa, 1994, Gerber, 1995, Bridge et al., 1998, Kuratko & Hodgetts, 2001, and Gray, 2002).
Research into SE entrepreneurial development continues as the SE sector evolves with new technologies becoming available and market demand changing faster than ever before (Toffler, 1971). Literature indicates that as more entrepreneurs begin new enterprises, knowledge regarding entrepreneurial requirements, development of skill and competencies continues as these fields are researched (Kuratko & Hodgetts, 2001, p39). The ER permanently altered economic and social structures throughout world economies, and fundamentally changed ways in which business was conducted, through fast turnaround and change of product supplied for the ever-changing demand of customers (Timmons, 1999).

Section 3.3.1 discusses the development of entrepreneurial understanding and the importance of this knowledge when striving for continued solvency.

3.3.1 Entrepreneurial knowledge development

Papers as noted in section 3.2, discussed the growth of entrepreneurship and benefits to SE owner/managers of developing and acquiring competencies as the root of successful management education programs. Authors from Fayol (1949) to Quinn (2003) have defined, refined and developed the theme, where a model of effective management is seen as dynamic, current and requiring constant improvement (Arnull, 1999, p37).


As noted in section 3.2.1, research of ‘Modern Industrial Capitalism’ was carried out while the system evolved, certainly over the last 200 years (Galbraith, 1994). Through these studies, executives, managers and SE owner/managers were able to benefit and gain a practical understanding
about business complexities from organisational structure through to human relations management. Studies cited above, indicated personal characteristics that would benefit entrepreneurs and focuses on ‘management competencies as the primary skill by which managers affect their organisation’ (Bigelow, 1996, p.1).

In the Dawkins Report (1991), established to consider a means of advancing management education through national strategy (Miller, 1998, p.1), a consistent theme of business management education and trade education throughout Europe, Japan and the USA was observed by the researchers. The Report established that particularly in non-English speaking countries, specific trade education and management education was provided and regulated by business and industry with governments giving financial support to the suppliers (Dawkins, 1991).

Dawkins (1991, p.2) and a number of other researchers such as Meredith (1984, p.8), Beddall (1990, p.31), Williams (1992, p.150) and Holmes and Butler (1995, p.280) emphasised SE owner/managers preferred to learn outside the confines of traditional education methodology. Drucker (1998, p.157) cites Maslow’s view that ‘different people require different ways of being managed’, to emphasize the ineffectiveness of ‘one size fits all’ generic courses. However as a result of the Dawkins Report (1991), Australian government departments instructed David Karpin to organise a ‘Task force on Leadership and Management Skill’ (Miller, 1998, p.2). Karpin (1995) looked to develop a flexible but generic ‘one size fits all’ management competency program of entrepreneurial development education through government institutions, using a formal process of review and continuous improvement (ANTA, 2002b).

3.3.2 Entrepreneurial business and management development

Cole and Ulrich (1987) report that successful entrepreneurs have a high need for success and internal locus of control as noted in Figure 3.3 (page 77), whilst Kuratko and Hodgetts (2001, p.30) point out that entrepreneurs
are ‘agents for change; provide creative, innovative ideas for businesses; and help businesses to grow and prosper’. Bridge, O’Neil and Cromie (1998) explain that experience, observation, conceptualisation and experimentation are competencies required for problem finding and solving, required for developing SE knowledge.

An article in the *Journal of Management Development* (Grieves, 2000, p346) noted that three central issues of management were and remain the essence of successful management focus, those of control, application of technology and organisational managerial competence. One problem for the failure of some useful management programs such as, the use of business plans, Total Quality Management (TQM) and Quality Assurance (QA), is that these programs require a commitment to continuous improvement and are not a panacea in themselves (Grieves, 2000, p371).

To use business plans, TQM or QA systems, SE owner/managers are expected to continuously question their actions and to increase their relevant knowledge base. For a benchmark test of action, Bhide (1996) developed a three stage sequence action question guide to focus on chosen business activities Figure 3.6 (page 89). The questions included: “Are goals well defined?”, secondly, “Is strategy correct?”, finally, “Can the owner execute this strategy?”

The framework in Figure 3.6 (page 89), clarifies the owner’s current goal position, then the strategies are evaluated and finally an assessment is made of capacity to execute the strategies (Bhide, 1996, p.5). At any point, action taken depends on answers to questions being ‘yes’ or ‘no’.

The hallmark of a successful SE owner is a never-ending desire to learn and improve (Gerber, 1995, Isachsen, 1996, and Drucker, 1998). SE owners know, that true goal setting requires reaching for an objective that is never quite within their reach (Isachsen, 1996).

To think in this manner Ohmae (1982, p4) writes that a particular state of mind which he calls the ‘mind of the strategist’ is required. Twenty-first century strategies for SE owner/managers were outlined by Kanter (1994) where entities were seen to ‘think long-term but deliver today’. To achieve
this, Kanter (1994, p.130) suggests SE owner/managers are to be flexible, reduce bureaucracy and act in an entrepreneurial fashion.

Figure 3.6 The entrepreneurs’ sequence action question guides.

3.3.3 Summary

Given the significance as demonstrated by previous researchers of knowledge and management competencies acquired by entrepreneurs from the workplace, section 3.3 is an important factor in section 2 of the research model Figure 3.2 (page 65).

Management research into SE entrepreneurial competencies, developed to offer a broad and deep understanding of organisations and how they operate (Daft, 1997). Further research demonstrated that management education for SE owner/managers to address the lack of management competence is
essential to address tens of thousands of entities exiting the economic pool each year (Robbins et al., 1998).

Section 3.4 of the review, representing section 3 in the model, considers those elements of business influence both exogenous and endogenous that affect solvency, indicating the need for management education increases as the number of entities increase and the percentage of exits increase (Cat. No. 8127.0 2001c).

Figure 3.7 contains the components of section 2 of the model of influence on SE solvency competencies derived from the literature.

Figure 3.7  Section 2 of model of influence on SE solvency

Source: Designed for current research

3.4  Business influences (Model section 3)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

As demonstrated in section 3.3, SE owner/managers cognisant of how to deal with business influences, ensure chances of success are increased (Agrawal, 1995). These requirements include technical knowledge, ability and experience, capacity to carry out physical demands, acceptance of time required to carry out tasks including bookkeeping, and finally persistence during difficult times (SBDC, 1995, section 3.2 p.3).

Research confirms that major economic areas in which SEs may be found are manufacturing products, distribution (including retail sales) and
provision of services (Hodgetts & Kuratko, 1989, p.9). Within the literature, business environments in which SE opportunities are found are assessed in section 3.4. This information revealed a range of business factors influencing progress of SEs, which are examined below, drawing on work of previous researchers.

A number of exogenous and endogenous influences such as business opportunities or knowledge of business methods, affect the evolution of organisations (Kuratko & Hodgetts, 2001). The following discussion relating to business influences was considered from literature and examined exogenous and endogenous factors. Figure 3.8 illustrates points in this discussion.

Figure 3.8 Business influence variables
3.4.1 Exogenous factors

Exogenous variables are outside direct control of SE owner/managers. Exogenous factors are opportunities or threats that include elements or groups such as local and federal taxes, foreign government tariffs, changing raw materials prices, competitors and customer demand.

Autonomous forces noted by the exogenous environment in Figure 3.8 (page 91), significantly affect organisations and management practice. They affect entities and their ability to change over time. These forces have a positive or negative impact on business and include activities of competitors in markets, fundamental changes within markets, and the abilities of management and staff to control actions of enterprises (Day, 1991, p.111). Enterprises are expected to facilitate learning ‘consciously transforming themselves and their context’ (Pedler et al., 1997, p.3)

The task of SE owner/managers is to detect forces as early as possible and interpret their consequences (Porter, 1985). Also how they may affect business (Thompson & Strickland III, 1999), and prevent them becoming blind spots.

3.4.1.1 Political / Legal forces

Relationships between business and government in regard to regulations and legal requirements constantly change, and SE owner/managers are required to keep up to date (Griffin, 1999, p.77), in order to have sufficient data to continue trading. Three reasons for this are, first the legal system defines environment in which firms can work. Second government activity can affect all businesses through consequences of legislation or government activity, such as interest rate or taxation changes (Griffin, 1999, p.78). Finally, political pressure groups could be advantageous as they focus on an agenda. For example environmental or tobacco lobbyists could increase/decrease trade and it is up to SEs to take advantage of these opportunities and be aware of threats (Daft, 1997, pp.79-80).
3.4.1.2 Economic factors

Knowledge of consumer purchasing power, unemployment rates and bank interest rates are all useful areas of information for successful SE owner/managers to recognise (Daft, 1997, p.78).

There are benefits from having cognisance of important economic factors such as national or regional economic growth, inflation, changes in bank policies and the effect on consumer market numbers and their spending activities (Griffin, 1999, p.75). This knowledge is useful in order to be in a position for the SE owner/manager to take advantage of a situation that is favourable to entities when it becomes appropriate.

These exogenous factors are all important indicators for SE owners to help them be aware of market activity and pro-active in decisions as opposed to reactive to trends.

3.4.1.3 Social/competitive forces

Markets modify through changes in demand, growth in technology, or developments within industry. SE owner/managers, are expected to be in a position to take advantage of the market environment (Timmons, 1999) as a part of their action to remain solvent. SE owners are aware of dimensions relating to characteristics of their market place, consisting of geographical distribution and population density together with socio-economic mix of market places (Daft, 1997, 78).

Michael Porter (1985), contends that exogenous competitive advantage is the heart of a firm’s performance in the market place. ‘It is at the core of success or failure for firms.’ The five forces affecting competitors are seen as: the entry of new competitors, a threat of substitutes, bargaining power of buyers and bargaining power of suppliers, then finally rivalry between firms (Porter, 1985, p.5). Porter argues that these five forces influence prices and costs. These are exogenous forces within the market environment yet through monitoring closely, they may be used advantageously (Porter, 1990).
3.4.1.4 Industry forces

SE owner/managers benefit from being aware of industry driving forces, which are the major underlying influences of change, as this gives them an opportunity to make or plan positive discussions based on knowledge. These forces relate to changes such as trends, product innovation, entry or exit of major companies and changes in government regulations (Thompson & Strickland III, 1999, pp85-90).

3.4.1.5 Summary

Based on the literature review in section 3.4, components of the model include the following exogenous business influences

SE owner/managers are required to understand exogenous business influences in Figure 3.9, affecting their firm; these forces have no bearing

Figure 3.9 Section 3 of model of influence on SE solvency

Source: Designed for current research
on the type/quality of their product or service, however forces interact with
dynamics of the entity. Every activity the SE owner/manager or their
entity perform, affects the market, for each sale is a redistribution of
factors that can affect other entities horizontally or vertically.

In section 3.4.2, endogenous factors attributable directly to the
entrepreneur are considered. These activities require preparation,
knowledge and experience essential to maintain solvency (Gerber, 1995).

3.4.2 Endogenous factors

Endogenous factors are internal strengths and weaknesses that relate to
structure and culture as discussed in section 3.2.1, and resources of the
entity, such as knowledge, raw materials and labour (Kuratko & Hodgetts,
2001). These strengths and weaknesses are components of the entity.

Hodgetts and Kuratko (1989, p.31) identified the following elements as
beneficial to help enterprises remain solvent: existence of a business
opportunity, a sufficiency of businesses/management competency-skill,
adequate capital and credit, finally knowledge of current business methods.

Crucial endogenous factors examined in this section, are competencies
possessed by owner/managers and organisations affecting current
operations and the level of ability to foresee future changes required to
equal or exceed that of competitors (Turner & Michael, 1992, p.2).

3.4.2.1 Business opportunity

Endogenous factors of SE entities commence with a verifiable business
opportunity, defined as something that is ‘attractive, timely and durable, in
a product or service that creates or adds value for its buyer or end user’
(Timmons, 1999, p.80). To assess what customers will purchase, active SE
owner/managers regularly monitor the market environment (Kotler, 1997,
p.109). This results in information, which may be evaluated to assess
opportunities and target the market profitably.
3.4.2.2 Adequate capital and credit

Adequate funding available to meet financial obligations, means it is easier for an entity to trade solvently (Kay, 1952, Newell, 1985, Kyambalesa, 1994, and English, 1998). For a greater opportunity to achieve this, complete financial plans with realistic cash flows prepare owners for future financial situations (Hodgetts & Kuratko, 1989, p.36).

Business entities have financial strategies incorporated in business plans as a means of setting goals and strategies to achieve objectives (Langfield-Smith et al., 1997, p.905). Part of organising capital and credit is taking strategic decisions. These decisions are fundamental within business and financial plans to consider amounts of funding required, ensuring sufficient capital is available and credit facilities accessible from suppliers to meet all financial obligations (Hodgetts & Kuratko, 1989, p.35).

Established business entities have an advantage over new firms (Bridge et al., 1998, p.153), for as firms remain solvent longer, so financial credibility grows and a process of ‘due diligence’ offers better credit facilities to firms with a longer record of solvency.

3.4.2.3 Businesses/management competencies

Research by English (1998, p.6) reports business/management competencies fall into three categories: marketing, finance and operations Table 3.1 (page 97) covers the competencies from which SE owner/managers would benefit, if acquired before commencing business, or assessing what skill are lacking and address this situation as soon as possible (English, 1998, p.7). This may be through personally attending management education courses or employment of suitable personnel either permanently or as required.

An important area noted in Table 3.1 (page 97) is writing a business plan. Day (1991) and Perry’s (2001b) research indicates that preparing and regularly updating a plan increases chances of survival.
Writing a complete business plan offers the opportunity to cover all the points in Table 3.1 (page 97) before establishing an entity. Thus initial exogenous and endogenous structural and financial organisation, marketing, site location, customer requirements, competitive forces and market size can all be considered with proper planning (Carland & Carland, 1990, p.31). This exercise is an opportunity of working through all aspects of organising and operating a SE (English, 1998, p.136).

Table 3.1 Management skill requirements

<table>
<thead>
<tr>
<th>Marketing competences</th>
<th>Financial competencies</th>
<th>Operating competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and promotion</td>
<td>Choice of business location</td>
<td>Business planning</td>
</tr>
<tr>
<td>Competitor evaluation</td>
<td>Credit terms</td>
<td>Improving productivity</td>
</tr>
<tr>
<td>Distribution channels</td>
<td>Guarantees and service</td>
<td>Plant &amp; equipment control</td>
</tr>
<tr>
<td>Marketing research and strategy</td>
<td>Packaging and presentation</td>
<td>Purchasing</td>
</tr>
<tr>
<td>Personal selling</td>
<td>Pricing and discounts</td>
<td>Recruitment and selection</td>
</tr>
<tr>
<td>Product life cycle</td>
<td>Product positioning</td>
<td>Scheduling and workflow</td>
</tr>
<tr>
<td>Purchase planning</td>
<td>Quality assurance</td>
<td>Stock control</td>
</tr>
<tr>
<td>Sales forecasting</td>
<td>Shop layout</td>
<td>Transport and freight</td>
</tr>
</tbody>
</table>

The importance of a plan cannot be overemphasised, for time taken to think through a business is of prime importance (Busch, 1997, p.3). In his paper on relationships between written business plans and failure, Perry (2001b, p.201) concluded proportionately more firms writing business plans remained solvent, than those that did not. He found the extent a business plan was used, had significant effect on company solvency. Perry’s findings were ‘not using a written business plan had a significant influence on the probability of enterprise failure’.

3.4.2.4 Knowledge of business methods

Product knowledge alone is not sufficient to commence trading. There are many areas of business to control and organise. SE owner/managers are required to deal with sales, stock management, accounts, production, delivery and cash flow.

Business management systems used by firms of all sizes, are implemented in order to strengthen the entity with systems such as TQM or QA (Kuratko & Hodgetts, 2001). These are people-focussed management systems aimed at continuously increasing customer service and owner/manager competence. The aim of both these systems is to achieve desired results through elimination of unnecessary repetition, by ‘doing it right the first time’ (Kuratko & Hodgetts, 2001). The aim is to produce defective-free products or services and save the preventable expense of correcting mistakes, for business management systems are based on the importance of people thinking about product, firm, customer and themselves (Kuratko & Hodgetts, 2001).

3.4.2.5 Summary

This section of the review dealt with business influences, demonstrating the SE sector forms a significant role in an economy and survival for thousands of entities entering the market each year. These influences are generally attributed to the strengths, weaknesses, opportunities and threats
from within and without the enterprise and the management competencies of the owner/manager to deal with these situations (Holmes & Butler, 1995, p.277). The majority of SEs commencing to trade, encounter these challenges (Kuratko & Hodgetts, 2001).

Based on the literature review in section 3.4, composites of the model include the following endogenous business influences noted in Figure 3.10.

**Figure 3.10 Section 3 of model of influence on SE solvency**

Source: Designed for current research

To compete profitably over long periods, an entity accomplishes two tasks. First, successful internal management of current operations and second, flexibility in being able to change operations to accommodate external and future changes in the market (Turner & Michael, 1992, p.2).

The significance of exogenous and endogenous factors on solvency justifies this section as a component of the research model and plays an important role in ensuring SE solvency.
3.5 Business competencies (Model section 4)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

SE owner/managers must adapt to changes when required, for it is a lack of general and personal competence and an inability to adapt as situations require, that is a principal cause of insolvency (Banfield et al., 1996, p.94). Competence is defined by Turner and Michael (1992, p.4) as ‘a combination of traits, skill, motivations, knowledge and focus which results in a performance outcome’.

Thus competencies are ‘elements of the ability to perform’ (Cave & McKeown, 1993, p.3). This is in contrast to the Australian National Training Authority (ANTA) with their definition of competencies, which is more appropriate to employees than employers, being ‘an application of specific knowledge and skill to a standard required in a workplace’ (ANTA, 2001c, p.2), where competencies include ‘cleaning a kennel’ or ‘notification for not turning up for work’ (ANTA, 2001c, p.3).

Organisation development has evolved over the 20th century and deduced that for change to happen, it is necessary to examine present behaviour and find alternative ways to deal with new problems (Beckhard, 1969, p.16). Many government reports, such as Cyert (1970), Crawford (1979), Ralph (1982) and Karpin (1995) suggested establishment of accessible management education to teach competency skill. Crawford (1979), recommended that ‘the Tertiary Education Committee should report from time to time on progress’ one being the Meredith Report (1984). Meredith suggested a need for further SE owner/manager education and agreed with the Bolton Report (1971). The Bolton Report highlighted the ‘dichotomy between need and demand by SE owner/managers, for management education courses (Banfield et al., 1996, p.94).

From 1971 to 2003, State and Federal Australian governments have taken a stand to assist SEs by establishing educational programs through State departments and ANTA (Arnull, 1999).

Section 3.5 examines the influential factors discussed in Section 3.4, that affect abilities of SE owner/managers to operate an entity and make
significant changes to operations of enterprises. As business situations develop and change, a set or range of competencies may be appropriate for current purposes, yet a different set or range may be required a decade later (Turner & Michael, 1992). This is similar to the ‘Theory of Business’ concept of Drucker (1994) discussed earlier in section 3.2.3.1. Distinctive competencies apply to combinations of skill that give a company a competitive advantage (Turner & Michael, 1992), such as competencies required for a competitive edge in planning, organising or human relations.

3.5.1 General management competencies

Peter Drucker (1998, p.152) argued that in a fast-changing world, the concepts of Taylor’s ‘one right way’ or a fixed set of management activities or way of dealing with people were obsolete. He stated the ‘social universe has no “natural laws” as physical sciences do and thus is subject to continuous change. Indeed assumptions that were valid, may be invalid now or will be in the future’ (Drucker, 1998, p.153).

Robbins et al (1998, p.8), cite Robert Katz’s assessment of essential business competences concurring with Drucker and suggesting that these are central to positive performance of key management tasks being, planning, organising, leading and controlling.

Individuals that comprise an enterprise, determine its success through quality and joint activity of combined competencies (Likert, 1967, p.1). Company competencies, embedded in organisational characteristics, skill and knowledge, are well-established in culture, behaviour and structure of the enterprise and will persist over a period of time, to a greater or lesser extent regardless of the personnel turnover (Turner & Michael, 1992).

The SE owner/manager should either possess, employ or contract out a balanced competency structure covering all aspect of business (Timmons, 1999). Timmons proposed that management skill in a business affect the manner in which an entrepreneur approaches and operates that business.
Caution is well founded, with changes happening daily, ‘what worked for a firm yesterday, probably doesn’t work today’ or will not in the future (Drucker, 1998). The result of global competitive marketing, immediate global computer communication, shorter product life together with knowledge and technical explosion, a need for SEs, to be able to change and implement product or service as the market demands (Beckhard, 1969).

As noted in 3.3.3, ‘success in the marketplace increasingly depends on learning, yet most people do not know how or what to learn’ (Argyris, 1997, p.148). To succeed, a commitment of conscious action or learning was required to use and benefit from the programs (Grieves, 2000, p.368).

**Figure 3.11 Management process**

Source: Developed for this thesis from Pedler, Burgoyne and Boydell 1997, p.23
Every firm is unique and requires business, human and technical competencies within the entity to remain solvent. These are found in the ability of owner/managers, or within a business team. Competencies may be in-house or outsourced, for example accounts, manufacturing and sales can all be carried out in-house or by specialist companies; however skilful management by SE owner/managers, is still required to develop a successful enterprise (Banfield et al., 1996).

Figure 3.11 (page 102), encompasses processes that develop a collective flow of management (Pedler et al., 1997) and these processes link to form four fundamental management functions of an enterprise: planning, organising, leadership and control (Griffin, 1999). Whilst logic of the flow follows the above sequence, in practice the order of engagement of these tasks by managers is unpredictable. Each component is discussed below.

3.5.1.1 Planning

‘Planning defines where enterprises want to be in the future and how to get there’ (Daft, 1997, p8). Perry (2001b, p.201) found that ‘non-failed firms did more planning than similar failed firms’ and Perry cites Peter Drucker ‘Everything that is planned becomes immediate work and commitment’.

3.5.1.2 Organising

Organising reflects how an enterprise endeavours to accomplish a planned exercise (Daft, 1997, p.9). Thus to enact planning policy, tasks are assigned, resources allocated and responsibilities awarded.

3.5.1.3 Leadership

Leadership is both the most important and challenging activity of managers (Griffin, 1999, p.11). There are many definitions of leadership, leadership may be defined as the ‘processes required to get people to work together towards a common goal’ (Griffin, 1999, p.11), or ‘articulating visions,
embodying values and creating the environment within which things may be accomplished (Yukl, 1998, p.3).

Leadership in a SE is the means by which events are interpreted and the choice of objectives and strategies (Yukl, 1998, p.5) and in a SE the skill required for an owner/manager are considered to be technical, interpersonal, conceptual and administrative (Yukl, 1998, p.235).

3.5.1.4 Control

Monitoring progress towards goals and ensuring performance is achieved, is the final phase of general management competency skill (Griffin, 1999, p.11). This may be top-down management or self-management (Daft, 1997, p.12) but at all times SE owner/manager control of an entity is aimed at achieving their goals.

These goals are the entrepreneur’s vision and the owner/manager cannot achieve those goals where strategy, operational and/or management control of the enterprise is abdicated (Gerber, 1995).

3.5.1.5 Summary

SE owner/managers have a complex multidimensional job to ensure that general management competency skills are performed within the enterprise. This requires a combination of skill, knowledge and competencies to remain solvent (Daft, 1997, p.15).

The four management functions noted in Figure 3.11 (page 102) require individual management competencies, which are specific and deal with both exogenous and endogenous aspects of the enterprise. These are dealt with in section 3.5.2, where the personal skill are annotated and later considered in section 3.6 in light of available government and non-government education available.
3.5.2 Personal management competence

Personal characteristics, skill and knowledge will operate so long as that person remains with the enterprise (Beckhard, 1969). For SE owner/managers, these include interpersonal competence, problem-solving knowledge/skill, business planning/goal setting skill and understanding the process and management of business change (Beckhard, 1969, p.41).

To carry out tasks annotated in Figure 3.11 (page 102), a number of fundamental managerial skills are required to implement elements within management competency requirements of planning, organising, leadership and control. These management skills, are primary to success of enterprises (Griffin, 1999, p.18). Whether an enterprise is large or small, internal organisational structures remain constant and must not be abdicated (Gerber, 1995). The difference between large and small entities reflects who carries out that work. There may be a full department for each task or with a SE, one person may perform all tasks. Whichever the situation, these jobs must be undertaken at some level of competency (Griffin, 1999, p.14).

3.5.2.1 Conceptual skill

SE owner/managers understand overall workings of enterprises. Daft argues SE owner/managers think strategically and decide as a result of abstract thought (1997, p.15).

SE owner/managers benefit their enterprises by analysing problems and symptoms to determine cause and establish resolution (Griffin, 1999, p.20). Recognising and defining problems and selecting an appropriate course of action to remove problems and capitalise on opportunities is an important skill to accomplish, and this important skill allows a manager to prioritise work for efficient work practices to be carried out (Griffin, 1999, p.20).
3.5.2.2 Human skill

Interpersonal skill communicate and motivate people covering subordinates, peers, higher management or professional bodies such as accountants, solicitors and bank managers (Griffin, 1999, p.19).

Through effective communication skill, an owner/manager conveys and informs ideas to others (Daft, 1997, p.16).

3.5.2.3 Technical skill

Technical skill undertaken requires an understanding of tasks relevant to an enterprise (Griffin, 1999, p.19). This specialised knowledge and analytical abilities to solve problems, being practical skills, are required at higher management decision levels (Daft, 1997, p.16).

3.5.2.4 Summary

Section 3.5 of this literature review, represented by section 4 of the framework model Figure 3.2 (page 65), deals with development of general and specific competencies and skills. The sections of organisation and personal competencies are incorporated, due to the necessity of SE entities focusing on personal and organisational development (Grieves, 2000, p.293).

There is often confusion between competence, knowledge and skill, and it is by comparison that a distinction is found. Whilst an owner/manager may have knowledge/skill, they may not be competent in the activity. However, if an owner/manager is competent they can be expected to have knowledge/skill (Cave & McKeown, 1993, p.2)

Based on the literature review in section 3.5, components of the model include the business competencies noted in Figure 3.12 (page 107).
The combination of a competent workforce, skilfully managed and a positive support climate, combines elements of required competencies and management skill (Banfield et al., 1996), which determine a return on both human and capital resources (Boyatzis, 1982b, p.1), and therefore managerial competence is a primary component of success (Banfield et al., 1996, p.95).

The above literature has shown researchers’ agreement that both general and specific personal competencies are necessary for SEs. The relevance and importance of business competencies to part 4 of the model Figure 3.2 (page 65) is therefore established.
3.6 Management competency education (Model section 5)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

Inclusion of business competencies in part 4 of the model Figure 3.2 (page 65) is justified, as SEs require these competencies and skills, to deal with influences affecting the enterprise. The following section introduces literature that identifies government and non-government management education.

Federal government VET business education programs cover every aspect of skill at work, from answering the telephone to senior bookkeeping diplomas (ANTA, 2002a). Competencies cover all features of activities within an enterprise, those discussed in this section relate solely to management education methods appropriate for SE owner/managers.

The literature in this section commences by reviewing different teaching methods for mature students. The review then discusses methods adopted by government and non-government bodies to deliver the programs, showing the general response by SE owner/managers.

Needs and objectives of SE owner/managers were established through literature in sections 3.3 and 3.4. The next stage is to set subject content with determinants derived from answers to the following questions: What topics or skills should be offered to cover needs? How should they be presented to achieve their objective (Kirkpatrick, 1994, p.11)?

The quality of management education in Australia has been critically reviewed by government and independent reports internationally, nationally and locally since 1971, where the findings have generally shown a low standard of achievement (Karpin, 1995, Miller, 1998).

As a result of the Crawford report (1979), the Ralph report (1982) was commissioned to examine available management education, assess course effectiveness, look at the funding of those courses, consider SE special needs and make recommendations. The report noted that ‘SE owner/managers should go to accountants, solicitors and bank managers for advice’ and that additional research into small business management
education courses should be carried out, as SE education needs were considered a special area separate from corporate activities (Ralph et al., 1982, p.19)

It was through the Karpin report (1995, p.38) that generic management education was recommended and Karpin, backed by the 1995 Australian government, initiated federal generic management competency standards to be set out and delivered to SE owner/managers. Learning through VET and TAFE courses was not generally welcomed by SE owner/managers as a teaching method, for classical teaching methods were found to be an anathema to entrepreneurs (Meredith, 1984, Dawkins, 1991, Christie, 1992, and Williams, 1992). A consequence of the use of pedagogic teaching methods resulted in the majority of owner/managers having ‘grossly inadequate knowledge of management before starting a business (Williams, 1992, p.142).

3.6.1 Evaluating differences between learning and education.

Learning is an ongoing process of gaining knowledge and experience, whilst training is the flow of information from one to another (Field & Ford, 1995, p.95). Figure 3.13, presents graphically the difference between the two where training is a structured and orderly subset of total learning, and learning comes from a combination of education, experience and knowledge (Field & Ford, 1995, p96). Teaching was originally andragogic, where it was accepted that students were adults and should be respected as such (Knowles, 1990, p.27).

Hebrew prophets used case methodology, describing situations in parable form, exploring characteristics and solutions. Greek teachers taught through Socratic dialogue, where leaders posed a question or dilemma for the group to work together to find a solution, while Roman’s preferred a confrontational method, where groups stated a position and then defended it. Hundreds of years later, monks were taught to write by rote and since then teachers have continued to educate through pedagogic indoctrination,
stating facts and using a methodology of continuous spaced repetition (Knowles, 1990, p.28).

_Education is admirable, but it is well to remember from time to time, that not everything worth knowing can be taught._

(Weale, 1891)

Figure 3.13 Training as a subset of learning

As noted above, some theorists contend the majority of SE owner/managers are not enthusiastic about school-room conventional rote pedagogic learning (Meredith, 1984, Dawkins, 1991, Christie, 1992, and Williams, 1992). Indeed when working with business mentors or executive coaches, using an andragogic methodology, a process where SE owner/managers are able to become aware of and evaluate their experience, their business competencies are enhanced. The teacher in this instance is not the “guru”, but a guide who participates in the learning experience (Knowles, 1990, p.30).
Table 3.2 Conventional v entrepreneurial education approaches

<table>
<thead>
<tr>
<th><strong>Conventional approach</strong></th>
<th><strong>Entrepreneurial approach</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus in on content</td>
<td>Focus is on process of delivery</td>
</tr>
<tr>
<td>Trainer dominated</td>
<td>Ownership of learning by participant</td>
</tr>
<tr>
<td>Training expert hands down knowledge</td>
<td>Trainer as fellow learner/participant</td>
</tr>
<tr>
<td>Emphasis on ‘know that’</td>
<td>Emphasis on ‘know how’</td>
</tr>
<tr>
<td>Participants to receive knowledge passively</td>
<td>Participants generate knowledge</td>
</tr>
<tr>
<td>Sessions heavily programmed to needs</td>
<td>Sessions flexible and responsive</td>
</tr>
<tr>
<td>Learning objectives imposed</td>
<td>Learning objectives negotiated</td>
</tr>
<tr>
<td>Mistakes looked down upon</td>
<td>Mistakes to be learned from</td>
</tr>
<tr>
<td>Emphasis on theory</td>
<td>Emphasis on practice</td>
</tr>
<tr>
<td>Subject/functional focus</td>
<td>Problem/multi-disciplinary focus</td>
</tr>
</tbody>
</table>


Table 3.2 compares the conventional approach of teaching with the andragogic approach preferred by entrepreneurs (Holmes & Butler, 1995). The conventional method states information whilst the preferred method allows the entrepreneurs to develop, understand and ‘own’ the concept that they may then use in their own work environment. This is significant in the approach and discussions of education and development courses, as it is argued that the entrepreneurial approach develops both the participants and the educators through the mutual development of the education program (Holmes & Butler, 1995, p.283).

In 2003, the majority of conventional competency based education programs are being offered by government approved RTOs to employees with only a few SE specific courses either available from ANTA or being offered by TAFE (NTIS, 2002). The Queensland Department of State Development and Innovation programs and private business and executive coaches generally offer a combination of pedagogic and androgenic

Section 3.6.2 discusses the literature available regarding the government attitude to SE owner/management education and section 3.6.3 considers literature regarding education offered by non-government education institutions and organisations – both impacting on the model design Figure 3.2 (page 65).

3.6.2 Federal approach to education on competencies.

From the literature, it may be seen that Business Service Training Australia (BSTA) have considered the importance of SEs as a potential source of users for their courses due to the number of people employed in that sector, not as possible students for owner/manager specific courses (BST Package, 2002a). The BSTA 2002 scoping report (BST Package, 2002a) only mentions in passing that SEs are under-represented and there are barriers to the use of courses by owners and workers in SEs, without considering how to break down those barriers and encourage SE owner/managers to attend courses.

In fact, according to ANTA (ANTA, 2001b, p.3), whilst some of the courses may be of interest to SE owner/managers, courses are in general directed at the workforce.

In 1996/97, State and Territory Development Authorities produced a program that considered different methods of working with SEs. The report investigated seven information dissemination and education models (DEETYA, 1998) identified below.

1. Self-help information dissemination

In this model, operators were required to have advanced skill in research and complex analysis. The result was that this form of education was not considered appropriate for the benefit of SE owner/managers on a large scale as it was expensive and did not offer sufficient value to the participants to make it worth their while to continue.
2. Adviser-assisted information

Entrepreneurs did not generally feel confident in using this model as unknown advisors were used. This resulted in a lack of interest in the concepts and the participants felt that the content was not appropriate.

3. Education practitioner development

Education providers were able to direct the SE owner/managers to suitable education programs for them and their staff in this program and therefore this project had a positive response. This was only a short term trial and it remains to be established if it will have long term effects, however it was considered positive (DEETYA, 1998, p11).

4. Co-operative education cluster

In general, little interest was shown by SEs to co-operate and share experiences as they believed this could compromise their unique methodology, therefore whilst this system may be beneficial to certain types of business and entrepreneurs, it was not well attended (DEETYA, 1998, p14).

5. Expert-driven general business management course

Those SE owner/managers aware of the gap in their skill matrix, found the conventional education method acceptable. However, the course was inflexible, therefore SE owner/managers with little interest in a formal learning culture did not find this method appealing.

6. Business management consultancy model

This model had mixed results depending on the consultant’s methodology to address the particular situation of the firm in question. Generally a consultant will work on a particular problem, but is not required to assess a global position, therefore the benefit is not always sustainable as the environment changes and a new solution is then required.

Whilst this model is generally accepted as a reasonable method of knowledge transference, it is not considered a route for VET education as the requirement is problem specific and not sufficiently generic to warrant
Chapter 3 - Literature review

placing this type of learning in the educational context of general business management (DEETYA, 1998, p.18).

7. Co-operative general business management improvement model

This model of mentoring by experienced businesses to under-performing firms, focussed on the ‘sharing’ of experiences, information and growth knowledge. It received a positive response as less experienced SE owner/managers were open to specific pertinent advice and were not opposed to discussing their firm with a mentor.

Conclusion

The conclusion of the DEETYA trial study, found that:

‘doubt was cast on the key assumption of vocational education policy makers. Indeed the assumption that formal conventional education will meet the nation’s needs appears to disregard the views of SE owner/managers’ (DEETYA, 1998, p22)

As a result, the Government is still exploring approaches that could positively advance the business/management competencies of SE owner/managers. This quest is global and Australian States as well as the Federal Government are concerned to help, as a reduced insolvency rate offer significant financial benefits nationally.

3.6.3 State-government approach to education on competencies.

This study has chosen to focus its review of State involvement on the Queensland Government Department of State Development. In its strategic plan (QDSD, 2000), Queensland Department of State Development and Innovation’s aim was to work with business to ‘support sustainable economic development’ and focus its efforts on business growth (QDSD, 2003).

The Department has generic workshop programs covering key business topics. These programs deal with concepts in generic form. The research found six 3 hour seminars: understanding a business, marketing, business
financial basics, cash flow forecasts against profit and loss statements, customer service and business planning, which offered a generic business approach but do not deal with their specific or individual SE situations.

These programs are generic to all of Queensland Department of State Development’s offices, and it was determined in the survey for this study, that as the courses were short and aimed at offering pertinent information to SE owner/managers at a time they were open to receive the information, that SE owner/managers attending, perceived a quantifiable benefit for their organisations. In 2003, the Department is looking to find a course that can be assessed for both content and beneficial results and are discussing a possible ‘Linkage’ arrangement with the TAFE organisation.

3.6.4 Non-government approach to education on competencies.

In 2004 there are over 2,000 private and industry RTOs (ANTA, 2001b, p.8) offering a variety of services. A number of non-government RTOs offer only VET certified courses to cover curriculum relating particular subject matters. Some RTOs within industries offer courses that train and direct their members of staff focussing on problems and situations that may be unique to that industry or institution. These cover enterprises such as McDonalds or industry specific groups such as construction associations or the armed forces education of engineers, drivers or pilots in careers that may be used on the job or may be transferred to other jobs.

There are also many firms or individuals that offer help and assistance to SE owner/managers on an ad hoc basis, such as accountants, business trainers, financial advisors, bank managers or specialist business coaches.

For the thirty years ABS have gathered statistics relating to insolvency figures, the proportion of insolvencies has remained consistent as noted in section 3.2. These statistics indicate that whilst the above bodies may have assisted SE management development in some way, none have delivered a
system with a significant impact on reducing the proportion of insolvencies.

3.6.5 Summary.

Few small businesses participate in structured education, with research showing 5% of SEs considered conventional education relevant, yet 65% believed in the benefit of building their own knowledge through experience and the use of support groups such as management coaching, as they value hands-on practical and relevant to their business management education (DEETYA, 1998, p.2).

Methodology is the main difference between various types of education associated with delivery. Generally, government courses delivered to large numbers, are generic in content and pedagogic in delivery (ANTA, 2001b).

Figure 3.14 Section 5 of model of influence on SE solvency

![Figure 3.14 Section 5 of model of influence on SE solvency](image)

Source: Designed for current research
Section 3.6 considered the difference between rhetoric and actions of government agencies components of the model include the following business competencies noted in Figure 3.14 (page 116). Section 3.7 will consider the results of those actions.

### 3.7 Effect of management education (Model section 6)

(Figure 3.2 Model of influence on SE solvency competencies page 65)

Section 3.5 discussed the competencies required by SE owner/managers, section 3.6 considered the education offered and section 3.7 reflects on literature relating to outcomes of different methods of management education.

#### 3.7.1 Pedagogic approach

Both the small business professional development program of DEETYA and government agencies such as TAFE acknowledged that the rigid pedagogic approach was unmarketable to the SE sector (DEETYA, 1998, p.2). However, government education agencies continue to focus on the easier to access employee pool than the difficult to attract SE owner/manager sector (ANTA, 2001b). The result is that SE owner/managers, comprising the vast majority of employers, but are not prepared to accept standard education models, are neglected and marginalised in favour of educating employees.

#### 3.7.2 Andragogic approach

Literature by non-government organisations shows confidence that the number of SE owner/managers prepared to work with non-government business coaches is increasing (Holmes & Butler, 1995, p.274) and can boast of a high success rate.

In 1995 accounting firm Coopers and Lybrand, who have amalgamated with Price Waterhouse since 1997 and are now Pricewaterhouse Coopers, were
commissioned by the Industry Task Force on Leadership and Management Skill to prepare a report on SE education needs and extant literature (Holmes & Butler, 1995, p.277). The report indicated that SE owner/managers’ preferred method of formal learning, was in line with the entrepreneurial approach set out in Table 3.2 (page 111).

In his review of the Australian SE economy, Williams (1984) noted that ‘It is important that management educators understand the processes of the acquisition and development of expertise by successful SE owner/managers’. This view is supported by Meredith (1984) and Gibbs (1995). SE owner/managers often use their own resources of family, friends, industry associations and peers for advice due to the perceived inappropriateness of courses offered by government RTOs and the high price of non-government providers (Holmes & Butler, 1995, p.281).

### 3.7.3 Result of available education

Numerous reports and inquiries, as noted in section 3.3, demonstrate that significant lack of suitable education is available for SEs. This review has indicated that education methods offered to SEs are inappropriate and consequences are that the proportion of SEs failing remains undiminished over the last 30 years (Australian Bureau of Statistics, 2001c). The literature has shown that this continues due to the manner in which government agencies focus on rigid one size fits all inflexible programs for small enterprises and focussing their education efforts on employees.

Based on the literature review in sections 3.5 and 3.6, components of the model are completed in Figure 3.15 (page 119). Section 3.7 considered the difference types of management education delivery of RTO and non-RTO agencies and components of the model noted in Figure 3.15 (page 119). Section 3.8 will summarise the literature review.
Figure 3.15 Section 6 of model of influence on SE solvency

Source: Designed for current research

3.8 Summary and conclusion

The literature review examined modern industrial capitalist management from its inception at the industrial revolution to the entrepreneurial revolution of the 21st century. In addition, section 3.2 examined the various characteristics of SE entrepreneurs and the factors influencing insolvency.

As a consequence of management research, the knowledge of SE owner/managers and the competencies they require became apparent and studies were able to annotate the exogenous and endogenous influences on SEs that required action.

The review continued with an evaluation of management competencies both general and specific and then considered competency education offered by government and non-government education bodies, organisations and
consultants. Finally the literature discussing consequences of these education methods was considered.

The literature review leads to the model framework of this research denoted in Figure 3.2 (page 65), developed throughout the literature review, where the study considered organisation and management of the industrial capitalist age.

Against this model is the outcome of research with reports that have found repeated, the same results as summarised by Meredith (1984):

Despite the dominance of the small business sector, both in terms of enterprise numbers and employment, the bulk of management education and education resources were directed outside the sector. What is called for is the availability of qualified and experienced presenters and the need for market segmentation in the delivery of SE management education.

The research methodology following in chapter 4, describes the design of research around the topic relating to establishing whether tangible evidence exists to support the proposal that management competency education has a significant effect on the solvency potential of a SE business enterprise.
Chapter 4
Research Methodology

4.1 Introduction

The literature review in Chapter 3, led to five research issues to investigate the perceptions of providers and participants using combined quantitative and qualitative research methodology, described in this chapter. The first issue related to surveys of Management Education Courses (MEC) and development program facilitators. An issue developed in section 4.3, refers to the extent to which participating education institutions design and deliver SE management programs reflecting the needs of participants.

The resulting analyses of that situation led to three further issues linked to users of MEC. These were first, to identify whether SE owner/managers chose courses to develop competencies set out by federal programs. A second task was to determine if those SE owner/managers accessed the courses. Third, an assessment was made to see if courses developed competencies, and finally to examine whether the courses were perceived to contribute to a measurable increase in solvency.

Methodology used in this research was a systematic and objective process of gathering, recording and analysing data. The research was conducted to develop and evaluate concepts and theories and expand the limits of knowledge (Zikmund, 1997).

Research can be either pure research, which is conducted to verify acceptability of a given theory, or applied research undertaken to answer questions about specific problems. Both pure and applied research use techniques or procedures that are systematic and logical to help researchers confirm or disprove prior conceptions (Zikmund, 1997). Chapter 4 outlines the design of this research project and the techniques used to analyse data.
4.1.1 Chapter overview and objectives

Research design is a plan, structure and strategy of an investigation, prepared specifically to obtain answers to research questions (Kumar, 1998, p. 76). The aim of this study was to examine contributions to SE solvency of management education courses.

This chapter is set out in eight sections as shown in Figure 4.1 (page 123). Section 4.1 gives a chapter overview, explaining subsections and describing three research paradigms, while selecting and justifying the realism paradigm for this research.

Section 4.2 discusses research design, justifying the use of the realism paradigm within a combined quantitative and qualitative research methodology. Section 4.3 follows, describing the research strategy, listing the issues and assessing the research quality.

Section 4.4 focuses on data collection where the case selection, questionnaire design and data collection methodology are explained.

Sections 4.5, 4.6 and 4.7 present methods used to analyse data, examine ethical considerations and explain limitations of the methodology. Finally in section 4.8, the chapter is summarised and concluded.

4.1.1.1 Chapter objectives

The objectives of this chapter are to:

✓ Justify the use of a realism paradigm
✓ Justify quantitative research methodology
✓ Justify qualitative research methodology
✓ Discuss research strategy
✓ Discuss research quality
✓ Explain and review data analysis used
✓ Identify ethical considerations and limitations of this study.
Figure 4.1 Map of Chapter 4

4.1 Introduction

4.1.1 Chapter overview and objectives;
4.1.2 Justification of research paradigm

4.2 Research design

4.2.1 Research design alternatives;
4.2.2 Justification of quantitative research;
4.2.3 Justification of qualitative research;
4.2.4 A combined quantitative and qualitative study;
4.2.5 Conclusion

4.3 Research strategy

4.3.1 Assessment of research quality;
4.3.2 Summary

4.4 Data collection

4.4.1 Entity selection process;
4.4.2 Survey questionnaire design;
4.4.3 Summary

4.5 Data analysis

4.5.1 Preparing data for analysis;
4.5.2 Data analysis and interpretation;
4.5.3 Use of computer software;
4.5.4 Summary

4.6 Ethical considerations

4.6.1 SCU Graduate Research - Ethics requirements;
4.6.2 Anonymity and confidentiality;

4.7 Limitations of combined quantitative and qualitative

4.7.1 Location;
4.7.2 Timing;
4.7.3 Survey;
4.7.4 Time and budget

4.8 Summary and conclusions

4.8.1 Chapter summary;
4.8.2 Conclusion

Source: Developed for this research
4.1.2 Justification of research paradigm

To proceed in collecting data, empirical research requires the linkage of practical indicators to concepts, and the epistemology of the research may use more than one approach or methodology (Punch, 1998, p.47). Qualitative or empirical, non-numeric, information is at one end of a continuum whilst numerical quantitative data is at the other. Separating these two methods in Figure 4.2 are a number of alternate paradigms (Ticehurst & Veal, 2000, p.18).

Figure 4.2 Approaches and methodologies in research

![Figure 4.2](image)

Source: Adapted from Ticehurst & Veal (2000)

4.1.2.1 Paradigm differentials

A paradigm is ‘an overall conceptual framework within which a researcher may study’ (Guba & Lincoln, 1994, p. 105, Perry et al., 1999, p.16). Paradigms are used to determine suitable methods for contending with research exploration. A primary objective of commencing a research design, is the choice of suitable paradigm(s) (Chow, 2002, p.1). This study reviewed and evaluated three paradigms, those of positivism, phenomenology and realism. The characteristics of these paradigms are explained and tabulated in Table 4.1 (page 125), as a prelude to justifying them for this research.
Table 4.1 Characteristics of research paradigms

<table>
<thead>
<tr>
<th>Paradigm</th>
<th>Positivist Paradigm</th>
<th>Phenomenology Paradigm</th>
<th>Realism Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong> – Fundamental beliefs</td>
<td>A single apprehensible reality, that is known</td>
<td>Reality shaped by social, political, cultural and gender values</td>
<td>Critical realism – reality is apprehensible but imperfectly probabilistically</td>
</tr>
<tr>
<td><strong>Epistemology</strong> – Theory of method on grounds of knowledge</td>
<td>Value-free findings. Observer is separated from the process.</td>
<td>Interaction between researcher and research object</td>
<td>Researcher is part of research, but remains as objective as possible</td>
</tr>
<tr>
<td><strong>Methodology</strong> – Process of conducting research within a paradigm</td>
<td>Experimental / manipulative verification of issues usually quantitative, using experiments or surveys.</td>
<td>Transformative, intellectual. Using focus groups and action research.</td>
<td>Using case studies, this method depends on triangulating and several perceptions of reality. Includes qualitative and quantitative techniques.</td>
</tr>
</tbody>
</table>

Source: Adapted from Cavana, Delahaye and Sekaran (2001); Perry, Riege and Brown (1999); Guba and Lincoln (1994)

**Positivist**

The purpose of research influences its mode of inquiry, which in turn determines the choice of paradigm (Kumar, 1998, p.12). The positivist paradigm is based on ontology that there is a provable assumption in natural law. Positivist sociology assumes that the use of appropriate methods of analysis will uncover similar natural laws that may be described in an objective and value-free manner (McNeill, 1986, p.108) and good positivist research is replicable (Cavana et al., 2001, p. 8).

The epistemology is that ‘the researcher is independent and neither affects nor is affected by the subject of the research’ (Saunders et al., 2000, p.85). Positivism primarily uses a quantitative technique, as a numeric statistical answer is usually where the positivism paradigm finds its solutions. This research involved assessment using a survey and included data based
subjective considerations. In addition, this study researched the concept of qualitative contributions by MEC regimes, thus the use of a positivist paradigm alone was insufficient for this research.

**Phenomenology**

The phenomenology paradigm, developed by Edmund Husserl in the early 20th century (McNeill, 1986, p.112), involves an ontology of ‘discovering underlying assumptions, of which group members are often unaware, but which influence how they perceive’ (Saunders et al., 2000, p.86). McNeill (1986, p.111) cites Max Weber an early phenomenologist, who differentiated between natural science and social science, through the epistemology that humans made choices regarding their actions and could therefore choose to act differently under identical circumstances.

Phenomenologists argue that the world is largely what people perceive it to be (Cavana et al., 2001, p. 9). Being able to generalise the results is not a crucial issue, for as economic situations constantly change and each business entity is unique due to the individuality of human decision making, then generalisations become less valuable (Saunders et al., 2000, p.86). The methodology for this research is one where data is collected through a carefully designed survey and as a result, a theory is developed (Saunders et al., 2000, p.87).

The phenomenology paradigm depends on the interpretive ability of the scholar and focuses principally on the qualitative technique (Saunders et al., 2000). This study required both qualitative and quantitative data input. Thus, the phenomenology paradigm was also, by itself, unsuitable.

**Realism**

The final research paradigm considered was realism. The ontology of this paradigm is that it is appropriate for researching complex social phenomena in research about networks and strategy (Perry et al., 1999, p.22). The epistemology is similar to the positivist paradigm, where it is concerned with ‘real world’ activities and at the same time, it is also
similar to phenomenology as it accepts ‘realities’ that may not be empirically tested.

Realism methodology is a multi-method approach using primary and secondary data. Using the realism multi-method approach paradigm also allows triangulation to take place, which refers to ‘the use of different data collection methods within one study which cross-check information conclusion’ (Saunders et al., 2000, p. 99). Using the realism paradigm, creates knowledge about an external reality that is probably true, rather than completely true as asserted by positivism (Perry et al., 1999, p.18).

As every enterprise is unique, with each SE owner/manager having different levels of competency and data collection abilities, finding a probable result would be more possible than a single truism for all enterprises. The result of realism research, offers findings presented to become a catalyst leading to transformation (Cavana et al., 2001, 10)

4.1.2.2 Conclusion

Each approach brings a unique perspective to the research (Cavana et al., 2001). This study proposes to generate a body of knowledge to comprehend a problem and add to past research for future applications to similar studies. The survey used in this study questioned both 12 selected MEC operators and 10 randomly chosen SE owner/managers from each institution, who had completed management education courses, to evaluate the nature and value of the courses offered. Using a combination of quantitative and qualitative methodologies, resulting data was both objective and subjective giving descriptive results that develop the richness of data. Thus the realism paradigm offered a suitable research platform to collate the required data.

4.2 Research design

Once the research objective is defined, the research design can be planned (Cavana et al., 2001). In chapter 3, a theoretical model was developed and variables identified to find a solution for the business problem at hand,
refer Figure 3.2 (page 65). Chapter 4, examines the elements of the research design to demonstrate how data was gathered and analysed (Sekaran, 2003, p.117).

Research is defined by Clover and Balsley (1974, p. 1) as ‘The process of methodically obtaining accurate answers to significant questions by the use of scientific and systematic gathering and interpreting information.’ As the outcome of any study is influenced by the choice of research design, determining the characteristics is a significant factor in the quality of the conclusion (Miller & Salkind, 2002, p.18).

The nature of information to be surveyed was both innately quantitative, for example the percentage of SE owner/managers interviewed that were being instructed or guided in the use of and preparing business plans and the demographics of participants; and also qualitative, relating to the level of course participant satisfaction perceived greater by educational institutions. In the next section research design is explained and justified.

4.2.1 Research design alternatives

Social phenomena are generally complex, therefore choosing the right design for a research project is vital when looking for answers to research questions and controlling relevant variables. How the study goes about answering the questions will determine the outcome of the study and ‘the more variability, the more likely differences between groups will be detected’ (Miller & Salkind, 2002, p.19).

Research design is a master plan which specifies the methods and procedures for collecting and analysing data (Zikmund, 1997, p.48). There are three main types of research: exploratory, descriptive and explanatory or causal. The nature of research is a consequence of the type of or combination of studies to be carried out (Cavana et al., 2001).

Exploratory

Exploratory research is ‘initial research conducted to clarify and define the nature of a problem’ (Zikmund, 1997p. 37). Exploratory studies are a
‘valuable means of finding out what is happening and gaining insights to assess phenomena in a new light’ (Saunders et al., 2000, p.97). This research does not look for conclusive evidence to determine a course of action. Rather an indication was sought, that by examining the contribution to SE solvency of management education could lead to further causal research that could be used to increase the knowledge and ability of management in Australian organisations.

Descriptive

Descriptive research is ‘designed to describe the characteristics of a population or phenomena’ (Zikmund, 1997p. 38). The object is ‘to portray an accurate profile of persons, events and situations’ (Saunders et al., 2000, p.97). This is often carried out to describe characteristics of groups within an organisation or community (Sekaran, 2003, p.121). This research measured the management education for a target population and created a picture of its contribution to SE solvency. Although errors cannot be eliminated, the aim was precise description and results based on statistical testing.

Explanatory

Finally, explanatory or causal research establishes that an activity occurs as a direct consequence of a particular activity (Zikmund, 1997, p.40). This type of study is carried out to explain the nature of relationships between variables (Saunders et al., 2000, p.98) or establish differences amongst groups, or the independence of two or more factors in a situation (Sekaran, 2003, p.124).

In this particular study, the relationship of variables considered, was the contribution of business management education to SE solvency. Thus the type of research carried out was both exploratory and descriptive.

The next section discusses and justifies research designs relating to research methods. Conclusions or outcomes of any research, aim at
ensuring credibility, and to achieve this, results are to be seen as reliable, valid and having a proven ability to generalise (Ticehurst & Veal, 2000).

4.2.2 Justification of quantitative research

Most research involves data that are quantifiable to assist in answering research questions and are a product of an established research strategy. This type of information are referred to as quantitative data (Saunders et al., 2000, p.326).

Quantitative research is ‘a set of constructs, definitions and propositions presenting systematic views of phenomena specifying relationships between constructs explaining phenomena’ (Creswell, 1994, p.82).

The intent of this research was to relate contributions of management education constructs to solvency. Variables in the theoretical framework of Figure 1.5 (page 15) developed from the model in the literature review Figure 3.2 (page 65), were incorporated into the survey to work within the deductive methodology of quantitative research. The information gathered was carried out to either support or reject the issues researched (Section 4.3) that one or more of the constructs may contribute to certain outcomes.

The framework of Figure 1.5 (page 15) contains variables linking relationships between various factors. The model offers a number of variables identified from the conceptual model Figure 4.4 (page 144). First, the dependent variable of primary interest is the contribution to solvency of SEs. Second, the independent variables were the RTO or non-RTO education institutions courses. Next the moderating variable was the extent to which various management training courses contributed positive or negative influence through its contend and delivery. Finally, the intervening variable related to whether the courses offered were competency-based (Cavana et al., 2001).

Quantitative methods proceed from the positive assumption that ‘if something exists, it does so in some degree and can therefore be quantified numerically’ (Jankowicz, 1995, p.174).
These factors indicate that analysis of data is required to a greater or lesser degree and therefore quantitative techniques are valuable to use in this research. However, the next section shows that exclusive use of a quantitative method would prevent a full contribution from data to research outcomes, due to benefits embedded in the qualitative areas of the research.

4.2.3 Justification of qualitative research

The mid-eighteenth century historian Grambattista Vico introduced the concept of a qualitative approach to research. Vico wrote that ‘only people can understand people and they do this through a faculty called intuitive understanding’ (McDaniel & Gates, 1993, p.187).

Cavana et al (2001, pp.133-4) cite Maykut and Morehouse (1994) to identify the assumptions of qualitative research, where they differ from the traditional positivist assumptions. First, qualitative research emphasises understanding people and taking a perspective stance, rather than making statistical assumptions. Second, the aim is to discover patterns of behaviour, which cannot be investigated through positivist methods. The technique’s aim is to ‘come to terms with the meaning rather than the frequency of more or less naturally occurring phenomenon (Ticehurst & Veal, 2000, p.94). The emphasis is on individuals’ interpretations of their environments and their and others’ behaviour (Bryman, 1989, p.29).

In this study, a qualitative approach was incorporated into the research to determine perceptions, attitudes, feelings and motivations of SE owner/managers concerning management competency and coaching courses. This study was not only carried out to identify and quantify some types of competencies available, taught and used, but also to establish and understand the perceptions, attitudes and requirements of SE owner/managers towards the courses.

A qualitative method is complementary to the quantitative research, resulting in a holistic understanding of the factors involved and how they interrelate. In addition the method seeks to develop knowledge by ‘linking
the accounts people give to an underlying body of theory’ (Jankowicz, 1995, p.173).

### 4.2.4 A combined quantitative and qualitative study

Combined approaches within the same piece of research may be possible and often advantageous (Saunders et al., 2000, p.90). Table 4.2 summarises some major differences between deductive and inductive approaches to research.

<table>
<thead>
<tr>
<th>Quantitative emphasises</th>
<th>Qualitative emphasises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientific principles</td>
<td>Gaining an understanding of the meanings humans attach to events</td>
</tr>
<tr>
<td>Moving from theory to data</td>
<td>A close understanding of research context</td>
</tr>
<tr>
<td>The need to explain causal relationships between variables</td>
<td>The collection of quantitative data</td>
</tr>
<tr>
<td>The collection of quantitative data</td>
<td>The collection of qualitative data</td>
</tr>
<tr>
<td>The application of controls to ensure validity of data</td>
<td></td>
</tr>
<tr>
<td>The operating of concepts to ensure clarity of definition</td>
<td></td>
</tr>
<tr>
<td>A highly structured approach</td>
<td>A more flexible structure to permit changes of research emphasis as the research progresses</td>
</tr>
<tr>
<td>Researcher independent of what is being researched</td>
<td>A realisation that the researcher is part of the research process</td>
</tr>
<tr>
<td>The necessity to select samples of sufficient size in order to generalise conclusions</td>
<td>Less concern with the need to generalise</td>
</tr>
</tbody>
</table>

Source: Adapted from Saunders, Lewis and Thornhill (2000) p.91

This combined study uses deductive positive approach, collecting secondary data to form a theory and develop issues to test. As a result of...
data analysis, using inductive phenomenology approach, further theories are able to be developed (Saunders et al., 2000, p.95).

There are four major reasons for using combined quantitative and qualitative methodologies. First, combined quantitative and qualitative studies ‘address studies within the realism paradigm, explaining theory construction and building, rather than testing and verification’ (Perry et al., 1999, pp. 19-22).

The second reason is that combined quantitative and qualitative studies ‘delve deeply (into the problem) to gain an understanding of the phenomenon’ (Perry et al., 1999, pp. 19-22). To achieve this, a rigorously tested theory is developed, concluding in deduction of an issue between two or more events which may be tested and modified if required, as well as inductive theory building through interviews and data analysis (Saunders et al., 2000, p.p. 87-88).

Third, as the construction of theory builds, so the ‘relationships identify and are categorised with the goal being isolated and precise definitions of categories to determine relationships’ (Perry et al., 1999, pp. 19-22). A combined quantitative and qualitative study suits this research, as the issue is to establish why people choose to be taught competencies and how they are delivered. In addition to identifying the SE owner/managers that use MEC, what MECs do SE owner/managers prefer and where can graduates use this knowledge in their enterprise.

Finally, this study deals with an area previously overlooked, where researchers have constantly noted SE owner/managers’ aversion to pedagogic teaching mode (chapter 3, Section 3.7.1), yet rigorous academic research appears to be absent from the literature.

A combined quantitative and qualitative study is used, where each entity is not individually the object of study, but multiple sources of information are used as instruments to illustrate issues (Miller & Salkind, 2002, p.162).

In this study, the entities were from two populations of interest. The first population of business management educational enterprises identified
“why” they chose to teach certain business competencies, “where” their clients came from and “how” they delivered that knowledge.

The second population, were graduates of the MEC and explained “who” they are, “why” they chose certain courses and education institutions, “what” competencies had been gained and “how” the knowledge affected and benefited their enterprise solvency.

A combined quantitative and qualitative methodology, using a realism paradigm is thus justifiably suitable for this research study. The problem covers “how, why, who, what and where” questions over contemporary events (Yin, 1994, Saunders et al., 2000) requiring little or no control over behavioural events as illustrated in Table 4.3.

<table>
<thead>
<tr>
<th>Propositions</th>
<th>Focuses on contemporary events?</th>
<th>Control over behavioural event required?</th>
<th>Type of research problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research methodology</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Combined Quantitative &amp; Qualitative</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Developed from Yin (1994)

4.2.5 Conclusion

The method of this research was such to allow the deductive testing of the theory that there is a contribution to SE solvency by MEC.

The utilisation of both quantitative and qualitative methods in this research developed a broad appreciation of the subject. These were not alternative methods of approaching the same issue, instead, they were unique means of answering different types of questions, approaching assumptions and reflecting worldviews of how individuals or groups can best be studied (Creswell & Maietta, 2002, p.143). The best method to use was ‘one that
was most appropriate to the kinds of questions posed in a research problem’ (Jankowicz, 1995, p.174).

The methodology called for results from one method to be cross-checked or triangulated with results from the other method. This confirmed not only what people said they were doing and what they were seen to be doing, but also what they were recorded as doing (Jankowicz, 1995, p.175).

Combined - method research is a common scenario (McDaniel & Gates, 1993, p.189) - it is not a case of deciding which method is more suitable to use, but of considering the appropriateness of one method or as in this case, using the two methods in conjunction, to effect a better final research product (McDaniel & Gates, 1993, p.190). The next section discusses the research strategy and the justification of that choice.

4.3 Research strategy

Ticehurst & Veal (2000, p2) quote Bennet’s (1991) definition of research as: ‘a systematic, careful inquiry or examination to discover new information or relationships and to expand / verify existing knowledge for some specific purpose’.

There are a number of ways to carry out social science research, such as experiments, surveys, case studies, action research, histories and secondary analysis (Yin, 1994, p.1). However, exercising the spirit of Bennet’s definition is important when choosing and designing the research strategy. To determine the type of investigation being carried out, consideration is given to what result is required. If it is to discover that variable X caused variable Y, then a causal study is required. However in this study, a consideration of variables associated with the problem are under review, thus this becomes a study of correlation (Sekaran, 2003, p.126).

There are occasions when more than one strategy may be relevant (Yin, 1994, p.9). In this study, the purpose is to generalise from a population so that inferences can be made about various characteristics, attitudes and behaviour of another population being researched (Creswell, 1994, p.118).
The first survey assesses business education establishments, qualifications of facilitators and quality education offered by various organisations. The second survey examines attitudes of participants, changes to business practices as a result of courses and benefits gained by SEs that affected their solvency. These are based on the research problem issues noted in section 1.3.2 (page 7) and the research model Figure 3.2 (page 65).

4.3.1 Assessment of research quality

This section examines assessments of research quality, establishing the validity of results, reliability of data and practicality of the measurement tools (Cooper & Schindler, 2001, p.210). The instruments are requested to measure concepts accurately and constructs measured are relevant to the tested issues (Cavana et al., 2001, p.209).

Validity

Validity of a measurement instrument is ‘the extent to which the instrument measures what it is supposed to measure’ (Leedy & Ormrod, 2001, p.31). The criteria for judging quality issues relating to method according to Yin (1994, pp32-38) are the construct validity, establishing correct optional measures for concepts being studied. Validated measures of high quality negate the necessity to re-establish their validity for each study (Cavana et al., 2001, p.322). To achieve this level of validity, several validity tests may be used before carrying out the survey, to test the goodness of measures. Four validity tests follow to test the goodness of measures. They are ‘face validity, content validity, criterion-related validity and construct validity’ (Cavana et al., 2001 p. 212).

Face validity

This is an assessment of the survey in regard to it being clear and understandable to the subjects and is tested through a pilot survey (Cavana et al., 2001, p.212)
Content validity

Content validity is a function of how well the dimensions and elements of a concept have been delineated’ (Sekaran, 2003, p. 206). Content validity ensures the survey contains sufficient measures to represent the construct of interest (Gauld, 2002, p.112). There are at least three tests for this – first from the literature, secondly qualitative research and finally from the judgement of a specialist panel (Cavana et al., 2001, p.213).

Criterion-related measurement

Criterion-related validity is where the measure differentiates that are either known to be distinct, or can be measured to categorise entities on a predictive basis (Sekaran, 2003, p. 206). This may be done through concurrent validity or predictive validity (Cavana et al., 2001 p.213).

Concurrent validity is established where the scale discriminates between sets that are known to be different (Sekaran, 2003, p.206) such as competency-based RTOs and non competency-based non-RTOs.

Predictive validity indicates the ability of the measuring instrument to differentiate among individuals regarding future criterion. For example, graduates using business plans could be expected to have higher levels of solvency than graduates without business plans (Sekaran, 2003, p.207).

Construct validity

Construct validity measures either where the data obtained using the two populations or instruments are highly correlated or highly uncorrelated (Sekaran, 2003, p. 207).

This validity testifies as to the correlation of the results to the theory from which the issues were designed. Two forms are convergent and discriminant validity (Cavana et al., 2001 p.213).

Convergent validity is established where the results of two different instruments measuring the same concept return results that are highly correlated (Sekaran, 2003, p.207).
Discriminant validity is established where two variables are predicted to be uncorrelated and the results establish that to be the case (Sekaran, 2003, p.207).

The RTO and non-RTO constructs were expected to be uncorrelated and this is another area of construct assessment.

This data are tested for validity using factor analysis to determine the quality of dimensions within the survey. Once the validity was established, further validity becomes unnecessary.

Reliability

Reliability is the ‘constancy with which a measuring instrument yields a certain result’ (Leedy & Ormrod, 2001, p.31). Reliability in this context relates to consistency of effect, where the results of constructs measured demonstrate a high percentage of similar outcomes (Yin, 1994), and is without bias (Cavana et al., 2001, p.210). The key to this is the documentation of the activities, which show that the activities and the results through statistical analysis indicate a regular pattern of reliability (Cooper & Schindler, 2001).

Stability and consistency of measurement

The ability of a measure to remain stable over time, indicates the stability and consistency that the instrument measures the concept and assesses the ‘goodness’ of the measure (Sekaran, 2003, p203). The goodness of the measure is attested by the repeatability of the test under similar circumstances whether a test-retest reliability or parallel-form reliability (Cavana et al., 2001, p.210). There are a number of approaches to testing for reliability and four of those tests are test-retest, parallel-form, split-half reliability and Cronbach’s coefficient alpha.

Test-retest related reliability is where the test is repeated and found to consistent (Sekaran, 2003, p204). Parallel-form reliability is where participants replying to the same construct have a high correlation (Sekaran, 2003, p205). The constraint of these tests is that the same
participants have to be retested over a period of time and this is unacceptable in this survey.

Split-half reliability requires the participants to be divided into two equal camps and estimate correlations between these camps. This too is impracticable as the numbers, whilst sufficient to establish certain statistical correlations would not be sufficient if the groups were halved (Cavana et al., 2001 p.211).

The Cronbach coefficient alpha was used to measure the mean reliability estimates for all possible ways of splitting the set whilst keeping it intact. This test is used for multipoint-scaled items and for dichotomous items and therefore the Cronbach alpha method was used in this study to compute the reliability of the measures of variables (Gauld, 2002, p.111).

The Cronbach coefficient alpha test was carried out using version 10 of the Statistical Package for the Social Sciences (SPSS) computer package. To identify results, low Cronbach coefficient indicates that the observed variables performed poorly and a high Cronbach coefficient indicates the observed variables correlated well (Gauld, 2002p.111).

Practicality

Finally, whilst the research calls for the measurement process to be valid and reliable, the operational requirements are to be practical, in order that repetition is possible to validate the data (Cooper & Schindler, 2001, p.218).

The practicality or generalising of the research refers to the findings being applicable to other subjects, groups and conditions (Ticehurst & Veal, 2000, p.24).

4.3.2 Summary

This section justified choosing the combined quantitative and qualitative method. All necessary checks and balances were considered that required to ensure the quality of research will be valid, reliable, practical and may
be generalised. Construct validity, reliability and the ability to generalise results, were the criterion used to explain the reasons for using both a qualitative case study and quantitative survey instrument to validate the issues.

In order for the research using these criterion to achieve a high standard of result, a substantial amount of preparatory design in the data gathering process is required (Ticehurst & Veal, 2000, p.39).

Thus the goodness of data is established to validate and measure through stability and consistency of the various validity measures used in the test.

4.4 Data collection

This section examines the types and sources of data for the realism method of collection. Saunders, Lewis and Thornhill (2000, p.224) cite the categorises defined by Delbridge & Kirkpatrick (1994) by types of data generated through participants as ‘primary’, ‘secondary’ and ‘experiential’.

Primary observations are those activities noted as they happen. They are data specifically collected in research where the researcher is the primary user (Ticehurst & Veal, 2000, p.82). This is the firsthand collection of data by the researcher on variables of interest for the specific purpose of the study (Sekaran, 2003, p.219). That is information from focus groups or respondents relating to the study, whose opinions on the topic are sought.

The secondary data are sources in existence, such as company records, government publications or academic papers (Sekaran, 2003, p.219). Secondary data could also be collected from earlier primary research but may be used a second time in current research. For this research, it was possible to approach data not fully exploited by original collectors of the data and from a different aspect. There are a number of reasons for this, it is possible that the original study was researching a different aspect of the topic, or not in the field that the new researcher is studying, or that available data are open to alternative interpretations. It is the further
analysis of this data that are referred to as secondary research (Ticehurst & Veal, 2000, p.82).

Finally, experiential data are the observations and feelings of the observer (Saunders et al., 2000, p.225). These experiential factors may be collected as a result of observations and discussions with multiple participants (Cavana et al., 2001).

An important factor in choosing a data collection method is dependent on the level of personal involvement of the researcher, rather than a desire to produce quantitative or qualitative data (McNeill, 1986, p.113) as noted in Figure 4.4 (page 145).

### 4.4.1 Entity selection process

Concern regarding the generalising of combined quantitative and qualitative research is due to number of entities that might be examined, particularly where only a small number of untypical organisations are considered (Bryman, 1989, p.170). In this study, the unit of analysis was not a firm, but events offered by some entities and linked activities carried out by others. This is in line with Yin (1994) and Bryman (1989), who argued case studies should be evaluated in terms of adequacy of theoretical inferences generated and tested against comparable contexts.

Combined quantitative and qualitative studies can be used first to test theories and second to generate new ideas (Bryman, 1989, p.174). Third, combined quantitative and qualitative studies can confirm secondary data from other research. In this study, collected data came from entities as a result of a combined quantitative and qualitative studies and the product was analysed together with information from secondary data to offer a qualitative conclusion. Bryman (1989, p.175) asserts that ‘most combined quantitative and qualitative study research involves more than one method of data collection’.
Sampling and selection

In order to ensure the research was valid, reliable and relevant, it was necessary to develop a sampling strategy for the choice of a good cross-section from the education and development providers’ population, together with the type of clientele delivery institutions attract.

In this research the sample population of MEC entities surveyed was divided into the following four classifications: Government and non-government Recognised Training Organisations (RTOs); State and private Non-RTOs. The researcher, contacted representatives from each of these populations and a selection form each group agreed to participate.

The key criteria was that MEC providers offered a consistent management program that could be validated and that the provider was prepared to contact a random selection of graduates of their MECs, to be approached for inclusion in the second stage of the research.

4.4.2 Survey questionnaire design

A well-designed questionnaire will provide accurate and usable data (Cavana et al., 2001, p.226). To maximise the potential to provide accurate and usable data, the questionnaires were designed using three principles. First careful questionnaire wording, second, applying categorisation, scaling and coding of the responses and finally overall appearance of the questionnaire was of the highest quality (Cavana et al., 2001, p.227, Sekaran, 2003, p.237). These three aspects, illustrated in Figure 4.3 (page 145), show the breakdown of the process. The purpose of each question considered the adequate measurement of that variable. The type and form of question depended on whether the information related to an objective variable, such as length of time a course had been available; or a subjective variable such as satisfaction or perceptions of the usefulness of a course (Cavana et al., 2001, p.228).
The following illustrates wording, layout and the measurement of results of the sections of questionnaire part 1, answered by institutions offering business/management programs.

1.5 What specific qualifications do the presenters require? (Tick all applying)
- Internal training? Yes □ No □
- Cert iv assessment & training? Yes □ No □
- Teacher qualified? Yes □ No □
- Under-graduate? Yes □ No □
- Business experience? Yes □ No □
- Other □ Yes □ No □

1.14. Why did participants undertake the program? (Tick all applying)
- □ Build business management skills
- □ It provided competency-based skills
- □ Develop business solvency skills
- □ Personal interest in business studies
- □ To help grow the business
- □ They had no business experience
- □ Others were doing it
- □ Personal recommendation

Participants of the second part of the questionnaire were graduates of MECs. Their answers were an assessment of the delivery of management training courses available in 2002/3, together with effect and positive or negative benefit to their enterprise as a direct result of attending course(s).

An illustration of 2 sets of questions demonstrates alternatives used in questionnaire part 2.

1.6. What is your main area of activity? (Tick one)
- □ manufacturing
- □ construction
- □ financial services
- □ retailing
- □ administration
- □ professional services
- □ wholesaling
- □ public service
- □ service industry

### Part 2

Name of program(s): .........................................................

<table>
<thead>
<tr>
<th>COMMENT</th>
<th>YOUR OPINION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>The course was interesting.</td>
</tr>
<tr>
<td>2.2</td>
<td>I found the course useful to effect the solvency of my business</td>
</tr>
<tr>
<td>2.2</td>
<td>The facilitator was a good instructor.</td>
</tr>
<tr>
<td>2.3</td>
<td>I could relate the examples used back to my workplace.</td>
</tr>
</tbody>
</table>
Interview instrument

The survey questionnaire was in two parts. The first part of the questionnaire was answered by MEC facilitators, seeking details of institutional type, background of trainers including relevant business experience, education content of courses offered and method of delivery.

In order to achieve this, design of the interview instrument questionnaires considered all aspects of the research survey. This may be seen in Figure 4.3 (page 145) showing different aspects of a questionnaire design and administration process (Cavana et al., 2001, p.228), breaking the preparation of the survey into three steps for each population.

Figure 4.3 (page 145) notes, the first step of the design was to determine the wording needed to achieve the research objectives. To accomplish this, Table 4.4 was developed to indicate the constructs/relationships in the research model to the questions in the survey (Cavaye, 2002, p.1).

Table 4.4 Relationship of issues to questions

<table>
<thead>
<tr>
<th>Issues</th>
<th>Questions MEP</th>
<th>Questions SEO/M</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.3, 1.13, 1.14, 1.15, 1.16, 1.17</td>
<td>1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18, 2.2, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.20, 2.21, 2.22, 2.23, 2.24</td>
</tr>
<tr>
<td>2</td>
<td>1.6, 1.7, 1.8, 1.9, 1.10, 1.13, 1.14, 1.15</td>
<td>1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18, 2.2, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.20, 2.21, 2.22, 2.23, 2.24</td>
</tr>
<tr>
<td>3</td>
<td>1.14, 1.15</td>
<td>1.7, 1.8, 1.9, 1.10</td>
</tr>
<tr>
<td>4</td>
<td>1.6, 1.7, 1.85, 1.91.14, 1.15</td>
<td>Part 3, Part 4</td>
</tr>
<tr>
<td>5</td>
<td>1.6, 1.7, 1</td>
<td>2.3, 2.16, 2.17, 3.9, Part 4</td>
</tr>
</tbody>
</table>

Key: MEC - Management Education Providers
SEO/M - Small Enterprise Owner/Managers

Source: Developed for this research

The primary data collection mechanism in this research was an interview instrument. The design was essential to isolate competency-skills taught and method of delivery by the first population (institutions) and addressed the first issue noted in section 4.3 research strategy (page 135).
This step began by determining that the graduate group would assess the perceived quality of the MECs, the method of education used and the long-term benefits of using the system offered by the first population. Therefore, it was necessary to determine from the institutions what were the concepts offered, the method of delivery such as pedagogic or andragogic, why management education institution chose those particular management skills to cover and expectations of the education body in terms of benefits to the graduates of the courses.

Figure 4.3 Principles of survey questionnaire design

The questions were clear and unambiguous, the type and form of question endeavoured to give the clearest answer. In general, closed questions were
sought which were beneficial for the researcher to code, but some questions were open-ended to offer greater depth of discussion, such as asking the respondents what they liked about a particular teaching method.

The sequence of questions were devised to cross check emotive answers for consistency and in order to assist the respondents progress through the questionnaire with ease and comfort (Sekaran, 2003, p.243).

Step 2 in Figure 4.3 (page 145) concerns the principles of measurement that ensures the data collected are appropriate to test the issues (Cavana et al., 2001, p.234). Once the information regarding the data sought are determined, the method of data measurement was considered. As noted in section 4.4 (page 140), the researcher personally collected all data and was involved in every instance, thus whilst no details were recorded on to the name of entities or people being surveyed, everyone was surveyed personally in order to have the highest percentage of respondents completing the survey. By using the appropriate principles of measurement, as noted in Figure 4.3 (page 145), the goodness of data is assessed through tests of validity, reliability and repeatability (Sekaran, 2003, p.244). The development of measurement scales were consistent with the information being sought. Ordinal scales were used to identify age groups, years in business, income and educational background.

Nominal scales were used to identify satisfaction and levels of benefits considered achieved. Finally, interval scales were used to measure attitudes and behaviour relating to constructs such as satisfaction and preferences (Mason & Lind, 1996, pp. 14-16).

In order to establish clear, specific and unambiguous definitions of the research problem (Norizan, 2002), operational definitions for each construct was designated and listed in definitions (chapter 1 section 1.7).

Step 3 in Figure 4.3 (page 145) relates to the general appearance. The general appearance of the questionnaire is the final principle of the questionnaire design. A professionally designed questionnaire, with a good preamble that introduced the researcher and conveyed the purpose of the study increases the likelihood of participants assisting in data collection.
4.4.3 Summary

This section discusses types and methods of collection used for research. This study focussed on a combined quantitative and qualitative study methodology with a realism paradigm, using in-depth survey questionnaires with 2 populations, those of management education institutions and participants. The design of the surveys was such that all the active variables and operational constructs were covered.

The next section examines the means by which collected data are organised, managed and analysed, and discusses key issues regarding data collected during the explanatory stage (Cunneen, 2002, p.179).

4.5 Data analysis

The data analysis was completed in a series of steps (Creswell, 1994, p.122), and is explained in detail, section by section (Siegel, 1997, p.515). These steps were first preparing for analysis, second getting a feel for the data, third testing “goodness” of data, and finally testing issues (Sekaran, 2003, p.301) (see Figure 4.4 page 149). The steps covered type of data required, manner in which data are collected and how data are reported (Saunders et al., 2000, p.327). The results have been presented in table form indicating information as output, thus familiarising the researcher with recorded data (Jankowicz, 1995, p.190). The report then broke down results, tabulates information, and discussed the dependent and independent variables, explaining their significance (Jankowicz, 1995). Finally the responses verified conclusions (Cunneen, 2002, p.180).

Figure 4.4 (page 149), is a flow diagram showing steps taken before data are analysed to test the issues. Step one prepares data for analysis whilst steps two to four cover analysing data.
Quantitative survey analysis

Quantitative survey analysis may be considered in two distinct groups, categorical and quantifiable (Saunders et al., 2000, p.328). Categorical data cannot be measured, but can be classified or ranked. In this survey, types of educational institute, gender and qualifications of participants is categorised. This data can be further sub-divided into descriptive (or nominal) and ranked (or ordinal) (Saunders et al., 2000, p.328).

Quantifiable data are those that may be numerically measured, such as % of post-graduate education presenters or number of years in business. These offer continuously quantifiable data. Discrete data can be measured precisely, such as the number of participants, or number of participants completing courses.

Qualitative analysis

This analysis is rooted in an inductive, qualitative approach. The object is to express the world as it is understood by the subject (Saunders et al., 2000, p.95).

This method is derived from the Chicago school of social research in the 1920s and 1930s (Saunders et al., 2000, p.219). In this study, the observations come from the questionnaire and the opinions of the participants.

4.5.1 Preparing data for analysis

It may be seen by institution questionnaire in Appendix A and graduate questionnaire in Appendix B, that to ensure analysis was straightforward, consequences of coding were considered at the time the questionnaire was being formulated (Sekaran, 2003, p. 305). For example, gender codes were a “1 or 2”, whilst a 7-point Likert scale was used in other questions. To verify consistency, the questionnaire scattered contiguous questions in different areas of the questionnaire. The answers were then consolidated
and analysed together to confirm or rebuff the responses offered in the questionnaire. For example question 1.18 and 3.1 both ask about business planning. After collection, the data are keyed into the analysis program and to achieve this, all the stages of Figure 4.4 are actioned (Sekaran, 2003, p.302).

Figure 4.4  Flow diagram of quantitative data analysis process

4.5.2 Data analysis and interpretation

The three objectives of data analysis noted in Figure 4.4, are expanded below, step 2 (getting a feel for the data), step 3 (testing for goodness of data) and step 4 (testing the issues developed for the research). Data analysis is the application of logic to understand and interpret data collected (Zikmund, 1997, p 57). In this research business education facilitators and SE owners were surveyed to establish a connection between...
what the facilitators proposed to offer and what the SE owner/manager considered was received. A multivariate analysis design, which allows the simultaneous investigation of more than two variables (Zikmund, 1997, p 657), was chosen to analyse the data.

SPSS version 11 statistical analysis and analysed data, correlated variables and tested assumptions (Coakes & Steed, 1999).

Getting a feel for the data

By calculating the test of the means, standard deviations and variances, this presented the researcher with an overview of how the participants responded to each question. The information gained from these ratios showed that the scales were sufficiently graded to give a significant result (Sekaran, 2003, p.306).

Testing for goodness of data

Goodness of data are tested for reliability and validity as noted in section 4.3.1. In this research, convergent validity, which establishes the degree of correlation in the results and discriminatory validity establishes when two different concept are not correlated and do not converge (Cavana et al., 2001, p.321) was used.

Once the initial feel showed that the information was credible, the goodness of fit was established to lend credibility to the succeeding analyses and findings (Sekaran, 2003). The test was to determine ‘how well an observed set of data fits an expected set of data’ (Mason & Lind, 1996, p.576).

Testing the issues developed for the research

Finally, once the data was sorted and the goodness of measure established, it was possible to test the issues through the use of the SPSS software as noted in 4.5.3 (Sekaran, 2003).
4.5.3 Use of computer software

There are a number of qualitative data analysis programs available - such as ATLAS/ti, NUD*IST, and SPSS (Ticehurst & Veal, 2000). They store, organise and process data and it was necessary to choose the most suitable for the study in question.

Because of the amount of data, a statistical package was useful to analyse the data. From the programs noted, Non-numerical Unstructured Data Indexing, Search and Theorising (NUD*IST) was a most widely used qualitative package, whilst Statistical Package for the Social Sciences (SPSS) was used for analysing survey data (Ticehurst & Veal, 2000).

SPSS was chosen to analyse data for this research survey. However, whilst the SPSS program was used to seek patterns within the data, as there were only a relatively small number of cases, in order for the richness and depth of meaning to be extrapolated, additional software was not considered necessary.

4.5.4 Summary

As this research was problem orientated, data guided the choice of analysis. Once data from the first questionnaire was completed, data were analysed in advance of carrying out the second survey. This enabled the researcher to be assured that information received could be used as a confirmatory data analysis (Cooper & Schindler, 2001, p.453).

4.6 Ethical considerations

Southern Cross Ethics Committee reviews research surveys to protect the individual, the institution and collective welfare and rights of participants. In addition committees protect Universities and researchers from inadvertent moral or legal risks by considering the principles of respect for persons, beneficence, and justice (Weatherby, 2003).
In this research, individual answers or scores had no relevance, for the unit of analysis was an event rather than a firm or individual and the researcher ensured the anonymous nature of the surveys, thus ensuring that there were no ethical considerations to consider. In addition, participants had the rationale of the survey explained and were able to cease their participation at any time without reason.

4.6.1 SCU Graduate Research - Ethics requirements

The Ethics Committee of Southern Cross University considered the anonymity of the survey and that participation indicated sufficient consent to the survey that they cleared the two surveys.

Section 1.9 of the National Statement provides for consent in the form of the returned survey questionnaire. The information implies consent to use the data in the research project.

“Where consent to participate is required, research must be so designed that each participant’s consent is clearly established, whether by a signed form, return of a survey, recorded agreement for interview or other sufficient means”.

4.6.2 Anonymity and confidentiality

All participants were volunteer SE owner/managers. The researcher informed all participants about the survey individually. The survey was anonymous, with no participant ID requested. Only interested parties took part in the surveys. The researcher relied on two guidelines found in the National Statement on Ethical Conduct in Research Involving Humans to design the research with informed consent assumed from the filling out of the survey form.

1 Participants were told that completion of the survey means that data will be used in the study.

2 No single individual was identified in any manner.
There were no potential risks (emotional, physical, economic, privacy, legal) envisaged for the participants. There were also no risks, harms, stresses, discomfort or other matters likely to affect the participants.

4.7 Limitations of combined quantitative and qualitative study methodology

Formulation of a research strategy requires judgement, particularly in view of the use of resources. Full consideration is given both to the data and its analysis (Ticehurst & Veal, 2000, pp.38-39). The limitations resultant from the choice of strategy are offered not to diminish the quality of the research, but to indicate the significance of the methodology (Cooper & Schindler, 2001, p.616). In this research, the conclusions are valid and assessable within their boundaries.

4.7.1 Location

Using qualitative case studies in South East Queensland, made for convenience for the researcher, however, many of the surveyed education institutes were State wide or national institutions. In addition, the case study method enabled detailed information from multiple sources, which allowed collection of in depth verifiable evidence (Cooper & Schindler, 2001, p.138).

Uniform location of respondents eliminated the potential influence of environmental differences and their impact on SE solvency.

4.7.2 Timing

Information gathered for research was to assess the effect of management education on the performance of entrepreneurs’ company activities, and data was collected in 2003. Conditions may change over time.
4.7.3 Survey

The survey studied information to establish if the SE owner/managers used planning, financial and management competency-skill to develop a significant effect on the solvency of the entity. In addition, it was important to establish if those skills did exist, whether the SE owner/manager learnt them from courses or from elsewhere. As noted earlier in the chapter, a survey method has some limitations.

4.7.4 Time and budget

The researcher had a small budget and had to do all the interviews personally within a limited timeframe. The result meant that whilst all participants had an equal opportunity to complete the questionnaire, a limit of the number of participants was set to enable the researcher to work within a set time frame.

4.8 Summary and conclusions

Chapter 4 considered aspects of methodology used in this research and consequently justified each aspect of the study, which investigated the contribution of management skill education to SE solvency.

4.8.1 Chapter summary

The realism paradigm used, incorporated a triangulation of research methods to create knowledge about external reality (Perry et al., 1999). In the study, the type of research used was a combination of exploratory and descriptive research to clarify and define the nature of the problem and to describe the characteristics of a population (Zikmund, 1997).

Due to the nature of the deductive testing, the researcher used both qualitative and quantitative methods, with two surveys conducted through case study research with valid, reliable and practical results using a cross-
section of education and development providers’ population together with the type of clientele they attract.

Thus, the qualitative multi-case study methodology used a realism paradigm with an in-depth quantitative survey on two populations covering all active variables and operational constructs.

4.8.2 Conclusion

Data collection and analysis used a survey research study protocol and interview instrument. The techniques employed were designed to support statistical data analysis, for a methodology appropriate in support of a small number of cases.

This chapter discussed the methodology used in this research. Chapter 5 presents the data analysis results using this methodology and chapter 6 presents conclusions and implications of this research (Cunneen, 2002).
Chapter 5
Data analysis

5.1 Introduction

Chapter 4 outlined the research project design and techniques used to analyse data. The data collection methodology was a combination of a quantitative survey instrument and a qualitative study protocol. The technique employed was considered to support statistical data analysis, for a methodology appropriate for a small number (twelve) cases.

5.1.1 Chapter overview

In chapter 5, data from the survey instrument are analysed to determine results relating to the research question: the contribution of management education to SE solvency. In this chapter, as referenced in the Map of Chapter 5 Figure 5.1 (page 157), data are detailed and offered as evidence of the survey results.

Chapter 5 is divided into five parts. Section 5.1 consists of the chapter’s overview and objectives. Section 5.2 contains data demographics, reviewing the breakdown and grouping of education providers and course participants in the programs. In section 5.3 data are analysed in three parts. First the providers are examined, their classifications and what courses they offer. Second, the participants are analysed by type of provider. Third, a comparable analysis is portrayed between provider and participant perceptions indicating why programs and providers are chosen.

Data are interpreted using the chi-square test to test for differences between categorical variables using cross tabulation techniques to check differing percentages for significant differences between groups using 7-point Likert scale questions.
Chapter 5 - Data analysis

Figure 5.1 Map of Chapter 5

5.1 Introduction

- 5.1.1 Chapter overview;
- 5.1.2 Chapter objectives

5.2 Data demographics

- 5.2.1 Introduction;
- 5.2.2 Survey populations;
- 5.2.3 Educational institutions background;
- 5.2.4 Course participants;
- 5.2.5 Comparative statistics of institutes and participants - selecting institutions and courses

5.3 Analysis of questions and responses

- 5.3.1 Perceptions by participants of program;
- 5.3.2 Perceptions of program skills and benefits;
- 5.3.3 Perceptions of impact on SE owners and enterprises;
- 5.3.4 Perception of impact on solvency;
- 5.3.5 Solvency impact - Course participant profile

5.4 Consideration of research issues

- 5.4.1 Design of courses;
- 5.4.2 Needs of participants;
- 5.4.3 Course selection;
- 5.4.4 Course benefits;
- 5.4.5 Contribution to solvency

5.5 Summary of analysis outcome.

- 5.5.1 Profile of participants with positive attitude;
- 5.5.2 Profile of participants with negative attitude

Source: Developed for this research
Section 5.4 evaluates and tests the issues using the above analysis and to check for inferences between the two populations of providers and participants drawn from the analysis. Finally a summary as conclusion is presented in section 5.5.

5.1.2 Chapter objectives

The objectives of this chapter are to:

✓ Discuss the background of the institutions and participants
✓ Display and analyse the data
✓ Consider the research issues
✓ Report conclusions of analysis

The courses surveyed offered different approaches to the delivery of business/management skills, training or coaching, from pedagogic classroom styles, to andragogic interaction and self-paced assessment. Participants may be attracted to courses for different reasons depending upon whether they wished to learn or achieve, or simply gain information and guidance in the use of concepts.

Due to the relatively small sample tested, the data were collapsed into composite categories explained in section 5.2. This enabled the research to focus on the differing perceptions by providers of what was mandatory, wanted or essential to small enterprise owner/managers and focus on small enterprise owner/managers, identifying what they wanted and their perception as to what was being offered. In addition, the data showed how small enterprise owner/managers perceived education and coaching as a whole.

The results of the quantitative data were further confirmed through the qualitative questions regarding the benefits of various programs and these are discussed in detail in section 5.3.
5.2 Data demographics

5.2.1 Introduction

This section provides information on the demographics of the educational institutions, the programs they offer and the participants in those programs.

Due to the small number of institutions able to participate with their course participants, institutions were amalgamated into four composite variables (see Table 5.1 page 160), of educational institute type that aligns with the theoretical framework of Figure 1.5 (page 15). Responses to questions in the survey were consolidation to give an overall perception of institutes and participating owner/managers. Each field within the questioned framework has been considered and is marked accordingly against each Figure and Table below, with “QI” being Institute Questionnaire and “QP” being Participant Questionnaire. To illustrate, Table 5.1 (page 160) indicates QI-1.1, 1.2 representing Institute Questionnaire questions 1.1 and 1.2.

5.2.2 Survey populations

Other than institutions, the second survey population was course participants. Analysis firstly examined demographics of SE owner/managers participating in courses offered by the focus groups, second, evaluated what affect the courses had on self-esteem and motivation of the participants and third, identified what proportion of the candidates taking courses had or used business plans - an important issue in maintaining SE solvency, linked to the research issue to assess whether courses had an impact on participant solvency.

Further information that was a consequence of the survey, related to relationships of participants with facilitators during the program and level
of benefit to small enterprise as a direct result. This information is indirectly related to the research and is considered in chapter 6.

Table 5.1 Exploratory focus groups
QI-1.1, 1.2

<table>
<thead>
<tr>
<th></th>
<th>R T O</th>
<th>Non R T O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td></td>
<td>Government</td>
</tr>
<tr>
<td>TAFE</td>
<td></td>
<td>The Queensland Department of State Development &amp; Innovation</td>
</tr>
<tr>
<td>NEIS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td>Private</td>
</tr>
<tr>
<td>Accounting firms</td>
<td></td>
<td>Accounting firms</td>
</tr>
<tr>
<td>Business consultants</td>
<td></td>
<td>Business consultants</td>
</tr>
</tbody>
</table>

Source: Developed for this research.

Finally, comparative statistics relating to identical questions asked of the providers and the clients were analysed. The results were evaluated to establish why participants actually participated in certain courses and why they chose certain providers. In addition, the comparison allowed an assessment of the accuracy of education providers' awareness, of why clients chose to use their courses, why they were chosen as providers and to identify any differences in perception between providers and participants.

5.2.3 Educational institutions background

Twenty-five educational institutions were approached initially and most agreed to participate. Whilst 16 institutions agreed to be surveyed, only 12 were prepared/able to offer/find sufficient graduates of their courses for the researcher to survey and only those institutions that provided
respondents for the second survey were included in the initial survey results.

Educational institutions were asked the proportion of their courses that were VET registered. This indicates the educational institution’s commitment to the concept of VET programs.

Table 5.2  Percentage of courses VET registered

<table>
<thead>
<tr>
<th>Questions Q1, 1.13</th>
<th>% of courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Govt RTO</td>
<td>100</td>
</tr>
<tr>
<td>2 Private RTO</td>
<td>50</td>
</tr>
<tr>
<td>3 Govt non-RTO</td>
<td>0</td>
</tr>
<tr>
<td>4 Private non-RTO</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

In Table 5.2, of the educational institutions surveyed:

- **Government RTOs**: 100% of business courses available for SE owner/managers were VET registered programs.
- **Private RTOs**: 50% of programs were VET registered courses. To attract clients, VET and non-VET courses were required to ensure the viability of the educational institutions.
- **Private non-RTOs**: None of these business management courses were.
- **Govt non-RTOs**: VET registered. All participants were aware of this.

Client satisfaction was partly judged through the concept of graduate feedback collected as a standard procedure and the measure of positive feedback from their clients as participants. Table 5.3 (page 162) reveals that no Government RTOs (such as TAFE colleges) nor private RTOs carried out feedback surveys of SE owner/managers and had no records as to how many enterprise owners had participated in their courses. However, the balance of Government RTO including the NEIS program, and Government non-RTO programs required feedback participation in their
data collection procedures. Seventy-five percent of Private non-RTO obtained feedback. Private institutions also gauged levels of satisfaction through re-enrolment. Government databases did not measure interest by re-enrolment by graduating students.

Table 5.3 Type of feedback as a measure of course satisfaction

<table>
<thead>
<tr>
<th>Question QI 1.6</th>
<th>Total percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>By structured survey</td>
</tr>
<tr>
<td>1a Govt RTO (TAFE)</td>
<td>0</td>
</tr>
<tr>
<td>1b Govt RTO (NEIS)</td>
<td>100</td>
</tr>
<tr>
<td>2 Private RTO</td>
<td>0</td>
</tr>
<tr>
<td>3 Govt non-RTO</td>
<td>100</td>
</tr>
<tr>
<td>4 Private non-RTO</td>
<td>75</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

- **Govt RTO (TAFE):** None of the Government TAFE organisations surveyed, assessed business course quality as a consequence of feedback from participants, either through structured surveys or as a result of re-enrolment.

- **Govt RTO (NEIS):** 100% of course participants completed a structured survey on completion of the program, as an intrinsic part of the course provided.

- **Govt non-RTOs:**

- **Private RTOs:** No RTO surveyed carried out structuredsurveyed, but 50% assessed the quality of the program through re-enrolment.

- **Private non-RTOs:** 75% of participants were surveyed subsequent to any program presented a similar percentage assessed the success of the course by the number of re-enrolments by participants.

Some educational institutions followed-up participants once they had completed their programs. This is normal good teaching practice and a
means of developing long-term relationships. Table 5.4 indicates that private organisations such as RTOs and non-RTOs, followed up half their clients once they have completed a program, either through a survey or informally.

Table 5.4 Percentage of graduates followed up after completion.

<table>
<thead>
<tr>
<th>Question QI 1.7</th>
<th>Total percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>By structured survey</td>
</tr>
<tr>
<td>1 Govt RTO</td>
<td>0</td>
</tr>
<tr>
<td>2 Private RTO</td>
<td>50</td>
</tr>
<tr>
<td>3 Govt non-RTO</td>
<td>0</td>
</tr>
<tr>
<td>4 Private non-RTO</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

- Govt RTO: No government education institute directly or
- Govt non-RTO: informally contacted course participants after they had finished the courses.
- Private RTO: 50% of all participants completing courses by
- Private non-RTO: private institutions were contacted either directly or informally after they had finished the courses.

5.2.4 Course participants

All respondents that agreed to participate gave full and open responses. They understood that data collected were to increase knowledge in the field of management education’s contribution to solvency and appeared honest and sincere in their answers. The participants in their discussions with the researcher were, similar to participants in the Hawthorne experiment (Daft, 1997, p. 48), motivated by the interest in their opinions and reflected that all learning was beneficial not only to their enterprises but also helped them become more positive in their work practices. Linked to participant feedback and course satisfaction, is the question of institution facilitator qualifications (Figure 5.2 page 164).
The survey resulted in a number of cross-tabulated questions to verify answers to key concepts. As for institutions analysed, participants who attended were consolidated into four groups. Government RTO, Private RTO, Government non-RTO and Private non-RTO and the analysis of statistics for participants was undertaken were considered within these four provider groups.

Figure 5.2  Facilitator qualifications

Source: Field data collected for this research

A total of 120 participants completed the second survey, comprising on average 10 participants per provider. Respondent demographics follow, analysed by provider group. This analysis shows in Table 5.5 (page 165) that the participant population was reasonably spread over age ranges, gender, education levels and industry types.
Table 5.5 Course participant age analysis

<table>
<thead>
<tr>
<th>Question 1.01</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>Up to 25 years</td>
<td>0</td>
<td>00.00</td>
</tr>
<tr>
<td></td>
<td>26-35 years</td>
<td>5</td>
<td>13.89</td>
</tr>
<tr>
<td></td>
<td>36-47 years</td>
<td>14</td>
<td>38.89</td>
</tr>
<tr>
<td></td>
<td>48-55 years</td>
<td>7</td>
<td>19.44</td>
</tr>
<tr>
<td></td>
<td>Over 55 years</td>
<td>10</td>
<td>27.78</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>36</td>
<td>100.00</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>Up to 25 years</td>
<td>2</td>
<td>05.88</td>
</tr>
<tr>
<td></td>
<td>26-35 years</td>
<td>8</td>
<td>23.53</td>
</tr>
<tr>
<td></td>
<td>36-47 years</td>
<td>10</td>
<td>29.41</td>
</tr>
<tr>
<td></td>
<td>48-55 years</td>
<td>9</td>
<td>26.47</td>
</tr>
<tr>
<td></td>
<td>Over 55 years</td>
<td>5</td>
<td>14.71</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34</td>
<td>100.00</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>Up to 25 years</td>
<td>3</td>
<td>09.68</td>
</tr>
<tr>
<td></td>
<td>26-35 years</td>
<td>13</td>
<td>41.93</td>
</tr>
<tr>
<td></td>
<td>36-47 years</td>
<td>12</td>
<td>38.71</td>
</tr>
<tr>
<td></td>
<td>48-55 years</td>
<td>2</td>
<td>06.45</td>
</tr>
<tr>
<td></td>
<td>Over 55 years</td>
<td>1</td>
<td>03.23</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>31</td>
<td>100.00</td>
</tr>
<tr>
<td>Private RTO</td>
<td>Up to 25 years</td>
<td>0</td>
<td>00.00</td>
</tr>
<tr>
<td></td>
<td>26-35 years</td>
<td>2</td>
<td>10.52</td>
</tr>
<tr>
<td></td>
<td>36-47 years</td>
<td>8</td>
<td>42.11</td>
</tr>
<tr>
<td></td>
<td>48-55 years</td>
<td>8</td>
<td>42.11</td>
</tr>
<tr>
<td></td>
<td>Over 55 years</td>
<td>1</td>
<td>05.26</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>19</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>Up to 25 years</td>
<td>5</td>
<td>04.17</td>
</tr>
<tr>
<td></td>
<td>26-35 years</td>
<td>28</td>
<td>23.33</td>
</tr>
<tr>
<td></td>
<td>36-47 years</td>
<td>44</td>
<td>36.67</td>
</tr>
<tr>
<td></td>
<td>48-55 years</td>
<td>26</td>
<td>21.67</td>
</tr>
<tr>
<td></td>
<td>Over 55 years</td>
<td>17</td>
<td>14.16</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

5.2.4.1 Age

The ages of participants, in Table 5.5, were evenly spread between 26 years to the over 55 years.

♦ Government and Private non-RTO participants covered the full age range from under 25-over 55 years.

♦ 80.64% of Government RTO participants were between the ages of 26-47.

♦ Private RTOs had 84.22% participation by students between the ages of 36-55 years.
5.2.4.2 Gender

In the survey, a gender difference for all participants was revealed with 68.33% male and 31.67% female participants (Table 5.6)

Table 5.6 Course participant gender analysis

<table>
<thead>
<tr>
<th>Question 1.02</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>Male</td>
<td>26</td>
<td>72.22</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>10</td>
<td>27.78</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>36</td>
<td>100.00</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>Male</td>
<td>28</td>
<td>82.35</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>6</td>
<td>17.65</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34</td>
<td>100.00</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>Male</td>
<td>19</td>
<td>61.29</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>12</td>
<td>38.71</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>31</td>
<td>100.00</td>
</tr>
<tr>
<td>Private RTO</td>
<td>Male</td>
<td>9</td>
<td>47.37</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>10</td>
<td>52.63</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>19</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>Male</td>
<td>82</td>
<td>68.33</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>38</td>
<td>31.67</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

- Government and private non-RTO participants were predominantly male - 72.22% with Government non-RTO and 82.35% with Private non-RTO programs.
- Government RTOs had 61.29% male and 39.71% female participants
- Private RTOs had 47.37% male and 53.63% female participants.

Table 5.6 indicates participants at the andragogic non-RTO courses were favoured predominantly by males. Whereas at the more structured, conventionally taught RTO programs, the percentage of women was higher.
5.2.4.3 Education - highest level attained

Participants education is examined in Table 5.7. Participants seeking business/management education were drawn from a range of educational backgrounds. Courses are designed for education of SE owner/managers.

Table 5.7 Course participant highest level of education attained.

<table>
<thead>
<tr>
<th>Question 1.03</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO Year 10</td>
<td>5</td>
<td>13.89</td>
<td>13.89</td>
</tr>
<tr>
<td>Year 12</td>
<td>9</td>
<td>25.00</td>
<td>38.89</td>
</tr>
<tr>
<td>Trade</td>
<td>5</td>
<td>13.89</td>
<td>52.78</td>
</tr>
<tr>
<td>VET certificate</td>
<td>2</td>
<td>05.56</td>
<td>58.34</td>
</tr>
<tr>
<td>VET diploma</td>
<td>12</td>
<td>33.33</td>
<td>91.67</td>
</tr>
<tr>
<td>Uni. degree</td>
<td>2</td>
<td>05.56</td>
<td>97.23</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>1</td>
<td>02.77</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Private Non-RTO Year 10</td>
<td>5</td>
<td>14.71</td>
<td>14.71</td>
</tr>
<tr>
<td>Year 12</td>
<td>8</td>
<td>23.93</td>
<td>38.64</td>
</tr>
<tr>
<td>Trade</td>
<td>2</td>
<td>05.88</td>
<td>44.52</td>
</tr>
<tr>
<td>VET certificate</td>
<td>2</td>
<td>06.28</td>
<td>50.80</td>
</tr>
<tr>
<td>VET diploma</td>
<td>5</td>
<td>14.71</td>
<td>65.51</td>
</tr>
<tr>
<td>Uni. degree</td>
<td>12</td>
<td>34.49</td>
<td>100.00</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>0</td>
<td>00.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Govt RTO Year 10</td>
<td>1</td>
<td>03.23</td>
<td>03.23</td>
</tr>
<tr>
<td>Year 12</td>
<td>2</td>
<td>06.45</td>
<td>09.68</td>
</tr>
<tr>
<td>Trade</td>
<td>1</td>
<td>03.23</td>
<td>12.91</td>
</tr>
<tr>
<td>VET certificate</td>
<td>23</td>
<td>74.19</td>
<td>87.10</td>
</tr>
<tr>
<td>VET diploma</td>
<td>2</td>
<td>06.45</td>
<td>93.55</td>
</tr>
<tr>
<td>Uni Degree</td>
<td>0</td>
<td>00.00</td>
<td>93.55</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>2</td>
<td>06.45</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Private RTO Year 10</td>
<td>2</td>
<td>10.53</td>
<td>10.53</td>
</tr>
<tr>
<td>Year 12</td>
<td>1</td>
<td>05.26</td>
<td>15.79</td>
</tr>
<tr>
<td>Trade</td>
<td>1</td>
<td>05.26</td>
<td>21.05</td>
</tr>
<tr>
<td>VET certificate</td>
<td>1</td>
<td>05.26</td>
<td>26.31</td>
</tr>
<tr>
<td>VET diploma</td>
<td>9</td>
<td>47.37</td>
<td>73.68</td>
</tr>
<tr>
<td>Uni Degree</td>
<td>5</td>
<td>26.32</td>
<td>100.00</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>0</td>
<td>00.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>Total Year 10</td>
<td>13</td>
<td>10.83</td>
<td>10.83</td>
</tr>
<tr>
<td>Year 12</td>
<td>20</td>
<td>16.67</td>
<td>27.50</td>
</tr>
<tr>
<td>Trade</td>
<td>9</td>
<td>07.50</td>
<td>35.00</td>
</tr>
<tr>
<td>VET certificate</td>
<td>28</td>
<td>23.33</td>
<td>58.33</td>
</tr>
<tr>
<td>VET diploma</td>
<td>28</td>
<td>23.33</td>
<td>81.66</td>
</tr>
<tr>
<td>Uni Degree</td>
<td>19</td>
<td>15.83</td>
<td>97.49</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>3</td>
<td>02.51</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
and results suggest that non-RTO programs are accessed by a broad spectrum of people with wide educational backgrounds. However the RTO programs attracted participants who generally had specific (VET certificate) qualifications. It should be noted that where the surveyed participants had accessed a VET course, the VET qualification was the highest level attained.

Government non-RTO programs, lasting between two hours to half-a-day were specific, subject-focused programs. Participants interested in specific knowledge on a particular topic accessed these programs. These participants appear to come from non-university educated backgrounds. Only 6% of the respondents taking courses in Private non-RTO consulting firms had a trade background. The other 94% ranged from 15% Year 10 educated, to 35% university educated.

♦ Govt non-RTOs: The educational attainment of participants attending these seminars covered all levels from Year 10 to post-graduates. 38.89% had not taken any further education after High school whilst another 38.89% had attained VET qualifications and wanted to benefit from further business knowledge.

♦ Private non-RTOs: A cumulative 38.64% of Private non-RTO clients were year 10 and year 12 school leavers. A further cumulative 20.99% had a VET certificate or diploma and 34.49% had a university degree.

♦ Government RTOs: The highest level of education attained by 80.64% of respondents was the VET certificate or diploma.

♦ Private RTOs: The highest level of education attained by 52.63% of Private RTO clients, was the VET certificate or diploma gained.
<table>
<thead>
<tr>
<th>Table 5.8</th>
<th>Analysis of course participant main area of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1.04, 1.06</td>
<td>Frequency</td>
</tr>
<tr>
<td><strong>Gov Non-RTO</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12</td>
</tr>
<tr>
<td>Retailing</td>
<td>1</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>4</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
</tr>
<tr>
<td>Fin services</td>
<td>0</td>
</tr>
<tr>
<td>Prof services</td>
<td>3</td>
</tr>
<tr>
<td>Service industry</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36</td>
</tr>
<tr>
<td><strong>Private Non-RTO</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7</td>
</tr>
<tr>
<td>Retailing</td>
<td>4</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>3</td>
</tr>
<tr>
<td>Construction</td>
<td>2</td>
</tr>
<tr>
<td>Fin services</td>
<td>2</td>
</tr>
<tr>
<td>Prof services</td>
<td>1</td>
</tr>
<tr>
<td>Service industry</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34</td>
</tr>
<tr>
<td><strong>Govt RTO</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
</tr>
<tr>
<td>Retailing</td>
<td>0</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>4</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
</tr>
<tr>
<td>Fin services</td>
<td>3</td>
</tr>
<tr>
<td>Prof services</td>
<td>5</td>
</tr>
<tr>
<td>Service industry</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31</td>
</tr>
<tr>
<td><strong>Private RTO</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
</tr>
<tr>
<td>Retailing</td>
<td>1</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>0</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
</tr>
<tr>
<td>Fin services</td>
<td>10</td>
</tr>
<tr>
<td>Prof services</td>
<td>4</td>
</tr>
<tr>
<td>Service industry</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>21</td>
</tr>
<tr>
<td>Retailing</td>
<td>6</td>
</tr>
<tr>
<td>Wholesaling</td>
<td>11</td>
</tr>
<tr>
<td>Construction</td>
<td>5</td>
</tr>
<tr>
<td>Fin services</td>
<td>15</td>
</tr>
<tr>
<td>Prof services</td>
<td>13</td>
</tr>
<tr>
<td>Service industry</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

5.2.4.4 Area of business activity & years of business operation

Whilst the survey was random in the choice of participants, Table 5.8 indicates that from the programs and participants surveyed industries in the service sector of industries of one type or another represented 64.16% of
respondents, with the next highest field being 31.67% from the manufacturing/retailing/wholesaling industries. The balance (4.17%) represented construction.

Of the participants, 19.35% in the Government RTO programs were manufacturing/retailing/wholesaling, an overwhelming 77.42% were in the service sector (Table 5.8 page 169). Similarly private RTOs represented 89.48% service industry enterprises with only 5.26% from the manufacturing/retailing/wholesaling areas.

Government non-RTOs had a relatively even division of participants between the manufacturing/retailing/wholesaling industries (47.22%) and service industries (50%). Private non-RTOs were also evenly divided, with 52.94% participants in the service industry and 41.18% of participants from the manufacturing/retailing/wholesaling sectors.

Table 5.9 Analysis by years in business of participants’ enterprise

<table>
<thead>
<tr>
<th>Question 1.5</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>0-5 years</td>
<td>15</td>
<td>41.67</td>
</tr>
<tr>
<td></td>
<td>6-15 years</td>
<td>8</td>
<td>22.22</td>
</tr>
<tr>
<td></td>
<td>16-25 years</td>
<td>5</td>
<td>13.89</td>
</tr>
<tr>
<td></td>
<td>over 25 years</td>
<td>8</td>
<td>22.22</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>36</td>
<td>100.00</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>0-5 years</td>
<td>7</td>
<td>20.59</td>
</tr>
<tr>
<td></td>
<td>6-15 years</td>
<td>17</td>
<td>49.99</td>
</tr>
<tr>
<td></td>
<td>16-25 years</td>
<td>5</td>
<td>14.71</td>
</tr>
<tr>
<td></td>
<td>over 25 years</td>
<td>5</td>
<td>14.71</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34</td>
<td>100.00</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>0-5 years</td>
<td>29</td>
<td>93.54</td>
</tr>
<tr>
<td></td>
<td>6-15 years</td>
<td>1</td>
<td>03.23</td>
</tr>
<tr>
<td></td>
<td>16-25 years</td>
<td>0</td>
<td>00.00</td>
</tr>
<tr>
<td></td>
<td>over 25 years</td>
<td>1</td>
<td>03.23</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>31</td>
<td>100.00</td>
</tr>
<tr>
<td>Private RTO</td>
<td>0-5 years</td>
<td>2</td>
<td>10.53</td>
</tr>
<tr>
<td></td>
<td>6-15 years</td>
<td>12</td>
<td>63.16</td>
</tr>
<tr>
<td></td>
<td>16-25 years</td>
<td>4</td>
<td>21.05</td>
</tr>
<tr>
<td></td>
<td>over 25 years</td>
<td>1</td>
<td>05.26</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>19</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>0-5 years</td>
<td>53</td>
<td>44.17</td>
</tr>
<tr>
<td></td>
<td>6-15 years</td>
<td>38</td>
<td>31.66</td>
</tr>
<tr>
<td></td>
<td>16-25 years</td>
<td>14</td>
<td>11.67</td>
</tr>
<tr>
<td></td>
<td>over 25 years</td>
<td>15</td>
<td>12.50</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>120</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Table 5.9 (page 170) indicates years of experience in business and participants surveyed using non-RTO institutions were predominantly (63.89%) in the 1-15 year experience group. Government RTO participants surveyed were almost exclusively experienced from 1-5 years (93.54%), whilst participants surveyed using private RTOs were clustered in the 6-25 year experience group (84.21%).

Table 5.10 Analysis of participant enterprise by number of staff

<table>
<thead>
<tr>
<th>Question 1.05a</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gov Non-RTO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>21</td>
<td>58.33%</td>
<td>58.33%</td>
</tr>
<tr>
<td>6-10</td>
<td>7</td>
<td>19.44%</td>
<td>77.77%</td>
</tr>
<tr>
<td>11-20</td>
<td>2</td>
<td>5.56%</td>
<td>83.33%</td>
</tr>
<tr>
<td>21-40</td>
<td>4</td>
<td>11.11%</td>
<td>94.44%</td>
</tr>
<tr>
<td>41-60</td>
<td>1</td>
<td>2.78%</td>
<td>97.22%</td>
</tr>
<tr>
<td>60+</td>
<td>1</td>
<td>2.78%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Private Non-RTO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>10</td>
<td>29.41%</td>
<td>29.41%</td>
</tr>
<tr>
<td>6-10</td>
<td>8</td>
<td>23.54%</td>
<td>52.95%</td>
</tr>
<tr>
<td>11-20</td>
<td>6</td>
<td>17.65%</td>
<td>70.60%</td>
</tr>
<tr>
<td>21-40</td>
<td>2</td>
<td>5.88%</td>
<td>76.48%</td>
</tr>
<tr>
<td>41-60</td>
<td>4</td>
<td>11.76%</td>
<td>88.24%</td>
</tr>
<tr>
<td>60+</td>
<td>4</td>
<td>11.76%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Govt RTO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>28</td>
<td>90.32%</td>
<td>90.32%</td>
</tr>
<tr>
<td>6-10</td>
<td>2</td>
<td>06.45%</td>
<td>96.77%</td>
</tr>
<tr>
<td>11-20</td>
<td>0</td>
<td>00.00%</td>
<td>96.77%</td>
</tr>
<tr>
<td>21-40</td>
<td>0</td>
<td>00.00%</td>
<td>96.77%</td>
</tr>
<tr>
<td>41-60</td>
<td>0</td>
<td>00.00%</td>
<td>96.77%</td>
</tr>
<tr>
<td>60+</td>
<td>1</td>
<td>03.23%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>31</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Private RTO</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-5</td>
<td>7</td>
<td>36.84%</td>
<td>36.84%</td>
</tr>
<tr>
<td>6-10</td>
<td>5</td>
<td>26.32%</td>
<td>63.16%</td>
</tr>
<tr>
<td>11-20</td>
<td>3</td>
<td>15.79%</td>
<td>78.95%</td>
</tr>
<tr>
<td>21-40</td>
<td>3</td>
<td>15.79%</td>
<td>94.74%</td>
</tr>
<tr>
<td>41-60</td>
<td>1</td>
<td>05.26%</td>
<td>100.00%</td>
</tr>
<tr>
<td>60+</td>
<td>0</td>
<td>00.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>120</td>
<td>100.00%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

All 120 participant enterprises were privately owned, with over half the enterprises surveyed (55%), being micro to small in size with between 1 - 5
staff. Overall, the research identified in Table 5.10 (page 171), that 82.50% of enterprises participating in surveyed management education programs, had less than 20 staff members and that 73.33% of enterprises had fewer than 10 staff members.

5.2.5 Comparative statistics of institutes and participants - selecting institutions and courses

Analysis compared the two populations of educational institutions and their clients, to ascertain whether institutions understood reasons their clients came to them and expectations of SE owner/managers from programs being offered. Both representatives of educational institutions and all candidates of those institutions answered the same questions. Responses are presented in the following figures.

Figure 5.3 and those that follow compare mean responses by participants and responses for representatives of institutions. In Figure 5.3, the question related to reasons for taking courses by candidates, enrolled in

Figure 5.3 Reasons for taking courses - Govt non-RTO
QI-1.14; QP-1.9

<table>
<thead>
<tr>
<th>Percentage difference</th>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn business skills</td>
<td>63%</td>
<td>60%</td>
</tr>
<tr>
<td>Help grow business</td>
<td>89%</td>
<td>100%</td>
</tr>
<tr>
<td>Develop solvency skills</td>
<td>56%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Government non-RTOs. As can be seen from Figure 5.3 (page 172), there were some differences between responses by participants and responses by institutions. Both groups predicted that one reason for undertaking the course was to learn business skills, but there are differences in terms of helping businesses to grow and developing solvency skills. It is this last area, developing solvency skills, where there was a significant difference between views of participants and views of representatives of institutions. While all institutions apparently believed candidates wished to develop solvency skills, only 56% of participants took this view.

Figure 5.4 identifies reasons why candidates selected institutions - Government non-RTOs in this case. As can be seen from Figure 5.4, there are significant differences in the views of participants and representatives of the institutions.

**Figure 5.4** Reasons for selection of institution - Govt non-RTO
QI-1.15; QP-1.10

![Bar chart showing percentage differences between participants and institutions for reasons of selection.]

<table>
<thead>
<tr>
<th>Reason</th>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>27%</td>
<td>67%</td>
</tr>
<tr>
<td>Recommendation</td>
<td>31%</td>
<td>100%</td>
</tr>
<tr>
<td>Saw advertisements</td>
<td>78%</td>
<td>100%</td>
</tr>
<tr>
<td>Research</td>
<td>24%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
For example, while 67% of institutions believed that they were selected on reputation, only 27% of participants took this view. As another example, while all institutions believed that they were selected by candidates on the basis of recommendation or as a result of advertisements, only 31% of participants indicated that recommendation was a reason for selecting the institution and 78% as a result of seeing advertisements or flyers.

Finally 24% of participants researched courses and institutions to find the most suitable for their purpose, however none of the institutions knew that this was being carried out.

Figure 5.5 analyses reasons for undertaking particular courses for private non-RTOs - responses by participants and responses by institutions. Of the three reasons cited in Figure 5.5, the greatest difference existed for the question of developing solvency skills - 75% of institutions saw this as a reason for taking courses, whereas only 59% of participants agreed.

Figure 5.5 Reasons for undertaking course - Private non-RTO

<table>
<thead>
<tr>
<th>Reason</th>
<th>Participants</th>
<th>Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn business skills</td>
<td>48%</td>
<td>55%</td>
</tr>
<tr>
<td>Help grow business</td>
<td>91%</td>
<td>100%</td>
</tr>
<tr>
<td>Develop solvency skills</td>
<td>59%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Referring again to the reasons for the selection of institutions this time for private non-RTOs, Figure 5.6 (page 175) shows there are some significant
differences in views of participants and views of representatives of institutions. For example, institutions believed that 67% of participants selected an institution based on reputation, whereas only 38% of respondents agreed. In terms of seeing advertisements, all the institutions saw this as a reason for institution selection, whereas only 24% of participants saw this as a significant reason for selecting an institution.

Figure 5.6 Reasons for selection of institution - Private non-RTO QI-1.15; QP-1.10

![Bar chart showing reasons for selection of institution]

Source: Field data collected for this research

For Government RTOs in Figure 5.7 (page 176), responses by participants and institutions as to reasons for undertaking courses showed significant differences in responses concerning the question of helping businesses to grow, but not a great deal of difference in the other two reasons listed in the questionnaire.
Figure 5.7 Reasons for undertaking course - Govt RTO
QI-1.14; QP-1.9

![Bar chart showing reasons for undertaking course](image)

<table>
<thead>
<tr>
<th></th>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn business skills</td>
<td>80%</td>
<td>87%</td>
</tr>
<tr>
<td>Help grow business</td>
<td>87%</td>
<td>33%</td>
</tr>
<tr>
<td>Develop solvency skills</td>
<td>90%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

For Government RTOs and the question of selection of an institute (Figure 5.8), there are significant differences in three of the four question areas - the reputation of the institute, recommendations and being persuaded by advertisements and fliers for the institutions.

Figure 5.8 Reasons for selection of institution - Govt RTO
QI-1.15; QP-1.10

![Bar chart showing reasons for selection of institution](image)

<table>
<thead>
<tr>
<th></th>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>23%</td>
<td>89%</td>
</tr>
<tr>
<td>Recommendation</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Saw advertisements</td>
<td>13%</td>
<td>67%</td>
</tr>
<tr>
<td>Research</td>
<td>18%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Figure 5.9 presents responses from respondents and institutions on the question of reasons for undertaking courses within the private RTO groups. There were some significant differences on the question of whether courses were taken to help develop a business and whether the courses were taken to develop solvency skills. These results are similar for other groups in the study.

**Figure 5.9 Reasons for undertaking course - Private RTO**

<table>
<thead>
<tr>
<th>Percentage difference</th>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learn business skills</td>
<td>47%</td>
<td>50%</td>
</tr>
<tr>
<td>Help Grow Business</td>
<td>63%</td>
<td>50%</td>
</tr>
<tr>
<td>Develop solvency skills</td>
<td>63%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

On the question of selecting Private RTO institutions (Figure 5.10 page 178), there were significant differences in responses by participants and institutions. These differences were on institution reputation, importance of recommendation, and the importance of advertisements as well as research by prospective participants.
Figure 5.10 Reasons for selection of institution - Private RTO
QI-1.15; QP-1.10

<table>
<thead>
<tr>
<th></th>
<th>Participant</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>35%</td>
<td>50%</td>
</tr>
<tr>
<td>Recommendation</td>
<td>11%</td>
<td>50%</td>
</tr>
<tr>
<td>Saw ad</td>
<td>32%</td>
<td>50%</td>
</tr>
<tr>
<td>Research</td>
<td>9%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Summarising what has been depicted in the previous figures, the conclusion can be reached that there appears to be a lack of co-ordination between participants and the institutions they attend in establishing reasons for selecting the institution and reasons for selecting particular courses. This lack of agreement would seem to point to weakness in overall organisation on behalf of the institutions.

The figures that follow below, that is Figures 5.11, 5.12 (page 179) and 5.13 (page 180) - bring together results from the survey in terms of responses for undertaking courses to gain business skills, to help businesses to grow and develop solvency skills for all four groups of delivery institutions. It can be seen in Figure 5.11 (developing business skills), that differences between participants and representatives of institutions are not great.
Figure 5.11  Reasons for undertaking course - to gain business skills

![Bar chart showing percentage difference between participants and institutions for various categories.]

Source: Field data collected for this research

Figure 5.12, displays significant differences between participants and institutions for Govt RTO institutions.

Figure 5.12  Reasons for undertaking course - help to grow the business

![Bar chart showing percentage difference between participants and institutions for various categories.]

Source: Field data collected for this research
In figure 5.13 (selection to develop solvency skills), there are significant differences between participants and institutes for Government non-RTOs, Private non-RTOs and to a lesser extent for Government and Private RTOs.

Figure 5.13 Reasons for undertaking course - developing solvency skills.

![Bar chart showing percentage difference in participant and institution responses for Government Non-RTO, Private Non-RTO, Government RTO, and Private RTO.]

Source: Field data collected for this research

FURTHER ANALYSIS OF CANDIDATE RESPONSES TO PROGRAMS

As a component of the data analysis, Table 5.11 to Table 5.18 (page 184) look at a further series of questions in the survey, dealing with VET programs plus the importance of interactive discussions, audiences in the programs, type of program delivery, program timing and the importance of solvency terms of skills acquired from the program.

Table 5.11 Participants in VET programs

<table>
<thead>
<tr>
<th>Question 3.09a</th>
<th>% not in VET program</th>
<th>% in VET program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>100.00%</td>
<td></td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>100.00%</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>100.00%</td>
<td>100.00%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td></td>
<td>100.00%</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Table 5.11 indicates that Government and Private non-RTOs were not involved with VET programs, whereas Government and Private RTOs surveyed were.

Table 5.12  Program delivery - interactive discussions

<table>
<thead>
<tr>
<th>Question 3.09b, 3.09e</th>
<th>% no interactive discussions</th>
<th>% interactive discussions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>19.44%</td>
<td>80.56%</td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>41.18%</td>
<td>58.82%</td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>87.10%</td>
<td>12.90%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td>21.05%</td>
<td>78.95%</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.12

Government non-RTOs held short seminars with experienced business personnel and the majority (80.56%) of respondents reported positively on this, saying there was good or quality interaction.

Private non-RTOs, included accounting firms and the response in Table 5.13 (page 182) indicated that there is certain interaction but a fair proportion of the courses did not involve interaction.

Government RTOs were largely delivered as lectures or presentations without interactive discussions and 87.10% of respondents indicated that there was little if any interactive discussion.

Private RTOs, were seen by participants as involving a reasonable amount of interactive discussion.
Table 5.13 Delivery to large audiences

<table>
<thead>
<tr>
<th>Question 3.09c</th>
<th>% no large audience</th>
<th>% large audience</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>72.22%</td>
<td>27.78%</td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>100.00%</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>90.32%</td>
<td>9.68%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td>100.00%</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.13
- All the private programs were delivered on a one-to-one basis or to very small groups
- Government institutions were generally in reasonably large groups to facilitate programs, but evidence provided suggested that the groups were lower than 30 participants.

Table 5.14 Pedagogic methodology

<table>
<thead>
<tr>
<th>Question 3.09d</th>
<th>% no rote teaching</th>
<th>% rote teaching</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>50.00%</td>
<td>50.00%</td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>85.29%</td>
<td>14.71%</td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>6.45%</td>
<td>93.55%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td>52.63%</td>
<td>47.37%</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.14
- Government non-RTO and Private RTO participants were divided equally between perceptions of pedagogic and andragogic methodology. Those that contributed considered the programs andragogic and those that did not, pedagogic.
- The private non-RTOs were perceived by 85.29% of participants to be andragogic.
Government RTOs were perceived by 93.55% participants to be pedagogic in nature.

Table 5.15  Program timing

<table>
<thead>
<tr>
<th>Question 3.09f, 3.09g</th>
<th>Day</th>
<th>Evening</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>41.67%</td>
<td>58.33%</td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>100.00%</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>80.65%</td>
<td>19.35%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td>100.00%</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.15

Whilst the majority of programs were held during the day, Government non-RTOs were apparently more flexible and offered both day and evening seminars for the convenience of their clients.

Table 5.16  Outcomes of programs - solvency improvement

<table>
<thead>
<tr>
<th>Question 3.09h</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>55.56%</td>
<td>44.44%</td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>26.47%</td>
<td>73.53%</td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>48.39%</td>
<td>51.61%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td>68.42%</td>
<td>31.58%</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.16

Only Private non-RTO participants indicated that a significant proportion of the course provided benefits in terms of solvency.
Table 5.17  Interest in further programs

<table>
<thead>
<tr>
<th>Question 3.09i</th>
<th>Do not attend further programs</th>
<th>Do attend further programs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>8.33%</td>
<td>91.67%</td>
<td>36</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>35.29%</td>
<td>64.71%</td>
<td>34</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>58.06%</td>
<td>41.94%</td>
<td>31</td>
</tr>
<tr>
<td>Private RTO</td>
<td>5.26%</td>
<td>94.74%</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.17

Government non-RTO respondents showed continuous interest in similar programs offered and often had already participated in a number of programs.

Private non-RTO participants were either interested in continuing with their service, (64.71%), or stopping once the immediate problem was perceived to have been solved.

Participants of Government RTOs were required to take specific courses and expected to have to take further courses in the future.

Respondents from the private RTOs, generally worked in industries that required regular participation in course programs.

Table 5.18  Candidates willingness to recommend programs

<table>
<thead>
<tr>
<th>Question 3.09j</th>
<th>Do not recommend programs</th>
<th>Do recommend programs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gov Non-RTO</td>
<td>6.45%</td>
<td>93.55%</td>
<td>31</td>
</tr>
<tr>
<td>Private Non-RTO</td>
<td>5.26%</td>
<td>94.74%</td>
<td>19</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>100.00%</td>
<td>100.00%</td>
<td>36</td>
</tr>
<tr>
<td>Private RTO</td>
<td></td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Case comments on Table 5.18

Almost without exception, all respondents were prepared to recommend programs and facilitators irrespective of the institutions and perceived benefits of the course.
5.3 Analysis of questions and responses

Analysis of survey data in this section of the chapter focuses on providing answers to the research problem: “Examination of the contribution by management education on small enterprise solvency”. The data initially analyses responses to major survey questions and finally the analysis tests the five survey issues in section 5.4 linked to the research problem.

The analysis is presented in four sections - initially participant perceptions gained from the courses are analysed followed by a review of skills and benefits gained from programs as seen by participants, followed by an analysis of the theme impact of courses on SE owner/managers and finally the impact on solvency of the enterprises.

Data analysed and presented in Tables 5.19 (page 186) to Table 5.41 (page 203) include a candidate assessment through a Likert scale of 1-7. As a general interpretation of results in the Likert scaled questionnaire, it could be argued that:

♦ Responses between 6.00 and 7.00 represent very strong support for the statement being assessed.
♦ Results from 5.00 to 5.99 indicate strong support for propositions.
♦ Results in the range of 4.00 to 4.99 indicate some but not strong support for the issue.
♦ Responses recorded at lower than 3.99 could be seen as marginal or negative support for propositions

(Source: Cooper & Schindler, 2001, p.765).

In the Figures and Tables that follow in section 5.3, a comparison is presented of results for the four provider groups - Government non-RTOs, Private non-RTOs, Government RTOs and Private RTOs. The Figures offer percentage results and the Tables are presented with percentages or mean result from the Likert scale for all participants.
5.3.1 Perceptions by participants of programs

Reasons for participants nominating for particular programs, may vary from personal interest to a requirement for a trade/industry qualification or strong support by stakeholders in enterprises. Results of analysis in Table 5.19 focuses on general perceptions of courses including the participant level of interest held by facilitators in the presentation, ease of understanding by participants of material presented, satisfaction by participants with content and the ability to allocate time required to meet the needs of the course.

Table 5.19 Interest generated by program for participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01 Program was interesting</td>
<td>5.67</td>
<td>5.68</td>
<td>5.29</td>
<td>5.37</td>
<td>5.50</td>
<td></td>
</tr>
<tr>
<td>2.05 Program was easy to understand</td>
<td>5.94</td>
<td>5.65</td>
<td>5.90</td>
<td>6.11</td>
<td>5.90</td>
<td></td>
</tr>
<tr>
<td>2.07 Satisfied with content of program</td>
<td>5.53</td>
<td>5.91</td>
<td>5.45</td>
<td>5.79</td>
<td>5.67</td>
<td></td>
</tr>
<tr>
<td>2.20 Sufficient time to learn required competencies</td>
<td>4.86</td>
<td>5.82</td>
<td>5.32</td>
<td>5.32</td>
<td>5.33</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>5.50</td>
<td>5.76</td>
<td>5.49</td>
<td>5.84</td>
<td>5.60</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Four questions are included in Table 5.19 focussing on interest, ease of understanding, satisfaction with program content and satisfaction in terms of time available to learn the competencies.

In terms of the Likert rating scale, all participants from all groups found strong interest in their program with ratings higher than 5.29 on a 7 point scale and mean of 5.50.

Ease of understanding was rated higher than program interest with a mean of 5.90 and a high of 6.11 for Private RTOs and a low of 5.65 for Private non-RTOs.

Satisfaction with program content was also reasonably high with a mean of 5.67 and a high of 5.91 for Private non-RTOs and a low of 5.45 for Government RTOs. The result overall indicated strong support for content.
All participants seem to find adequate time for competencies although the ratings were generally lower than for the other three items in the table with a mean of 5.33 and a low of 4.86 for Government RTOs and a high of 5.82 for Private non-RTO participants.

Overall, interests generated by programs, satisfaction with content and satisfaction with understanding and time, gained strong support.

5.3.2 Perceptions of program skills and benefits

The survey researched what personal benefits SE owner/managers received through enrolling in a particular business course. The survey instrument asked for responses to four areas linked to benefits.

Table 5.20 Personal benefits gained by participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.06 Content of program increased self esteem</td>
<td>5.44</td>
<td>5.03</td>
<td>5.16</td>
<td>4.53</td>
<td>5.04</td>
<td></td>
</tr>
<tr>
<td>2.10 Training relevant to my role as owner/manager</td>
<td>5.89</td>
<td>6.18</td>
<td>5.52</td>
<td>5.58</td>
<td>5.79</td>
<td></td>
</tr>
<tr>
<td>2.14 More confident in my role as owner/manager</td>
<td>5.50</td>
<td>5.59</td>
<td>5.35</td>
<td>5.11</td>
<td>5.39</td>
<td></td>
</tr>
<tr>
<td>2.22 Confidence has increased significantly</td>
<td>5.14</td>
<td>5.26</td>
<td>5.39</td>
<td>4.47</td>
<td>5.07</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>4.39</td>
<td>4.41</td>
<td>4.28</td>
<td>3.94</td>
<td>4.26</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.20 assesses personal benefits gained and measured by participants in the four groups of the study.

Support for the content increasing self-esteem was the lowest support recorded in this group of items in the table, with a mean of 5.04 and it is noted that Private RTO participants in particular rated this lowest at 4.53 and Government non-RTO participants highest at 5.44. Private non-RTO and Government RTOs also rated this at a relatively low level.

There was stronger support for the concept that training was relevant to participants as owner/managers, with a mean rating of 5.79 and a high rating of 6.18 for Private non-RTOs.
The generation of confidence for the role of owner/managers was reasonably supported in a mean of 5.39, a low of 5.11 for Private RTO participants and a high rating of 5.59 for Private non-RTO participants.

Finally development of confidence was not strongly supported with a mean of 5.07 and a relatively low result for participants in Private RTO programs at 4.47.

Reviewing results in terms of the various groups, lowest support came from participants in Private RTO programs and the highest support from Private non-RTO programs. This may be influenced by the presentation methods by the institutions to their customers.

Table 5.21 Benefits of facilitator/mentor support by participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt Non-RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.03 Facilitator was a good instructor</td>
<td>5.72</td>
<td>5.79</td>
<td>5.66</td>
<td>6.05</td>
<td>5.81</td>
</tr>
<tr>
<td>2.16 Mentor gave me support in my role</td>
<td>5.14</td>
<td>6.15</td>
<td>5.45</td>
<td>5.58</td>
<td>5.58</td>
</tr>
<tr>
<td>2.17 More help from mentor would be great after program</td>
<td>6.11</td>
<td>5.50</td>
<td>6.00</td>
<td>5.63</td>
<td>5.81</td>
</tr>
<tr>
<td>Mean</td>
<td>5.66</td>
<td>5.81</td>
<td>5.71</td>
<td>5.75</td>
<td>5.73</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.21 summarises responses to three questions meant to identify the strengths of facilitator or mentor support as measured by participants. The first item focussed on whether the facilitator was a good instructor, the second measured facilitator support for the role of participants and the third commented on whether further support was desirable following the program.

All three questions produced reasonably strong support - in terms of whether the facilitator was perceived as a good instructor, the mean was 5.81 with a low of 5.68 for Government RTO participants and a high of 6.06 for Private RTO participants.

Support in participant roles was not as strong as the previous item - overall mean was 5.58, with a low of 5.14 for Government non-RTO participants and a high of 6.15 for Private non-RTO participants.
When asked whether more help from mentors would be desirable after the program, there was a relatively strong support for this position with a mean of 5.81. Private non-RTO participants recorded a low of 5.50 as many said they already had a mentor and would be continuing to use them. This may have artificially lowered their response rating. The highest recorded result was 6.11 from Government non-RTO participants, where the courses were short and did not offer means of implementing the information being offered.

Overall, Private RTO and non-RTO participants gave a much stronger support in seeing benefits from mentors or facilitators than Government participants.

The management concepts of planning, leading, organising and controlling are the basic principles of every management activity linked to SE solvency. Section 3.5.1 focussed on leadership as one of the four intrinsic management competencies.

Table 5.22 Business leadership of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.03a Leading - Understanding and directing people</td>
<td>2.94</td>
<td>3.85</td>
<td>4.13</td>
<td>2.47</td>
<td>3.35</td>
</tr>
<tr>
<td>3.03b Leading - Employee motivation and performance</td>
<td>3.36</td>
<td>3.82</td>
<td>4.00</td>
<td>1.95</td>
<td>3.28</td>
</tr>
<tr>
<td>3.03c Leading - Control and influence of leadership power</td>
<td>2.92</td>
<td>3.50</td>
<td>3.81</td>
<td>1.95</td>
<td>3.04</td>
</tr>
<tr>
<td>3.03d Leading - Communication and interpersonal skills</td>
<td>3.64</td>
<td>3.65</td>
<td>4.26</td>
<td>1.95</td>
<td>3.37</td>
</tr>
<tr>
<td>3.03e Leading - Working with groups as a leader</td>
<td>3.39</td>
<td>3.24</td>
<td>4.03</td>
<td>1.95</td>
<td>3.15</td>
</tr>
<tr>
<td>Mean</td>
<td>3.25</td>
<td>3.61</td>
<td>4.05</td>
<td>2.05</td>
<td>3.24</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.22 focussed on leadership development from the programs offered by the four groups of the study. All the participants gave poor support to this area as the programs all appeared to assume owner/managers had leadership skills and did not consider leadership as part of programs.

In the area of understanding and directing people, the mean was 3.35 with the lowest rate of 2.47 from Private RTO participants and the highest 4.13 by Government RTO participants in start-up businesses working with the NEIS program mentors.
Employee motivation and performance was considered in the HR area and none of the programs offered that specialised information. The rating mean was 3.28 with a low of 1.95 the Private RTO participants and the high of 4.00 Government RTO participants that took general administration programs.

The next three questions were assessed together by participants as they all related to team leadership skills and were not considered management skills by the respondents. They related to control of people, interpersonal skills and working as a group leader. The mean responses were all low between 3.04 and 3.37 with Private RTO participants giving a consistent 1.95, Government RTO participants giving the highest score for each item of 3.81, 4.26 and 4.03.

All the business courses focused on activity skills and no course or program concentrated on leadership.

Table 5.23  Control of business activities by participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.04a Control - Operational issues</td>
<td>4.03</td>
<td>4.65</td>
<td>4.71</td>
<td>3.42</td>
</tr>
<tr>
<td>3.04b Control - Financial issues</td>
<td>4.94</td>
<td>5.41</td>
<td>5.13</td>
<td>4.16</td>
</tr>
<tr>
<td>3.04c Control - Structural issues</td>
<td>3.83</td>
<td>4.59</td>
<td>4.74</td>
<td>3.00</td>
</tr>
<tr>
<td>3.04d Control - Strategic issues</td>
<td>4.33</td>
<td>4.94</td>
<td>4.77</td>
<td>3.37</td>
</tr>
<tr>
<td>3.04e Control - Productivity and operations management</td>
<td>3.56</td>
<td>4.56</td>
<td>4.71</td>
<td>3.32</td>
</tr>
<tr>
<td>3.04f Control - Internal communications</td>
<td>3.61</td>
<td>3.65</td>
<td>4.52</td>
<td>3.05</td>
</tr>
<tr>
<td>3.04g Control - External communications</td>
<td>4.53</td>
<td>4.12</td>
<td>4.68</td>
<td>3.11</td>
</tr>
<tr>
<td>Mean</td>
<td>4.12</td>
<td>4.56</td>
<td>4.75</td>
<td>3.35</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.23 relates to management control, dealing with operational issues, financial issues, structural issues, strategic issues, productivity and operations, internal communications and finally external communications.

The overall mean to these questions was 4.19 with the lowest being Private RTO participants with 3.35 and the highest Government RTO through the NEIS program of 4.75.
Apart from the accounting firms focus on financial control, only the NEIS course directed the owner/managers to the management competency area of control.

From interviews, it appears that the cost of sales, breakevens and other mathematical and statistical areas were not considered significant for controlling businesses. Generally small enterprise owner/managers (in discussions) considered general ‘practical’ management activities areas more valuable.

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.05a  Conceptual - Problem recognition</td>
<td>4.33</td>
<td>5.06</td>
<td>4.77</td>
<td>4.11</td>
<td>4.57</td>
</tr>
<tr>
<td>3.05b  Conceptual - Problem resolution</td>
<td>4.25</td>
<td>4.97</td>
<td>4.68</td>
<td>4.00</td>
<td>4.47</td>
</tr>
<tr>
<td>3.05c  Conceptual - Big Picture concepts</td>
<td>5.22</td>
<td>5.83</td>
<td>5.03</td>
<td>3.63</td>
<td>4.85</td>
</tr>
<tr>
<td>3.05d  Conceptual - Management prioritising</td>
<td>4.14</td>
<td>4.85</td>
<td>5.00</td>
<td>3.21</td>
<td>4.30</td>
</tr>
<tr>
<td>Mean</td>
<td>4.49</td>
<td>5.10</td>
<td>4.87</td>
<td>3.74</td>
<td>4.55</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Problem recognition and resolution were a major objective of Private non-RTO programs and they were the only programs that significantly covered both problem recognition and resolution. Means were 4.57 and 4.47 respectfully and the low ratings were both from Private RTO participants of 4.11 and 4.00 with the high from Private RTO participants of 5.06 and 4.97.

Discussions with presenters and candidates suggest that all non-RTOs and the RTOs covered the ‘Big picture’ concepts, but did not give particularly strong support to the topics. The mean was 4.85 with a low of 3.63 from Private RTO participants and a high of 5.53 from Private non-RTO participants.

Management prioritising was rated a mean of 4.30 with a low of 3.21 from Private RTO participants and a high of 5.00 from the NEIS government RTO participants.
The researcher discovered, as will be shown in the results of this survey, that none of the programs incorporated these activities specifically and directly in the programs but only as a possible unintended by-product of activities.

Another area of intrinsic management competency skilling, that of human skills, were researched. Whist problems were recognised and resolved, this never appeared to be a significant concept for institutions.

Table 5.25  Human skills focus

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private Govt RTO</th>
<th>Private Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.06a  Human skills - Staff conflict resolution</td>
<td>2.61</td>
<td>2.88</td>
<td>3.81</td>
<td>1.79</td>
<td>2.77</td>
</tr>
<tr>
<td>3.06b  Human skills - Staff training</td>
<td>3.17</td>
<td>2.74</td>
<td>3.68</td>
<td>2.32</td>
<td>2.97</td>
</tr>
<tr>
<td>3.06c  Human skills - Negotiating skills</td>
<td>3.22</td>
<td>3.09</td>
<td>3.87</td>
<td>2.42</td>
<td>3.15</td>
</tr>
<tr>
<td>3.06d  Human skills - Communication with cust and supp</td>
<td>4.50</td>
<td>3.62</td>
<td>4.42</td>
<td>3.16</td>
<td>3.92</td>
</tr>
<tr>
<td>3.06e  Human skills - Team building and management</td>
<td>3.39</td>
<td>3.41</td>
<td>4.26</td>
<td>1.89</td>
<td>3.24</td>
</tr>
<tr>
<td>Mean</td>
<td>3.38</td>
<td>3.15</td>
<td>4.01</td>
<td>2.32</td>
<td>3.21</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.25 ratings were generally negative. Overall mean was 3.21 with no score in this table being over 4.50. Private RTO participants rated lowest with a mean of 2.32 and Government RTOs averaged a rating of 4.01 for this set of questions.

None of the programs surveyed considered management competencies on staff issues such as conflict resolution, training and team building.

Technical skills relate to cash-flow management through-put from sales to invoicing. The researcher wanted to learn if any of the courses or programs focussed on the internal activities of the enterprises.

None of the programs surveyed focused on human skills as general business competencies. It was of interest to the researcher that neither educational institute nor client considered human resources important. Yet from interviews, small enterprises consider that staff was one of their most important assets.
Table 5.26  Technical skills of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.07a Technical - Integrating tech skills with bus req's</td>
<td>3.53</td>
<td>3.79</td>
<td>4.58</td>
<td>3.53</td>
<td>3.86</td>
</tr>
<tr>
<td>3.07b Technical - Organising management - skill req's</td>
<td>3.92</td>
<td>3.65</td>
<td>4.65</td>
<td>3.16</td>
<td>3.84</td>
</tr>
<tr>
<td>Mean</td>
<td>3.72</td>
<td>3.72</td>
<td>4.61</td>
<td>3.34</td>
<td>3.85</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

To a large extent, results are disappointing in Tables 5.26 and 5.27, giving an indication that courses offered by all providers were not meeting the (theoretical) requirements of such courses for the small enterprise owner/manager participants.

Table 5.27  Business management skills of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.08a Bus Man - Day to day business activities</td>
<td>4.28</td>
<td>4.35</td>
<td>5.03</td>
<td>4.26</td>
<td>4.48</td>
</tr>
<tr>
<td>3.08b Bus Man - Personal goals, aims &amp; future aspirations</td>
<td>5.11</td>
<td>4.41</td>
<td>5.52</td>
<td>3.26</td>
<td>4.58</td>
</tr>
<tr>
<td>Mean</td>
<td>4.59</td>
<td>4.38</td>
<td>5.27</td>
<td>3.76</td>
<td>4.33</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

From interviews, evidence suggests none of the personnel delivery courses considered these management skills competencies sufficiently important to develop for their clients’ competency-skill base.

It was considered that the day-to-day management of an enterprise was the role of the owner/manager and not a field for basic and practical competency-skill consideration.

Table 5.28  Increased motivation of participants

<table>
<thead>
<tr>
<th>Question 1.11b Result - increased motivation</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>1</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>%</td>
<td>2.78</td>
<td>20.59</td>
<td>19.35</td>
<td>21.05</td>
<td>15.00</td>
</tr>
<tr>
<td>Yes</td>
<td>34</td>
<td>25</td>
<td>22</td>
<td>14</td>
<td>95</td>
</tr>
<tr>
<td>%</td>
<td>94.44</td>
<td>73.53</td>
<td>70.97</td>
<td>73.68</td>
<td>79.17</td>
</tr>
<tr>
<td>Already Present</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>%</td>
<td>2.78</td>
<td>5.88</td>
<td>9.68</td>
<td>5.26</td>
<td>5.83</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Between 71% to 94% of respondents in all programs felt they had benefited from the different programs. Participants felt more motivated (Table 5.28 page 193), were more positive about their enterprises (Table 5.29) and had an increased awareness of their own abilities (Table 5.30), as an outcome of the courses.

Table 5.29  Participants becoming more positive

<table>
<thead>
<tr>
<th>Question 1.11 Result - Become more positive</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2.78</td>
<td>1</td>
<td>12.90</td>
<td>2</td>
</tr>
<tr>
<td>Yes</td>
<td>34</td>
<td>94.44</td>
<td>31</td>
<td>80.65</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>94.44</td>
<td>9</td>
<td>80.65</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>34</td>
<td>91.18</td>
<td>9</td>
<td>84.21</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Already Present</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
<td>%</td>
<td>Count</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2.78</td>
<td>1</td>
<td>2.94</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2.78</td>
<td>1</td>
<td>2.94</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>100.00</td>
<td>34</td>
<td>100.00</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

From candidates interviewed in each instance, when benefits were seen to flow to course participants, the reason given was the quality of the facilitator. Having a knowledgeable coach/mentor appeared to be a key factor in the obtaining motivation, positive feelings within the enterprise and increasing the awareness of personal abilities.

Table 5.30  Increased awareness of abilities by participants

<table>
<thead>
<tr>
<th>Question 1.11</th>
<th>Result - Increased awareness of abilities</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>11.11</td>
<td>11.76</td>
<td>12.90</td>
<td>5.26</td>
<td>10.83</td>
</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>32</td>
<td>28</td>
<td>26</td>
<td>17</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>88.89</td>
<td>82.35</td>
<td>83.87</td>
<td>89.47</td>
<td>85.83</td>
</tr>
<tr>
<td>Already Present</td>
<td>Count</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.00</td>
<td>5.88</td>
<td>3.23</td>
<td>5.26</td>
<td>3.33</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
5.3.3 Perceptions of impact on SE owners and enterprises

Contribution of management education to small enterprise solvency was not solely viewed as a financial issue by institution personnel interviewed. SE owner/managers recognize that programs can influence their ability to act positively within their enterprises and this can directly or indirectly impact on solvency. In theory, candidates seek programs to benefit their enterprises with knowledge gained and to have a long-term affect on their enterprise.

In Table 5.31, the effect of courses on participants is analysed while in the following tables, the impact on general performance of the enterprise, planning, organisation and general search for knowledge, is analysed.

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.04 Could relate examples used back to workplace</td>
<td>5.53</td>
<td>5.82</td>
<td>5.42</td>
<td>6.16</td>
<td>5.73</td>
<td></td>
</tr>
<tr>
<td>2.08 Program related directly to business</td>
<td>5.19</td>
<td>5.97</td>
<td>5.19</td>
<td>5.68</td>
<td>5.51</td>
<td></td>
</tr>
<tr>
<td>2.09 Frequently used what I learnt since program</td>
<td>4.86</td>
<td>5.71</td>
<td>5.06</td>
<td>5.37</td>
<td>5.25</td>
<td></td>
</tr>
<tr>
<td>2.11 Changed business practices</td>
<td>4.22</td>
<td>5.32</td>
<td>4.74</td>
<td>4.21</td>
<td>4.62</td>
<td></td>
</tr>
<tr>
<td>2.13 Better business skills</td>
<td>5.33</td>
<td>5.32</td>
<td>5.35</td>
<td>4.84</td>
<td>5.21</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>5.93</td>
<td>5.63</td>
<td>5.15</td>
<td>5.25</td>
<td>5.27</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.31 measures the impact of courses on participants and generally results are positive except for responses to question 2.11 - the impact on changes in business practices, which ranked relatively poorly. Others were at the strong to reasonably strong level.

On the question of whether examples could be related back to the experience of participants in the workplace, support was fairly strong with a mean average of 5.73 and extremely strong for participants attempting Private RTO programs with an average of 6.16. The poorest result was for Government RTO participants.

When asked whether programs related directly to their business, the response was reasonable with an average of 5.51, but lowest for
Government RTO programs and Government non-RTO programs. The highest ratings were for candidates in Private groups. None were outstanding in terms of extremely strong support.

When asked whether participants frequently used what they had learned in the programs, response was not strong but reasonable - the lowest response in terms of measuring the ability to use data came from Government participants with the Private sector again ranking relatively highly.

In terms of whether programs changed business practices (Question 2.11), the response was not strong with an average of 4.62 and the best result was from participants in Private non-RTO programs.

Finally, in terms of determining whether programs allowed participants to develop better business skills, the response was not outstanding with an average of 5.21 on a 7-point Likert scale and surprisingly, Private RTO programs favoured worst in the assessment with the other programs being reasonably uniform. In general, respondents said that the fact of having the opportunity to discuss business topics, or listen to concepts being explained, increased their skills.

As an overall summary, it can be said that the courses had some impact but the impact was not dramatic. In theory at least, it would be hoped that responses would have been higher than 6.00 but this was not the case.

Table 5.32  Financial and management benefits for participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Govt Non-RTO</th>
<th>Private RTO</th>
<th>Private Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.12  Firm has become more profitable</td>
<td>4.50</td>
<td>5.59</td>
<td>4.81</td>
<td>3.84</td>
<td>4.68</td>
</tr>
<tr>
<td>2.15  Program involves understanding where firm is going</td>
<td>5.33</td>
<td>5.68</td>
<td>5.06</td>
<td>4.74</td>
<td>5.20</td>
</tr>
<tr>
<td>2.21  Can review management requirements to improve</td>
<td>5.53</td>
<td>5.65</td>
<td>5.03</td>
<td>4.95</td>
<td>5.29</td>
</tr>
<tr>
<td>Mean</td>
<td>5.12</td>
<td>5.64</td>
<td>4.97</td>
<td>4.51</td>
<td>5.06</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
In considering impact on the financial and management aspects of business management education programs, there is a consistency throughout responses (Table 5.32 page 196). Questions focussed on an evaluation of increased profitability, understanding the direction of the enterprise, and being able to objectively assess/review business requirements. The mean for all responses was 5.06 and except for Private RTO participants, the responses had strong support (in excess of 5.00 on a 7 point scale).

Interviews with institution representatives emphasised that government programs and the Private RTO programs were designed to teach generic business concepts. Only the Private RTO programs focussed on individual enterprise profitability and this was reflected in the strength of the Private non-RTO participant response of 5.58 with the other responses being weak and below 5.00.

When asked to rate if the programs helped respondents understand where their enterprise was going. Apart from the Private RTO courses giving a weak 4.74, all the other participants in programs reported between 5.06 to 5.68 with a mean of 5.20 (Question 2.15).

With the exception of the Private RTO program reporting a weak rating of 4.95, when asked if the programs enabled participants to review their management requirements to improve performance, all respondents agreed that the programs strongly supported their efforts, rating a mean of 5.29.

Respondents from the other three organisations, particularly the private non-RTOs, all considered that there were some significant short and long term benefits to their enterprise from participation in programs.

Table 5.33 (page 198) offered some of the most revealing data relating to perceived benefits for the course participants. Government non-RTOs delivered courses related to assisting specific areas of business strategy. This is reflected in Table 5.33(page 198), where reasonable support is
given to the business strategy planning (4.88) but only disappointing support to the other areas of planning - ratings from 3.36 to 4.67.

Table 5.33   Business planning skills of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Mean</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning - Writing business plans</td>
<td>4.03</td>
<td>4.00</td>
<td>4.19</td>
<td>3.26</td>
<td>4.19</td>
<td>4.33</td>
</tr>
<tr>
<td>Planning - Business strategy</td>
<td>5.03</td>
<td>4.91</td>
<td>4.88</td>
<td>4.32</td>
<td>4.88</td>
<td>4.67</td>
</tr>
<tr>
<td>Planning - Business problem solving</td>
<td>4.28</td>
<td>5.03</td>
<td>4.37</td>
<td>4.37</td>
<td>4.67</td>
<td>4.67</td>
</tr>
<tr>
<td>Planning - Entrepreneurship planning</td>
<td>3.89</td>
<td>4.26</td>
<td>4.33</td>
<td>1.89</td>
<td>3.56</td>
<td>3.56</td>
</tr>
<tr>
<td>Mean</td>
<td>4.31</td>
<td>4.55</td>
<td>4.98</td>
<td>3.46</td>
<td>4.33</td>
<td>4.33</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

There was relatively low support for the concept that planning is an integral part of business programs. Table 5.33 considered the concept of planning and in particular business plans, business strategy, problem solving and entrepreneurship.

All respondents agreed that writing plans (Question 3.01a) was important but the responses to assistance from courses in Table 5.34 (page 199) indicate that programs were weak in this regard, with a mean of 4.19. However Government RTO NEIS programs included a business plan as the starting point in its programs and these were rated 5.48. Others were rated between 3.26 and 4.03.

Business strategy planning was considered by participants as a “mental exercise” and therefore respondents considered that there would not be a great deal of business strategy planning in courses completed and therefore support was weak with a mean of 4.88, however Government NEIS RTO programs rated a 5.26 while a low was granted to Private RTO programs by participants of 4.32.

When asked to rate problem solving, the ratings were generally low - interviews with participants gave the impression that they saw this as not an area, which would be covered by courses completed, but rather an area that they would be expected to deal with as managers.
All participants rated entrepreneurship planning extremely low. The overall mean was 3.56, with Private RTOs rating 1.89. Participants rated Private non-RTO programs highest with a rating of 4.26.

Planning is seen in theory as being a most important aspect of business management and solvency control, yet in general participants in all courses rated planning poorly. The overall rating for the four areas of planning in Table 5.33 (page 198) was 4.33 - a disappointing result.

In spite of the above poor response, Table 5.34 indicates that in total more than 51% of participants in courses indicated that plans were written during the course while another 27% claimed that plans were present in their enterprises before the course.

Table 5.34  Business plan writing by participants

<table>
<thead>
<tr>
<th>Question 19a</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>10</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>26</td>
</tr>
<tr>
<td>%</td>
<td>27.78</td>
<td>29.41</td>
<td>9.68</td>
<td>15.79</td>
<td>21.67</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>10</td>
<td>21</td>
<td>26</td>
<td>5</td>
<td>62</td>
</tr>
<tr>
<td>%</td>
<td>27.78</td>
<td>61.76</td>
<td>83.87</td>
<td>26.32</td>
<td>51.67</td>
</tr>
<tr>
<td>Present before</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>16</td>
<td>3</td>
<td>2</td>
<td>11</td>
<td>32</td>
</tr>
<tr>
<td>%</td>
<td>44.44</td>
<td>8.82</td>
<td>6.45</td>
<td>57.89</td>
<td>26.67</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research.

Participants in courses offered by Non-RTOs and Government RTOs reported a high percentage indicating writing of plans during courses (62% and 84% respectively). It is also relevant to note that 44% of participants in Government Non-RTOs and 58% in Private RTO programs indicate that plans were already prepared prior to courses.

Private non-RTOs courses were generally used when problems arose and problem solving was a significant part of their process, as noted in Table 5.33 (page 198).
Table 5.35  Business plan review by participants

<table>
<thead>
<tr>
<th>Question 19b</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Count</td>
<td>30</td>
<td>31</td>
<td>21</td>
<td>19</td>
<td>101</td>
</tr>
<tr>
<td>%</td>
<td>83.33</td>
<td>91.18</td>
<td>67.74</td>
<td>100.00</td>
<td>84.17</td>
</tr>
<tr>
<td>Yes Count</td>
<td>6</td>
<td>3</td>
<td>10</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>%</td>
<td>16.67</td>
<td>8.82</td>
<td>32.26</td>
<td>0.00</td>
<td>15.83</td>
</tr>
<tr>
<td>Total Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.35 indicates the number of participants in courses who had business plans reviewed during the course. It is surprising to note that some 84% claimed that there was no review of planning programs. None of the institutions rated well on this analysis - the best performance was by Government RTOs where about 32% of participants claimed that plans were reviewed during the course. In theory, educators argue that reviewing programs for business plans during courses is an important part of the course and yet apparently this was not undertaken for these participants (see chapter 3).

Table 5.36  Business plans discussed by participants

<table>
<thead>
<tr>
<th>Question 1.19b</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Count</td>
<td>30</td>
<td>31</td>
<td>21</td>
<td>19</td>
<td>101</td>
</tr>
<tr>
<td>%</td>
<td>83.33</td>
<td>91.18</td>
<td>67.74</td>
<td>100.00</td>
<td>84.17</td>
</tr>
<tr>
<td>Yes Count</td>
<td>6</td>
<td>3</td>
<td>10</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>%</td>
<td>16.67</td>
<td>8.82</td>
<td>32.26</td>
<td>0.00</td>
<td>15.83</td>
</tr>
<tr>
<td>Total Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Respondents reported that only those with personal mentors and coaches actually discussed their plans on a regular basis, the others did not have the opportunity through their courses - results in table 5.36 were generally disappointing.
The final area of management competency skills is recognised as organisation. Table 5.37 presents outcomes of four specific questions of candidates in courses dealing with various aspects of organisation.

The results are very poor - with an overall rating of the four areas of 3.94, with the lowest rating being 2.91 by participants in Private RTO programs and the highest rating 4.50 for Private Non-RTO programs.

It could be argued that organisation is an important aspect of management linked to solvency and profitability. Based on the responses in Table 5.37, it appears that presenters have neglected this area of expertise.

Table 5.37 Business organisation skills of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Govt Non-RTO</th>
<th>Private RTO</th>
<th>Private Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.02a Organising - Coordinating internal business structures</td>
<td>3.89</td>
<td>4.74</td>
<td>4.77</td>
<td>2.95</td>
<td>4.04</td>
</tr>
<tr>
<td>3.02b Organising - Organisational strategy</td>
<td>4.06</td>
<td>4.71</td>
<td>4.90</td>
<td>2.84</td>
<td>4.13</td>
</tr>
<tr>
<td>3.02c Organising - Organisational structure issues</td>
<td>3.78</td>
<td>4.29</td>
<td>5.10</td>
<td>3.05</td>
<td>4.06</td>
</tr>
<tr>
<td>3.02d Organising - Human Resource Management</td>
<td>3.03</td>
<td>4.26</td>
<td>4.13</td>
<td>2.79</td>
<td>3.55</td>
</tr>
<tr>
<td>Mean</td>
<td>3.64</td>
<td>4.50</td>
<td>4.73</td>
<td>2.91</td>
<td>3.94</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

5.3.4 Perception of impact on solvency

A primary focus of this research has been on the impact of solvency resulting from management education courses taken by owners or managers. Four tables are presented focussing on this area. The first three Tables present responses by participants to eleven questions linked to solvency while the final table examines the numbers responding to the question of whether there was a positive, negative or neutral outcome in terms of solvency as a result of the courses.

Table 5.38 Contribution to solvency by participants of program

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Govt Non-RTO</th>
<th>Private RTO</th>
<th>Private Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.02 Program useful to affect solvency of business</td>
<td>5.17</td>
<td>5.50</td>
<td>5.00</td>
<td>4.42</td>
<td>5.02</td>
</tr>
<tr>
<td>2.23 Business has become significantly more positive</td>
<td>4.61</td>
<td>5.24</td>
<td>4.87</td>
<td>4.11</td>
<td>4.71</td>
</tr>
<tr>
<td>2.24 Solvency level increased significantly</td>
<td>4.19</td>
<td>5.15</td>
<td>4.81</td>
<td>3.53</td>
<td>4.42</td>
</tr>
<tr>
<td>Mean</td>
<td>4.66</td>
<td>5.29</td>
<td>4.89</td>
<td>4.02</td>
<td>4.72</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Table 5.38 (page 201) analyses the response by participants to three questions linked to solvency - questions asking whether the programs were useful in terms of effecting solvency, whether the business had become more positive as a result of the programs, and whether the solvency level increased as a result of the programs.

In terms of the programs being useful, respondents rated the questions at 5.02 whilst the other two questions received a lower rating. Overall, one could argue that the results were disappointing.

Table 5.39 Solvency improvement of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non RTO</th>
<th>Private Govt RTO</th>
<th>Private Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning - Improved solvency</td>
<td>5.17</td>
<td>5.44</td>
<td>5.16</td>
<td>3.63</td>
<td>4.85</td>
</tr>
<tr>
<td>Organising - Organise improvements in solvency</td>
<td>4.33</td>
<td>5.15</td>
<td>4.87</td>
<td>3.84</td>
<td>4.55</td>
</tr>
<tr>
<td>Leading - Help take a leadership role towards solvency</td>
<td>3.92</td>
<td>4.50</td>
<td>4.13</td>
<td>2.42</td>
<td>3.74</td>
</tr>
<tr>
<td>Control - Solvency control</td>
<td>4.22</td>
<td>4.94</td>
<td>4.71</td>
<td>4.00</td>
<td>4.47</td>
</tr>
<tr>
<td>Mean</td>
<td>4.41</td>
<td>5.01</td>
<td>4.72</td>
<td>3.47</td>
<td>4.40</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.39 focuses on solvency improvement as a result of planning, organising, leadership or control aspects of courses taken by participants.

Responses were also disappointing with every area rated at lower than 5.0 on a 7 point scale and the four questions were rated overall at 4.40. Outcomes indicate that there was no perceived improvement in solvency as a result of the courses.

Table 5.40 Considerations regarding solvency of participants

<table>
<thead>
<tr>
<th>Question</th>
<th>Govt RTO</th>
<th>Non RTO</th>
<th>Private Govt RTO</th>
<th>Private Non-RTO</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conceptual - Solvency &amp; Insolvency recognition</td>
<td>4.31</td>
<td>5.00</td>
<td>4.87</td>
<td>4.00</td>
<td>4.54</td>
</tr>
<tr>
<td>Human skills - Staff issues related to solvency</td>
<td>2.81</td>
<td>3.18</td>
<td>3.61</td>
<td>1.84</td>
<td>2.86</td>
</tr>
<tr>
<td>Technical - Link between tech skills &amp; solvency</td>
<td>3.36</td>
<td>3.82</td>
<td>4.65</td>
<td>2.69</td>
<td>3.68</td>
</tr>
<tr>
<td>Bus Man - Understanding solvency KPIs</td>
<td>4.50</td>
<td>5.24</td>
<td>4.45</td>
<td>4.00</td>
<td>4.55</td>
</tr>
<tr>
<td>Mean</td>
<td>3.74</td>
<td>4.31</td>
<td>4.40</td>
<td>3.18</td>
<td>3.91</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.40 asked for a rating on areas relating to solvency concerned with conceptual skills, human skills, technical skills and business management - understanding KPIs associated with solvency.
Results were disappointing - ratings were generally low, 3.91 overall for the four areas with a low of 2.86 for human skill associated with solvency.

Table 5.41  Solvency outcome from programs for participants

<table>
<thead>
<tr>
<th>Question 1.18</th>
<th>Government RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Non-RTO</th>
<th>Government RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Count</td>
<td>9</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>25.00</td>
<td>2.94</td>
<td>19.35</td>
<td>26.32</td>
<td>17.50</td>
<td></td>
</tr>
<tr>
<td>Yes Count</td>
<td>25</td>
<td>25</td>
<td>22</td>
<td>7</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>58.33</td>
<td>73.53</td>
<td>70.97</td>
<td>36.84</td>
<td>62.50</td>
<td></td>
</tr>
<tr>
<td>No change Count</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td>7</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>16.67</td>
<td>23.53</td>
<td>9.68</td>
<td>36.84</td>
<td>20.00</td>
<td></td>
</tr>
<tr>
<td>Total Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.41 identifies the number of participants that indicated there was no impact on solvency from courses, or that there was an impact or that there was no change in solvency as a result of courses.

Overall the results were more encouraging than what would have been expected from the previous tables - 65.5% of participants indicated that there had been some improvement in solvency whereas 20% said there had been no change and the remaining 17.5% indicated that there had been no improvement in solvency.

A summary of results covering the overall impact of courses taken, the impact of courses on small enterprise owners and managers as well as the enterprises themselves and responses relating to solvency will be presented in the final section of the chapter.
Table 5.42  Effect on sales as a direct result of participating in surveyed program

<table>
<thead>
<tr>
<th>Question 1.13</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>Count</td>
<td>18</td>
<td>22</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>50.00</td>
<td>64.71</td>
<td>48.39</td>
<td>31.58</td>
</tr>
<tr>
<td>Decreased</td>
<td>Count</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.00</td>
<td>2.94</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Remained the same</td>
<td>Count</td>
<td>17</td>
<td>11</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>47.22</td>
<td>32.35</td>
<td>51.61</td>
<td>68.42</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>Count</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.78</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.42 indicates that only participants from private non-RTOs were focussed on sales as a direct result of their program.

Overall results indicate that RTO participants and Government non-RTO programs were not perceived as directly affecting sales.

Table 5.43  Effect on gross profit as a direct result of participating in surveyed program

<table>
<thead>
<tr>
<th>Question 1.14</th>
<th>Govt RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>Count</td>
<td>20</td>
<td>26</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>55.56</td>
<td>76.47</td>
<td>61.29</td>
<td>31.58</td>
</tr>
<tr>
<td>Remained the same</td>
<td>Count</td>
<td>14</td>
<td>8</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>38.88</td>
<td>23.53</td>
<td>35.48</td>
<td>68.42</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>Count</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>5.56</td>
<td>0.00</td>
<td>3.23</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

As shown in Table 5.43 and 5.44 (page 205), the Government NEIS RTO program included explaining the concepts of profit and loss including gross, operating and net profit. Thus enabling participants to benefit from monitoring these areas.

Private non-RTOs were able to measure increasing profits as a result of their greater sales.
Table 5.44 Effect on net profit as a direct result of participating in surveyed program

<table>
<thead>
<tr>
<th>Question 1.15</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Non-RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>Count</td>
<td>22</td>
<td>25</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>61.11</td>
<td>73.53</td>
<td>61.29</td>
<td>36.84</td>
</tr>
<tr>
<td>Decreased</td>
<td>Count</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.00</td>
<td>0.00</td>
<td>3.23</td>
<td>5.26</td>
</tr>
<tr>
<td>Remained the same</td>
<td>Count</td>
<td>13</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>36.11</td>
<td>26.47</td>
<td>32.25</td>
<td>57.90</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>Count</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.78</td>
<td>0.00</td>
<td>3.23</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.45 Effect on customer payments as a direct result of participating in surveyed program

<table>
<thead>
<tr>
<th>Question 1.16</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Non-RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>More quickly</td>
<td>Count</td>
<td>7</td>
<td>8</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>19.44</td>
<td>23.53</td>
<td>3.23</td>
<td>15.79</td>
</tr>
<tr>
<td>Less quickly</td>
<td>Count</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>5.26</td>
</tr>
<tr>
<td>Remained the same</td>
<td>Count</td>
<td>28</td>
<td>26</td>
<td>29</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>77.78</td>
<td>76.47</td>
<td>93.54</td>
<td>78.95</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>Count</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.78</td>
<td>0.00</td>
<td>3.23</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Questions in Tables 5.45 and 5.46 (page 206) were incorporated to establish if the concept of cash flow management had been approached or understood.

The result of the research was that none of the participants surveyed had either been instructed in the significant of these areas in cash flow management or had understood their significance in the control and management of their enterprise.
Table 5.46  Effect on supplier payments as a direct result of participating in surveyed program

<table>
<thead>
<tr>
<th>Question 1.17</th>
<th>Govt RTO</th>
<th>Non-RTO</th>
<th>Private RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>More quickly</td>
<td>Count</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.00</td>
<td>17.65</td>
<td>0.00</td>
<td>5.26</td>
<td>5.83</td>
</tr>
<tr>
<td>Less quickly</td>
<td>Count</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.78</td>
<td>2.94</td>
<td>0.00</td>
<td>0.00</td>
<td>1.67</td>
</tr>
<tr>
<td>Remained the same</td>
<td>Count</td>
<td>35</td>
<td>27</td>
<td>30</td>
<td>18</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>97.22</td>
<td>79.41</td>
<td>96.77</td>
<td>94.74</td>
<td>91.67</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>Count</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>0.00</td>
<td>0.00</td>
<td>3.23</td>
<td>0.00</td>
<td>0.83</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>36</td>
<td>34</td>
<td>31</td>
<td>19</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

5.3.5 Solvency impact - Course participant profile

The major thrust of this research has been the impact of management education courses on small enterprise solvency. A number of questions asked participants in courses to indicate to what extent solvency had been positively or negatively influenced by such courses.

Analysis that is relevant to this research includes the identification of what might be called a participant profile - a profile of those participants who indicated that courses taken had a positive impact on solvency and a profile of those candidates who indicated the opposite. In the following analysis, those participants who rated the impact of courses on solvency at 5.5 or higher, were regarded as a group which saw a positive outcome of courses on solvency, while those participants who rated the impact on the 7-point scale at 3.5 or less, were seen to have a negative view on the impact of courses on solvency.

Tables presented in Appendix C are used to identify the profiles initially of those that saw the courses having a positive impact on solvency and then those with a negative impact on solvency.

- In terms of participant age, those that saw courses having a positive impact on solvency tended to be in the age bracket of 26-35 (Table C02 page 279).
Those participants who had a **negative view** of the impact of courses on solvency tended to be in the age bracket of up to 25 years or from 36 years to 55 years (Table C02 page 279).

In terms of gender, a higher proportion of males participants in courses saw a **positive impact** on solvency than was reported by female participants (Table C.03 page 280).

A high proportion of university graduates either at undergraduate or graduate level saw a **positive impact** from courses on solvency whereas the majority of participants who had a **negative view** on the impact of courses, either had highest education levels at primary school or in a Trade course (Table C.04 page 280).

In terms of industry, unfortunately the numbers in each industry are too low to pass judgement, however Table C.05 (page 281) does indicate that the majority of participants in manufacturing, retail, wholesale and construction industries saw a positive outcome of solvency, but no other comments can be made with certainty.

Size of organisations represented by participants does not present a clear picture of the profile of participants who saw a positive outcome of solvency as opposed to a negative outcome (Table C.06 page 282). Generally it could be argued that size did not seem to have a significant impact in terms of profile of those either seeing a positive outcome or a negative outcome on solvency from the courses.

In the same way, in terms of candidates who chose a VET course or who required a VET certificate from the course, did not strongly support or negate the impact of courses on solvency (Tables C.07 and Table C.8 page 283).

A somewhat clearer picture is presented when influences on taking programs to build management skills or solvency skills or to assist in developing the business, are considered. Some 57% of candidates who selected a course to build management skills saw a positive impact on solvency (Table C.9 page 284). While 56% of those who enrolled for a program to develop solvency skills also saw a **positive outcome**.
(Table C.10 page 285). A similar percentage was reported for those reported for taking a program to help grow a business (Table C.11 page 286). However, where participants took a course to develop competency skills, this position was reversed with a relatively low percentage indication that solvency was improved as a result of courses.

- The profile of those participants who saw a positive impact on solvency also included those with little business experience, those that were personally recommended to the program, or chose the program because of the reputation of the institution or because of a personal recommendation, and where courses involved written goals for small enterprises, increased motivation, resulting in owners taking a more positive view of the business or resulting in owners having an increased awareness of abilities or where a business plan was used or incorporated in the program and in particular where business plans were discussed, resulted in participants perceiving a positive view on the impact of solvency.

- In contrast, where business plans were not discussed in the program or were not used in the program or participants were not given a chance to review such business plans, participants took a negative view of the impact of business plans on solvency.

- In the same way, where there were certain negative impacts on individual participants such as planning to deliver awareness of abilities or failing to increase positive attitudes of participants or failing to prepare written goals - then participants did not see the programs impacting on solvency.

Tables analysing data from respondents on this issue of profiles are presented in Appendix C.
5.4 Consideration of research issues

Section 5.4 provides a synopsis of findings in relation to the issues resulting from the research problem “examining the contribution of management education to solvency”. The discussion considers dependent variable factors developed in the theoretical framework of Figure 1.5 (page 15) and compares the findings when each factor is considered by the independent variables represented by the four educational groups.

Section 5.3.5 considered the responses of survey participants that indicated whether the program had a positive impact on the enterprise or not and in what instance this occurred.

Examination of the data revealed further concepts to be considered with regard to the contribution of management studies to small enterprise solvency. These findings are referred to in the final chapter dealing with potential future research, as these findings were not the express focus of this study.

To enable systematic testing of relationships and differences between the dependent variable and independent variables, five issues were raised from the literature review. The following subsections present the outcome of the analysis. First, each issue is restated then the issue is discussed. The argument then considers whether the activities of the educational institutions concur with the requirements of their clients.

5.4.1 Design of courses

The first issue focuses on educational institutions as business education designers:

I₁ Are the majority of SE management programs delivered at Queensland based educational institutions, designed to meet VET approved competency-based requirements?
Table 5.2 (page 161) shows that all government RTO courses surveyed and half of the courses by private RTOs surveyed are VET certified. However, private RTO providers are able to offer non-VET courses.

Section 5.2.3 indicated that overall, RTO educational institutions contacted by the researcher, found it difficult to identify sufficient SE owner/managers that participated in their VET registered business courses for the survey. However, the researcher also identified that non-RTO educational institutions contacted, found that SE owner/managers participating in their programs were plentiful.

The only conclusion to be drawn was that the majority of programs accessed by SE owner/managers were not VET registered competency-based courses. Therefore the majority of SE management programs delivered by Queensland based educational institutions, were not designed to meet VET registered competency-based requirements.

It was shown from the literature Table 3.2 (page 111) (Holmes & Butler, 1995, p.283) and the analysis, that a significant majority of course participants prefer to attend programs that do not meet VET registered competency-based requirements.

Due to this fact, the conclusion is that a majority of programs delivered at Queensland based educational institutions, are not designed to meet VET approved competency-based requirements.

5.4.2 Needs of participants

Issue 2 focuses on training institutions recognition of SE owner/managers’ needs.

I₂ Do Queensland based educational institutions, design and deliver SE management programs that reflect the requirements of their participants?
Research in Chapter 2 and Chapter 3 indicated that SE owner/managers have a number of business/management requirements. These are first, to develop strong personal characteristics, particularly to make decisions and act under the pressures involved in the development, maintenance and growth of a dynamic enterprise. Second, to prepare, write and implement a business/strategic plan to develop, maintain and grow the solvency of all areas of the enterprise. Finally, to develop sufficient business skills that will enable the owner/manager to be competent in the development, maintenance and growth of a solvent enterprise.

Table 5.47 indicates that the responses show that more than half of all programs resulted in participants having written goals to achieve. This is significant, as only an average of 20% had written goals before participating in the programs. The resulting combination of over 72% may be considered as a gauge of the increased motivation and positive feelings of participants in Table 5.28 (page 193) and Table 5.29 (page 194).

![Table 5.47 Written goals to aim for as a result of program](image)

Table 5.28 (page 193) indicates that over 79% of participants were generally motivated, and Table 5.29 (page 194) shows over 88% became more positive. However, it was only the private non-RTOs, which were employed to help solve problems (Table 5.24 page 191), that showed a significant increase of 70.59% in the positive attitudes of staff (Table 5.48).
Finally Table 5.30 (page 194) asked respondents to indicate whether they perceived an increase in their awareness of their abilities as a result of the courses surveyed. It is significant that whether respondents were satisfied with all aspects of the course in which they participated, or considered the benefits gained were relevant to their business, over 86% on average perceived an increase in awareness of what they could achieve on completion of the program.

The respondents perceived that by increasing their confidence in themselves, they were more capable of carrying out the activities of the program and thus to an extent strengthen the solvency of their enterprise.

The second requirement - business plans - was analysed in Table 5.33 (page 198), Table 5.34 (page 199) and Table 5.35 (page 200). Table 5.33 (page 198) indicates that in general only where a business plan was obligatory in government RTO course, was planning strongly supported as being part of the program. All the other programs had some support regarding planning but the support became negative in regard to entrepreneurial planning and private RTO business planning as it was not required for the program. Table 5.34 (page 199) indicated that the percentage of participants varied from 26% of private RTOs to 84% of participants completing government RTO courses, included business plans within their program.

It is significant to note that the percentages of surveyed enterprises without preparing plans averaged 78% when responses included those that had already prepared a written plan. However a significant number did not
review their plans, with only between 0% and 17% of participants of the programs actually reviewing the plans once written. This negates nearly all the benefits of their plan.

The final requirement of business competency skills surveyed, in Table 5.22 (page 189) considered leadership skills offered and found they were generally not strongly supported or were indeed negatively rated. Table 5.23 (page 190) investigated control of business activities. With the exception of financial control through basic financial training, respondents perceived little or no advance through their courses in the task of controlling any aspect of the enterprise.

Table 5.24 (page 191) assessed the perceptions of SE owner/managers regarding the conceptual skills of problem recognition, resolution and management prioritising. These skill training requirements were also lacking in the business education programs surveyed. Table 5.25 (page 192) assessed the human resource competencies offered by the surveyed programs and found that these were weak or included no aspects of the programs related to these areas.

Table 5.26 (page 193) investigated how the business/management programs linked management of the business to specific activities. The results showed that the courses surveyed had little or negative support in the areas of activity management as perceived to be important by respondents as SE owner/managers. These results were confirmed in Table 5.27 (page 193), where business management skills were considered.

The NEIS program, which is a course designed to assist in the development of new enterprises, was the only group where respondents surveyed were strongly supported in specific business/management skill provisions. All the other programs had little or negative responses. Finally, overall organisational skill management was assessed in Table 5.36 (page 200). Respondents for these questions again considered the programs offered little or no help in the organising of internal business structures, strategies or management.
Table 5.49  Analysis of course update regularity

<table>
<thead>
<tr>
<th>Question QI 1.8</th>
<th>After each course</th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Govt RTO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Twice a year</td>
<td>%</td>
<td>33</td>
<td>67</td>
</tr>
<tr>
<td>Yearly</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Sometimes</td>
<td>%</td>
<td>67</td>
<td>33</td>
</tr>
<tr>
<td>2  Private RTO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Twice a year</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Yearly</td>
<td>%</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Sometimes</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>3  State non-RTO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Twice a year</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Yearly</td>
<td>%</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Sometimes</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>4  Private non-RTO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>Twice a year</td>
<td>%</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Yearly</td>
<td>%</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>Sometimes</td>
<td>%</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.49 considers the percentage of courses being updated as an indication of program designers considering the changing requirements of their customers. It may be seen that only the private non-RTO was generally positive in changing a section of its programs after each course if it is considered necessary. Government programs and private RTO courses appeared to be less flexible, perhaps due to the procedures required to make a change.

Therefore it may be stated that from the analysis, the intention may be to design and deliver programs to reflect the requirements of SE owner/manager participants. However, the result of the survey shows that the outcomes did not deliver the desired conclusion.

5.4.3  Course selection

The third issue surveyed was the grounds for course selection by SEs
Do a significant proportion of SE owner/managers participating in management-skill courses, choose VET registered competency-based programs.

Interviews suggest that participants of all business programs are interested in business solvency skills, growing their enterprises and developing solvency skills as noted in Figure 5.3 (page 172), Figure 5.5 (page 174), Figure 5.7 (page 176) and Figure 5.9 (page 177). However, as noted in section 5.2.3 (page 163), few RTO program facilitators could find sufficient numbers of SE owner/managers participating in those courses, it is apparent that course participants do not seek out RTO, VET courses.

Table 5.50 reported perceptions of owner/managers choosing to participate in a VET registered program. The result of those enterprise owner/managers surveyed, shows that 74% of Government RTOs wanted or had to have the VET certificate and 68% of private RTO participants wanted or had to have a VET certificate. However a small proportion of the participants of VET courses stated in interviews that they wanted the knowledge and were prepared to complete the course without the certificate. Non-RTO participants were only interested in the information and benefits of the programs, as they did not need a certificate for their work and were prepared to participate without using a certified course.

Table 5.50 Percentage of owner/managers choosing courses for VET certificate

<table>
<thead>
<tr>
<th>Q. 1.07</th>
<th>Gov Non-RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>0.00%</td>
<td>0.00%</td>
<td>74.00%</td>
<td>68.00%</td>
</tr>
<tr>
<td>No</td>
<td>100.00%</td>
<td>100.00%</td>
<td>26.00%</td>
<td>32.00%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table 5.50 suggests that the majority of participants taking VET courses chose the courses because they required the certification. However, Table
5.51 (page 216), clearly shows that the majority of participants surveyed would not participate in the VET courses by choice.

<table>
<thead>
<tr>
<th>Q. 1.08</th>
<th>Gov Non-RTO</th>
<th>Private Non-RTO</th>
<th>Govt RTO</th>
<th>Private RTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>19.00%</td>
<td>0.00%</td>
<td>19.00%</td>
<td>37.00%</td>
</tr>
<tr>
<td>No</td>
<td>81.00%</td>
<td>100.00%</td>
<td>81.00%</td>
<td>63.00%</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Figure 5.3 (page 172), Figure 5.5 (page 174), Figure 5.7 (page 176) and Figure 5.9 (page 177), show that all education institutions surveyed, believe to a greater or lesser extent, that their clients desired to develop business skills, grow their enterprises and develop solvency skills.

Whilst the participants in RTO programs had to take the courses and non-RTO participants chose to participate in courses offered, at no time and in no case were the program participants asked what they wanted, what they were looking to gain for their business or what outcome was required as a result of using the course or program.

This is not to say the programs are ineffective, however the aim of this study was to examine the contribution by management education to solvency and there is a gap between generic program preparation and specific needs of individual SE owner/managers. This gap will be addressed in the final chapter when discussing potential future research.

Although Figure 5.3 (page 172), Figure 5.5 (page 174), Figure 5.7 (page 176) and Figure 5.9 (page 177), suggest that educational institutions are aware of the requirements of potential course participants, Table 5.49 (page 214) indicates that they do not all adjust to changes in requirements in a timely fashion.

The RTO programs were designed to cover areas considered beneficial to SE owner/managers, however the researcher participated as an observer to a confidential TAFE program design committee, that comprised government employees and academics who had no business experience, together with
consultants and entrepreneurs that had never participated in a delivery role in a TAFE business course or had any teaching experience (ANTA / TAFE Linker Committee, 2004). The researcher hopes that this was an exception rather than a rule, however discussions with senior facilitators showed that they had little or no input into the course preparation and were required to pass-on the program as designed in full to participants.

Non-RTO courses were also designed to cover areas considered beneficial to SE owner/managers. The difference was that the facilitators were generally experienced in industry and were able to balance the information delivered with discussion groups. In addition, they were able to listen to owner/managers and assist by incorporating relevant information to cover specific needs of course participants.

The results of the data regarding this issue as noted in Table 5.3 (page 162) and Table 5.4 (page 163), indicates that feedback from clients is not an important feature of institution customer communication. However, Figure 5.3 (page 172), Figure 5.5 (page 174), Figure 5.7 (page 176) and Figure 5.9 (page 177), indicate that whilst feedback communication is not considered important, course participants and providers are reasonably close in their assessment of the demands and requirements made by SE owner/managers.

The survey principally agreed with previous research that SE owner/managers were not disposed to participating in VET registered government approved programs unless they were required to gain legally defined certified qualifications, industry required programs or to receive financial grants as a result of participation.

5.4.4 Course benefits

Issue four examined the findings from the graduate survey to establish an indication of the value in terms of competencies gained by participating SE owner/managers in improving SE general business.
As a result of completing management-skill courses at Queensland education centres, have SE participants gained significant general business and specific personal competencies.

Issue two assessed whether programs surveyed were designed to meet the requirements of SE owner/managers. Issue four considers how participants were surveyed to establish whether they had gained significant competency-skills from the designed programs.

Part four of the survey had open-ended questions to identify the benefits to participants and their enterprises as a result to the programs. In general the answers were that all programs offer an opportunity for owner/managers to stop and look at business practices that were a part of the program and assess if the programs were beneficial to the enterprises long term activities.

The areas of specific business competency skills as individual topics were not considered important in the courses being offered by any Government body and RTOs offering VET registered courses. SE owner/managers participating in management education programs, have indicated in Table 5.20 (page 187), Table 5.22 (page 189), Table 5.23 (page 190), Table 5.25 (page 192), Table 5.26 (page 193), Table 5.27 (page 193), Table 5.33 (page 198) and Table 5.37 (page 201), that the programs offered are perceived by participants as being rated on a 7-point scale, between 3 and 4 thereby offering only minor support to the proposals.

Regarding specific personal competencies of self-esteem, confidence, support, motivation and awareness of personal abilities noted in Table 5.19 (page 186), Table 5.21 (page 188), Table 5.28 (page 193), Table 5.29 (page 194) and Table 5.30 (page 194), participants perceived that if the facilitator was considered motivational, the perception was that an increase in personal benefits was achieved, even if specific management skills were not available.

Overall, course participants were concerned with specific requirements for their enterprises. The RTO courses were not designed to address those issues, however the non-RTO courses were either specific talks on
particular topics, with interactive segments where personal interaction was available, or consulting programs that gave direct problem solving opportunities or general management skills incorporating coaching which was found to be beneficial whilst it lasted but did not offer long term development of management skilling.

This study found that previous research by investigators (referred to in the literature) considered competency-knowledge development was the key factor contributing to solvency. The analysis has shown that whilst training, learning, research and competency development, increases the confidence, self-esteem and knowledge of entrepreneurs, it does not significantly contribute to increased solvency.

In addition, the survey considered the personal benefit to individuals of the educational programs and found that all programs increased self-esteem as the learning process appeared to offer a higher self-appraisal.

Academics, consultants and all business students agree that planning is a key element of success at any level. However whereas reviewed literature has determined the importance of all plans, very few courses in this study included planning of any type within their curriculum and where they were included, very little importance to review the plan was found.

5.4.5 Contribution to solvency

The final issue examined findings were to indicate the value of benefits from courses to SEs in improving solvency.

Does the facilitation methodology of Queensland based business / management programs, significantly contribute to an increase in SE solvency.

Figure 5.3 (page 172), Figure 5.5 (page 174), Figure 5.7 (page 176) and Figure 5.9 (page 177) indicate that all program providers and their
participants aim to offer and take part in business solvency skills, help to grow their enterprises and develop solvency skills.

The number of owner/managers choosing to attend pedagogic programs was limited as noted in section 5.1 and explained in the literature Table 3.2 (page 111), showing the majority of owner/managers appeared to prefer taking part in andragogic programs.

In-depth interviews with course participants revealed significantly positive feedback relating to facilitator/mentor support. Responses by interviewees indicated that it was not solely the course delivery methodology that assisted in increased solvency, but the ability of the facilitator. Responses of interviews with the SE owner/managers indicate that participants perceived that knowledgeable and experienced facilitator/mentors added significantly benefit to enterprises with an important increase in the solvency level.

Table 5.21 (page 188) indicated participants either strongly or very strongly supported the benefit of the facilitator to their role as an owner/manager and that help from a facilitator would benefit the enterprise even after their management program had been completed.

It may therefore be suggested that the result of the programs are greatly influenced by the quality of the facilitator rather than the method of facilitation.

Table 5.21 (page 188) showed that all the programs with good facilitators had a positive influence on the programs being useful to effect solvency of the enterprises, however only the private non-RTOs perceived the enterprise becoming more positive and to actually see a benefit to their level of solvency as a result of participating in a management program. Table 5.33 (page 198) saw strong support for planning of solvency, generally little or negative support was shown regarding organising, leading and controlling solvency issues. Table 5.40 (page 202) considered the benefits perceived of conceptual skills developed in programs as a means of benefiting solvency. The result was generally not strong to negative results. This indicated that conceptual, human, technical and key performance indicators were not developed as issues to assist in an
enterprise’s solvency issues. Table 5.41 (page 203) surveyed the perception of increased solvency as a result of the program. The result was that the one-to-one methodology of the private non-RTOs and the one-to-one aspect of the government RTO-NEIS program were the foundation for the strong support of the proposition.

The findings in this study were consistent with previous research by Meredith (1984) and Holmes and Butler (1995) that RTO training apparently considered solvency and business education to be mutually exclusive topics. Non-RTOs focussed their programs on business development towards solving problems relating to solvency.

## 5.5 Summary of analysis outcome.

The outcomes of analysis of various tables are presented below, with the rating from participants for various questions recorded in Table 5.52 (page 222) to provide an overview of outcomes. The questions and responses are grouped into four divisions:

- Perceptions of the programs (section 5.3.1)
- Perceptions of skills developed as a result of the programs (sections 5.3.2 and 5.3.3)
- Impact or programs or courses on participants (section 5.3.3)
- Impact of courses on solvency (section 5.3.4).

On the assumption that a mean of the 7-point Likert scale responses would be at least 5.0 to indicate normal string distribution, it can be seen from Table 5.52 (page 222) and Figure 5.14 (page 223) that responses generally are well below this minimum level indicating that management education programs have not met theoretical expectations.

The “best” result was for the means of responses on perceptions of the programs with two of the tables indicating a mean of 5.60 (Table 5.19 page 186), 5.73 (Table 5.21 page 188) and the third with a mean of 5.27 (Table 5.31 page 195).

An analysis of the perception of skills development indicates that every table has indicated a mean of ratings lower than 5.0. The impact on
participants section is above 5.0 and perhaps can be linked to the first group - general perceptions of the program.

A summary of the analysis outcome is compiled in Table 5.52 and also prepared in Figure 5.14 (page 223).

### Table 5.52 Summary of analysis

<table>
<thead>
<tr>
<th>Key</th>
<th>Perceptions and Impact</th>
<th>Section</th>
<th>Table</th>
<th>Page</th>
<th>Title</th>
<th>Mean</th>
<th>*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Generated perceptions</td>
<td>5.3.1</td>
<td>5.19</td>
<td>188</td>
<td>Interest generated</td>
<td>5.60</td>
<td>*</td>
</tr>
<tr>
<td>1</td>
<td>Generated perceptions</td>
<td>5.3.1</td>
<td>5.20</td>
<td>189</td>
<td>Personal benefit</td>
<td>4.26</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Generated perceptions</td>
<td>5.3.1</td>
<td>5.21</td>
<td>190</td>
<td>Facilitator support</td>
<td>5.73</td>
<td>*</td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.22</td>
<td>191</td>
<td>Leadership</td>
<td>3.24</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.23</td>
<td>192</td>
<td>Control</td>
<td>4.19</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.24</td>
<td>193</td>
<td>Conceptual</td>
<td>4.55</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.25</td>
<td>194</td>
<td>Human</td>
<td>3.21</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.26</td>
<td>195</td>
<td>Technical</td>
<td>3.85</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.27</td>
<td>195</td>
<td>Management</td>
<td>4.53</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.33</td>
<td>200</td>
<td>Planning</td>
<td>4.33</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Skills development</td>
<td>5.3.2/3</td>
<td>5.37</td>
<td>203</td>
<td>Organisational</td>
<td>3.94</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Impact on participants</td>
<td>5.3.3</td>
<td>5.31</td>
<td>197</td>
<td>Effect of course</td>
<td>5.27</td>
<td>*</td>
</tr>
<tr>
<td>3</td>
<td>Impact on participants</td>
<td>5.3.3</td>
<td>5.32</td>
<td>199</td>
<td>Financial benefits</td>
<td>5.06</td>
<td>*</td>
</tr>
<tr>
<td>4</td>
<td>Impact on solvency</td>
<td>5.3.4</td>
<td>5.38</td>
<td>204</td>
<td>Contribution</td>
<td>4.72</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Impact on solvency</td>
<td>5.3.4</td>
<td>5.39</td>
<td>204</td>
<td>Improvement</td>
<td>4.40</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Impact on solvency</td>
<td>5.3.4</td>
<td>5.40</td>
<td>205</td>
<td>Concepts</td>
<td>3.91</td>
<td></td>
</tr>
</tbody>
</table>

* = Acceptable level of support

Finally, attitudes to assumptions from participants on solvency (section 5.3.4) produced results which are below the desirable level of 5.0.

Table 5.52 and others of the chapter will be used in Chapter 6 to consider the implications of the outcomes of the research.
As a conclusion of a summary of analysis, what follows is a brief review of the profile of participants who perceived a positive impact on solvency for their enterprises. This measure of “positive impact” is taken to mean the participants rated 5.5 or better to questions asking for a perception of the impact of courses on solvency.
5.5.1 Profile of participants with positive attitude

This group which saw a positive impact on solvency had the following characteristics:-

- Were aged between 26 and 47 years
- In terms of gender were predominantly male
- Highest education tended to be university courses at undergraduate or graduate levels
- Participants chose courses based on VET designed programs
- Participants chose courses to build management skills and solvency skills and to help business growth
- Participants did not select courses to build on competency based skills
- Participants attended courses that involved producing written goals, a positive attitude to business, and increased awareness of abilities.
- Participants in their programs produced business plans and reviewed those business plans with mentors or consultants.

5.5.2 Profile of participants with negative attitude

At the other end of the spectrum in terms of impact of solvency, a profile of participants who argued that the courses did not have a positive impact on solvency (those who responded with a rating of 3.5 or less on the Likert scale), revealed the following characteristics:-

- With either aged up to 25 years, or between 48 and 55 years
- Were predominantly female
- Revealed highest levels of education as primary or trade level courses.
- Did not choose a VET type program.
- Attended courses that did not build on management skills or personal skills, or develop ideas to grow a business
Usually did select courses associated with competency skills

- Attended courses which did not focus on written goals or increase motivation or increase personal attitudes and awareness of abilities

- Did not discuss plans with consultants or mentors.

The implications of the above for Government, training institutions, small enterprise owners selecting courses and training or teaching institutions are discussed in chapter 6.
Chapter 6

Conclusions and implications

6.1 Introduction

Chapter 6 consists of six sections discussing results from the research output described in Chapter five. The chapter draws quantitative conclusions and implications from surveyed data analyses using version 11 of the SPSS statistical software program, and qualitative deductions and inference issues from responses derived directly from interviews with survey participants.

Section 6.1 summarises objectives and structures of the previous five chapters and introduces this chapter’s content. Figure 6.1 (page 227) outlines the structure of chapter 6. Section 6.2 examines implications of data analysis.

Section 6.3 discusses implications of the study, arguing that this research makes a significant contribution to knowledge of solvency education, and discusses implications for government policy, teaching institutions, candidates and their enterprises, and academics, as well as examining further possible research.

Section 6.4 considers the contribution to the educational process followed by section 6.5, which covers limitations of the study, identifying those limitations that became apparent during progress of the research. Finally section 6.6 is a summary with some final conclusions from the research.

6.1.1 Objectives and structure

The previous chapters documented in this study are summarised, to show the development and flow of this research.

Chapter one introduced an overview and the objectives of this research. The chapter covered intended structures of this study, discussing the
Figure 6.1 Map of Chapter 6

6.1 Introduction

6.2 Outcomes - Implications of data analysis

6.3 Implications from the research

6.4 Contribution to the education process

6.5 Limitations

6.6 Opportunities for further research

6.7 Summary and conclusions

6.1.1 Objectives and structure;
6.1.2 Research problem, objectives and theoretical framework.

6.2.1 Outcome I:
6.2.2 Outcome II:
6.2.3 Outcome III:
6.2.4 Outcome IV:
6.2.5 Outcome V:

6.3.1 Implication for government policy;
6.3.2 Implication for educational institutions;
6.3.3 Implication for candidates and enterprises;
6.3.4 Implication for presenters

6.4.1 Contributions;

6.5.1 Institution limitations;
6.5.2 Participant number limitations;
6.5.3 Computer program limitations;
6.5.4 Location limitations;
6.5.5 Time limitations

6.6.1 Future scope

6.7.1 Chapter summary;
6.7.2 Conclusion

Source: Developed for this research
problem examining: ‘The contribution of business-management education to small enterprise solvency’ and objectives of the research.

The chapter continued by outlining the thesis structure and explaining research justifications as SE vulnerability of the first 5 years of a life cycle, an apparent lack of effective methods to address this situation and included an introduction to a theoretical framework. This was followed by a brief literature review and an outline discussion of methodology to be applied. Finally, definitions were listed and potential limitations discussed.

The purpose of Chapter two was to provide for this study, a background to key research disciplines and a detailed justification. The background and justification of the study were documented systematically, defining and identifying gaps from previous research, which focused on Australian management courses available for SE owners.

The background section discussed rates of enterprise failure over thirty years and education programs developed and delivered for SE owner/managers. The justification looked at outcomes of research carried out and the research gaps, with possible implications for Australian enterprises. The chapter concluded with potential contributions to business development from the study, and future research that could be generated as a result of this study.

Chapter three presented a literature review, resulting in the development of a management competency-skill model, with each component explained and supported by the literature.

The review began with a brief history of management from the end of the 19th century, taking particular note of the environment relating to SE owner/managed businesses. The history was followed by an assessment of 21st Century knowledge and skill information available to owners/managers, which may be used to build and develop management competencies-skills.
Exogenous and endogenous influences requiring management competency-skills for continued solvency followed, before general enterprise and personal management competencies-skills identified in the literature were broken down with an introduction to competencies-skills education facilities in 2003.

Chapter four justified the research methodology and paradigm chosen for this study, which integrated a quantitative survey method as the data collection instrument that was then interpreted both quantitatively and qualitatively. Chapter 4 examined elements of the research design to demonstrate how data were to be gathered and analysed. The nature of information surveyed was both innately quantitative, for example demographic analysis of the population surveyed and percentage of SE owner/managers interviewed being instructed or guided in the use of and preparing business plans, and also qualitative, relating to the level of satisfaction perceived and desires of course participants, using a seven point Likert scale.

Chapter five presented data analysis with results from a statistical description using SPSS version 11. Due to the relatively small sample tested, data were collapsed into composite categories explained in section 5.2 (Table 5.1 page 160). This enabled qualitative research focusing on the delivery of management education at the base level, examining differing perceptions of providers to what was mandatory, desirable or needed by small enterprise owner/managers. The analysis also focused on a comparison of small enterprise owner/managers’ needs and their perception of what was being offered. In addition, quantitative data and quantitative observations, showed how small enterprise owner/managers perceived education and coaching as a whole.

Cross tabulations between the four focus groups were used to compare perceptions relating to the value of courses, content and personal benefits gained. Where questions were assessed through a Likert scale of 1-7, statistics took the mean of responses by group and discussed these against
the mean of each total. The data were also analysed to determine how each response to questions affected solvency (Appendix ‘C’).

Chapter six brings together all previous literature and the researched data from this study, and considers both quantitative and qualitative theoretical implications of the study and potential implications on policy and practice. This final chapter considers limitations following from the study and implications for methodology, before offering final recommendations for further research opportunities and conclusions.

6.1.2 Research problem, objectives and theoretical framework.

6.1.2.1 Research problem

Every SE owner/manager has distinctive personal characteristics, individual management styles, and personal goals, thus making each enterprise unique. Yet it is suggested in the literature that the proficiency in both general and specific management competencies, required by SE owners, may be found in generic management courses (Carland & Carland, 1990).

It is also suggested that these courses may remove business management ‘blind spots’, enabling SE owner/managers to see clearly what is needed for their enterprise to function profitably and trade solvently (Bureau of Industry Economics, 1990). Literature focussed on using management education to benefit SE solvency.

6.1.2.2 Research objectives.

The intent of this research was to examine management education delivery at the base level, surveying both the education institutions and their candidates. The aim was to evaluate SE owner/manager perceived contributions to their knowledge and education and benefit financially to
their enterprise through management education programs in general and programs with a specific focus on solvency.

To classify and elucidate the contribution to solvency of management skill programs, this study researched:

*The contribution of management education to small enterprise solvency.*

### 6.1.2.3 Theoretical framework

The second theoretical framework in Figure 6.2 (page 232), was revised from an initial theoretical framework in Figure 1.5 (page 15), developed at the commencement of this research. Through Figure 6.2 (page 232) the dependent variable of contribution to solvency by business/management education is initially influenced by the independent variables of education in the areas of personal characteristics, business planning skills and business/management skills. Each independent variable is itself modified by the course content. This in turn is modified by the manner in which the program is presented and the intervening variable of facilitator ability.

The significance, denoted by the intervening variable, of a facilitator’s influence on the perceived benefit of a program, was based directly on qualitative feedback received from survey participants during the research interview process.

The inference is that when a specific area of education is being developed for the SE owner/manager, it is possible that another area may be neglected. For example, the participant may be working on business planning skills yet have no business management skills. SE owner/managers should consider every aspect of business education (Sekaran, 2000), and only by physically documenting this and regularly assessing the elements can SE owner/managers learn, grow and develop their enterprise.
6.1.2.4 Conclusion - theoretical framework

The theoretical framework Figure 6.2, demonstrates specific conclusions by considering outcomes of the qualitative aspects of the surveys and interviews and referenced information.

Figure 6.2 Final theoretical Framework for management education’s contribution to solvency

Schematic theoretical diagram.

Source: Developed from the literature review for this research
This research shows that SE owner/managers investigate each independent variable and consider the moderating and intervening variables. The SE owner/manager may then assess the contribution to solvency attained from education/coaching.

To maintain a solvent enterprise, the owner ensures that through the type of education chosen, all skill requirements of enterprise management are covered as noted in the theoretical framework Figure 6.2 (page 232).

### 6.2 Outcomes - Implications of data analysis

Summarised below are significant outcomes, which relate to the 5 research issues covered in chapter 5 and are followed by suggestions on implications that flow from their conclusions. Each outcome is referenced to selected figures and tables from chapter 5. A section dealing with implications and potential actions by educational institutions and by participants follows the outcomes. Issues relating to governments, academics and other organisations associated with management education are discussed in section 6.3.

#### 6.2.1 Outcome I:

**Regarding use of VET designated courses to meet SE competency needs.**

Table 5.11 (page 180) indicates that a number of delivery institutions are not offering VET designated programs. SPSS analysis of all programs surveyed, indicate that various skill levels are not being covered by VET registered courses. Tables 5.33 (page 198), 5.34 (page 199), 5.35 (page 200) and 5.36 (page 200), indicate that long-term business skills, planning and reviews are not covered adequately by any of the surveyed courses. Organisational skills (Table 5.37 page 201) appear to be poorly handled by institutions. The same can be said for skills associated with leadership Figure 5.22 (page 189), organisational control (Figure 5.23 page 190), and management development in general.
Implications:

Federal and various State governments over decades have contributed many millions of dollars in developing VET competency courses, and yet apparently the majority of VET registered programs chosen by participants do not satisfy the skills requirements of potential course candidates.

It is reasonable to ask the question: why are VET registered courses unsuccessful in their claim to deliver competency programs for small enterprise management?

Action of institutions:

Institutions can assume that current VET registered programs are not designed to meet SE owner/manager needs, therefore the educational institutions should assess the range of courses offered and develop andragogic VET courses related to outcomes required by SE owner/managers, rather than the traditional pedagogic methodology (as noted in Table 3.2 page 111).

Action of participants:

Conclusions derived from qualitative interviews, indicate that small enterprise owner/managers are interested in developing their business competencies. Yet potential course participants do not assume that VET designed courses are designed to meet those competencies. As a result, SE owner/managers do not investigate whether courses are VET designated, or if they comply with specific competencies developed by governments over many decades.

It is in potential course participants’ interest however, to assess whether the programs meet their requirements to develop both their competencies and the foundation and growth of enterprises.
6.2.2 Outcome II:

**Competency based VET registered teaching methods, are not selected by participants.**

One outcome of the study reported in Table 3.2 (page 111) related to the conventional v entrepreneurial education approaches adopted by presenters. It transpired that competency based VET registered courses, were not expressly selected by participants, nor did they appear to be knowledgeable on what courses met specific SE competencies. Educational institutions on the other hand, were focused on perceived competency based requirements and failing to give due attention to participant needs or desires.

**Implications:**

From the survey in Table 5.2 (page 161), it may be seen that while some SE owner/managers participated in VET registered and competency based courses, many did not. A suggested explanation of this reluctance to participate in VET programs is shown in Table 3.2 (page 111), which indicates that classroom style teaching of VET courses is not popular with SE owner/managers (Holmes & Butler, 1995, p.282). The implication is that the significance of competency-based programs is not recognised by participants.

**Action of institutions:**

Table 5.3 (page 162) indicates that not all institutions surveyed their participants to establish an understanding of their reason for choosing a particular course. It would benefit institutions to survey participants to ascertain why they chose a program, what they required from it and whether they acquired competencies from VET programs. The institutions should also identify what competencies are covered by existing courses and to what extent additional courses or adjusted courses should be introduced to cover the gaps (Figure 5.49 page 214). It would be beneficial if in-depth assessments of participant perceptions regarding every aspect of VET programs were undertaken and revised courses were marketed to the potential participants.
**Action of participants:**

It is reasonable to assume participants undertake courses that consolidate their strengths, positively develop their weaknesses, build on their opportunities and eliminate their threats.

Participants should find programs that offer them these competencies and insist that VET programs offer outcome based programs that recognise the importance of competency based courses and increase SE owner/manager knowledge with the range of competencies seen as desirable for being effective and efficient, the SE owner/managers are more likely to select competency based training courses.

**6.2.3 Outcome III:**

*Personal competencies are not being improved for participants through courses delivered by institutions.*

Program participants surveyed, accepted that whilst gaining knowledge or information, they did not consider that their personal competencies were developed as a result of the courses. This is evident in Table 5.22 (page 189), Table 5.23 (page 190), Table 5.24 (page 191), Table 5.25 (page 192), Table 5.27 (page 193), Table 5.31 (page 195) and Table 5.37 (page 201). Respondents gave the reason in interviews that this was because the reason for their participation, was to find an idea from the program to use in their enterprise and not to gain from any competencies structured within a course design.

**Implications:**

Since records began, the failure rate of small enterprises has been consistent (Bickerdyke et al., 2000). Yet government enquiries over the last four decades in Australia (such as Wiltshire, 1971, Crawford et al, 1979, Beddall, 1990 and Karpin, 1995), have offered the same reasons for failure and solutions to overcome a lack of management skills following from an increased need for business education.
A conclusion of this research, which focussed on the delivery of management education at the participant level, is that government reports have not been implemented in line with their intentions.

**Action of institutions:**

The information offered by institutions should reflect the “speed” of business in the 21st century. Whilst programs may be “interesting” and “useful”, program planners assume SE owner/managers have the competencies required to implement the course content. From interviews of the participants surveyed, it was established that it would be beneficial for participants if institutions offered SE owner/managers the opportunity of understanding the competency skills associated with planning, leading, organising and controlling an enterprise. SE owner/managers may then learn to act and plan at the “pace” of 21st century commerce.

Business programs over the last three decades have been developed by organisations in line with government training program constraints and key performance indicators. To benefit fully from management skills programs, participant responses from the survey interviews indicated that they would prefer if the institutions offered units that were outcome oriented.

**Action of participants:**

From interviews of participants, it was recognised that personal competencies were not being improved by any of the surveyed programs. Participants should therefore voice their needs regarding courses being offered and where programs are not industry defined, candidates should be more selective of courses they choose.

SE owner/manager participants interviewed, suggested that all the programs on offer were a means of finding ideas to use in their enterprises and candidates would find them more valuable if programs were outcome oriented. A benefit to participants would be to discuss the course content and establish required outcomes before commencing any course.
6.2.4 Outcome IV:

Perceptions regarding courses delivered by institutions: Participants versus institutional perceptions.

Management literature (such as Fayol, 1949, Drucker, 1955, McGregor, 1966, Carland & Carland, 1990, Daft, 1997) agrees that SE owner/managers require business competencies that are derived through the knowledge and understanding of internal business mechanisms. Without those competencies, SE owner/managers are vulnerable to making decision errors where their enterprise is weak or under threat. In addition they are unable to take full advantage of strengths or opportunities that are available. Information derived from the survey established that the courses did not offer the fundamental competencies and that the participants were not aware that these competencies would benefit their enterprise.

As business constantly develops at a fast pace, training institutions are lagging behind and are perceived to be addressing “obsolete” concepts (Table 5.49 page 214). In addition, the survey results are disappointing in that the institutions do not appear to perceive the importance of leadership skill development (Table 5.22 page 189), competencies required to control business activities (Table 5.23 page 190), day to day management skills (Table 5.27 page 193) and business organisational skills (Table 5.37 page 201) as being worthy of inclusion in any course surveyed.

A series of figures from Figure 5.3 (page 172) to 5.12 (page 179) illustrate differences between perceptions of participants and representatives of institutions. This begins with Figure 5.3 (page 172), where there are a number of reasons for taking the courses illustrated and the differences between the participants and institutions are in most cases significant. This also applies to Figure 5.4 (on page 173) and continues until Figure 5.12 (page 181).
Implications:

A failure to perceive the importance to SE owner/managers of communicating management needs is likely to result in the development of courses which are rejected by prospective candidates. It would appear from the analysis of qualitative interviews that institutions are not apparently familiar with the needs or aspirations of participants and therefore it could be argued that institutions and their staff should plan and deliver courses with increased knowledge of the aspirations of participants and cease offering courses which are apparently delivered without evaluating participant needs or desires.

Action of institutions:

To encourage greater participation in VET programs by small enterprise owner/managers, it is recommended institutions undertake a needs analysis of participants, adjusting courses currently being offered and also introduce new courses to meet specific needs of participants. They would do well to consider the information in Table 3.2 (page 111) relating to the conventional v entrepreneurial education approaches. High-level communication between bureaucrats, consultants and non-participating entrepreneurs, clearly does not result in programs that are wanted by small enterprise owner/managers.

Action by participants:

Small enterprise owner/managers interested in developing their business acumen, benefit through increased communication of their needs to delivery institutions. It appears to be through a lack of communication at the point of course preparation that results in a lack of participation by SE owner/managers as the group of people for whom the programs are intended.
6.2.5 Outcome V:

Courses do not improve business solvency.

The tables derived from surveys clearly indicate that most participants believed that programs offer information and knowledge, however any expectations of benefit to solvency from, Table 5.16 (page 183), Table 5.32 (page 196), Table 5.38 (page 201), Table 5.39 (page 202) and Table 5.40 (page 202) were disappointing. Candidates saw little or no perceived improvement as a direct result of programs completed.

Implications:

Apparently courses are failing to meet an obvious objective - to provide participants with information to assist in SE survival and SE growth. Solvency is essential for survival. This outcome suggests courses are in urgent need for review.

Action of institutions:

Program directors and those staff involved in planning courses should ensure that components of courses emphasise action that can lead to positive impacts on solvency. Working with candidates to achieve positive, specific outcomes within different business areas, is what the responding interviewees believe will contribute to increased opportunities for them to remain solvent.

Action of participants:

Participants should pay close attention to the content of course material and have greater input in the outcomes expected from each program and the method by which course material is delivered, to ensure that what is included will assist them in improving solvency. Participants should be more proactive in putting forward their needs and asking questions of institutions as to the purpose of particular courses and the ability of courses to improve solvency.
6.3 Implications from the research

There are several implications from the research related to the contribution of management education to small enterprise solvency. These have collectively contributed to the body of knowledge.

The implications for policy and practice are considered in this section together with methodology. Findings of this study have been directed toward the practical side of education’s contribution to solvency and its subsequent impact on business. The implications for policy arise from the literature review. The implications for practice are viewed in a business context and are a derivative of the key findings and conclusions derived from the Outcomes in section 6.2 of this chapter and data analysed in chapter five.

6.3.1 Implication for government policy

Australian Federal and State Governments have spent millions of dollars on enquiries into the state of small enterprises (such as Wiltshire Committee, 1971, Bailey & Royston, 1981, Meredith, 1984, Dawkins, 1991, Karpin, 1995, DEETYA, 1998, Bickerdyke et al., 2000, QDSD, 2000, ANTA, 2001b, DET, 2003) and have been returning the same response, indicating the lack of management competencies.

The interviewed participants were very clear that they saw gaining new ideas to be used in their enterprises as the most important benefit of delivered programs. The implication of this feedback from program participants in the research revealed that requirements of SE owner/managers are not solely traditional business/management lessons, but a combination of all management competencies such as personal ability development, activity planning and management skills.

From the perspective of policy managed by government, the literature review raised some questions about appropriateness of the presentation methods of current RTO and VET registered programs for SE owner/managers. It may be appropriate for the government to examine the
concept relating to delivery of business-management competencies in the 21st century in light of continuous improvement culture in business activities.

Interviews of the survey participants confirmed the significance of Table 3.2 (page 111), showing the majority of SE owner/managers are not enthusiastic about pedagogic facilitation (Meredith, 1984, Dawkins, 1991, Christie, 1992, and Williams, 1992). By establishing new objectives for the 21st century, business competencies may be enhanced through a process where SE owner/managers are able to become aware of and evaluate their experience (Knowles, 1990, p.30).

It may be concluded when evaluating competencies that the management competency objectives are different from those advocated in the past through monitoring delivery and outcomes of programs to evaluate courses being delivered.

Feedback from participants relating to the benefits gained from programs in terms of personal, management and financial benefits could offer insights into what SE owner/managers require to gain from programs offered.

Through further research into the concept of competencies, establishing new objectives and monitoring delivery and outcomes, governments may become more proactive in terms of applying policy to learning institutions.

6.3.2 Implication for educational institutions

SE owner/manager respondents that participated in management VET RTO and non-RTO programs surveyed in this research, delivered quantitative data indicating that the teaching institutions appear to have misinterpreted the intentions of Federal enquiries. Table 3.2 (page 111) suggests that some theorists argue the majority of SE owner/managers are not enthusiastic about pedagogic conventional rote learning (Meredith, 1984, Dawkins, 1991, Christie, 1992, and Williams, 1992). Further, the qualitative interview responses identified that course participants were less
interested in learning about the programs intentions, and more interested to find ideas they could identify as being useful in their enterprise.

The immediate implication of this data is that educational institutions should consider the results of this research and focus on identifying the requirements of participating SE owner/managers. Interviewees indicated that facilitators offering outcome based interactive programs would be popular with SE owner/managers.

A new approach by educational institutes should be that of goal management. Programs should concentrate on having an objective to achieve and understanding the required people skills and resilience required to develop the means of achieving the objective through planning and business/management competencies.

Recommendations are for institutions to:

- design courses focusing on the ever changing needs that are established through appraisal of current requirements
- give attention to alternative delivery methods
- obtain feedback on the needs of SE owner/manager candidates with the emphasis on constant improvements of courses, by ascertaining changes in candidate perceived requirements
- obtain feedback from each course regarding its content, relevance, delivery methods, satisfaction of participants and perception of facilitator’s expertise in delivery and appropriate experience for SE owner/managers
- give emphasis to outcomes of courses, by designing packages focusing more on outcomes such as solvency, cash-flow, market share, or company branding, rather than academic business concepts, these outcome packages to then be offered to SE owner/managers.
6.3.3 Implication for candidates and enterprises

SE owner/manager participants take part in programs for different reasons. However the overall desire is to become aware of ideas and concepts that can be used in the management of their enterprises. As a consequence of this study, the research implications are that candidates should:

- be encouraged to set their own training goals to determine the requirements expected from a particular program
- carefully select institutions and courses that meet their needs and provide them with the information that they want to achieve their stated goals
- work with the institutions to evaluate the courses, facilitators and benefits to their enterprises, offering positive feedback as part of both their and the institutions objective of continuous improvement.

6.3.4 Implication for presenters

The implication of this study for presenters is derived from qualitative interviews with respondents to the surveys. Program participants overwhelmingly agreed that where a facilitator was able to help course participants identify outcomes for their enterprises, no matter what type of course was being presented, the participant perceived genuine benefit. As a consequence, it is recommended that course facilitators should:

- be evaluated by feedback from course participants to ensure that presenters are continuing to keep their knowledge and experience relevant to their candidates
- have small enterprise skills to pass on to participants
- be outcome oriented, and have industry knowledge where necessary
- work in programs supporting participants in their enterprises
- continuously appraise participant requirements.
6.4 Contribution to the education process

In assessing the outcome of programs, it was established during interviews that a significant number of participants acknowledged personal characteristics, planning skills and management skills were key skills and therefore identified in the final theoretical framework (Figure 6.2 page 232).

6.4.1 Contributions

Contributions that have been made to the education process have been identified as follows. This research:

- focussed on the delivery end of management education, showing that outcome based programs, such as action planning, goal setting, cash-flow awareness and growth through people management, were more consistent with the objective of contributing to solvency through management education, than the preparation of a full business plan or business research methods

- identified needs and requirements to the potential contribution by educational institutions to solvency, from the perspective of those SE owner/managers who are prepared to seek education

- established a theoretical framework (Figure 6.2 page 232) for the evaluation of small enterprise management education to ensure that SE owner/managers are able to use education to the benefit off their enterprises and understand how business contends with constant changes in business requirements and technology through outcome based courses.

6.5 Limitations

A number of limitations were identified in the course of the research process not evident when commencing the study.
6.5.1 Institution limitations

Whilst the selection of government non-RTO respondents and NEIS respondents was random from a large group available, all of course participant respondents were chosen by the educational institutions that were willing to contribute to the survey. Although some participants were prepared to point out the faults of institutes, on the whole criticism was limited. Yet whilst criticism was limited, participants appeared to be open and honest regarding the benefits perceived to have emanated from programs.

6.5.2 Participant number limitations

The number of course participants, were 36 from government non-RTOs, 34 from private non-RTOs, 31 participating in government RTOs and 19 participants from private RTO programs. This relatively small number may restrict to some extent the ability to generalise results based on statistical convention.

6.5.3 Computer program limitations

Due to the limited participant numbers as noted in 6.5.2, descriptive techniques and simpler inferential statistics were used in preference to formal multivariate techniques involving factorial analysis and cluster analysis, on the basis of retaining the richness of the data collected. This could affect the generalisation of the results in terms of quantitative results, but does not affect the qualitative conclusions.

6.5.4 Location limitations

The research was conducted entirely in South East Queensland and results may not apply in other regions in Australia or elsewhere.
6.5.5 Time limitations

The research was conducted with information from the years 2003 and 2004. Responses may have differed prior to these dates and may also vary if the survey was to be carried out in the future.

6.6 Opportunities for further research

This section provides suggestions for opportunities to conduct further research in the field of the contribution of management education to solvency and related disciplines.

The outcome of the qualitative interviews with the 120 participating SE owner/managers and the subsequent conclusion was that benefits to SE owner/managers of the management competency courses offered by RTO and non-RTO programs depended on whether the presenter offered an outcome based methodology to the program they were facilitating.

In addition, all recipients were aware of the benefit to their enterprise of coach/mentors (Table 5.21 page 188), whether they were ready or not to work with one.

6.6.1 Future scope

During the course of the research, a gap between previous research and the findings of this study raised further questions that were beyond the scope of this study. The following represents some possible areas of future review:

1. Further examination of VET v non-VET courses and their acceptance by participants and the impact that they have on participants.
2. Alternative delivery methods appropriate for SE owner/managers and appropriate for courses with specific objectives such as assisting solvency.
3. The use of mentors in a program and how they would be used effectively and efficiently.

4. The examination of courses that might have specific objectives or goals, such as an objective to improve solvency, or an objective to improve cash-flow, or an objective to improve market share, or as objective to change organisations.

5. Feedback from participants. What form should this take? How should it be obtained? How would institutions and presenters use it?

6. Do the competencies that have previously been developed need revising in the light of SE management and operations in the 21st century?

7. This study supported the concepts of personal characteristics, business planning and management competencies as all being very important. It would be interesting to have a study that investigated these and brought all these concepts together through coaching/mentoring.

8. A replication of this study using a larger number and in another location could be undertaken, refining the survey instrument and testing the result to verify it using a higher level of inferential statistics.

### 6.7 Summary and conclusions

This final chapter has provided the conclusions and implications emanating from the research carried out for this study.

#### 6.7.1 Chapter summary

Its primary focus was to ascertain whether educational institutions were providing a service needed and wanted by SE owner/manager and what the perception of SE owner/managers was of the programs available through the different institutions and whether they contributed to enterprise solvency.
6.7.2 Conclusion

The overall conclusion was that prior research has been misunderstood or misinterpreted by program developers for decades, with a single focus of management competency-skil deficiency. That focus ignored the developing and changing pace of business and the type of people commencing in business. The research shows that:

- Present courses have been found wanting
- New approaches have been suggested
- Additional research has been recommended.

Implication of the quantitative and qualitative theory and practice emanating from the findings were discussed in depth and implications involving policy were speculated upon based on a review of the literature.

This research has contributed to the body of knowledge by providing a theoretical framework (Figure 6.2 page 232) for management education’s contribution to solvency and by exploring further into issues examined in earlier research.

The study also raised questions requiring further research that is of theoretical and practical interest. Management education’s contribution to solvency will continue to challenge accepted paradigms in management theory and practice as it has in the past, therefore it is a topic that will continue to have and require continuous research.
"If I can see further, it is because I am standing on the shoulders of giants"

Sir Isaac Newton


ANTA 2001a, 'About NTIS', Melbourne, Australian National Training Authority.


ANTA 2001c, 'Training Package Development Handbook (Phase 1)', Melbourne, Australian National Training Authority.

ANTA 2001d, 'What is ANTA', Melbourne, Australian National Training Authority.


ANTA 2002b, 'Review of the Training Package for Assessment and Workplace Training', Melbourne, Australian National Training Authority.


Bibliography

Australian Bureau of Statistics 1999a, 'Characteristics of Small Business', Canberra, ABS.

Australian Bureau of Statistics 1999b, 'Small Business in Australia', Canberra, ABS.

Australian Bureau of Statistics 2001a, 'Australian Industry', Canberra, ABS.


Australian Bureau of Statistics 2003, 'Australian Business Expectations', Canberra, ABS.


Berryman, J. 1993, 'Causes of Small Business Failure: What progress has been made in a decade?' SEAANZ and IIE National Small Enterprise Conference, Melbourne, University of Newcastle NSW


BSTA 1999, 'Training Package for Business Services', Melbourne, Business Services Training Australia Ltd.

BSTA 2002a, '1st interim Report', ACT, Business Services Training Australia Ltd.

BSTA 2002b, '2nd interim report', ACT, Business Services Training Australia Ltd.

BSTA 2002c, '3rd interim report', ACT, Business Services Training Australia Ltd.

BSTA 2002d, '4th interim report', ACT, Business Services Training Australia Ltd.

BSTA 2002e, 'Final interim report', ACT, Business Services Training Australia Ltd.


Cyert Report 1970, 'Inquiry into Postgraduate Education for Management', Canberra, AGPS.


DET 2003, Queensland's Vocational Education and Training Statistics, Queensland Department of Employment and Training, Brisbane.


Drucker, P. F. 1998, 'Management's new paradigms', In Forbes, Vol. 162 (7), pp. 152-177,
Bibliography

Dunlop, W., Moir, H. Z. & Williams, A. J. 1992, 'Small Enterprise Research - Future Directions', SEAANZ and Institute of Industrial Economics National Small Enterprise Conference, Sydney, Institute of Industrial Economics, University of Newcastle NSW.


Bibliography


Perry, C. 2001a, 'A Structured Approach to Presenting PhD Theses: Notes for students and their supervisors', Student notes, Southern Cross University.


Bibliography


QDSD 2000, 'Strategic Plan', Brisbane, Queensland Department of State Development.

QDSD 2003, 'The Business Success Workshop Program', South East Queensland, Queensland Department of State Development.


Appendix ‘A’

Educational Institute survey
Educational Institution

Part 1 Skills provider profile

The design of this section of questionnaire identifies the nature of the education establishment and what it intends to offer its clients and how that is measured.

1.1 What type of institution are you? (Tick one)
- TAFE □
- Business consulting firm □
- University □
- Management training firm □
- QDSD □
- Industry training body □
- Other ...........................................

1.2. What type of business educational establishment are you? (Tick one)
- Government funded RTO □
- State non-RTO □
- Private RTO □
- Private non-RTO □

1.3. Do your courses offer VET registered awards for SE courses? (Tick one)
- All □
- Some □
- None □

1.3a If ‘some’, what percentages are VET registered awards for SE courses? (Tick one)
- 1-10% □
- 41-60% □
- 11-20% □
- 61-80% □
- 21-40% □
- 81%+ □

1.3b Are potential clients advised if the SE courses are Govt. registered? (Tick one)
- Yes □
- No □

1.3c Are potential clients advised if the SE courses are based on Govt. standards? (Tick one)
- Yes □
- No □

1.4. How many full time (equivalent) presenters in the institution? (Tick one)
- 1-5 □
- 21-30 □
- 6-10 □
- 31-50 □
- 11-20 □
- 51+ □
1.5 What specific qualifications do the presenters require? (Tick all applying)

- Internal training? Yes ☐ No ☐
- Cert iv in training small groups? Yes ☐ No ☐
- Teacher qualified? Yes ☐ No ☐
- Under-graduate degree? Yes ☐ No ☐
- Business experience? Yes ☐ No ☐
- Other Yes ☐ No ☐

Give details: ______________________________________________

1.6a Do you obtain feedback from SE course participants for their opinion in terms of value for money? (Tick one)

- Yes ☐ No ☐

1.6b If ‘yes’, how? (Tick all applying)

- Survey Yes ☐ No ☐
- Informal feedback Yes ☐ No ☐
- Client re-enrolments Yes ☐ No ☐
- Other Yes ☐ No ☐

Give details: ______________________________________________

Your overall evaluation of the outcome from the above feedback. (Circle one)

<table>
<thead>
<tr>
<th>Good</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

1.6c Do you evaluate your SE course participants’ for their opinion in terms of content quality? (Tick one)

- Yes ☐ No ☐

1.6d If ‘yes’, how? (Tick all applying)

- Survey Yes ☐ No ☐
- Informal feedback Yes ☐ No ☐
- Other Yes ☐ No ☐

Give details: ______________________________________________

Your overall evaluation of the outcome from the above feedback. (Circle one)

<table>
<thead>
<tr>
<th>Good</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

1.6e Do you evaluate your SE course participants’ for their opinion in terms of personal benefit? (Tick one)

- Yes ☐ No ☐

1.6f If ‘yes’, how? (Tick all applying)

- Survey Yes ☐ No ☐
- Informal feedback Yes ☐ No ☐
- Other Yes ☐ No ☐

Give details: ______________________________________________

Your overall evaluation of the outcome from the above feedback. (Circle one)

<table>
<thead>
<tr>
<th>Good</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>
1.7a Are SE course participants followed up/contacted after completion of course? (To obtain feedback on the SE course). (Tick one)

Yes ☐ No ☐

1.7b If ‘yes’, how? (Tick all applying)

Survey Yes ☐ No ☐
Informal feedback Yes ☐ No ☐
Other ☐ ☐
Give details: ______________________________________________

Your overall evaluation of the outcome from the above feedback. (Circle one)

Good 1 2 3 4 5 6 7 Poor

1.8a Are SE courses updated? (Tick one)

Yes ☐ No ☐ Sometimes ☐

1.8b If ‘yes’ or sometimes, how often? (Tick all applying)

After each course? Yes ☐ No ☐
Twice a year? Yes ☐ No ☐
Yearly? Yes ☐ No ☐
Sometimes? Yes ☐ No ☐
Other Yes ☐ No ☐
Give details: ______________________________________________

1.9 What trends have developed in the last year regarding SE courses? (Record percentage changes)

Number of courses? More ___ Less ___
Number of enquiries? More ___ Less ___
Number of enrolments? More ___ Less ___
Number of completions? More ___ Less ___
Other
Give details: ______________________________________________

1.10a Are SE courses taught on a regular basis? (Tick one)

Yes ☐ No ☐ Sometimes ☐

1.10b If ‘yes’ or sometimes, how often? (Tick all applying)

Weekly ☐ Monthly ☐
Quarterly ☐ Yearly ☐
Other
Give details: ______________________________________________
### Appendix ‘A’

1.11 Average number of participants in each course commencing SE courses in 2002  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>1-5</th>
<th>6-10</th>
<th>11-15</th>
<th>16-20</th>
<th>20-30</th>
<th>30+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.12 Average number of participants in each course completing SE courses in 2002  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>1-5</th>
<th>6-10</th>
<th>11-15</th>
<th>16-20</th>
<th>20-30</th>
<th>30+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.13a Do you choose to offer competency-based SE course?  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>Yes all</th>
<th>No</th>
<th>Some courses</th>
</tr>
</thead>
</table>

1.13b If “some”, what percentage of courses are competency-based?  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>1-10%</th>
<th>41-60%</th>
<th>11-20%</th>
<th>61-80%</th>
<th>21-40%</th>
<th>81%+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.14 Why did participants undertake the program?  (Tick all applying)

- [ ] Build business management skills
- [ ] It provided competency-based skills
- [ ] Develop business solvency skills
- [ ] Personal interest in business studies
- [ ] To help grow the business
- [ ] They had no business experience
- [ ] Others were doing it
- [ ] Personal recommendation

1.15 Why did they choose your course?  (Tick all applying)

- [ ] Good reputation
- [ ] Researched providers
- [ ] Saw advertisement
- [ ] Personal recommendation
- [ ] Others were using them
- [ ] Only one available
- [ ] Known to deliver competency-based programs

1.16a Do you choose to offer competency-based financial course?  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>Yes all</th>
<th>No</th>
<th>Some courses</th>
</tr>
</thead>
</table>

1.16b If “some”, what percentage of courses finance-based?  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>1-10%</th>
<th>41-60%</th>
<th>11-20%</th>
<th>61-80%</th>
<th>21-40%</th>
<th>81%+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.17a Do you choose to offer competency-based business planning course?  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>Yes all</th>
<th>No</th>
<th>Some courses</th>
</tr>
</thead>
</table>

1.17b If “some”, what percentage of courses are Business Planning-based?  (Tick one)

<table>
<thead>
<tr>
<th></th>
<th>1-10%</th>
<th>41-60%</th>
<th>11-20%</th>
<th>61-80%</th>
<th>21-40%</th>
<th>81%+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix ‘B’

Graduate survey
Graduate survey

Part 1  Please tick which of the following applies to you:

1.1 Your age:  □ up to 25  □ 26-35  □ 36-47  □ 48-55  □ Over 55
1.2 Gender:  □ Male  □ Female

1.3 Highest level of education completed:  (Tick one)
□ Year 10/Junior Certificate  □ High School/Year 12
□ Higher School Certificate  □ Trade Qualification
□ VET Certificate  □ VET Diploma
□ University Degree  □ Post graduate

1.4 Is your enterprise/unit/department/organisation:  (Tick one)
□ privately owned  □ publicly owned  □ a partnership
□ a subsidiary of a large company or group.
□ other:  .................................................................

1.5 How many years has your enterprise/unit/department/organisation been in operation?  (Tick one)
□ 0-5  □ 6-15  □ 16-25  □ over 25

1.5a How many staff are in your department/organisation:  (Tick one)
□ 1-5  □ 21-40
□ 6-10  □ 41-60
□ 11-20  □ 60+

1.6 What is your main area of activity?  (Tick one)
□ manufacturing  □ construction  □ financial services
□ retailing  □ administration  □ professional services
□ wholesaling  □ public service  □ service industry

1.7 Did you want a government certified VET registered business management program?  (Tick one)
   Yes  □  No  □

1.8 Would you choose to participate because the program offered a government VET registered certificate?  (Tick one)
   Yes  □  No  □
Appendix ‘B’

1.9. Why did you undertake the program? (Tick all applying)
☐ Build business management skills  ☐ It provided competency-based skills
☐ Develop business solvency skills  ☐ Personal interest in business studies
☐ To help grow the business     ☐ They had no business experience
☐ Others were doing it       ☐ Personal recommendation

1.10. Why did you choose a particular institution? (Tick all applying)
☐ Good reputation   ☐ Researched providers   ☐ Saw advertisement
☐ Personal recommendation  ☐ Others were using them  ☐ Only one available
☐ Known to deliver competency-based programs.

1.11. As a result of completing the program, have you: (Tick all applying)

- written goals to aim for?  Yes ☐ No ☐ present already ☐
- increased motivation? Yes ☐ No ☐ present already ☐
- become more positive? Yes ☐ No ☐ present already ☐
- made the staff more positive? Yes ☐ No ☐ present already ☐
- gained increased awareness of your abilities? Yes ☐ No ☐ present already ☐

1.12. As a result of completing the program, have your employees: (Tick one)
☐ increased  ☐ decreased  ☐ remained the same

1.13. As a result of completing the business program, have your sales: (Tick one)
☐ increased  ☐ decreased  ☐ remained the same  ☐ don’t know

1.14. As a result of completing the business program, has your gross profit: (Tick one)
☐ increased  ☐ decreased  ☐ remained the same  ☐ don’t know

1.15. As a result of completing the business program, has your net profit: (Tick one)
☐ increased  ☐ decreased  ☐ remained the same  ☐ don’t know

1.16. As a result of completing the business program, do your customers pay: (Tick one)
☐ more quickly  ☐ more slowly  ☐ remained the same  ☐ don’t know

1.17. As a result of completing the business program, do you pay creditors: (Tick one)
☐ more quickly  ☐ more slowly  ☐ remained the same  ☐ don’t know

1.18. As a result of completing the program, has your business become more solvent: (Tick one)
☐ Yes  ☐ No  ☐ No change
1.19a. As a result of completing the business program, do you use a written business plan? (Tick one)

☐ Yes ☐ No ☐ present before program

1.19b. If yes or present before program, have you: (Tick all applying)

☐ reviewed your plan’s performance ☐ assessed the risk of any plans
☐ discussed this plan with consultants/advisers ☐ not reviewed since development

1.20. As a result of completing the business program do you or your employees attend similar programs?

☐ No ☐ Continue program ☐ 1 - 4 similar programs

Part 2  
Name of program(s): .................................................................

For all the following statements please indicate, by circling a number from 1 to 7 provided, to indicate the extent to which you agree or disagree with what is said.

For example:

Good luck is better than bad luck

<table>
<thead>
<tr>
<th>COMMENT</th>
<th>YOUR OPINION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 The program was interesting.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.2 I found the program useful to affect the solvency of my business</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.3 The facilitator was a good instructor.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.4 I could relate the examples used back to my workplace.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.5 The program was easy to understand.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.6 The content of the program increased my self-esteem.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.7 I was satisfied with the content of the program.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.8 The program related directly to my business.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.9 I have frequently used what I learned since undertaking the program.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.10 The training was relevant to my role as an owner/manager.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.11 As a result of the program I have changed many business practices.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.12 As a result of the program, my firm has become more profitable.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.13 As a result of the program I have better business skills.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>2.14 As a result of the program I am more confident in my owner/manager role.</td>
<td>Agree</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
### Business Management Skills Offered

#### Planning

<table>
<thead>
<tr>
<th>Question</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did the program cover planning and writing business plans?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td>Did the program cover planning business strategy?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td>Did the program cover planning business problem solving?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td>Did the program cover entrepreneurship planning?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td>Did the program help you plan for improved solvency?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td>Organising</td>
<td>Did the program cover coordinating internal business structures?</td>
<td>Fully</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>3.2a</td>
<td>Did the program cover organisational strategy?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.2b</td>
<td>Did the program cover organisational structure issues?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.2c</td>
<td>Did the program cover organising human resource management?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.2d</td>
<td>Did the program help you to organise improvements in solvency?</td>
<td>Fully</td>
</tr>
<tr>
<td>Leading</td>
<td>Did the program cover understanding and directing people?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.3a</td>
<td>Did the program cover employee motivation and performance?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.3b</td>
<td>Did the program cover the control and influence of leadership power?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.3c</td>
<td>Did the program cover communication and interpersonal skills as a leader?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.3d</td>
<td>Did the program cover working with groups and teams as a leader?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.3e</td>
<td>Did the program help you to take a leadership role towards solvency?</td>
<td>Fully</td>
</tr>
<tr>
<td>Control</td>
<td>Did the program cover control of operational issues?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4a</td>
<td>Did the program cover control of financial issues?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4b</td>
<td>Did the program cover control of structural issues?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4c</td>
<td>Did the program cover control of strategic issues?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4d</td>
<td>Did the program cover control of productivity and operations management?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4e</td>
<td>Did the program cover control of internal communication?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4f</td>
<td>Did the program cover control of external information?</td>
<td>Fully</td>
</tr>
<tr>
<td>3.4g</td>
<td>Did the program cover solvency control?</td>
<td>Fully</td>
</tr>
</tbody>
</table>
### Appendix ‘B’

#### Conceptual skills

<table>
<thead>
<tr>
<th>3.5a</th>
<th>Did the program cover problem recognition?</th>
<th>Fully</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.5b</td>
<td>Did the program cover problem resolution?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.5c</td>
<td>Did the program cover ‘Big picture’ concepts?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.5d</td>
<td>Did the program cover management prioritising?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.5e</td>
<td>Did the program cover solvency and insolvency recognition?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

#### Human skills

<table>
<thead>
<tr>
<th>3.6a</th>
<th>Did the program cover staff conflict resolution?</th>
<th>Fully</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.6b</td>
<td>Did the program cover staff training?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.6c</td>
<td>Did the program cover negotiating skills?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.6d</td>
<td>Did the program cover communication with customers and suppliers?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.6e</td>
<td>Did the program cover team building and management?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.6f</td>
<td>Did the program cover staff issues relating to solvency?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

#### Technical skills

<table>
<thead>
<tr>
<th>3.7a</th>
<th>Did the program cover integrating technical skills with business requirements?</th>
<th>Fully</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.7b</td>
<td>Did the program cover organising management - skill requirements?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.7c</td>
<td>Did the program cover the link between technical skills and solvency?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

#### Business management

<table>
<thead>
<tr>
<th>3.8a</th>
<th>Did the program cover day to day business activities?</th>
<th>Fully</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.8b</td>
<td>Did the program cover personal goals, aims and future aspirations?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.8c</td>
<td>Did the program cover the difference between skills and competencies?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3.8d</td>
<td>Did the program cover understanding solvency key performance indicators?</td>
<td>Fully</td>
<td>Not at all</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>
### Program demographics

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9a Did the program offer a government VET certified program?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.9b Did the program include interactive workshop activity?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9c Did the program include large audience (over 30) seminar programs?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9d Was the program taught in the old fashioned teacher-pupil manner?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9e Did the program include discussion groups?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9f Was the program presented during the day?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9g Was the program presented in the evening?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9h Did the program measurably increase the solvency of the business?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9i Have you or will you, attend programs not covered by the program surveyed?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3.9j Have you or will you, recommend the program surveyed?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

### Part 4.

**4.1 Can you suggest any improvements to the current competency training?**

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

**4.2 What personal benefits did you gain from the training?**

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
4.3 What benefits did you gain for your business from the training?

4.4 In what way has your business become more solvent as a direct result of the program?
Appendix ‘C’

Solvency outcome survey
C1 Solvency impact results.

The following data relates to the contribution of personal and program demographics, tested against solvency outcomes of the program. Where there is a significant difference between the affirmative and negative, the relevant chi-Square Test is attached.

Table C.01 compares solvency to type of institution.

### Table C.01 Outcomes of programs - solvency improvement

<table>
<thead>
<tr>
<th>Q. 3.09h</th>
<th>Impact on solvency -</th>
<th>Impact on solvency -</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Govt Non RTO</td>
<td>20 55.56</td>
<td>16 44.44</td>
<td>36 100</td>
</tr>
<tr>
<td>Govt RTO</td>
<td>15 48.39</td>
<td>16 51.61</td>
<td>31 100</td>
</tr>
<tr>
<td>Private Non RTO</td>
<td>9 26.47</td>
<td>25 73.53</td>
<td>34 100</td>
</tr>
<tr>
<td>Private RTO</td>
<td>13 68.42</td>
<td>6 31.58</td>
<td>19 100</td>
</tr>
<tr>
<td>Total</td>
<td>57 47.50</td>
<td>63 52.50</td>
<td>120 100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

The Government programs showed no significant difference between those participants considering they had improved their solvency and those that had not.

Private non-RTOs showed a significant difference where 73.53% of participants perceived an increase in solvency as a result of the program and only 26.47% perceived no increase in solvency.

Private non-RTOs showed that their courses were not perceived to assist in solvency as 68.42% believed no benefits to solvency were gained.

Table C.01a (page 279) has a Pearson Chi-Square significance of 0.016 showing the positive implication of using Private non-RTO programs.
Table C.01a  Outcomes of programs - solvency improvement

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>23.364</td>
<td>11</td>
<td>0.016</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>25.600</td>
<td>11</td>
<td>0.007</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>0.001</td>
<td>1</td>
<td>0.979</td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a 10 cells (41.7%) have expected count less than 5. The minimum expected count is 1.90.

Table C.02 shows the relationship between participant age groups and solvency. Overall the numbers are too small in each group to indicate any significant difference between age and benefits of courses.

Table C.02  Relationship to solvency outcome - Participant age

<table>
<thead>
<tr>
<th>Q. 1.1</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 25 years</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>26-35 years</td>
<td>9</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>36-47 years</td>
<td>20</td>
<td>24</td>
<td>44</td>
</tr>
<tr>
<td>48-55 years</td>
<td>16</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td>Over 55 years</td>
<td>8</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.03 (page 280) cross tabulates between gender and solvency outcomes from course participation. There is a significant difference from the survey which indicates that 59.76% of men perceived that the program assisted in solvency improvement. Within the same random survey, 63.16% of women perceived that they gained no benefit to the solvency of their enterprise from the program that was surveyed.
### Table C.03  Relationship to solvency outcome - Participant gender

<table>
<thead>
<tr>
<th>Q. 1.2</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>33</td>
<td>49</td>
<td>82</td>
</tr>
<tr>
<td>%</td>
<td>40.24</td>
<td>59.76</td>
<td>100</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>24</td>
<td>14</td>
<td>38</td>
</tr>
<tr>
<td>%</td>
<td>63.16</td>
<td>36.84</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.03 indicates that there is a significant difference on the impact of solvency between men and women.

### Table C.03a  Relationship to solvency outcome - Participant gender

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.541</td>
<td>1</td>
<td>0.019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>4.651</td>
<td>1</td>
<td>0.031</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.579</td>
<td>1</td>
<td>0.018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
<td></td>
<td></td>
<td></td>
<td>0.029</td>
<td>0.015</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>5.494</td>
<td>1</td>
<td>0.019</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases = 120

a Computed only for a 2x2 table
b 0 cells (.0%) have expected count less than 5. The minimum expected count is 18.03.

### Table C.04  Relationship to solvency outcome - Participant education

<table>
<thead>
<tr>
<th>Q. 1.3</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level of participant education completed</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 10</td>
<td>7</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>%</td>
<td>53.85</td>
<td>46.15</td>
<td>100</td>
</tr>
<tr>
<td>Year 12</td>
<td>10</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>%</td>
<td>50.00</td>
<td>50.00</td>
<td>100</td>
</tr>
<tr>
<td>Trade</td>
<td>6</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>%</td>
<td>66.67</td>
<td>33.33</td>
<td>100</td>
</tr>
<tr>
<td>VET certificate</td>
<td>11</td>
<td>17</td>
<td>28</td>
</tr>
<tr>
<td>%</td>
<td>39.29</td>
<td>60.71</td>
<td>100</td>
</tr>
<tr>
<td>VET diploma</td>
<td>14</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>%</td>
<td>50.00</td>
<td>50.00</td>
<td>100</td>
</tr>
<tr>
<td>Uni. degree</td>
<td>8</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>%</td>
<td>42.11</td>
<td>57.89</td>
<td>100</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>%</td>
<td>33.33</td>
<td>66.67</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Table C.04 (page 280) indicates that there is very little difference between the highest level of education completed by owner/managers and solvency benefits obtained from the courses.

Table C.05 considers different types of enterprises. Whilst the Chi-Square Test is above 0.05 in Table C.05a (page 282) to indicate no significant difference, it is clear that some industries appear to have benefited significantly more from the programs than other industries.

Table C.05  Relationship to solvency outcome - Type of enterprise

<table>
<thead>
<tr>
<th>Q. 1.6</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>8</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>%</td>
<td>38.10</td>
<td>61.90</td>
<td>100</td>
</tr>
<tr>
<td>Retailing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>1</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>%</td>
<td>16.67</td>
<td>83.33</td>
<td>100</td>
</tr>
<tr>
<td>Wholesaling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>4</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>%</td>
<td>36.36</td>
<td>63.64</td>
<td>100</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>%</td>
<td>40.00</td>
<td>60.00</td>
<td>100</td>
</tr>
<tr>
<td>Public service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>%</td>
<td>100.00</td>
<td>0.00</td>
<td>100</td>
</tr>
<tr>
<td>Financial services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>10</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>%</td>
<td>66.67</td>
<td>33.33</td>
<td>100</td>
</tr>
<tr>
<td>Professional services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>9</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>%</td>
<td>69.23</td>
<td>30.77</td>
<td>100</td>
</tr>
<tr>
<td>Service industry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>22</td>
<td>26</td>
<td>48</td>
</tr>
<tr>
<td>%</td>
<td>45.83</td>
<td>54.17</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Manufacturing industry respondents perceived solvency benefits in 61.90% of the participating enterprises.

83.33% of retailers perceived solvency benefits

63.64% of Wholesalers perceived solvency benefits

60.00% or construction enterprises perceived solvency benefits

Financial service participants had the opposite opinion. 66.67% perceived no solvency benefits
69.23% of Professional services perceived no solvency benefits

Service industry participants were evenly divided in their opinions.

Table C.05a indicates that course participation from certain industries perceive significantly more benefits from using management education courses than other industries.

Table C.05a  Relationship to solvency outcome - Type of enterprise

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>10.031</td>
<td>7</td>
<td>0.187</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>10.750</td>
<td>7</td>
<td>0.150</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.063</td>
<td>1</td>
<td>0.080</td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a 6 cells (37.5%) have expected count less than 5. The minimum expected count is .47.

Table C.06 indicates that the number of staff within the enterprises surveyed bore little of no relationship to whether an enterprise became more solvent as a result of management education.

Table C.06  Relationship to solvency outcome - Number of staff

<table>
<thead>
<tr>
<th>Q. 1.5a</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5</td>
<td>32</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>48.48</td>
<td>51.52</td>
<td>100</td>
</tr>
<tr>
<td>6-10</td>
<td>11</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>50.00</td>
<td>50.00</td>
<td>100</td>
</tr>
<tr>
<td>11-20</td>
<td>6</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>54.55</td>
<td>45.45</td>
<td>100</td>
</tr>
<tr>
<td>21-40</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>44.44</td>
<td>55.56</td>
<td>100</td>
</tr>
<tr>
<td>41-60</td>
<td>0</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>0.00</td>
<td>100.00</td>
<td>100</td>
</tr>
<tr>
<td>60+</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>66.67</td>
<td>33.33</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Table C.07 indicates that there were no differences to solvency benefits of course participants surveyed, that had or had not chosen to participate in a VET registered course or not.

**Table C.07  Relationship to solvency outcome - Choosing VET course**

<table>
<thead>
<tr>
<th>Q. 1.7 Required a VET certified course?</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>39</td>
<td>45</td>
<td>84</td>
</tr>
<tr>
<td>%</td>
<td>46.43</td>
<td>53.57</td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>18</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>%</td>
<td>50.00</td>
<td>50.00</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.08 indicates that participants that were required to participate in VET registered courses, had only a 30.00% chance of the course increasing their solvency. Indeed 70.00% of participants did not have a positive solvency outcome as a direct result of choosing to participate in a VET program.

**Table C.08  Relationship to solvency outcome - Requiring VET certificate**

<table>
<thead>
<tr>
<th>Q. 1.8 Chose a VET certified course</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>43</td>
<td>57</td>
<td>100</td>
</tr>
<tr>
<td>%</td>
<td>43.00</td>
<td>57.00</td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>14</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>%</td>
<td>70.00</td>
<td>30.00</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.08a (Page 284) indicates a significant difference in the negative impact of participants choosing to participate because the course was VET registered.
Table C.08a  Relationship to solvency outcome - Requiring VET certificate

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>4.872 (^{(b)})</td>
<td>1</td>
<td>0.027</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction (^{(a)})</td>
<td>3.850</td>
<td>1</td>
<td>0.050</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>4.958</td>
<td>1</td>
<td>0.026</td>
<td>0.048</td>
<td>0.024</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>4.832</td>
<td>1</td>
<td>0.028</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases 120

\(^{(a)}\)Computed only for a 2x2 table
\(^{(b)}\)0 cells (.0%) have expected count less than 5. The minimum expected count is 9.50.

Table C.09 indicates that participants that took a course to build management skills did not gain significant advantages from participating in the course. Participants that were not interested in building management skills had a significant 64.00% chance that they would not get a positive solvency outcome.

Table C.09 provides information on the relationship between taking a program to build management skills and its impact on solvency.

<table>
<thead>
<tr>
<th>Q. 1.9a Wanted to build management skills</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>64.00</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>36.00</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>41</td>
<td>43.16</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>54</td>
<td>56.84</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>57</td>
<td>47.50</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>63</td>
<td>52.50</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.09a (page 285) indicates that there is not sufficient difference in the Pearson Chi-Square Test to consider the differences significant.
Table C.09a  Relationship to solvency outcome - Taking program to build management skills

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>3.447 (b)</td>
<td>1</td>
<td>0.063</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction (a)</td>
<td>2.662</td>
<td>1</td>
<td>0.103</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>3.471</td>
<td>1</td>
<td>0.062</td>
<td>0.075</td>
<td>0.051</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.419</td>
<td>1</td>
<td>0.064</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a Computed only for a 2x2 table
b 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.88.

Table C.10 is outstanding in the fact that there is no significant difference in solvency outcomes, between those participants wishing to develop solvency skills and those that did not.

Table C.10  Relationship to solvency outcome - Taking program to develop solvency skills

<table>
<thead>
<tr>
<th>Q. 1.9b Wanted to develop solvency skills</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>22</td>
<td>18</td>
<td>40</td>
</tr>
<tr>
<td>55.00</td>
<td>45.00</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>35</td>
<td>45</td>
<td>80</td>
</tr>
<tr>
<td>43.75</td>
<td>56.25</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>47.50</td>
<td>52.50</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.11 (page 286) has a significant self-fulfilled, negative outcome. Those participants that were not interested in helping their business grow, had an 83.33% chance of not increasing their solvency levels. However, those looking to grow their business were quite equally distributed between improving and not improving their solvency.
Table C.11  Relationship to solvency outcome - Taking program to help grow the business

<table>
<thead>
<tr>
<th>Q. 1.9c Wanted to grow business</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>15</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>%</td>
<td>83.33</td>
<td>16.67</td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>42</td>
<td>60</td>
<td>102</td>
</tr>
<tr>
<td>%</td>
<td>41.18</td>
<td>58.82</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

The significant negative result in Table C.11 is reflected in the Pearson Chi-Square Test result of 0.001.

Table C.11a  Relationship to solvency outcome - Taking program to help grow the business

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>10.904</td>
<td>1</td>
<td>0.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>9.279</td>
<td>1</td>
<td>0.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>11.626</td>
<td>1</td>
<td>0.001</td>
<td>0.002</td>
<td>0.001</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td>0.002</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>10.813</td>
<td>1</td>
<td>0.001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a Computed only for a 2x2 table
b 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.55.

Table C.12 (page 287) indicates that those participants deciding to take a program that provided competency-based skills, did not have a significant affect on the business solvency.
Table C.12  Relationship to solvency outcome - Taking program to provide competency based skills

<table>
<thead>
<tr>
<th>Q. 1.9e</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>To learn business competency skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>13</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>38.24</td>
<td>61.76</td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>44</td>
<td>42</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>51.16</td>
<td>48.84</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.13 indicates that those participants commencing their programs with little or no previous business experience, found they had a 60.98% chance of the course having a positive impact on their solvency.

Table C.13  Relationship to solvency outcome - with no previous business experience

<table>
<thead>
<tr>
<th>Q. 1.9g Had little or no business experience?</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>41</td>
<td>38</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>51.90</td>
<td>48.10</td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>16</td>
<td>25</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>39.02</td>
<td>60.98</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.14 (page 288) indicates that those who undertook the program due to a personal recommendation had an 80.00% chance of benefiting from that course.
Table C.14  Relationship to solvency outcome - Those personally recommended to program

<table>
<thead>
<tr>
<th>Course personally recommended</th>
<th>Impact on solvency -</th>
<th>Impact on solvency -</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>54</td>
<td>3</td>
<td>57</td>
</tr>
<tr>
<td>%</td>
<td>51.43</td>
<td>20.00</td>
<td>47.50</td>
</tr>
<tr>
<td>No Count</td>
<td>51</td>
<td>12</td>
<td>63</td>
</tr>
<tr>
<td>%</td>
<td>48.57</td>
<td>80.00</td>
<td>52.50</td>
</tr>
<tr>
<td>Total Count</td>
<td>105</td>
<td>15</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C14a indicated through the Pearson Chi-Square Test that a significant difference of 0.023 is indicated regarding the impact on solvency if a course has been recommended.

Table C.14a  Relationship to solvency outcome - Those personally recommended to program

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.199 (b)</td>
<td>1</td>
<td>0.023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction (a)</td>
<td>4.015</td>
<td>1</td>
<td>0.045</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.568</td>
<td>1</td>
<td>0.018</td>
<td></td>
<td>0.028</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td>0.028</td>
<td></td>
<td></td>
<td>0.021</td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>5.155</td>
<td>1</td>
<td>0.023</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a Computed only for a 2x2 table
b 0 cells (.0%) have expected count less than 5. The minimum expected count is 7.13.

Table C.15 (Page 289) indicates that there is no significant difference in the impact to solvency as a result of an educational organisation’s reputation.
Table C.15  Relationship to solvency outcome - Chose institution because of a good reputation

| Q. 1.10a |
|------------------|------------------|------------------|------------------|
| Institute had good reputation | Impact on solvency - No | Impact on solvency - Yes | Total |
| No | Count | % | 43 | 50.00 | 43 | 50.00 | 86 | 100 |
| Yes | Count | % | 14 | 41.18 | 20 | 58.82 | 34 | 100 |
| Total | Count | % | 57 | 47.50 | 63 | 52.50 | 120 | 100 |

Source: Field data collected for this research

Table C.16 indicates that where a course was personally recommended, it had a 63.24% chance of being a positive influence on solvency. 61.54% of owner/managers commencing programs that were not recommended, were not perceived to have increased the enterprises solvency.

Table C.16  Relationship to solvency outcome - Chose institution because of a personal recommendation

| Q. 1.10b |
|------------------|------------------|------------------|------------------|
| Institute personally recommended | Impact on solvency - No | Impact on solvency - Yes | Total |
| No | Count | % | 32 | 61.54 | 20 | 38.46 | 52 | 100 |
| Yes | Count | % | 25 | 36.76 | 43 | 63.24 | 68 | 100 |
| Total | Count | % | 57 | 47.50 | 63 | 52.50 | 120 | 100 |

Source: Field data collected for this research

Table C.16a (page 290) confirms Table C.16 where personal recommendations of the course or institute both have a significantly positive Pearson Chi-Square Test result.
Table C.16a  Relationship to solvency outcome - Chose institution because of a personal recommendation

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>7.252</td>
<td>1</td>
<td>0.007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction (a)</td>
<td>6.293</td>
<td>1</td>
<td>0.012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7.316</td>
<td>1</td>
<td>0.007</td>
<td>0.010</td>
<td>0.006</td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>7.192</td>
<td>1</td>
<td>0.007</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a Computed only for a 2x2 table
b 0 cells (.0%) have expected count less than 5. The minimum expected count is 24.70.

In Table C.16a, it may be seen that whether a course was chosen because of a personal recommendation had no significant weighting on perceived solvency benefits of the program.

Table C.17  Relationship to solvency outcome - Chose institution because it is known to deliver competency-based courses.

<table>
<thead>
<tr>
<th>Q. 1.10c Institute known for business skill courses</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Count</td>
<td>46</td>
<td>52</td>
<td>98</td>
</tr>
<tr>
<td>%</td>
<td>46.94</td>
<td>53.06</td>
<td>100</td>
</tr>
<tr>
<td>Yes Count</td>
<td>11</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>%</td>
<td>50.00</td>
<td>50.00</td>
<td>100</td>
</tr>
<tr>
<td>Total Count</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

In Table C.17, it may be seen that whether a course was chosen because the institution was VET registered or not, had no significant weighting on perceived solvency benefits of the program.

Table C.18 (page 291), it may be seen that whether a course was chosen because the institution had been researched or not, had no significant weighting on perceived solvency benefits of the program.
Table C.18 Relationship to solvency outcome - Chose institution having researched course providers

<table>
<thead>
<tr>
<th>Q. 1.10d</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count: 40, % 45.45</td>
<td>Count: 48, % 54.55</td>
<td>88</td>
</tr>
<tr>
<td>Yes</td>
<td>Count: 17, % 53.13</td>
<td>Count: 15, % 46.88</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>Count: 57, % 47.50</td>
<td>Count: 63, % 52.50</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

In Table C.19, it may be seen that whether a course was chosen through advertising or not, had no significant weighting on perceived solvency benefits of the program.

Table C.19 Relationship to solvency outcome - Chose institution because of advertisement

<table>
<thead>
<tr>
<th>Q. 1.10f</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count: 36, % 48.65</td>
<td>Count: 38, % 51.35</td>
<td>74</td>
</tr>
<tr>
<td>Yes</td>
<td>Count: 21, % 45.65</td>
<td>Count: 25, % 54.35</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>Count: 57, % 47.50</td>
<td>Count: 63, % 52.50</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Table C.20 Relationship to solvency outcome - with written goals from program

<table>
<thead>
<tr>
<th>Q. 1.11a</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count: 21, % 63.64</td>
<td>Count: 12, % 36.36</td>
<td>33</td>
</tr>
<tr>
<td>Yes</td>
<td>Count: 22, % 34.92</td>
<td>Count: 41, % 65.08</td>
<td>63</td>
</tr>
<tr>
<td>Already Present</td>
<td>Count: 14, % 58.33</td>
<td>Count: 10, % 41.67</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>Count: 57, % 47.50</td>
<td>Count: 63, % 52.50</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Where the course participant did not have written goals as a result of their program, 63.64% of participants perceived no increase to solvency.

Where the course participant did have written goals as a result of their program, 65.08% of participants perceived an increase to solvency.

In cases where goals had been written and were present prior to courses but not revisited, 58.33% of participants perceived no increase to solvency.

The Pearson Chi-Square Test in Table C.20a indicates a significant difference where written goals are a part of a business management program.

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>8.573 (a)</td>
<td>2</td>
<td>0.014</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>8.676</td>
<td>2</td>
<td>0.013</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>0.524</td>
<td>1</td>
<td>0.469</td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a 0 cells (.0%) have expected count less than 5.
The minimum expected count is 11.40.
Table C.21  Relationship to solvency outcome - with increased motivation from program

<table>
<thead>
<tr>
<th>Q. 1.11b</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result - increased motivation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Count</td>
<td>13</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>%</td>
<td>72.22</td>
<td>27.78</td>
<td>100</td>
</tr>
<tr>
<td>Yes Count</td>
<td>41</td>
<td>54</td>
<td>95</td>
</tr>
<tr>
<td>%</td>
<td>43.16</td>
<td>56.84</td>
<td>100</td>
</tr>
<tr>
<td>Already Present Count</td>
<td>3</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>%</td>
<td>42.86</td>
<td>57.14</td>
<td>100</td>
</tr>
<tr>
<td>Total Count</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Where there was no increase to participant motivation, 72.22% of participants perceived no increase to solvency.

Where there was an increase or the participant was already motivated, there was no significant weighting on perceived solvency benefits of the program.

Table C.22  Relationship to solvency outcome - becoming more positive from program

<table>
<thead>
<tr>
<th>Q. 1.11c</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result - Participant became more positive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Count</td>
<td>8</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>%</td>
<td>88.89</td>
<td>11.11</td>
<td>100</td>
</tr>
<tr>
<td>Yes Count</td>
<td>46</td>
<td>60</td>
<td>106</td>
</tr>
<tr>
<td>%</td>
<td>43.40</td>
<td>56.60</td>
<td>100</td>
</tr>
<tr>
<td>Already Present Count</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>%</td>
<td>60.00</td>
<td>40.00</td>
<td>100</td>
</tr>
<tr>
<td>Total Count</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Where the course did not increase the level of positivism of participant, 88.89% of participants perceived no increase to solvency.
Indeed where the participant suggested they were already positive and the course did not increase the level of positivism of participant, 60.00% of participants perceived no increase to solvency.

Where the course did have an increase in the level of positivism of participant, there was no significant weighting on perceived solvency benefits of the program.

Table C.22a indicates through the Pearson Chi-Square Test that there is a significant difference 0.027 on the impact of becoming more positive as a result of a management education program.

### Table C.22a  Relationship to solvency outcome - becoming more positive from program

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>7.212</td>
<td>2</td>
<td>0.027</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7.953</td>
<td>2</td>
<td>0.019</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>2.756</td>
<td>1</td>
<td>0.097</td>
</tr>
</tbody>
</table>

N of Valid Cases: 120

*4 cells (66.7%) have expected count less than 5. The minimum expected count is 2.38.*

### Table C.23  Relationship to solvency outcome - gaining increased awareness of abilities from program

<table>
<thead>
<tr>
<th>Q. 1.11e</th>
<th>Impact on solvency -</th>
<th>Impact on solvency -</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Participant made aware of their abilities</td>
<td>No</td>
<td>8</td>
<td>61.54</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>61.54</td>
<td>38.46</td>
</tr>
<tr>
<td>Yes</td>
<td>Count</td>
<td>45</td>
<td>43.69</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>43.69</td>
<td>56.31</td>
</tr>
<tr>
<td>Already Present Count</td>
<td>%</td>
<td>4</td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>57</td>
<td>52.50</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

Where the course did not increase the awareness of abilities by participants, 61.54% of participants perceived no increase to solvency.
Indeed where the participant suggested they were already aware of their abilities and the course did not increase the level of awareness by participants, 100.00% of participants perceived no increase to solvency.

Where the course did have an increase in the awareness of abilities by participants, there was no significant weighting on perceived solvency benefits of the program.

Table C.23a has a Pearson Chi-Square Test significance of 0.049 indicating that it is just within the level of significance to make a difference.

Table C.23a  Relationship to solvency outcome - gaining increased awareness of abilities from program

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>6.048</td>
<td>2</td>
<td>0.049</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7.589</td>
<td>2</td>
<td>0.022</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>0.018</td>
<td>1</td>
<td>0.892</td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a 2 cells (33.3%) have expected count less than 5. The minimum expected count is 1.90.

Table C.24  Relationship to solvency outcome - Using a business plan

<table>
<thead>
<tr>
<th>Q. 1.19a Result - Continued use of Business Plan</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Count %</td>
<td>13</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Yes Count %</td>
<td>21</td>
<td>41</td>
<td>62</td>
</tr>
<tr>
<td>Present before Count %</td>
<td>23</td>
<td>9</td>
<td>32</td>
</tr>
<tr>
<td>Total Count %</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Where the course did not offer the development of a business plan to participants, there was no significant weighting on perceived solvency benefits of the program.

Indeed where the participant suggested they were already had a business plan and course participants did not develop one, 71.88% of participants perceived no increase to solvency.

Where the course did offer the development of a business plan to participants 66.13% perceived an increased benefit to solvency

Table C.24a has a Pearson Chi-Square Test result of 0.002 that indicates a significant difference in the result of the survey to take further notification of the survey question as noted in the bullet points above.

### Table C.24a  Relationship to solvency outcome - Using a business plan

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>12.307</td>
<td>2</td>
<td>0.002</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>12.605</td>
<td>2</td>
<td>0.002</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.523</td>
<td>1</td>
<td>0.061</td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.35.

### Table C.25  Relationship to solvency outcome - Owner/manager reviewing business plan alone

<table>
<thead>
<tr>
<th>Q. 1.19b/a Result - Personally review Business Plan</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Count %</td>
<td>23</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td>Yes Count %</td>
<td>34</td>
<td>40</td>
<td>74</td>
</tr>
<tr>
<td>Total Count %</td>
<td>57</td>
<td>63</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research
Appendix ‘C’

Table C.25 (page 296) indicates that participants that reviewed their own business plan without objective interaction, had no significant weighting on perceived solvency benefits of the program.

Table C.26 indicates that 71.43% of participants objectively reviewing their business plan interactively with an independent consultant, had a significant perception that programs incorporating independent business plan development had significant solvency benefits of the enterprise.

Table C.26  Relationship to solvency outcome - After discussing business plan with consultant

<table>
<thead>
<tr>
<th>Q. 1.19b/b Result - Discuss Plan with consultant</th>
<th>Impact on solvency - No</th>
<th>Impact on solvency - Yes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Count 45</td>
<td>33</td>
<td>78</td>
</tr>
<tr>
<td>%</td>
<td>57.69</td>
<td>42.31</td>
<td>100</td>
</tr>
<tr>
<td>Yes</td>
<td>Count 12</td>
<td>30</td>
<td>42</td>
</tr>
<tr>
<td>%</td>
<td>28.57</td>
<td>71.43</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>Count 57</td>
<td>63</td>
<td>120</td>
</tr>
<tr>
<td>%</td>
<td>47.50</td>
<td>52.50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field data collected for this research

The Pearson Chi-Square Test in Table C.26a indicates a significance of 0.002 that shows the impact of discussing a Business Plan with a consultant.

Table C.26a  Relationship to solvency outcome - After discussing business plan with consultant

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9.284 (b)</td>
<td>1</td>
<td>0.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>8.153 (a)</td>
<td>1</td>
<td>0.004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>9.523</td>
<td>1</td>
<td>0.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fisher's Exact Test</td>
<td></td>
<td></td>
<td></td>
<td>0.004</td>
<td>0.002</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>9.206</td>
<td>1</td>
<td>0.002</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N of Valid Cases 120

a Computed only for a 2x2 table
b 0 cells (.0%) have expected count less than 5. The minimum expected count is 19.95.
C1.1 Summary of results.

Appendix C has given results showing positive, negative and neutral responses to areas that may have had an impact on solvency. Those areas giving significant differences are isolated and shown as follows:

Respondents that perceived a positive impact on the solvency of their enterprise indicated the following points:

- Table C.1 (page 278) indicated that of respondents at Private non-RTOs were the only institution that showed a significant and positive increase in solvency impact being 73.53%.
- Table C.02 (page 279) indicated that the age group receiving the most positive increase in solvency were 67.86% of respondents between the ages of 26-35.
- Table C.03 (page 280) indicate that 59.76% of male respondents considered the course in which they participated has a significantly positive impact on their enterprise.
- Table C.04 (page 280) indicated that 61.90% of manufacturers, 83.33% of retailers, 63.64% of wholesalers, 60.00% of Construction industry respondents perceived a positive impact of the educational program on their enterprise.
- Table C.12 (page 287) indicated that 61.76% of respondents that had not chosen a course hoping to increase their business competency skills, nevertheless perceived a positive impact on their enterprise.
- Table C.13 (page 287) related to owner/managers with little or no previous business skills and 60.98% of these participants indicated that the program had a positive impact on their enterprise.
- Table C.14 (page 288) indicated that 80.00% of respondents personally recommended to take a specific course reported that the course had a positive impact on their enterprise.
Appendix ‘C’

Table C.16 (page 289) indicated that 63.24% of respondents recommended to specific institutions found the institution’s program had a positive impact on their enterprise.

Table C.20 (page 291) indicated that 65.08% of respondents that had written goals as a result of their course had a positive impact on their enterprise.

Table C.24 (page 295) indicates that 66.13% of respondents continuing to use their business plan since the program finished, have perceived a positive impact of the program on their enterprise.

Table C.26 (page 297) indicates that 71.43% of recipients that continue to discuss their business plan with a third party, perceive a significant positive impact of the program on their enterprise.

Respondents that did not perceived a positive impact on the solvency of their enterprise indicated the following points:

Table C.01 (page 278) indicated that of the respondents using Private RTO programs 68.42% perceived no impact on improved solvency.

Table C.02 (page 279) indicated 80.00% or respondents under 25 years old perceived no impact on improved solvency.

Table C.03 (page 280) indicated 63.16% of female respondents perceived no impact on improved solvency.

Table C.05 (page 281) indicated 66.67% of financial and 69.23% of professional service industry participants perceived no impact on improved solvency.

Table C.07 (page 283) indicated that 70.00% of participants choosing to undertake a VET registered course to gain a certificate, perceived no impact on improved solvency.

Table C.09 (page 283) indicated that 64.00% of respondents that did not choose a program in order to build management skills, perceived no impact on improved solvency.
Appendix ‘C’

Table C.11 (page 286) indicated that 83.33% of respondents that did not choose a program in order to grow their business, perceived no impact on improved solvency.

Table C.16 (page 289) indicated that 61.54% of respondents that did not use an institution which was recommended to them, perceived no impact on improved solvency.

Table C.20 (page 291) indicated that 63.64% of respondents that did not complete business goal setting in the course of their business program, perceived no impact on improved solvency.

Table C.21 (page 293) indicated that 72.22% of respondents that did not feel the course increased their motivation in regard to their business, they perceived no impact on improved solvency.

Table C.22 (page 293) indicated that 88.89% of respondents that did not feel the course made them feel more positive in themselves, they perceived no impact on improved solvency.

Table C.23 (page 294) indicated that 61.54% of respondents that did not feel the course increased their awareness of their abilities, they perceived no impact on improved solvency.

Respondents that did not indicate significant difference in the impact on the solvency of their enterprise indicated the following points:

Table C.04 (page 280) indicated that the level of completed education had no bearing on a program’s impact on the solvency of an enterprise.

Table C.08 (page 282) indicated that requiring a VET registered and certified course, had no bearing on a program’s impact on the solvency of an enterprise.

Table C.10 (page 283) indicated that participating in a course with the desire to increase solvency skills, had no bearing on a program’s impact on the solvency of an enterprise.
Table C.15 (page 289) indicated that the reputation of an educational institute had no bearing on a program’s impact on the solvency of an enterprise.

Table C.17 (page 290) indicated that knowing an institute offers a competency-based course, had no bearing on a program’s impact on the solvency of an enterprise.

Table C.18 (page 291) indicated that advanced research by a participant of various courses, had no bearing on a program’s impact on the solvency of an enterprise.

Table C.19 (page 291) indicated that examining of different advertising information, had no bearing on a program’s impact on the solvency of an enterprise.

Table C.26 (page 297) indicated that where participants did not have a third party review of their business plan, generally there was no positive or negative benefit of a program’s impact on the solvency of an enterprise.
Further Reading List

1991, 'National Competency Standards', Canberra City, The National Training Board Ltd.


2002b, 'Training needs survey for Interactive Learning and Training Analysts in Southern Ireland,' Ireland, Courseware Interactive.


Australian Bureau of Statistics 2002a, 'Business Indicators, Australia', Canberra, ABS.


Birch, C. 2000, Future Success, Prentice Hall, Frenchs Forest NSW.


Bono, E. D. 1990, I am Right You Are Wrong, Penguin Books, Ringwood VIC.


Further Reading List


Brotherton, C. 2000, 'New certificate designed to give managers psychological lift', In Journal of Management Development, Vol. 20,

Bryant, B., Farhy, N. & Griffiths, A. 1994, 'Self-Managing Teams & Changing Supervisory Role', Sydney, Centre for Corporate Change - Australian Graduate School of Management UNSW.


Further Reading List


Carnegie, D. 1936, How to Win Friends and Influence People, Angus & Robinson Publishers, North Ryde, NSW.


Chaston, I., Badger, B. & Sadler-Smith, E. 1999, 'Small firm organisational learning:' In Journal of European Industrial Training, Vol. 23 (1), pp.36-43,


Further Reading List

Cambridge University Press, Melbourne.


Dept of Business 2003, 'Training Survey', Toledo, University of Toledo.


DeVoge, S. & Dyson, C. 1996, 'Improving Organisational Performance', In
People and Competencies (Eds, Boulter, N., Dalziel, M. & Hill, J.)

Dick, B. 2001, Action Research: Action and Research, Ch 2 in Effective
Change Management Using Action Learning and Research, Southern
University Press, Lismore.

Donaldson, L. 1995, American Anti-Management Theories of Organisation,
Cambridge University Press, Melbourne.


Dr Wang, A. 1986, 'Responsibility', In Book of Leadership Wisdom 1998 (Ed,
Krass, P.) John Wiley & Sons, Brisbane.

Drucker, D. 1997, 'Mrs Drucker Starts a Business', In The Book of
New York, pp. 37-44.

Drucker, P. F. 1985, 'The Discipline of Innovation', In Harvard Business
Review, Vol. 63 (May-June 1985), pp. 67-72,


Drucker, P. F. 1988, 'The coming of the New Organization', In Harvard

Review, Vol. 76 (Nov/Dec 1998), pp. 149-157,

Drucker, P. F. & Senge, P. M. 2001, Leading in a Time of Change, Jossey-
Bass, San Francisco.

Easterby-Smith, M., Burgoyne, J. & Araujo, L. 1999, Organisational

Edison, T. A. 1948, 'Machine & Progress', In Book of Leadership Wisdom

Eisner, M. D. 1996, 'Managing a Creative Organisation', In Book of

Elliott, G. & Glaser, S. 1998, 'Australian management education at the cusp',
In Journal of Management Development, Vol. 17 (2), pp.121-130,

Ellis, P. A. 1996a, 'Fraser Coast Anglican College Parent Survey', Fraser
Coast Anglican College.

Ellis, P. A. 1996b, 'Fraser Coast Anglican College Culture Survey', Fraser
Coast Anglican College.


Further Reading List


Further Reading List


Griffiths, D. N. 1990, Implementing Quality with a Customer Focus, ASQC Quality Press, Milwaukee USA.

Groom, T. 2000, 'Turnaround strategy development and marketing', School of Management, Lincoln UK, Lincoln University.


Hall, G. 1992, 'Surviving and Prospering During the Recession', SEAANZ and Institute of Industrial Economics National Small Enterprise Conference, Sydney, Institute of Industrial Economics, University of Newcastle NSW


Henley, B. S. 2000, 'Reducing the risk of post-aquisitional financial failure', Graduate School of Business, Lismore, Southern Cross University.


Jennings, D. F. 1996, 'A Process Model of Organizational Entrepreneurship, Strategic Actions and Performance', Dept of Management, Graduate College of Texas A & M.


Jones, B. K. 2001, 'Knowledge Management', Graduate School of Business, Lismore, Southern Cross University.


Kearns, P. 2002, 'Are two worlds colliding? The provision of training and learning services for small business', Leabrook SA, National Centre for Vocational Education Research.


Kehoe, D. & Godden, S. 2000, *You lead - they'll follow*, BLC Pty Ltd, Perth.


MacRory, S. 1999, 'Let's make this a great place to work', In Accountancy Ireland, Vol. 31 (6), p.28-29, Dec.


Further Reading List


McInerney, F. & White, S. 1995, The Total Quality Corporation, Plume/Penguin, Ringwood, VIC.


Further Reading List


Mulcahy, D. & James, P. 1999, 'Evaluating the Contribution of Competency-based Training', Leabrook South Australia, National Centre for Vocational Education Research.


Further Reading List


Sorcher, M. 1985, Predicting Executive Success, John Wiley & Sons, Brisbane.
Sparks, D. 2001, 'Executive Training Programs Company Profile Survey', USA, Institute of Internal Auditors.


Trotman, G. 2002, MBA Course presentation: Global Diversity Management, University of the Sunshine Coast, Maroochydore, QLD.


University of Minnesota 'Survey of non profit Management and Technical Assistance Program (MTAP)', Minnesota, Office for Business & Community Economic Development.


Further Reading List


