

**Facilitating individualised learning solutions: the case of hospitality  
and tourism owner/managers in Greater Belfast**

**Thesis submitted for the degree of**

**Doctor of Social Science**

**At the University of Leicester**

**2010**

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## **Abstract**

This research addresses the question: How can the facilitation of individualised learning solutions for SME owner/managers be reconceptualised? In answering this question a questionnaire was utilised within a comparative case study design to conduct semi-structured interviews. Subjects were drawn from a diverse range of hospitality and tourism firms including hotels, guest houses, pub/restaurants, coffee shops and a brewery. The research addresses wider issues affecting training and learning contexts rather than simply training alternatives. Such issues included, conceptions of learning, workplace learning environments, owner/learner identity, managerial skills and entrepreneurial talent. Consequently, conclusions were drawn highlighting that accessing learning solutions must be driven by the owner/manager. Such learning is identified as being available within the workplace or from the accessible open curriculum of the external environment. This open curriculum includes, working in other organizations, visiting benchmark firms as customers, accessing existing, or devising individualised training courses.

This led to the development of the ‘owner/manager learner access model’ which reconceptualises how the owner/manager can move towards accessing individualised learning solutions. The model illustrates the positions of owner/managers in relation to their relative levels of activity in pursuing self-generated access to learning. From this, the requirement of a new layer of learning to help owner/managers develop a propensity for the acquisition of learning is identified. This layer is suggested as a pre-requisite to

training in specific managerial skills. It involves equipping the owner/manager with the capacity to identify sources of new knowledge and skills and the ability to gain access to them. Two additional conclusions then emerge. Firstly, the ability to access self-generated learning is an entrepreneurial trait. Secondly, there is a link between delegation and moving to the domain of the self-generated learner. Delegation allows the time necessary to identify, develop and participate in new learning activities.

## **Acknowledgements**

I would like to acknowledge the support of my thesis supervisor Dr. Johnny Sung who has provided me with clear guidance and support during my studies. His ideas and suggestions were most valued throughout the process of undertaking the research and the writing of the thesis.

I would also like to thank Susan Walker, CLMS research secretary who has consistently been available to provide support. She has been considerate and efficient in dealing with all issues I have raised with her in relation to my studies.

I would also acknowledge my best friend Michael O'Sullivan and thank him for his encouragement and support which has always been there. He has been a sounding board for my ideas and his critique has been most invaluable.

For keeping me supplied with the latest local hospitality and tourism magazines, I would like to thank my colleague and friend Carolyn Mc Neice. She has consistently encouraged and inspired me throughout my research.

To my family, Isabel and Fiona I would extend my gratitude for their tolerance during my years of study.

Finally, I am sincerely thankful to all the research subjects for their full and open responses to my questions, for welcoming me into their firms and giving of their valuable time and support. Without their insights, this research would not have been possible.

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## **Research question**

*How can the facilitation of individualised learning solutions for SME owner/managers be reconceptualised?*

## **Section 1**

### **Introduction to the research**

## **Chapter 1**

### **1. Introduction**

Chapter 1 provides an introduction to the research where issues relating to the need for individualised training solutions for SME owners in the Hospitality and Tourism sector of Greater Belfast are investigated.

#### **1.1 Background to the research**

There are currently two key government objectives for tourism in Northern Ireland. Firstly, to increase tourism revenue from incoming tourism to £520m by 2011 compared with £370m in 2006 and secondly, to increase the number of incoming tourists to 2.5m by 2011 compared to 1.98m in 2006. The tourism sector is seen as having significant growth potential based on the overall contribution to the economy being only 1.9% compared with Great Britain which achieves 3.2% (Detni: 2010).

Compared to figures provided in the Governments strategy 2010 report for Northern Ireland produced in 1999 little progress appears to have been made. In 1999 the Tourism industry's contribution to the economy was 1.8% and comparisons made at that time placed the Republic of Ireland at 7%, Scotland 5% and Wales 7.5%. It was considered then that the biggest constraint on growth in the Hospitality and Tourism sector was a management skills deficit. The writer, through his involvement in the development of blended learning solutions in the Hospitality and Tourism sector, has become aware of various barriers in relation to the ability of owner/managers of small and medium sized enterprises (SME's) to access training. Initiatives such as the 'Icehouse' discussed in Oliver (2003) identify that owner/managers require tailored

solutions that meet their specific needs. However, while recognising owner/manager skills weaknesses, there is no consideration of the owner/managers attitude to learning or their ability to generate their own solutions. Consequently, new approaches to management training and its delivery which address barriers such as educational history or unsocial and long working hours are needed.

In alignment with the ‘six honest serving men’ of Kipling (1865 - 1936) ‘What, Why, When, How, Where and Who’ this research centred on what a range of owner/managers specifically from Hospitality and Tourism SME’s in the greater Belfast area need to learn in order to develop sustainable competitive advantage for their firms.

*What* learning is necessary was examined through a range of questions which sought to measure their current management skills and entrepreneurial talent. *Why* they should learn was considered in the context of lifelong learning as a necessary trait to keep up with the fast moving changes in society. However, while it was revealed that all but two owner/managers recognised they had a need for new learning, *when* this could take place was constrained by the long hours they work and the unavailability of tailored training solutions. They suggested *how* they might learn for example, through work experience in other firms or networking and visits to benchmark organizations. *Where* they could learn was considered in the context of the workplace as a learning environment as well as external sources.

Finally, *who* they should learn from was explored in terms of existing organisational members such as employees, new entrants or leavers. Other sources of learning were also identified such as multi-media materials or non-work contexts such as holidays abroad.

## **1.2 Research problem, propositions and contributions**

The question addressed in this research is:

*How can the facilitation of individualised learning solutions for SME owner/managers be reconceptualised?*

The writer concludes that individualised training solutions are best devised by the owner/manager themselves. However, a new layer of pre-managerial training could be introduced in order to equip the owner/manager with the advanced skills necessary to independently identify and seek out appropriate learning solutions. This in turn opens up an opportunity for new research in relation to how this additional, pre-managerial training layer should be structured and delivered.

### **Theories and issues/propositions**

In answering the research question a wide range of issues that can impact on the learning process have been considered. Essentially, the writer argues that human resource development is a key element in the pursuit of sustainable competitive advantage. Also, he considers that while it may be accepted that organizations such as Investni organise training initiatives, it should be within the capabilities of 'entrepreneurial' owner/managers to devise and access their own solutions. Ultimately

however, the key determinant of whether owner/managers can gain access to training is their ability to delegate in order that they have the time, to both devise and participate in training.

The research is set against a backdrop of major bodies of theory relevant to the research problem and is set out in chapters 1 to 7. This begins by considering the lifelong learning ethos which is prevalent in society today. The concept of lifelong learning emphasises the need for individuals to continually update their skills and knowledge in order to maintain their capacity to work. The workplace as a place for learning is then considered within the context of Lave and Wenger's (1991) theories of situated learning and communities of practice as well as Engestrom's (2001) expansive learning paradigm.

From this, conceptions of learning and of learning at work as proposed by Pillay et al (2003) are considered. Next, key weaknesses in management skills as described by Oliver (2003) are addressed before outlining measures of entrepreneurial talent as identified by Ferrante (2003). Current managerial training issues are then discussed for example, developing a more 'holistic' approach to training as suggested by White and Gilroy (2001) and the Management v Operational skills debate as outlined by Ladkin (2000). Further to this, the concept of sustainable competitive advantage as proposed by Porter (1996) is discussed together with Ordonez de Pablos & Lytras (2008) who link human resource development to sustainable competitive advantage.

Finally, chapter 8 considers a range of research issues identified from the preceding review of the literature from which a range of propositions to be tested in the research are identified. These are as follows:

Proposition 1: Failure in previous learning is a barrier to participation in new learning.

Proposition 2: Owner/managers must reinvent themselves through lifelong learning to remain in business.

Proposition 3: Because of their position, the owner/manager does not want to be labelled as a learner.

Proposition 4: Being an owner/worker is no different to holding down a job

Proposition 5: The owner/manager does not recognise the pedagogical properties of the workplace.

Proposition 6: The owner/managers' work dynamic provides them with learning opportunities.

Proposition 7: Tensions among organisational members effects change

Proposition 8: Leavers can provide a critique of organisational issues, problems and management.

Proposition 9: The owner/manager integrates learning from other contexts into their organisation.

Proposition 10: The owner/manager can learn from existing organisational members and from new entrants in their firms'.

Proposition 11: Owner/managers of SME's display the same weaknesses.

Proposition 12: Hospitality and tourism owner/managers of this research cohort have high levels of entrepreneurial talent.

Proposition 13: Owner/managers in this research cohort do not have the capacity to grow their business

Proposition 14: Owner/managers have limited knowledge of training solutions

## **Contributions**

In addressing the research issues and propositions outlined in chapter 8, the research provided conclusions that have been presented in chapter 17. These have also been presented in Appendix 4 where the extent to which they contribute to the body of knowledge has been identified as follows:

- A. Confirmations of existing research findings,
- B. Findings contrary to the expectations derived from the literature,
- C. Speculations in the literature, but no empirical testing,
- D. New areas that have not been raised in the previous literature.

In addition to these conclusions, there follows a summary of five key contributions this research makes to the body of literature. In this context, the research question posed in 1.2 has been answered through the provision of a re-conceptualisation of how individualised learning solutions can be facilitated for owner/managers.

Firstly, the development of managerial skills should not be dependent on the delivery of training programmes. This research identifies that the facilitation of individualised training solutions should be self-generated by the owner/manager.

Secondly, a new layer of learning is required to equip the owner/manager with the skills necessary to identify, develop and access learning solutions.

Thirdly, the 'owner/manager learning access model' Figure 3 in 17.3 has been developed. This model can be utilised as a diagnostic tool to identify the current status of the owner/learner in relation to their level of activity in accessing self-generated learning solutions. From this a repositioning strategy can be devised.

Fourthly, the ability of the owner/manager to access self-generated learning solutions is identified as an entrepreneurial trait.

Finally, there is a link between delegation and the owner/managers ability to access new learning opportunities. Without delegation there can be little time to identify, develop and participate in learning activity.

### **1.3 Justification for the research**

There is limited research into entrepreneurship education according to Matlay and Carey (2007) as discussed in chapter 6.1. They consider that overall provision in higher educational institutions has been inconsistent both in terms of defining what constitutes entrepreneurship education and devising specialist courses. Additionally, while there is a plethora of research into managerial education, there has been limited understanding of the specific needs of SME owner/managers. The problem lies in the demand for individualised solutions which address specific knowledge gaps of SME owners. Additionally, the work undertaken by researchers such as Lave and Wenger (1991) as outlined in 3.3 and 3.4 has been related to workplace learning among apprentices. Equally, in the case of Engestrom (2001) as outlined in 3.2, his research was undertaken in a large organisation among employees rather than owners.

Following on from this, the same problem applies to the issue of how managers conceive their work and how they wish to be perceived as learners. The work of Pillay et al (2003) as outlined in 4.2 and 4.3 considers conceptions of work and learning at work among employees. However, owner/managers, unlike employees, are not trying to simply hold down a job or to gain promotion. Their learning drives are more likely to be centred on business survival and development. So their conceptions may be different or extend beyond those identified in the literature. Furthermore, attachment of the learner label as described by Boud and Solomon (2003) and outlined in 4.4 has also not been considered in relation to the business owner. This relates to how individuals feel about being named as a learner.

Oliver (2003) identifies weaknesses among the cohorts of owner/managers attending his 'Icehouse' business education programme founded in 2001. The programme involved a partnership between the University of Auckland Business School New Zealand and commercial and academic organizations including; the Bank of New Zealand, the Boston Consulting Group and Microsoft.

Programme participants take five modules over five months of development time. They journey "through a transition from being an effective manager of the familiar current state business, into a neutral zone of unknown potentials and possibilities and out the other side to leadership of business growth development" (Oliver 2003: 13). Also, rather than general content delivery, the programme takes the form of facilitated self-focused learning. Course success has been measured through business growth among participant firms, of between 25% and 34% which was ahead of the New Zealand average of 11%. Additionally, post course net profit increases for firms were measured at between 30% and 40% which were ahead of the New Zealand average of -1%.

Oliver (2003) places emphasis on the need for a new approach to business-development intervention for owner/managers but still frames his solution within the 'programme' structure. A key problem for owner/managers however, is that they do not have the time for programmes. They only want to gain specific knowledge of specific things, perhaps only one thing, at specific times of need. So while Oliver's (2003) 'Icehouse' programme delivered improved business results for participants, it is not necessarily an 'ideal' model that could be rolled out.

What is sought through this research is a more flexible learning/training mechanism in terms of the type of knowledge to be facilitated as well as where, how and when it can be accessed.

As discussed in 1.1 above, owner/manager development is considered crucial for the development of the growing Hospitality and Tourism sector in Northern Ireland. Consequently, this places emphasis on the need for a viable solution for providing access to appropriate training for owner/managers. Addressing this problem is the pursuit of this research. Furthermore, the methodology, rather than simply considering training solutions in isolation from the owner/manager, is designed to identify issues that may affect their attitudes to learning. The writer considers this to be essential as individualised learning solutions, to be effective, need to take account of individual characteristics. From this research therefore, the writer also seeks to create a diagnostic tool to assist in the evaluation of the owner/manager relative to their ability to access training. The purpose of this should be to identify the learning path to be followed in pursuit of individualised learning solutions.

#### **1.4 Methodology**

The methodology has been set out over chapters 9 to 11. Chapter 9 addresses theoretical issues and locates the research in the context of epistemological and ontological positions. The Interpretivist stance hereby adopted and the qualitative approach taken are justified as a prerequisite for chapter 10. The writer considers that a quantitative approach would not have provided the necessary insights into the personal perspectives of respondents. This would include for example, attitudinal issues relative to their

participation in new learning opportunities. Chapter 10 goes on to deal with the research design and choice of a semi-structured interview as being the most appropriate method for the generation of data to address the research problem. Chapter 11 then provides the rationale underlying the development of the research strategy. This comprises an open ended questionnaire containing 34 questions that have been formulated as a means to test the propositions stated in chapter 8.

### **1.5 Outline of the thesis**

The research is presented over five sections. Section 1, the introduction, outlines the background and purpose of the research. It also introduces the key themes identified from a review of relevant literature. The fourteen research propositions devised in chapter 8 are then listed. Finally, justification for the research and an outline of the methodology is provided and the delimitations explained.

Section 2, is set out over eight chapters. Chapters 1 to 7 provide a review of the relevant literature. This includes theories such as the concept of lifelong learning, situated learning and communities of practice. It then considers Engestrom's (2001) theory of expansive learning and conceptions of work and learning at work as introduced by Pillay et al (2003). Additionally, the weaknesses of the owner/manager in relation to Oliver (2003) are discussed, as is the measurement of entrepreneurial talent as devised by Ferrante (2003). This extends further to consideration of competitive advantage as elucidated by Porter (1996). Finally, chapter 8 identifies gaps in the literature relative to the research problem and from these fourteen propositions to be tested are stated.

Section 3, the methodology, is set out over chapters 9 to 11. This section begins by establishing the epistemological and ontological positions of this research after which the research design is outlined. Finally, the research strategy underlying the research instrument is given.

Section 4, the results, is set out over chapters 12 to 16 and provides details of the research findings. These findings are categorised in relation to, the owner/manager as a learner, management capabilities, strategies and performance, business growth and training solutions.

Section 5, is comprised of chapter 17 and outlines the conclusions of the research in relation to the propositions devised in chapter 8. Conclusions relative to the research problem are then given and from this an owner/manager learning access model has been devised, as displayed in Figure 3, in 17.3. Implications of the research regarding policy and practice are then discussed as are the limitations of the research, implications for methodology and implications for further research.

Finally, references are provided followed by the appendices of the thesis.

## **1.6 Delimitations of scope and key assumptions, and their justifications**

This section considers the areas of the research over which the writer had a high level of control.

### **Industry chosen**

As an industry the Hospitality and Tourism sector has particular problems. As its business is highly seasonal owner/managers are challenged to generate sufficient ongoing business throughout the year to survive. This requires a strong local base of repeat customers which in turn creates the drive for the consistent delivery of high quality products and services. This consistency is susceptible to varying standards in the quality of fresh produce and the acquisition and retention of the right level of labour skills and knowledge. As such, owner/managers can be more challenged than if they supplied finished branded goods and so their managerial skills are fundamental to the success of their firms. Additionally, they often need to possess high levels of operational/technical skills, for example, as chefs, as well as marketing capabilities and entrepreneurial talent. For these reasons the writer considered that owner/managers from the Hospitality and Tourism sector would provide a rich source of raw data which could elucidate the managerial training issues upon which this research is based.

## **Area chosen**

The area chosen for the research was Greater Belfast. This was for two main reasons. Firstly, the researcher both resides and works in Belfast and from a practical point of view, travelling beyond a 35 mile radius would not have been possible. Secondly, the Hospitality and Tourism sector in this area has grown significantly since the signing of the Good Friday Agreement on 3 April 1998 and potentially offered a rich vein of potential organizations from which to draw respondents.

## **Access for the researcher**

Having worked as a management trainer in the Hospitality and Tourism sector the writer has some familiarity with the industry. This provided an underlying knowledge which would mean that the writer could demonstrate credibility with potential respondents. This previous experience would also prove to be useful in negotiating with potential respondents to participate in the research. Additionally, the writer considered that to deal with an industry where he had no previous experience would have limited the depth of questioning which would have been possible during interviews.

## **1.7 Conclusion**

In conclusion, this chapter laid the foundations for the thesis. It introduced the research problem and research issues. Then the research was justified, definitions were presented, the methodology was briefly described and justified, the report was outlined and the limitations were given. On these foundations, the thesis can proceed with a detailed description of the research.

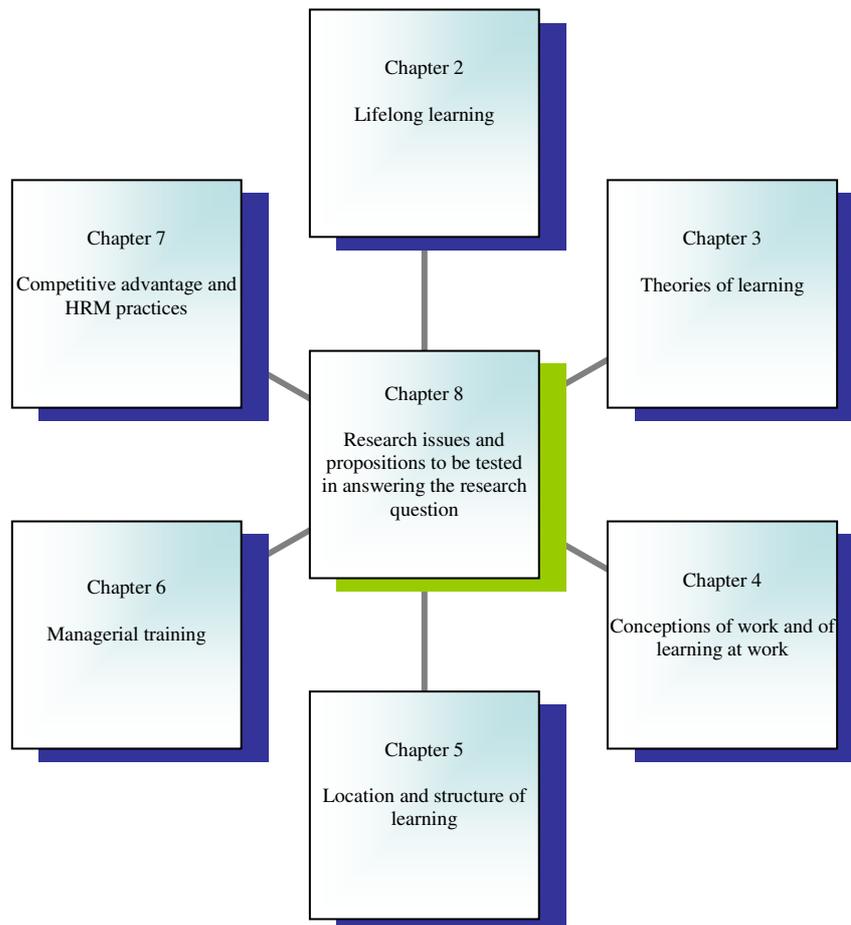
## **Section 2**

### **Review of the literature and research issues**

## Introduction

The focus of this research is to consider how the facilitation of individualised learning solutions for SME owner/managers can be reconceptualised. This in turn should assist in identifying how management training can be accessed to help owner/managers gain sustainable competitive advantage for their firms'. From a review of the literature set out across chapters 2 to 7, it emerged that there are many issues surrounding this research problem. These have been organised into seven key themes as outlined in Figure 1. From this, research issues have been identified and fourteen propositions to be tested have been stated. These are fully outlined in chapter 8.

### Research Themes



**Figure 1**

## **Chapter 2**

### **2. Lifelong learning**

Following on from the introduction to the thesis, this chapter begins the detailed description of the research by setting out the backdrop to the learning paradigm underpinning modern learning approaches.

#### **2.1 Frameworks for learning**

Current education and training models in the UK and more widely within the European Community (EC) are configured within the concept of 'Lifelong Learning'. The concept of lifelong learning has come to prominence due to the speed of economic and technological change which has in itself led to the globalization of trade. The impact of this change is that rather than individuals entering the workplace and holding 'a job for life' it is more likely they will have to change careers several times. This will require new knowledge and skills and a willingness to undertake continuous learning if they are to maintain employment throughout their working lives. Field (2000) discusses the issues around the concept of Lifelong Learning in a modern environment where individuals are being required more and more to recognise themselves as a renewable resource as they follow such ever changing career paths. Although not gaining significant prominence until the 1960's and 1970's, the emergence of the concept of lifelong learning can be traced back to post First World War Britain from a statement from the Adult Education Committee of the Ministry of Reconstruction in 1919. "Adult education must not be regarded as a luxury for a few exceptional persons here and there, or as a thing which concerns only a short span of early adulthood, but it is a permanent

national necessity, an inseparable part of citizenship, and therefore should be both universal and lifelong”. (Field 2000: 4).

The next key milestone for Lifelong Learning came in 1972 when the United Nations Educational Social and Cultural Organisation (UNESCO) stated its principles on the concept in humanistic terms. This centred around ‘the fulfilment of man’ through flexible organisation of education, the widening of access to higher education, recognition of formal, non-formal and informal education and education in areas such as health, culture and environmental issues. However, ongoing economic and technological developments and the emergence of globalisation have placed greater emphasis on the need for lifelong learning. In order that firms and in turn nations can gain competitive advantage in such a fast moving world environment human capital must continuously be developed. The speed of change in western economies is no longer driven by industrialisation but by knowledge and information.

Currently within the EC the Organisation for Economic Co-operation and Development, (OECD), on the basis of their policy brief, ‘Qualifications and Lifelong Learning’ (2007), seek to review EC national qualifications systems. This is because they believe there to be a link between qualifications systems and lifelong learning, although currently little evidence exists to support this. There is however, a consensus that where a person leaves compulsory education with a sense of failure they may perceive future opportunities to learn as another chance to fail. In addition they have evidence that the type of national qualifications system in operation can affect learning behaviour, employers, qualifications and learning providers. Ultimately, they wish to establish whether qualifications systems can be used to promote lifelong learning in terms of

“quantity, quality, efficiency and equitable distribution of learning opportunities” (OECD 2007: 1). Consequently, this may require a redefinition of the term ‘qualification’ in the context of lifelong learning.

## **2.2 Societies of learning**

Field (2000) considers terms such as ‘knowledge society,’ ‘information society’ and ‘learning society’ and asks if these are accurate descriptions of reality. If they are, he conjectures, “we stand on the threshold of a new organisation of society” (Field 2000: 15). Field (2000) also considers the effect of this new age where people live longer. Whereas individual biographies used to revolve around their work they now centre on the individual, as a single career throughout their working lives may no longer be possible. Indeed, the pace of change is becoming so fast that people may only adapt if the Information Society becomes the ‘Lifelong Learning Society’. Therefore, “In order to build and maintain competitive economic advantages, skills and talents must be constantly reshaped to meet the changing needs of the workplace, wherever that is” (Information Society Forum, 1996: 2 in Field 2000: 18). The writer considers that such ‘reshaping’ of skills and talents will mean individuals continually renewing or reinventing themselves especially where career change becomes necessary to remain in work. Indeed, Park and Rothwell (2009) allude to the concept of the ‘Protean’ career; ‘protean’ referring to the ability to change frequently. This is necessary in a rapidly changing society where the individual rather than the organisation takes responsibility for career progression and requires continuous learning.

That having been said, Field (2000) goes on to be critical of government policy in relation to Lifelong Learning and gives credit for action in this area to the private domain, both individuals and firms. However, the government has been faced with the difficulty of justifying initiatives to increase involvement in lifelong learning as value for money. They have therefore tended to concentrate on the more measurable area of vocational training including initial higher education targeted at attracting younger students to vocational programmes. Indeed, while Government may not be able to directly prescribe an 'ideal' model, training processes that address the diversity of needs, situations and locations should still be possible. For example, colleges should be able provide non-accredited (but not necessarily, unrecorded or unregulated) bespoke training where it is locally demanded.

### **2.3 Conclusion**

In conclusion, having considered lifelong learning in the context of the modern environment and the need for the ongoing development of individuals, the next chapter provides an outline of how learning may be achieved.

## **Chapter 3**

### **3. Learning opportunities, theories of learning and the locations of learning**

Chapter 2 identified that lifelong learning is necessary where an individual seeks to continually reinvent themselves in order to remain in work. This chapter reviews how learning might take place through consideration of the development of theories of learning.

#### **3.1 Learning – Who? Why? What? and How?**

In his examination of ‘cultural-historical activity theory’ as initiated by Vygotsky (1978), Engestrom (2001) evaluates the four central questions that he considers must be answered in relation to any theory of learning:

- (1) Who are the subjects of learning, how are they defined and located?
- (2) Why do they learn, what makes them make the effort?
- (3) What do they learn, what are the contents and outcomes of learning? And
- (4) How do they learn, what are the key actions or processes of learning?

Having traced the evolution of activity theory through two distinctive generations he suggests that a new third generation is evolving and summarises its current state by stating five principles:

- (1) The actions of individuals and groups alongside automatic operations provide a '*unit of analysis*' which should be interpreted within the context of its entire activity system,
- (2) Multiple points of view, traditions and interests create '*multi-voicedness*' within a community. This is affected by the position of individuals and their diverse histories as well as the history of the activity system, its rules and conventions. Tensions within and between activity systems produces innovation,
- (3) Transformation of activity systems over time produces '*historicity*' which must be studied so their potentials and problems can be understood,
- (4) '*Contradictions*' or structural tensions within and between activity systems generate disturbances and conflicts which innovate change activity to resolve problems,
- (5) Where individuals or collectives seek change as contradictions within an activity system become aggravated '*expansive cycles*' of transformation can occur. This is "when the object and motive of the activity is re-conceptualised to embrace a radically wider horizon of possibilities than in the previous mode of activity".  
(Engestrom 2001: 137).

### **3.2 Expansive learning**

From Engestrom's (2001) construction of a matrix through the cross-tabulation of the four central questions with the five principles stated above, a tool for use in the analysis of expansive learning emerges. He highlights the need for individuals to learn new forms of activity while such forms are literally being created. He explains this by reference to the three levels of learning depicted by Bateson (1972), that while overt

learning is taking place [Learning I] a ‘hidden curriculum’ related to the contextual characteristics of the setting must also be learned i.e. [Learning II]. Learning III, described by Engestrom (2001: 139) as “a provocative proposal, not an elaborate theory” occurs when an individual or group radically question contradictory demands in their current context and seek to construct a wider alternative context. Bateson’s (1972) idea is developed into a systematic framework through the theory of expansive learning. Bateson’s (1972) recognition that learning opportunities are not always manifest creates an argument for the proactive designing of the work/learning environment. From this the writer would consider that the ‘hidden curriculum’ produces subliminal learning as subliminal stimuli are not recognisable by the conscious mind, but can be influential in the forming of attitudes beliefs and values. However, such subliminal stimuli might be either positive or negative as it is possible for individuals to inadvertently learn how to do things in the wrong way as well as the correct way.

The object of expansive learning is described by Engestrom (2001: 139) in terms of learning activity within the entire activity system, producing new cultural activity patterns, and at work new forms of work activity. Expansive learning principles are demonstrated through Engestrom’s (2001) ‘Boundary Crossing Laboratory’. This was designed to find new ways of addressing communications and co-ordination issues relative to managing the care of children suffering from long-term illnesses (often multiple illnesses) in the Helsinki area. The participants/learners were a range of health care workers and their management from various health care organizations responsible for these patients. The problems stemmed from the recent *history* of health care in the area relative to changes in patient care processes, structure and post war growth in health care provision. While Engestrom’s research was undertaken in a relatively

complex environment comprising various departments across different organizations, it does not consider its potential in SME's. It will therefore be investigated in this research if the boundary crossing laboratory approach could provide benefits for SME owner/managers.

Young (2001) questions whether specific learning goals rather than organizational goals such as increased productivity can be enhanced through models such as the expansive learning cycle. In this context Avis (2007) discusses the tension between the Marxist and capitalist positions embedded in Engestrom's version of activity theory. Indeed, Avis (2007) considers that rather than viewing activity theory as just having historical derivations in Marxism, Engestrom centres his theorization within Marxist categories. In particular, commodity, use-value, exchange value and contradiction. He suggests that Engestrom does not perceive such Marxist underpinnings as deterministic, but rather that; collective and dialogic processes of human agency in activity systems both resolve existing and generate new contradictions. Such processes that transform work practices and social relations are in alignment with a Marxist philosophy. Paradoxically, however, Avis (2007:163) argues they are "pivotal to the on-going (re-) production and development of capitalism". Engestrom's version of activity theory therefore is not forcibly tied to an emancipatory project and fails to challenge capitalist relations and potentially folds over into a conservative praxis. Avis suggests this is due to a focus on secondary rather than primary contradictions that have greater emancipatory potential. Additionally, it is argued that Engestrom does not engage in the wider politics when the possibility of such engagement is not precluded from the developmental work research approach he adopts. This approach is however, described by Avis (2007: 169) as; "no more than a form of consultancy aiming to improve work practices". Furthermore,

Young (2001: 160) argues that access to knowledge is potentially limited to that which emerges from practice or what employees are allowed to know; and to solutions that do not radically challenge the position of some participants. Expansive learning, he argues, is also constrained where those who would question, remain quiet in avoidance of being perceived as trouble makers. Avis (2007: 171) similarly, emphasizes the exclusion of antagonism and fully radicalized practice due to the way contradiction is mobilized as it “does not challenge nor disrupt the wider social relations within which the activity is set”. In a similar way, Macfarlane and Lomas (1994: 31) warn that “overly-conformist organizations do not produce a healthy learning climate”. So, rather than being concerned by a more radicalized and politicized agenda, even though it is rooted in Marxist underpinnings, Engestrom’s version of activity theory focuses instead on facilitating localized change in institutional and cross-institutional practices.

Finally, while Engestrom’s approach to boundary crossing is developed within a single large organisation, the process undertaken may be applied in smaller, less complex settings. Even where there are few people there is the potential for contradictory demands which may need to be rationalised in order to create an alternative context. Where contradiction occurs then there can be subsequent learning. Additionally, the concepts presented through the boundary crossing laboratory in a single organisation may also apply across different organisational boundaries. Typically, within the SME sector, such boundary crossing can take place between networks of firms. In such situations an individual or a group may radically question contradictory demands as part of a process of finding solutions to problems. Within the context of this research Engestrom’s (2001) expansive learning paradigm offers a means to identify if open learning takes place and if a hidden curriculum exists within respondents’ firms.

### **3.3 Situated learning**

In the context of Engestrom's research, other learning models such as Lave and Wenger's (1991) theories of situated learning were not considered appropriate for the investigation, as definable communities of practice or functional systems could not be clearly defined. Similarly, in this research multiple communities of practice may not be easily definable. Engestrom's (2001) expansive learning model however, was able to emphasise the importance of triggering internal tensions, dynamics and contradictions to energise learning effort within a mosaic of interconnected activity systems. In Engestrom's (2001) study however, there was an active search for solutions among participants from a client welfare perspective. Motivation to learn in the SME commercial context is more likely to come from lack of business success such as falling profits or lack of growth.

In the context of Engestrom's (2001) research, Lave and Wenger's (1991) situated learning theories are also disregarded due to gradual learning of relatively stable practices as being unsuitable for 'risky' expansive learning. In Engestrom's (2001) research, participants were required to articulate the contradictory demands of their work activity potentially putting them in conflict with other participants from the various other activity systems taking part. However, recognition of problems moved members from defensive postures to becoming determined to find solutions as problems became better understood. The research subjects were learning how to collaborate through an expanded and more interconnected pattern of activity. The learning of the participants aligned to the expansive learning model with conflictual questioning of existing practice leading to deeper analysis of the situation. The analysis of

contradictions generated the modelling of new solutions. Engestrom's (2001) model also suggests that learning which is normally accepted as vertical also happens horizontally. This was demonstrated by the ways in which solutions were devised and modified among participants of the non-hierarchical 'Boundary Crossing Laboratory'. Fuller & Unwin (2003) also discuss expansive learning but in the context of the workplace as a site for learning. Based on the framework of an expansive/restrictive continuum they consider the extent to which workplace environments are either supportive or unsupportive of learning. They consider workers can acquire skills and knowledge within the workplace context through working on their own or with others either informally or formally. Such learning can stem from undertaking purposeful tasks incorporating problem solving or through group discussion taking place within a working environment possessing expansive learning characteristics. These characteristics include; skills and knowledge sharing mechanisms, boundary crossing across job lines or transfer of skills between generations (Unwin et al 2007: 5).

Fuller and Unwin's perspective, contrasts with Engestrom's approach to expansive learning which is based on "a collective rather than an individual Endeavour" (Lee et al 2004: 12) within an activity system or systems. It centres on a process of questioning in order to highlight contradictions so that problems emerging can be resolved. Engestrom's approach seeks to "generate new conceptualizations and forms of practice" (Avis 2007: 167). It is a transformational learning process that seeks to enact substantive change rather than being a developmental, organic process embedded in daily work processes or environments which would be more characteristic of the perspective of Fuller and Unwin (2003).

Fuller and Unwin (2003) outline the opportunities and barriers to learning that the contemporary apprenticeship environment has produced as apprentices move from novices to full participants. Within their characterisation of expansive or restrictive practices, expansive practises are those which create a stronger richer learning environment. This concept however, does not consider issues such as high staff turnover prevalent in the Hospitality and Tourism sector which can result in the continuous loss of skills. Consequently, horizontal learning can be constrained for new entrants who typically learn the ropes from their peers. Additionally, Engestrom's (2001) vertical learning is not possible if owner/managers adhere to a hierarchical management culture. In this context therefore he does not address barriers to a bottom-up flow of learning.

Lave & Wenger's (1991) framework of 'communities of practice' and 'legitimate peripheral participation' underpins the research of Fuller & Unwin (2003). However, it recognises its key shortcoming of non-inclusion of a role for formal educational institutions in learning for newcomers. Their research was undertaken within the context of the UK's Modern Apprenticeship Scheme and seeks to build on Lave & Wenger's model. Consequently, they highlight the importance of a configuration of formal off-the-job learning and on-the-job learning processes. They explain that the introduction of the Modern Apprenticeship Scheme by the 1993 Conservative government introduced the state as a third stakeholder in the apprenticeship equation (together with the employer and the apprentice). The state shared the financial cost of the apprenticeship and in a departure from traditional time specified apprenticeships the Modern Apprenticeship was tied only to the attainment of mandatory qualification outcomes. The role of formal training was encapsulated in the Modern Apprenticeship process thus transcending the Lave and Wenger model that concentrated only on

learning through participation. Additionally, their research considers the institutional context and arrangements, not highlighted in Lave & Wenger's research, but which underpin the Modern Apprenticeship. They also seek to go beyond the concept of 'learning as participation' to take account of more complex work settings and roles less characterised by craft-based activities. They seek to link a range of concepts with the expansive – restrictive continuum that impact on the apprentices and also on their organizations (in terms of Engestrom's (2001) definition of 'expansive learning' in relation to organisational learning). They refer to 'deep learning' (Marton et al: 1984), 'investigative deep-level learning' (Engestrom: 1994) and 'the work of the imagination' (Wenger: 1998) being possible where learning opportunities are enabled through expansive practices. They express their concern in understanding the "interaction between institutional context, workplace learning environment and individual learning". (Fuller & Unwin 2003: 8). They emphasise that the approach taken to apprenticeship will define its meaning in any situation.

Within the context of the expansive – restrictive continuum the findings from their three research organizations are considered in terms of the scope, speed and purpose of the apprenticeship trajectories. These factors relate directly to the quality of learning and experience of the apprentices.

The key characteristics of an expansive approach emerge as:

- a well planned curriculum of both on and off the job raining,
- participation in multiple communities of practice inside and outside the organisation,
- a clear identity as an apprentice,
- a trajectory extending to four years with subsequent career opportunities,
- opportunity to reflect on practice,
- a strong institutionalised history of apprenticeship within the organisation, and
- access to knowledge and skills through reification and codification.

Where it is practical for skills to be handed down both orally and by demonstration over generations there may be little need for reification or codification. However, situations of avoidance of reification can exist, for example, in order to retain work practices as family secrets. Such non-reification seeks to protect the careers of present and future family members and is restrictive *per se*.

Within the context of their examination of the Modern Apprenticeship within the UK, Fuller & Unwin argue that there is an inconsistency across organizations in the use of expansive practices. The Modern Apprenticeship does not require such practices to be applied and thus may add little value to the quality of apprenticeships for many of those involved in the scheme. The research concludes that reform of the Modern Apprenticeship should be built on situated learning theory as developed by Lave & Wenger (1991) and Wenger (1998) as well as the insights identified from the expansive – restrictive continuum such as the pedagogical value of planned on and off the job learning.

### **3.4 Communities of practice**

Fuller et al (2005) consider the two conceptual dimensions of the ‘situated learning’ approach of Lave and Wenger (1991), communities of practices and legitimate peripheral participation. This conceptualisation of learning was designed to be at odds with the ‘standard paradigm’ of learning where the learner was conceptualised as a receptacle of (taught) knowledge and learning as a discrete cognitive process that largely ignored its meaning in the lived in world. However, Fuller and Unwin (2003a) warn against over emphasis on the situated context of learning as this could undervalue the role of formalized education and training in newcomer development. Through their research they show the value of a mix of formal and informal learning, an ‘expansive model’ in the training of apprentices. The strength of the work of Lave and Wenger (1991) is nevertheless recognised as providing theoretical insights to support future research relative to learning in diverse work situations. Lave and Wenger (1991: 43) depict “learning as participation in the social world, and from the concept of cognitive process to the more encompassing view of social practice”. This suggests that the social structures and social relations experienced by a learner in a community will impact on their sense of belonging. This includes their participation in the cultural practices of the community. Such elements can therefore impact on the nature and extent of a participant’s learning.

Fuller et al (2005) relate Lave and Wenger’s (1991) communities of practice framework to that of Engestrom’s activity systems. The latter emphasises ‘horizontal interaction’ where through problem solving, individuals can both learn and create knowledge. While learning from others is a feature of Lave and Wenger’s (1991) research the effect of

managerial facilitation or non-facilitation should also be recognised as a factor in the learning process. Lave and Wenger (1991) however, do recognise that new entrants into a community of practice can face barriers as ‘old timers’ may feel threatened, for example, by being displaced by the young. Legitimate peripheral participation may therefore be either an ‘empowering’ or ‘disempowering’ experience. Fuller et al (2005: 53) consider that their research addresses the reality of how people learn at work compared with the more “abstracted notions of communities of practice and activity systems”. They highlight limitations regarding the application of Lave and Wenger’s (1991) concepts in contemporary workplaces where complexities of the social and work environments impact on opportunities and barriers to learning. Two key problems are elucidated. Firstly, by concentrating their work on novices Lave and Wenger (1991) have omitted to consider the process as it applies to ‘old timers’ who enter a community of practice. Secondly, the way in which the learning of experienced workers, (and the writer would add owner/managers), differs from novices has not been fully explored. The conceptualisation of learning as either expansive or restrictive by Fuller and Unwin (2003a) has been applied within Fuller et al (2005).

From this study of three companies key expansive practices regarding the development of apprentices have emerged:

- The existence of an established apprenticeship system that enables continuity in developing well-rounded experts,
- Recognised ‘status’ of apprentices within the organisation,
- A planned workplace curriculum which is supervised,

- A planned trajectory from peripheral participation to full participation giving a clear picture of institutional position over time and an incremental salary scale,
- Off the job training in addition to work place training,
- Participation in external communities of practice,
- Opportunity to gain formal accreditation, and
- A post-apprenticeship career route.

Fuller et al (2005) incorporate research by Hodkinson and Hodkinson (2003) which was undertaken across four subject teaching departments in two schools to amplify the nature of communities of practice and legitimate peripheral participation.

Although participation in the established communities here could not be described as peripheral, key characteristics of positive practices are apparent:

- People have differing degrees of expertise and power with similar objectives,
- Members learn from one another through normal work practices,
- Members share successes and help each other solve problems,
- They use and develop the ideas of other members to further their own work,
- Their learning can be an unconscious process through working in their community of practice,
- They have involvement in other communities of practice both inside and outside their work department, and
- They attend development courses.

These characteristics prevailed within the context of supportive conditions and an overall structured approach to smooth the journey of new entrants from peripheral to full participation in terms of:

- Collaborative departments,
- Approval/leadership from the department head that encouraged ideas sharing,
- Close proximity of members within the workplace enabling a higher degree of informal interaction,
- Clear and detailed documentation in respect of job requirements,

And for new entrants;

- Mentoring sessions with heads of departments and assistance with other practical problems [e.g. dealing with difficult pupils],
- Induction sessions,
- A strategy to reduce any feelings of isolation of new members [e.g. student teachers were invited into the department in pairs],
- Recognition that new entrants can introduce new skills. They can be learned from and novices may become 'experts' for a period of time. This can be part of the process of legitimate peripheral participation.

The openness of the new entrants to learning is also considered. In particular, an 'old timer' joining the community of practice who respected the reputation of the school chose to be peripheral so that he could learn. On the other hand there was virtually no

help for a newcomer who was expected to be an 'expert'. In the latter case the newcomer pointed out that assistance could have come from:

- A formal introduction to the school,
- A forum of department heads, and
- Off-site courses on running a department.

Learning by the existing community members from new entrants is also apparent from this research, a process not outlined in Lave and Wenger's theory. Potential problems relative to integration of personalities is also highlighted on the occasion of one new entrant who had initial perceptions of one 'old timer' as being intimidating. There is also an indication that a community can change by virtue of the presence of new members and their initiatives, as was the case of the 'expert' newcomer. However, no further exploration is apparent in respect of the changes in group dynamics other than identifying that any new entrant with a "willingness to fit in are welcomed" (Fuller et al 2005: 61). The fate of those who do not willingly fit in is not discussed. They do however address the issue of power relations. Those who control and organise work can facilitate or limit participation and can create either opportunities or barriers to learning.

### **3.5 Conclusion**

In conclusion, in this chapter consideration has been given to various learning models underlying human resource development in the workplace. The next chapter examines the conceptions individuals hold in relation to their work and to learning at work.

## **Chapter 4**

### **4. Conceptions of learning and work**

Having considered various paradigms of learning in chapter 3, this chapter considers the conceptions individuals hold in relation to work and to learning at work.

#### **4.1 The learning environment**

Pillay et al (2003) consider the workplace as a learning environment for non-apprentices. The focus of their research is on older workers i.e. workers aged 40+ whose learning experiences are rooted in an industrial time where mass production processes demanded skills in relation to manual, rather than knowledge based work. This they suggest differs from the emerging work practices determined by the needs of the era of 'new capitalism'. This requires continuous updating and diversification of skills and a capacity to continuously acquire new knowledge. Consequently, Pillay et al (2003) are concerned with the relationship between learning and work as perceived by workers, in particular older workers who are less likely to access or be provided with training compared with younger workers. Additionally, the workers conception of work as a place of learning, the social nature of learning and their self-perception as learners or not, can hinder their development in new work cultures.

In the context of conceptions of work, Politis (2005) considers individuals form diverse concepts of what a career means to them which influences their career path and experience at work. Politis (2005) suggests that career motivation will affect the

individual's learning. He also considers the individual's self-image built around their career which can both guide and constrain them.

A typology of four career conceptions for entrepreneurs as devised by Brousseau et al (1996) are identified; linear, expert, spiral and transitory, each having underlying career orientations. The linear concept assumes a career with linear upward development and is driven by a desire for power and achievement. The expert concept defines the individual who seeks to continually refine and develop their knowledge within their speciality. Individuals with either the linear or expert characterisation are less inclined to explore new possibilities or domains.

The spiral concept is characterised by using knowledge built up in one field to take up opportunities in other fields where a new knowledge set is then developed. The transitory concept is characterised by frequent change in occupation organisation and field where the key motive is independence and variety. Individuals characterised as either spiral or transitory are more likely to take up entrepreneurial opportunities.

Pillay et al (2003) however, seek to link learning and work as a means of achieving the two outcomes of productivity and continuous education. They also wish to highlight the need for those who are responsible for implementing change in the workplace to understand how workers perceive their work. They should not make assumptions that workers understand, agree with and appreciate the need for learning in the workplace or the need for transformation of work. Although the work of Pillay et al (2003) was from a medical workplace context rather than a Hospitality and Tourism setting lessons presented in the form of the four conceptions of work set out below are relevant to the

writer's research context. Subsequent conception levels extend from, subsume and build on previous levels.

#### **4.2 First Issue: Conceptions of work;**

*Work as a job* – The most basic conception – work as a means of acquiring money – security and survival – a duty, the following of set procedures,

*Work as a challenging experience* - Challenge was positive providing intrinsic satisfaction and a sense of self worth,

*Work as personally empowering* - Within the context of self development through insights into job related knowledge and skills and consequently, building confidence. Accomplishment of challenging work provides a feeling of empowerment thus removing any feeling of being a 'slave to the job',

*Work as structuring my life* - A belief that the duality of life and work are interconnected and is the highest conception of work.

### **4.3 Second Issue:** Conceptions of learning at work;

From their investigation to identify what workers meant by learning at work, five conceptions emerged:

*Acquiring skills to survive* - Here workers considered that to remain employable and to get through everyday tasks they needed to continuously upgrade and diversify skills. To do this they used methods such as trial and error and reading manuals to learn the bare essentials,

*Onsite observing and experiencing* - This conception built on the survival conception as workers recognised the need to develop understanding and to accumulate experience and skills over time. It is pointed out however, that workers at this conceptual level did not distinguish between accumulation and construction of knowledge recognised as key elements of the “integrated learning and work phenomenon advocated by current training initiatives” (Pillay et al 2003: 102).

*Taking formal courses* - This conception identified formal instruction either in work or in outside educational institution contexts. It was considered that it was not sufficient that such directed learning with intentional outcomes should happen only within the workplace,

*A continuous lifelong learning process* - This conception recognised many forms of learning, from all experiences “formal informal, vicarious, intentional and all through ones life” (Pillay et al 2003: 104).

*Changing as a person* - Those with this conception recognised the connection between learning in work, personal learning and through everyday life and experienced satisfaction through workplace learning. They understood that learning in any aspect of ones life influenced attitudes and behaviour in other aspects.

Overall their findings show that more workers have lower conceptions of learning at work and that qualifications levels held by different categories of worker had no direct relation to their conceptions.

Credentialing of learning is also discussed in terms of the need for individuals to prove the standard they have achieved in order to remain employable. The current AQF system of credentials relevant to the workplace contexts under study does not however require continuous learning. It is also recognised that some workers may require formal courses to equip them with the basics before being able to engage in new learning for the workplace. Although Pillay et al (2003) seek to understand the dissonance between the AQF system and worker conceptions of work and learning at work nevertheless, the AQF system is described as “an ideal framework” (Pillay et al 2003: 430). Such competence based approaches however, can constrain learning as knowledge becomes characterised as being relevant only to what is specifically required to achieve organisational goals. In this context, Macfarlane and Lomas (1994: 30) identify the

emergence of a 'conformist culture' that stifles debate and consequently learning. Competence based approaches they consider, can represent "a desire to control learning at the expense of spontaneity" and does not produce a healthy learning climate. They argue that "education should develop a reflective individual who is prepared to challenge current assumptions rather than simply endorsing the accepted and the familiar" (Macfarlane and Lomas 1994: 31).

Furthermore, Pillay et al (2003) conclude that the conceptions held by older workers were not conducive to changing work practices. They express concern in relation to the effect higher level AQF qualified workers who hold leadership positions, but hold lower level conceptions than their subordinates.

However, older workers have been identified as are becoming more important to many firms according to Warr (1993) due to increasing difficulty in recruiting and retaining effective staff among younger age groups. However, even though Warr (1993) identifies no significant difference in job performance between older and younger workers; "there is a widespread prejudice against the selection and training of older individuals... and older employees receive substantially less training than younger ones" (Warr 1993: 22). Paradoxically, the investment in training for older workers might provide more financial payback than for training younger workers as the latter are more likely to change job. However, Warr (1992: 23) identifies 'perceived' problems associated with a reluctance to train older workers. These include; adaptability, less ability to learn quickly, non-acceptance of new technology and adaptation to change. Nevertheless, with increasing demand for older workers, the need to train older managers is identified as crucial. This is because they will be required to inspire and lead workers whose jobs are moving from

a manual skills orientation towards more intellectual and interpersonal competences. Consequently, Warr (2003) considers training needs for older managers should be at the heart of effective human resource management.

In evaluating two nationwide surveys, the 1991 'Labour Force Survey' and the 1992 'Institute of Management Survey: Age Differences', Warr (1993) identified the data as problematic however there was confirmation that compared to younger managers fewer older managers participated in training and of those who did less time was spent on training. Additionally, the percentage of training among self-employed managers was 'markedly' lower than employees and "training is less common in work-sites with fewer than 25 employees" (Warr 1993: 27).

Additionally, a peculiar 'collusion' (Warr 2003: 36) between older workers and their superiors is highlighted. This 'collusion' supports a corporate culture where employers favour investment in younger workers while older workers actively avoid training. This is due to the latter feeling less able to learn, nervousness of formal learning situations and fear of not being given the opportunity to utilise their learning. To address this Warr (1993) suggests that three changes are necessary. Firstly, encourage adaptability among older managers through enacting career development procedures including lateral transfers where flatter organisational structures limit upward progression. Secondly, adopt training methodologies that address the learning barriers of older managers. Thirdly, at national level include an 'age-gradient' dimension in national training targets.

Finally, Warr (1993: 37) concludes that limitations on older managers are more through negative social norms than through physical or psychological deterioration with age". Indeed, in their study of older workers (aged 40+), Fuller and Unwin (2007) identified that older workers were "generally positive about learning when it was seen to be relevant and helped them to do their jobs better or more easily" (Fuller and Unwin 2007: 5).

#### **4.4 The learner label**

The perception of individuals as learners is considered by Boud and Solomon (2003). Their research outlines the difficulties relative to identification and naming of learners in the workplace. In particular, how learning is spoken of or not spoken of in the workplace and the politics and identity tensions posed by learning. They emphasise the effect of language in “producing social realities and creating domains of thought and action” (Boud and Solomon 2003: 326) in the context of language being seen as a technology for constructing what can or cannot be thought or done. This extends to understanding the role of language in creating power relationships in the workplace. They consider the dispersed nature of learning in modern society in that it is considered to happen everywhere, in institutions, the work place and in everyday life. These wider, non-institutional based perspectives have led to concepts such as, lifelong learning, learning organizations, work based learning partnerships and e-learning. However, the emphasis of these writers is ultimately on how learning in and through everyday work can be utilised within the organisation.

Their methodology involved interviews with two groups of teachers using two separate sets of questions in order to identify how workers talked about learning. One set avoided the use of the word ‘learning’ and the other included specific references to ‘workplace learning’. Subsequent discussions/feedback sessions with the group were then held in relation to “naming or not naming things as learning and about naming or not naming oneself as a learner” (Boud and Solomon 2003: 328).

From the initial questioning two perspectives, relating to learning emerged. The first showed that workers did not talk much about learning *per se*. They focussed more on their position in relation to their work and within the wider organisation without making direct connections with learning. The second revealed stories of various practices, both in terms of working practices and learning practices. These were organised around three categories previously defined by Boud and Solomon (2003), mastery of organisational processes, including technical ones, dealing with the atypical and negotiating the political. The subsequent feedback sessions revealed mainly conventional interpretations of learning such as:

- Training or formal staff development,
- Preparing oneself to be productive,
- Coping with change,
- What one's students do,
- It not being possible when one is busy, and
- Learning as conscious rather than automatic.

(Boud and Solomon 2003: 329)

Other interpretations where however, given such as:

- Learning is indistinguishable from working, and
- Learning is something that just happens.

The multiplicities of the use of the term 'learning' emerged. "Naming did seem to legitimise otherwise undervalued aspects of work" (Boud and Solomon 2003: 329). It was also clear that learning alongside work created tensions. With regards to naming oneself as a learner various issues emerged. Generally among experienced practitioners it was considered acceptable to name oneself as a learner. Others accepted they had learned from students but resisted naming themselves as learners in this context.

There were also those who perceived a clear distinction between teacher as teacher and the student as learner. Ultimately, there were political tensions identified in relation to the acceptance of being labelled a learner as it could undermine ones identity, image and power position relative to that of 'competent worker'. However, when perceived as adding value to ones work, learning and being a learner had a more positive status. Boud and Solomon (2003: 330) ultimately question whether there are circumstances where workers can be named as learners without negative consequences.

They also highlight the implications for researchers in dealing with the terminologies of learning. These are not unproblematic as they may not have shared meaning across all disciplines such as 'organisational learning' or 'workplace learning'. They do not reveal information regarding the levels of students being taught. It could be perceived that the lower the course level, the greater the education and knowledge gap between student and learner would be and hence the lower the incidence of teacher learning from student. This may apply between owner/manager and employee in the writers' research. Also, they do not mention the ongoing need for teachers to update their knowledge and must always be learners. Professional organizations such as the Chartered Institute of Marketing require their members to undertake continuous professional development. A

minimum of thirty-five learning hours must be recorded and such continuous learning is rewarded by the institute by recognition of the member as a 'Chartered Marketer'.

#### **4.5 The effect of organisational structure on learning**

Research methodologies have been the limiting factor in such research according to Ashton (2004). This is because it has focused on specific groups of workers who share similar positions either in their workplaces or in the labour market. The result of this is that institutional conditions and organisational structure have not been recognised in terms of how they shape the learning process.

Ashton (2004) seeks to delimit situated learning research from a study of members of 'communities of practice' to take account of the "institutional conditions and features which shape the work and learning experience" (Ashton 2004: 44). He refers to the commonalities in the research of Koike (1990, 2002) and Darragh (1996) which were carried out independently. However, as these researchers had no knowledge of each others work their individual contributions and insights were never consolidated. Such insights include:

- Recognition of how the organisation of work can lead to higher skills formation,
- The need for workers to acquire knowledge of the overall production system in terms of both; breadth of knowledge and specific knowledge of some aspects,
- Importance for workers to practice skills and time to build skills in-depth,
- The use of feedback to support learners,
- The need to reward ongoing skills acquisition,

- What knowledge must be learnt and what is off limits is determined by the position in the structure of the organisation, and
- Knowledge to be learned is shaped by the organisation,
- The organisation controls the opportunities to exercise and practice skills, and
- The type of feedback to be given to the learner.

The two studies were carried out in different countries, Koike, Japan and Darragh, the USA. The similarity of findings suggests that national culture has no influence on the learning process which is in alignment with Ashton's (2004) own Hypothesis. Ashton (2004) points out that while economists value human capital on the basis of qualifications the work of Koike extends this to include intellectual skills acquired through experience. Indeed, Ashton (2004:45) proposes that previous experiences determine an individual's motivation to engage in the learning process. Such experiences then interact with key constraints presented by the organisation through:

- Facilitating access to knowledge and information,
- Providing opportunities to practice and develop new skills,
- Supporting learning processes, and
- The extent to which learning is rewarded.

His hypothesis centres on the level of skills that can be acquired and influenced by:

- The functioning and structure of the organisation,
- The design of work, and
- Level of access to participation in the learning process.

His methodology was based on 195 face-to-face semi-structured interviews across all levels of staff. This included open-ended questions to allow for elaboration of the learners perceptions and experience of the learning process. Answers were sought which would elucidate how organisational structure impacted on learning at work through concentration on specified criteria:

- Range of learning experiences available,
- The approach of the employees to the process of learning,
- Their preferred learning methods,
- Learning opportunities within their job,
- How they learnt their present job,
- The experience of the training they received,
- Barriers encountered to learning at work,
- Their experience of formal training programmes,
- Support for learning from the organisation,
- Feedback on their performance, and
- Rewards they sought from their learning,

Although Ashton's (2004) research was limited to a specific moment in time, he identified a hierarchical organisation in transition towards a flatter structure which broadly supported training and learning. Nevertheless, constraints on learning existed. Distribution of knowledge and access to it was formalised in relation to an individual's position on the hierarchy which was often determined on the basis of salary level. Informally, middle and line managers restricted knowledge sharing in order to protect

their position. This was exacerbated during the restructuring process as their jobs were potentially under threat. To circumvent the lack of knowledge sharing there was evidence of individuals engaging in networking in order to access knowledge about what was going on in the organisation. Within this organisation a mechanism to improve communication of information was introduced. This included, the supply of videos, newsletters, briefings, and intranet and library based information. This was not effective however, as not all staff had access to these resources. Additionally, skills formation was not enhanced in this way as this kind of knowledge tended to be shared in the immediate work context only through ongoing interpersonal relations.

Towards the top of the organisation and for graduate trainees it was apparent that training and experience was structured. Lower down the hierarchy however, there were no clearly defined career plans and skills learnt could be wasted through transfers between jobs which required differing skills sets. This prevented learners from progressively building and developing their knowledge in a specialised discipline. Managerial attitudes and behaviour affected how jobs and responsibility were delegated affecting opportunities for learning. Indeed, although organisational policy provided a broad framework for skills formation the individual at the lower levels had to be proactive in finding their own opportunities for skills development. Equally, owner/managers should be able to overcome any lack of skills development opportunities. Ashton (2004) provides an example of an administrator who jumped at the chance to be a relief secretary, searched out learning opportunities within the role and was subsequently promoted to a secretarial position.

Support for learning through constructive feedback and guidance was determined by the quality of interpersonal relationships between workers and managers as well as the disposition of the manager. Common elements existed in that managers in general considered learning to happen naturally with no need for support as well as their lack of knowledge as to how learning should be supported. Managers differed in their perception of what was the best way for their subordinates to learn. This included approaches such as leaving subordinates to themselves to learn through trial and error or by throwing them in at the deep end. Ashton (2004) identifies approaches to overcome such assumptions about learning. This brings to the fore the need to ensure managers responsible for human resource development have training and teaching skills. There is also a need for trusting relationships between knowledge disseminator and learner to give them confidence where if they make mistakes these can be learnt from. This in turn emphasises the importance for subordinates to have the right person from whom to learn and in this context emphasises the need for owner/managers to have both job knowledge and dissemination skills.

Rewarding the efforts of employees to learn is suggested as important for motivating them and the value of reward types is personal to the learner. In the short term some may derive satisfaction from the intrinsic reward presented by the learning itself, while others prefer verbal or written recognition of achievement. Long-term rewards include, personal development, promotion and salary increases. One key problem is ensuring an equitable reward system is operated. For example, Ashton's (2004) research highlights that where a manager has too many subordinates to know personally, there is the possibility that those employees with greatest visibility are more likely to be rewarded.

Reward for the owner/managers is likely to include survival or business development and growth as well as profitability.

Finally, Aston (2004) argues that organisational change such as restructuring as was the case in his research impacts on the learning process. His model identifies that institutional arrangements affect the learning process as a result of:

- The hierarchical structure of relationships that can either provide or restrict knowledge sharing across the organisation,
- The design of jobs,
- Narrowly defined tasks,
- Movement of employees in either a structured or random way,
- Where the authority lies for the management of the learning process,
- The level of support for learning through the system of rewards for learning and how this determines the breadth and depth of work based learning, and
- The visibility of employees to their supervisors and the effect this has on them attracting rewards.

He hypothesises that in organizations with high performance working practices elements such as self managed teams, performance related pay and multi-skilling should support the generation of a higher skilled workforce. Greater breadth and depth of knowledge could be made possible by more widespread distribution of knowledge and information. This together with the training of trainers in how to support learning would provide greater opportunities for lower level workers to progress.

## **4.6 Conclusion**

In conclusion, having considered how the workplace is perceived as a learning environment and issues of organisational structure that impact on learning, the next chapter considers where learning may be located and how it should be structured.

## **Chapter 5**

### **5. Location and structure of learning**

Beyond the defining of lifelong learning, its nature and its provision as outlined in previous chapters, various other questions aligned to Engestrom (2001) have to be addressed. For example, where is the learning to take place? How should it be structured? How will the learner learn and who will be identified as the learner? Chapter 5 considers these issues as well as the key weaknesses of the owner/manager, entrepreneurial talent, understanding management style in relation to management training and entrepreneurial characteristics.

#### **5.1 Workplaces as learning environments**

These issues centre on debates regarding situated learning and learner identity. While Lave and Wenger (1991) put forward the concept of ‘situated learning’ mainly with regards to apprentices, Billet (2004) considers that workplaces in general offer a suitable environment for learning. Even though there is no written curriculum they have inherent pedagogical properties that enable structured, intentional learning. The presence of workplace goals and practices dictate the tasks and activities workers become involved in, how they are supported, and ultimately appraised. Billet (2004: 314) refers to Bloomer and Hodkinson (2000) in explaining that some environments may however, produce richer learning outcomes than others. Indeed, as identified by the writer above, there can be a problem of learners in the workplace learning how to do things the wrong way and this must be guarded against. This problem is alluded to by

Salaman and Butler (1990) in the context of managerial learning. They argue that in times of rapid change firms and their managers must adapt to new environmental conditions through learning therefore “a barrier to learning is thus a barrier to survival” (Salaman and Butler 1990: 183). They consider the possibility that managers may resist learning or learn in peculiar ways, or that the kind of training typically available to them is restrictive. For example, although managers may learn using practical examples or case studies, they may not be able to link such learning to their own situations and problems. In turn, if rewards for learning are linked to such training activity this may further obstruct or restrict their capacity to learn.

Resistance to learning can also stem from a paradox between the requirement for training to change behaviour, which is not part of existing practice and procedures; and managers’ perceived disjuncture between such training and everyday organisational life. There may also be conflict between the kind of change needed and the prevalent organisational structure and/or culture.

However, it is highlighted that managers do learn. For example, they ‘learn the ropes’ of how to survive within their organisational milieu such as; the way power is exercised or how behaviour is rewarded or penalised. Consequently, “these lessons about how their organisation works may obstruct their openness to further learning” (Salaman and Butler 1990: 187). Additionally, political interests between sections of the organisation can restrict learning for example, where information is protected to serve sectional interests rather than being shared. Indeed, Salaman and Butler refer to Janis (1972) in aligning such political behaviour with the concept of being ‘victims of groupthink’. This is where loyalty to group decisions leaves members blind to evidence of deficiencies in

their analysis and so they become unable to learn. Also, managers may fear change or may not trust those who initiate it, or change may threaten their position of authority. Indeed, Salaman and Butler (1990: 191) express the need for “complimentarity between training messages and organisational experience” if managers are to learn successfully.

In any learning situation Billet (2004) considers that thinking and learning are a single process. For the owner/manager of an SME internally generated training could be difficult to achieve as they may already be familiar with all aspects of their operation. However, managerial development and the development of entrepreneurial skills may still be possible. The interactions of the learner with “human partners and non-human artifacts” (Billet 2004: 316) and how they themselves choose to engage with the workplace environment will determine the shape and process of any learning taking place. The reaction of others must also be considered as this may determine whether the learner is “actively supported, welcomed, resented or actively opposed” (Billet 2004: 321). Consequently, he determines that workplace learning environments are participatory in nature and “need to be understood as something negotiated and constructed through interdependent processes of affordance and engagement” (Billet 2004: 321). In this regard, Thornton Moore (2004) consider that the term “curriculum” which normally refers to classroom based learning, can be expanded to refer also to the naturally occurring curriculum of the workplace. Thornton Moore (2004) identify that mainstream conceptions of curriculum typically relate to the process of planned learning in educational institutions. Drawing upon studies of situated cognition such as Lave (1998), Thornton Moore (2004: 328) identify that “cognitive processes have to be understood as embedded in and functions of specific situations” and consequently conceives the concept of the “curriculum of experience” Thornton Moore (2004: 329).

He identifies the factors that shape the 'curriculum of experience' and discusses the categorisation of knowledge. For example, in educational institutions knowledge is categorised on the basis of subject disciplines whereas in the workplace categorisation may relate to job function.

However, Gibb (1997: 25) suggests looking outside organisational boundaries in search of learning. He describes the SME as an "active learning organisation [but] within a stakeholder environment". Because such stakeholders (including banks, accountants and regulatory authorities) form the SME environment; by participating in 'learning circles' they could assist SME's in their future development. From this a more holistic understanding of what constitutes learning, learning processes and the nature of the SME learning environment should emerge. Therefore, by managing and learning from their network of stakeholders, SME's can further develop their businesses.

Gibb (1997) also emphasises that policy makers such as the regulatory authorities need to empathise with SME's so an improved 'level playing field' with larger firms becomes possible. Managerial learning he considers should start from the manager's knowledge base rather than that of the teacher. He also argues for informal, contextualised learning to be incorporated into competencies like NVQ's which rather than simply adapting to SME learning environments should seek to improve them.

Such informal learning can build upon previous formal learning according to Doyle and Hughes (2004). However, while previous formal learning can underpin continued learning without formal teaching, they identify that formal learning is not a prerequisite to being able to deal with major business issues. They highlight however, that any

informal learning should take account of learning style and the essential characteristics of the small firm. For example, size, competitive environment, lack of time dedicated to planning and very tight operating margins. Indeed, it is emphasised that as SME's operate in increasingly more specialised markets, generic training needs are narrowing and specific learning needs is broadening.

Small firms however, find it difficult to relate formal training to business performance according to Dawe and Nguyen (2007) believing it leads to; increased wages, work disruption and poaching of their staff by competitors. For their own learning however, owner/managers are interested only in specific training such as cash flow management rather than being driven by wider government agendas and funding. Furthermore, for those with previous bad experiences the word 'training' can be off-putting although course titles such as 'how to improve your bottom line' can attract more participants. Dawe and Nguyen (2007) consider small firms prefer informal training in the form of mentoring and networking that fits the way small businesses can learn. Overall successful strategies that build on business to business interaction are more successful e.g. business mentoring, networking collaborative or group learning in business cluster alliances or action learning. They also identify the importance of the cultural fit and credibility of facilitators for example, through them having appropriate networks and experience. Additionally, small firms favour the concept of the one-stop-shop to provide support throughout the business cycle.

Kotey and Folker (2007) examine the main interaction effects of size and type of firm on the use of informal and formal training. They identify that all sizes of firms utilise informal training but at the early growth stage, training that is more formal is used.

They also highlight characteristics within family firms that provide less training for non-family members and consider competent employees pose a threat to family control. Additionally, it is highlighted that informal training like job rotation is not fully valued, as it is not quantified in the training budget “as though skills and knowledge acquired through these training programs are not relevant” Kotey and Folker (2007: 218).

Ashton et. al. (2008) examines the relationship between size of firm and investment in training. They argue that when the definition of training is extended to include informal training, small firms invest as much as larger firms. They also identify that level of skills required, rather than being determined by size of firm, derives from complexity of products and processes, market characteristics and competitive pressures. Informal training is also considered beneficial as it is specific to what needs to be known when the knowledge is required. It can also have the additional benefit of transmitting company culture and ethos, so enhancing employee loyalty and commitment and easing supervisory issues.

Furthermore Ashton et. al. (2008) suggests that the incorporation of informal learning into public policy would enable government programmes to facilitate engagement of small firms in more market-driven approaches to skills development. Through case study examples they also demonstrate that contextually relevant learning interventions can solve specific business problems, be less costly or disruptive and be more effective.

## 5.2 Key weaknesses of SME owner/managers

The key problems facing owner/managers are highlighted by Oliver (2003) as:

- Lack of management skills and business confidence to enable growth,
- Limited, longer term strategic thinking capabilities as they look only to solve today's problems,
- Limited financial analysis capabilities,
- Weakness in human resource management skills, and
- Lack of business confidence or understanding of their business environment, and
- Over reliance on themselves and an unwillingness to use external resources.

Oliver (2003) characterises the SME owner/manager as wearing all the hats. Typically entrepreneurial, innovative and action-oriented they work hours of around 60 hours per week. In general they find themselves short of time and short on cash flow.

Although it is argued that there is no “universally accepted definition of entrepreneurship” (Mc Fadzean et al 2005) the term ‘entrepreneur’ typically refers to the new business owner operating with a high level of risk. As the business becomes established risk levels reduce as activities become more predictable and the term ‘businessperson’ tends to be adopted. The problem for many businesses, even after a number of years of operation, is that they have not effectively moved beyond the entrepreneurial phase. Nevertheless, they are still considered to be established businesses and can miss out on access to training as, Oliver (2003) argues, business courses tend to be geared towards start-ups rather than developing SME's.

Additionally, traditional delivery methods combined with content that is too general do not address the needs of real businesses. He also suggests the SME owner/manager is cautious of using business advisors, whom they perceive to have their own 'ideal' business philosophy rather than tailored solutions to meet the specific needs of their businesses. Oliver (2003) suggests solutions such as 'learning partnerships' and 'learning circles' where educators, consultants and owner-managers can learn from each other, which can counteract some of these negative factors. The importance of getting the right training model is emphasised and is evidenced by Oliver (2003) through financial performance statistics in his own work with small businesses. In practice this would mean external interaction between owner/managers of similar businesses. Such an approach may elicit the kind of tensions and subsequent problem solving capabilities achieved through expansive learning principles demonstrated by Engestrom (2001) above.

In the context of identifying the right training model, a three stage conceptual model for managerial learning is suggested by Devins et al (2005). Stage 1: 'the micro-business world' comprises internal and external contexts. Internally, learning happens naturally through problem solving and grasping new opportunities. Externally, learning takes place through interaction with 'close others' including family, friends and other stakeholders who although are not normally involved in the business have an interest in its success. This also includes knowledge sharing within networks and interaction with those who influence the small business environment as discussed in Gibb (1997) such as suppliers, customers, banks and accountants.

Stage 2: 'the external intervention: breaking into a different world' derives from 'non-network' agents such as government business support agencies or private training firms who can provide management development. Devins et al (2005) however, call for a revised approach to providing such external intervention opportunities which tend to be supply driven as there is limited take up from small business managers. In this context, Gibb (1997) calls for a more holistic approach.

Stage 3: 'joining the micro business world' derives from an emphasis that non network agents should provide continuous development process that can "permeate the micro business boundary" (Devins 2005: 546). Less supply driven training should therefore reflect training preferences and the aims of the small business. Network agents such as banks could also play a role in highlighting training needs which the small firm may not have an awareness of.

Devins et al (2005: 547) highlight the "lack of policy interventions that connect with the micro business world" and the challenge of developing training interventions which are "cost effective and reflect the heterogeneity of micro businesses". Additionally, they emphasise the training provider and business manager relationship as important as issues of cost or price of training.

Indeed, Kirby (2004) considers entrepreneur education as delivered through business schools. He suggests there is no satisfactory definition of what constitutes an entrepreneur but also suggests that not all owner/managers are entrepreneurs. He advocates that business school students should be taught for entrepreneurship rather than about it. In identifying seven entrepreneurial characteristics he highlights these do not occur individually but in combination with each other.

1. Risk-taking ability: Being predisposed to taking calculated risks
2. Need for achievement: Rather than need for money it is achievement that motivates them.
3. Locus of control: Strong 'internal' locus of control i.e. belief that they are in control of their own outcomes.
4. Desire for autonomy: Need to be in control and dislike of rules, procedures and social norms which stifles their creativity.
5. Deviancy: This characteristic is based on the work of Kets de Vries (1977) who argues that entrepreneurs can engage in self-destructive behaviour. They have low self esteem "lack the ability to reflect critically and dream of being in total control and independent of everything and everyone". (Kirby 2004: 512)
6. Creativity and opportunism: Flexible and adaptable in their problem solving, are innovative and they can see opportunities and make them happen.
7. Intuition: Prefer an approach to problem solving that requires more holism and synthesis.

He also considers courses for entrepreneurs should include training in skills relating to leadership, negotiation and problem solving for example. Additionally, he advocates for a change in the learning environment where such skills can be reinforced.

He considers left brain and right brain function; the left handles emotion and intuition while the right; language logic and symbols. Both sides must work in balance he argues,

so that both critical and creative thinking are possible. Furthermore, developing left brain activity has been the focus of traditional education systems while successful entrepreneurs typically appear to use right brain thinking. Consequently, he argues for a system of learning that develops more entrepreneurial attributes and behaviours. Such a system would:

- give students ownership of their own learning,
- involve them in real world problem solving to develop both rational and intuitive thinking,
- get students to deal with immediate, incomplete or dubious data to develop decision making and dealing with uncertainty and
- provide students with role models who are involved in both learning and assessment so as to demonstrate role orientation, ability and motivation.

### **5.3 Measuring entrepreneurial talent**

How owner/managers organise themselves in relation to their work is considered by Ferrante (2003). In a study of entrepreneurship he identifies that in small businesses (a) behavioural strategies differ in relation to the allocation of working time, (b) there is a relationship between the time entrepreneurs work, their complement of human capital and the size of their business, and (c) that the allocation of working time can be linked to business performance. Ferrante (2003), on the basis of his own empirical evidence, concludes that the entrepreneurial talent of the small business owners could be “measured by the share of working time devoted to truly entrepreneurial activities... [i.e. areas such as]... marketing, production, investment and pricing strategies revealing

low discount rates and autonomy from main contractors” (Ferrante 2003: 164-165). “What we call entrepreneurial talent, basically, is the ability to discover, select, process, interpret and use the data necessary to take decisions in an uncertain world and, then, exploit market opportunities” (Ferrante 2003: 169). Such abilities could be affected by various elements such as level of creativity, degree of myopia, degree of risk aversion, alertness and level of tacit knowledge.

The concept of ‘tacit knowledge’ is accredited to Michael Polanyi (1966) who identified that “*we can know more than we can tell*” (Polanyi 1966: 4). Tacit knowledge however, is characterised by Nonaka and Takeuchi (1995) as technical “know how” while at the same time incorporating taken for granted mental models, beliefs and perspectives that are difficult to articulate. In contrast, explicit knowledge is considered to be formal and systematic and can easily be articulated and shared. The defining of knowledge into two distinct types however creates a dichotomy according to McAdam et al (2007) who identifies that Polanyi (1996) considers they are two dimensions of one. Nonaka and Takeuchi (1995) also describe tacit knowledge as personal knowledge that when made explicit can become valuable to the organisation as a whole and is a source of sustainable competitive advantage. From their Japanese study; “the knowledge-creating company”, Nonaka and Takeuchi (1995) introduce the concept of a ‘spiral of knowledge’, involving the ongoing interaction between tacit and explicit knowledge. Key elements in this spiral involve tacit knowledge becoming explicit knowledge, which subsequently becomes internalised by organisational members, enabling them to “broaden, extend and reframe their own knowledge” Nonaka (1991: 99). However, Bordum (2002) has highlighted how the conversion of tacit knowledge to explicit knowledge can potentially result in the exercise of managerial power over

workers. Conversely, it can be deduced that workers can become an obstacle to organisational learning by keeping their hidden knowledge hidden. Nonaka (1991) however, emphasise that personal commitment and a sense of identity of employees with the firms' mission is key to the process.

Ferrante (2003) also identified qualitative measures of a firm's strategies and performance:

- (i) Whether the investments of the firm in the previous two years were innovative,
- (ii) The propensity to acquire information through systematic use of market analysis,
- (iii) The quality segment of the market (entrepreneurial firms operated in high-quality market segments),
- (iv) The competitive advantages of the firm (The competitive edge in entrepreneurial firms was gained through product quality or human capital rather than low price).

The remaining measures (v) to (viii) were devised in the context of identifying a link between the allocation of working time and the 'bargaining power and ability to obtain satisfactory *terms of trade*' with customers:

- (v) The concentration of sales, which should provide a measure of outside options (e.g. a narrow customer base would impede bargaining power due to reluctance on few customers, each generating high sales volumes),

- (vi) The nature of the bargaining process, i.e. the greater or lesser passivity of the firm,
- (vii) The sign of the output price change experienced in the previous three years and finally,
- (viii) The number of days delay in receiving the amounts due, on the assumption that *weaker firms* are obliged to accept late payments.

Ferrante (2003) further investigated his sample of firms by identifying two additional indicators of organizational strength. Firstly, by asking entrepreneurs what kind of services they most needed he was able to ascertain that the less talented entrepreneurs had probably weaker businesses because they needed services which should normally be available from within a company such as real and financial services. The more talented entrepreneurs were more likely to have strong businesses because they needed services normally expected to be available from outside of the firm e.g. training and infrastructure. Secondly, in order to obtain an indicator of owners' expectations of future prospects they were questioned regarding their intention to hire new workers. The result was that stronger companies indicated that they intended to hire in the future which suggested they had better prospects.

In examining entrepreneurial talent, human capital and the size of the firm, Ferrante (2003) identifies that innate abilities such as, low risk aversion, self-confidence, lack of fatalism (as measured through 'Rotters scale' (Bowles et al 2001), corresponds to self-confidence) and a low rate of time preference characterise the entrepreneur. However, such skills can be enhanced through the development of human capital through education. He finds it to be characteristic of entrepreneurs to invest in education and

working time for uncertain and deferred returns. Experience on the other hand is cited as having a less significant impact on entrepreneurial capabilities than education and innate abilities. There is however, correlation between size of firm, level of education and entrepreneurial talent and that “education and size should be included in a micro-economic model of entrepreneurial behaviour and firm performance” (Ferrante 2003: 168).

As the decision making process has become more complex in a more globalised and technological economy, Ferrante (2003) argues that learning through experience ‘decays’ and is replaced by formal education and training. This in turn provides opportunities for the development of the entrepreneurial culture by investment in human capital as an important factor in economic growth. With regards to the development of training policies in small firms Ferrante (2003) indicates his findings. Firstly, a deficit in training and skills among employees in small businesses may be due to the lack of entrepreneurial skills of the owners. This suggests the need for training packages for employees as well as managers. Secondly, that to reduce the opportunity cost of diverting the *less talented* business owners from their production and managerial duties, “training should consist of on-the job-tutor-ships rather than through outside activities such as seminars, conferences and other traditional teaching tools” (Ferrante 2003: 170). In other words, training should be targeted and tailored in such a way that individual characteristics and their work context has been accounted for.

In relation to the involvement of managers in employee learning Gibb (2003) suggests a need for a continuous attitude towards lifelong learning for all workers within organisations, from those with or those without significant previous learning.

In this context, he considers a role for the line manager, (which in the case of this research is the owner/manager), in supporting learning and development (L&D). However, work pressure or lack of structured training plans or packages may create difficulty for the line manager in providing such support. Nevertheless, the line manager is positioned to understand both organisational needs and individual needs compared to those delivering formal, external courses who may understand neither. However, the skills of the line manager in relation to training and coaching may be limited. Consequently, such a role calls for the line manager to change and to develop competency in interpersonal interactions in work teams. Furthermore, by being involved in employee development, their management skills also develop which in turn benefits the overall management of the organisation. Additionally, line managers as developers of people can become involved in the process of organisational change and through a human relations approach improve quality orientation, innovation and efficiency. In concentrating the L&D role in the line manager however, the marginalisation of the L&D specialist may occur. From this, a changed role for the L&D specialist as internal, or outsourced advisors to line managers may result. However, Gibb (2003) highlights that given the importance of L & D marginalising specialists who ensure that L&D is taken seriously could possibly be a backward step.

In the context of entrepreneurial learning however, Thompson (2004) refutes that entrepreneurs can be made through the right education and training. He argues that entrepreneurial talent and temperament, (the driving force underpinning the extent to which we exploit our talents), are prerequisites to being a successful entrepreneur. Furthermore, he identifies that to be entrepreneurial rather than simply enterprising,

entrepreneurial characteristics must be exhibited naturally, serially and habitually; be present to a strong level and outweigh non-entrepreneurial characteristics.

He also distinguishes between various categories of entrepreneur in particular, those who possess complimentary leadership qualities, the 'leader entrepreneur' who can adapt their role as their businesses grow. Character themes of entrepreneurs are also identified such as the "team" characteristic where the entrepreneur is willing to seek out compatible 'entrepreneur enablers' such as advisors from whom they will accept advice. Ideally, to be effective, entrepreneur enablers will possess some entrepreneurial characteristics and be "strong on "developer", an ability to spot potential and a desire to bring out the best in others" (Thompson 2004: 248).

Further definition of the entrepreneur is presented as an acronym; 'FACETS', a framework based on six character themes or facets; Focus, Advantage, Creativity, Ego – inner and outer, Team and Social. Each facet contains sub-characteristics which further define the entrepreneur. Each facet is inter-dependent on the others and stem from the important themes of opportunity and risk which characterise entrepreneurship. FACETS can be used as a self assessment tool to measure entrepreneurial strengths. However, it has been further developed into a three stage process to enable external judgement to be made; for example, for the purpose of screening participants for entrepreneurial programmes. First, is a questionnaire; second, is a self-assessment process undertaken by trained assessors within a workshop programme; and third, is an evaluation over a two to three year programme to measure improvements in the character themes.

## **5.4 Management style**

Similarly, Shope Griffin (2003) emphasises the need to ‘personalize’ management development as individuals have very different profiles. Although her work was based in a large organisation, Nationwide Finance, her findings in respects of leadership traits are likely to hold true among small firm owner/managers. Her article outlines four profiles of management, the ‘Reluctant’ leader, the ‘Arrogant’ leader the ‘Unknown’ leader and the ‘Workaholic’. Each type is described and it is suggested that different training methods may be necessary for each leadership type. Individuality is emphasised with the focus on the whole person and not just the competencies. To achieve this, the use of coaching and mentoring is suggested. The wheel shaped ‘healthy leader’ of Lewis R Timberlake is considered relevant as it takes account of physical, emotional, spiritual, business, family and social skills. She is critical of leadership development which promotes seemingly high performers but gives them limited training support with the result that those who fail in their roles are either disciplined or reassigned.

Shope Griffin (2003) argues that individuals are not the failures but the organizational development approaches fail them because they don’t understand how personal characteristics, ideologies or behaviours affect an individual's ability to lead. Fundamentally, people retain their individuality and do not fit a single ‘leader-in-training’ profile.

The four distinct leadership profiles are described by Shope Griffin (2003) as:

1. Reluctant leaders who although seem to have leadership skills do not perceive themselves as successful leaders,
2. arrogant leaders who believe they have the skills but lack the empathy and humility characteristics of successful leaders,
3. Unknown leaders who display the right blend of leadership qualities but who fail to develop relationships outside of a small circle of close colleagues, and
4. Workaholics who put work above all else and thus tends to lack both the perspective and personality to inspire others,

She explains that recognition of these profiles enables the tailoring of effective coaching and leadership development programs and can result in the emergence of effective leaders.

### **5.5 Entrepreneurial characteristics**

In a similar vein, individual entrepreneurial characteristics are emphasised as important by Deeks (2001). From his examination of three businesses a variety of conclusions relating to the management of small firms was elucidated as follows:

- Small firm management is adaptive rather than predictive in nature,
- Characteristics of entrepreneurial behaviours and skill need to be understood in relation to training in small firms,
- Adaptation, diagnosis and tactics are the focus of the small firm in contrast to prediction, prognosis and strategy of the larger firm,

- The mix of managerial, entrepreneurial and operational skills and techniques will differ with the size of the firm,
- Training priorities should recognize the frequency tasks are carried out by the owner/manager,
- Problem based training may be more appropriate in small firms, and
- Job Description and analysis should be secondary to the man as opposed to the job when undertaking analysis.

Highlighting the man rather than the job as a better focus for analysis provides a basis for personalising training. However, understanding the context of the business and what is required for it to survive and grow must also influence training content. In addition, as members leave and new members are recruited a review of the new talent mix could impact on how work is carried out and by whom. In this way the overall talent could be utilised in appropriate ways. Although this may be complex some form of model may be possible which at least utilises some of the new talent.

Solomon et al (2003) highlight the importance of entrepreneurial behaviour in all types and sizes of organisation. They consider that most course content and textbooks fail to distinguish between the differing needs of entrepreneurs and small business owner/managers by dealing with them both in the same context. Solomon et al conclude that entrepreneurs and business managers engage in differing activities and conclude that there is consequently, a need for different content in their education.

The literature has a broad consensus that the entrepreneur is characterised as being determined and persistent in keeping their company vibrant and successful. However,

Solomon (2003) identifies that many small businesses do not seek growth even when market conditions would support it. Indeed, he characterises the entrepreneur as the owner of a growth oriented business and the owner/manager as operating a no growth stagnant business. They also consider growth businesses to be uncommon. The writer would however, suggest that lack of growth does not automatically mean a lack of entrepreneurial or innovative activity. Many firms are strongly challenged in maintaining their present size in the face of competition and other environmental factors.

However, Solomon highlights eleven characteristics displayed by entrepreneurs as identified by Kao (1989):

- Total commitment,
- Determination and Perseverance,
- Drive to achieve and grow,
- Opportunity and goal orientation,
- Taking initiative and personal responsibility,
- Persistent problem solving,
- Realism and sense of humour,
- Seeking and using feedback internal locus of control,
- Calculated risk taking and risk seeking,
- Low need for status or power, and
- Integrity and reliability.

(Solomon et al 2003: 28)

Entrepreneurship is generally accepted as the type of behaviour displayed at the start up stage of a business with business person behaviours occurring thereafter. However, the rate of technological, social and economic change being experienced in today's environment calls for ongoing entrepreneurial behaviours. In response to this need for entrepreneurial skill, many courses in varying formats and delivery methods are being offered. This includes night and week-end courses at colleges and universities as well as internet based offerings. Entrepreneurial characteristics underlie the competence of individuals and their behaviours which can lead to achievement of superior business performance. Importantly Solomon et al (2003: 28) point out that "these behaviours are associated with personal qualities which are capable of being learned and developed".

Entrepreneurial activity is also important in growth businesses because growth equals change, and change demands entrepreneurial capabilities. Solomon et al (2003) emphasise the importance of growth businesses due to their positive impact on job creation and regional development. Although as a 'rule of thumb' they constitute only 5% of firms, have erratic growth cycles and are not guaranteed survival based on rapid growth at any one point in time. Such insights into the business cycle should be passed on to entrepreneurs during training activities. Firms that do not grow are according to Solomon et al (2003: 28) are at an "idle stage" which can be due to issues such as, market limitations, the position of products on product life cycles, owner/managers unwillingness to delegate to, or hire staff who can manage growth. To move from this idle stage, Lichtenstein and Brush (2001) consider that the owner/manager must be aware of the resources needed, such as, "skills, money/operating capital, personnel, organisational systems, financial management, culture and physical resources"

(Solomon et al 2003: 28). In addition, after the start up stage, the entrepreneur must recognise the need for transition to the point where professional management is needed.

Solomon et al (2003: 29) refer to Hofer and Charan (1984) who suggest a process of such a transition:

- The entrepreneur must recognise that change in his or her behaviour must take place,
- Formal decision systems must be put in place,
- The operational tasks that mean success or failure must be institutionalised,
- Specialists in the company must be able to become functional managers and functional managers must become general managers,
- The company growth strategy must be re-evaluated,
- Systems and procedures must match the new strategies, and
- A professional board must be established.

Human resources are identified as being critical to success in all businesses and human resource policies in relation to hiring and compensating staff will impact on performance. In terms of compensation, for example, Solomon et al (2003) relate remuneration strategies to the age of a business, with performance based pay being suitable for growth businesses, compared with more mature businesses which are more suited to stable remuneration methods. There are also major differences in the key problems faced between start-up and growth businesses. The former can have difficulty in terms of marketing and finance and the latter, strategic management issues. This

leads to the conclusion that training for start-up entrepreneurs is likely to differ from that of growth business managers.

Solomon et al (2003) draw the distinction between entrepreneurs and small business owner/managers. Activities usually undertaken at the early development stage of the business, the entrepreneurial stage requires characteristics such as “a high need for achievement, risk taking propensity, and a tolerance for ambiguity, is innovative and creative, and has internal locus of control” (Solomon et al 2003:27). The business management stage which is post start-up requires the characteristics of determination and persistency to keep the business going. This diversity of skills, necessary for different stages of a businesses development, suggests that different kinds of training are required for each stage.

Solomon et al (2003:28) point out that training of entrepreneurship should prepare participants for such a business cycle and make clear that “rapid growth at one point in time is no guarantee of survival, let alone growth”. Managing growth requires capabilities in the management of short term change. Solomon et al (2003: 27) reveal a plethora of new educational offerings for new and existing entrepreneurs. These are delivered using traditional methods and through weekend and night courses as well as on the internet. There is an ongoing challenge however, to stay on the ‘cutting edge’ by adjusting pedagogies to reflect the continually changing intreprenurial environment.

## **5.6 New venture success, communicated vision and new resource skill**

In terms of understanding new venture success, Baum and Locke (2004) also consider that personal characteristics are important. Earlier studies that concentrated on identifying traits which could be attributed as success factors showed weak results, while new venture financiers and entrepreneurs pointed to personal characteristics. Here, Baum and Locke (2004) seek to provide further understanding of the effect that personal characteristics of entrepreneurs have on business success. They chose to measure success in terms of business growth although recognition is given to other factors such as entrepreneur's personal satisfaction, rate of commercialized innovation, or improvements in market efficiency. They identify that venture growth has been recognized as having direct economic, social and employment gains, it is measurable and well-understood, and that venture growth is the essence of entrepreneurship.

Baum and Locke (2004) considered previous research which had examined traits such as, need for achievement, locus of control and risk taking propensity. However, they highlight the conclusions of some researchers that these were the wrong traits for empirical study and that "the study of entrepreneur's personal characteristics was a dead-end strategy" (Baum and Locke 2004: 588). They therefore moved to identify traits which "empower individuals who face challenges that are caused by the entrepreneur's situation, (a) extreme uncertainty (newness of products, markets, and organizations; lack of information), (b) resource shortages (financing, knowledge, operating assets, and legitimacy), (c) surprises, and (d) rapid change" (Baum and Locke 2004:588). Two variables not previously used in quantitative tests as predictors of entrepreneurship performance are then introduced, 'passion' and 'tenacity'. In a

qualitative analysis by Locke (2000), evidence emerged that passion was a core characteristic among great wealth creators. It was considered that entrepreneurs would have to love their work and be tenacious in pursuing their goals in the face of the challenges outlined above.

Passion was measured in the context of the emotions of love, identified as being attachment and longing. Although they define tenacity in terms of “sustaining goal-directed action and energy even when faced with obstacles” (Baum and Locke 2004: 588), no method of measurement is given. Tenacity is the relationship of ‘new resource skill’, defined as “the ability to acquire and systemize the operating resources needed to start and grow an organization” (Baum and Locke 2004: 588). Hypothesis on the relationship between passion and tenacity, and new resource skill are then individually devised. ‘Situationally Specific Motivation’ is then considered in relation to venture growth with motivation being broken down into three areas of, Communicated vision, Self-efficacy, and Goals. Baum and Locke (2004) define vision in accordance with Bass & Stogdill (1990), as ‘a projected mental image of what a leader wants to achieve’. However, they stress the importance of communicating vision, as this can be inspirational by helping to align entrepreneur-employee goals and may lead to greater venture growth. While they dispute the usefulness of examining personal characteristics in relation to venture performance they do however, concede that “it is not the case that traits have small or no explanatory power but that their effects are through specific, non-trait mechanisms, such as goals, efficacy, and vision” (Baum and Locke 2004: 596). Indeed, they consider that self-efficacy can be developed through training and experience.

## **5.7 Conclusion**

In conclusion, having identified various dimensions of training need, in particular management skills and entrepreneurialism in this chapter, chapter 6 considers a range of arguments in relation to where managerial training should be directed.

## **Chapter 6**

### **6. Managerial Training**

Having identified key areas of weaknesses in managerial skills and measures of entrepreneurial talent, how management training should be delivered is considered in this chapter.

#### **6.1 Training approaches and content**

Identifying skills as a strategic resource, Long and Smith (2003) argue that the internet provides a valuable training tool, and that training underpins sustainable competitive advantage. They report a growth in training through web based distance learning (WBDL). It is easy to develop and is adaptable to organizational needs and in terms of offering solutions to owner/managers as part of a blended learning approach is useful to the writer's research. However, there is limited research into entrepreneurship education according to Matlay and Carey (2007). They consider that overall provision in higher educational institutions has been inconsistent both in terms of defining what constitutes entrepreneurship education and devising specialist courses. They point out that while skills, knowledge and entrepreneurial attitude, although limited, can be gained through experiential and/or action learning the majority of courses did not include workplace experience.

Most were based on formal lectures and seminars, although a minority did include workshops and hands-on assistance or coaching in business planning. However, where a

business plan project was a 'dissertation' assessment choice in two institutions students tended to be discouraged from this option based on issues pertaining to their supervisors. Indeed, they point out that there is reluctance among course directors to be innovative in developing new entrepreneurship educational models and research into existing provision fails to properly measure their success.

However, while courses examined included typical business modules including, business strategy, marketing, and accounting and finance, courses tended to be designed on the basis of the course designer's own knowledge and experience. Few of these could claim to have personally gained any direct small business or entrepreneurship experience. Matlay and Carey (2007) conclude that there is some confusion among stakeholders on many issues within the entrepreneurship education debate. Indeed, there is a credibility gap which could impact upon the decisions of policy makers in allocating funding where questions of viability and efficiency of this area of higher education exist.

## **6.2 Holistic approaches to training**

A more 'holistic' approach to manager training is called for by Write and Gilroy (2001). They highlight that the rate of external environmental change has led to a metamorphosis in human resource management (HRM). Additionally, there is potential for HRM to be replaced by a new discipline of 'human potential management' given the increasing numbers of 'knowledge workers'. The concept of 'human resource engineer' as a replacement of the trainer is also suggested. The writers are critical of conventional

training (other than the most basic on the job training) as there is no identifiable correlation between training and productivity.

Although they take an internal perspective in terms of training delivery, external trainers of SME's such as enterprise agencies and consultants can benefit from their findings. They argue for a cultural 'fit' of training to enable the acceptance of new concepts into organizations. They also disclose their statistic that 70% of workplace training is a waste of time and resources. They view training as only one of a complex mix of variables which can create an environment conducive to effective job performance. They suggest the process of reflection encapsulated in the concept of 'mental models' as defined by Senge et al (1994) as a means for maintaining optimum performance. Additionally, they consider that the gap between current job processes using a 'reactive job analysis,' and job processes that would lead to world-class performance by means of a 'proactive job analysis,' should be undertaken, ideally with learner involvement. Strategies for productivity enhancement can then be devised on the basis of the gap. For example, coaching is a process which seeks to empower individuals and "can have a transformational impact on the quality of their performance at work and their personal relationships" (Whitmore 2004: 4) and as such addresses issues in respect of work/life regimes and how these should be balanced.

Greater support for small businesses in that they represent 94.8% of all businesses and as such are significant to the UK economy is required according to Greenbank (2000). He focuses on small business decision-making procedures and establishes that the use of formal management techniques is not the norm. Instead, they utilise subconsciously absorbed information from their work context and their past and present social

environments in a more intuitive style of management. Although it is considered that the use of heuristic approaches is relevant, particularly in times of complexity, he recognises that there are times when more scientific approaches are needed. Scientific and heuristic approaches are both subject to bias, however, where personal social and economic contexts influence the perceptions of owner/managers formal training interventions have their place.

### **6.3 A changing emphasis in training**

The gap in current debates in respect of career development related specifically to educational background and functional experience is examined by Ladkin (2000). In so doing, important issues emerge regarding the impact of educational and career paths of present and future owner/managers. These stem from the Hospitality and Tourism sector regarding the development of necessary skills for that industry.

She considers the debate on whether the emphasis of training should be on traditional craft oriented skills or in developing managerial skills. She highlights that pressure to cut costs in educational institutions may result in, expensive to fund, craft training being abandoned in favour of managerial training, where the Hospitality and Tourism industry places greatest emphasis. She considers that such an emphasis exists, citing various writers including Tas (1998), who considers that curriculum design in training schools for hotel and restaurants should be linked to key competencies identified as necessary for the management role. Eleven such competencies (focused around human relations skills) have been identified by Hsu and Gregory (1995). Consistent with other studies, their investigation from the point of view of industry professionals, identifies

managerial capabilities as more relevant than traditional craft skills. This includes, presentation skills, communication, inter-personal skills, languages, critical thinking skills and accountancy.

#### **6.4 Training methods and managerial participation**

Mc Cracken and Wallace (2000) consider the role of strategic human resource development (SHRD) against a background of factors such as a more globalised economy, the impacts of market fragmentation and technological advancements. They have reviewed the seminal paper of Garavan (1991) which models SHRD within a construct of nine key characteristics, in a process of moving towards a redefined and enhanced model of SHRD.

They consider SHRD to involve the creation of a learning culture where a mutual relationship between corporate strategy and human resource development (HRD) exists. This is where training, development and learning strategies both respond to and influence corporate strategy as SHRD is integrated with the mission of the organisation. In this way SHRD takes a proactive role in shaping organisation strategy. For this to happen, it is highlighted that leadership from top management is crucial, not in a passive form but in the form of active participation in their own personal development and for SHRD to have a pro-active role in shaping the organisation. This leads to the need for activities of senior management (not just HRD professionals) such as environmental scanning, SWOT and PEST analysis to be done specifically in HRD terms and for HRM and HRD to be seen as one and the same. This can be facilitated through strategic partnerships between these disciplines. Indeed, it is emphasised that

line management must also embrace SHRD if it is to cascade learning throughout the organisation. Additionally, Mc Cracken and Wallace (2000) also recognise that trainers must become innovators and consultants who underpin the strategic necessity for organisational change. They also point out that SHRD has a role in developing and enhancing corporate culture of which learning is crucial to the survival of the organisation in a challenging environment. Their new model enhances that of Garavan (1991) and manifests that SHRD needs to be both pro-active and responsive in relation to the shaping of corporate strategy. They highlight that the relationship between HRD and corporate strategy is reciprocal in nature as the relationship between the two are mutually enhancing.

Broad and Newstrom (1992) also address the need for training to be shared within organizations and the role of the trainer in organizational change. They identify that much of the investment in training in the United States is wasted. Consequently, they have devised seventy nine strategies for the transfer of training to the workplace as a means of increasing the payoff for training investment. These strategies have been devised from a range of sources including; practitioner experience and the training literature. As a quick reference tool for the reader, they have presented these strategies in the form of a list at the beginning of their text.

Broad and Newstrom (1992) take account of three major role players in the training equation; the 'manager', the 'trainer' and the 'trainee'. By combining these with three temporal dimensions i.e. 'before', 'during' and 'after' training, they produce a 3 X 3 matrix of nine cells. This matrix is then used as a tool to collect and present data from

each role player on their perceptions of transfer strategies. This takes place at each of the three temporal stages.

Furthermore, Broad and Newstrom (1992) highlight the link between the transfer of training and organisational change. They utilize Lewin's (1951) simple conceptual three stage change model to address barriers to the transfer of training:

1. Unfreezing
2. Change
3. Refreezing

Step 1 involves the change-trainer supporting trainees to unfreeze or let go of an old behaviour, after which a new behaviour is installed. Step 2 involves: Firstly, a process labeled 'force field analysis' which requires identification and nullification of restraining forces i.e. barriers to transfer. Secondly, it involves magnifying and introducing driving forces that favor transfer. Refreezing involves instilling, reinforcing new practices, which have been learned as new regular habits.

Because avoidance of relapse into old practices is considered inevitable, five indicators of relapse are suggested including; backlog of work or little or no management support for use of new skills. Additionally, a relapse prevention model is provided which is targeted particularly at unsupportive working environments.

Whatever training methods are used Terry (2005) also considers the concept of seeking identifiable return on investment in training over the long-term, not simply "satisfaction" at the end of the session. He is critical of the 'two day training session' where the trainer is central. Rather, he suggests the line manager should be pivotal in

training. Terry (2005) explains that not all learning is applied to the work situation and therefore does not improve results. Consequently, course design and content must provide a compelling reason for participants to devote their time and energy if dividends are to be forthcoming for the company. Management commitment is also essential so that resources are made available.

Additionally, managers must be 'persuaded' to participate in training. Winch (1998) highlights that business managers' need for training can essentially be all about how they can gain profit for themselves. He reminds us of Adam Smith's view that selfishness is desirable in economic life. Smith promotes the idea that in offering a bargain to another, one is appealing to them to satisfy their own self interest rather than your necessities. They are less likely to be worried about the contribution they might make to the local economy. Indeed, Smith does not exclude non-economic life from this perspective and therefore it could be argued that the meeting of personal non-business goals is crucial to convincing managers of the need for training.

Roth (2005) considers best practice benchmarking as a method of achieving world class performance in organizations, although, according to Porter (1996) this can result in a loss of uniqueness. He emphasises the difference between efficiency in terms of 'doing things right' and effectiveness in terms of 'doing the right things'. Ultimately, management training which has a pre-designed curriculum is not likely to identify what individual organizations uniquely need. They might be able to provide a template for how things should be done. However, there is a need for training programmes to be flexible enough in order to target what needs to be done.

## **6.5 Conclusion**

In conclusion, a range of training approaches; content and methods have been discussed above as well as the need to encourage managerial participation. In the next chapter, consideration is given to the need to pursue competitive advantage and how this can be underpinned through human resource practices.

## Chapter 7

### 7. Competitive Advantage through HRM practices

While training approaches; content and methods have been discussed in chapter 6 attention must be drawn to the need to understand the strategic necessity for high level human resource practices. In chapter 7 human resource development is considered as a means of developing sustainable competitive advantage. It also highlights that pursuit of growth can be a risky strategy and that deepening a business concept can be more sustainable. It also identifies that the knowledge resource must be managed and that higher skills can result in higher value products.

#### 7.1 What is competitive advantage?

The importance of developing a competitive strategy was highlighted in 1980 when Professor Michael Porter published his seminal text 'competitive strategy'. In his 1996 article "What is Strategy" reviewed by Kippenberger (1997), he further emphasises the importance of not sacrificing strategy by over concentration on the development of operational effectiveness. He also criticises the focus on core competencies and critical success factors as opposed to viewing the business as a whole. He identifies three key problem areas:

- A belief that competitive advantage is temporary as firms can quickly replicate any market position. Such belief, he considers leads to competition that is mutually destructive,

- Management techniques such as TQM and re-engineering seem to have replaced strategy, and
- A failure to distinguish between strategy and operational effectiveness.

In addition, he highlights that an imperative for businesses to seek growth can compromise competitive advantage through a loss of uniqueness, creating compromises and reducing fit. Consequently, growth becomes a hazardous strategy. He points out that outperforming the competition can only be achieved through difference that provides greater value or lower cost or both. Accordingly, it is the hundreds of activities that differentiate companies that are the basic units that accumulate into competitive advantage. While operational effectiveness means performing similar activities better than competitors, strategic positioning involves different activities or doing the same things but in different ways. Performing similar activities better than competitors underlies operational effectiveness. Strategy however, involves defining the uniqueness of the firm's position and communicating this, as well as making tradeoffs in forging fit among activities. It is about being different by producing a unique mix of value. The following of best practice he argues, results in everyone using the same techniques and that 'competitive convergence' is the result of all firms benchmarking against the same companies as well as outsourcing to the same third parties.

Porter offers three strategic positioning each of which offer either a narrow or broad based approach.

‘Variety based’ positioning relates to choice of which product or service to offer rather than customer segments. This strategy meets only some customer needs but targets a wide range of customers.

‘Needs-based’ positioning targets specific needs of targeted customers and must involve a set of activities that does things differently.

‘Access based’ positioning segments customers on the basis of how they can be accessed by the firm and then by finding the best way to reach them.

Each strategy or combination thereof involves either targeting a wide customer base that meets only some needs compared with a highly focussed approach that results in customers being over served and over charged or under served and under charged.

While the writer identifies these positions as similar to standard marketing strategies, mass market, niche marketing and segmentation the key additional element being highlighted by Porter is differentiation. He highlights the dangers of “straddling” between an existing and a new competitive position. He argues that there must be trade-offs in order to keep activities compatible. He suggests three reasons why trade-offs should happen:

1. Inconsistent image or reputation due to attempts to offer different kinds of value, or inconsistent products or services at the same time,
2. Inflexibility, as committing to one set of activities will direct the use of resources, management and systems towards these. This results in a trade-off against other activities to be foregone,
3. Clarity, co-ordination and control that can be achieved by concentrating on specific priorities. This enables focus among the workforce and enhances decision making. For Porter strategy is about purposively choosing what not to do consequently, trade-offs are inevitable.

Porter argues that managers need to look at the business as a whole rather than concentrating on core competencies, critical resources and key success factors. He argues for a high level of strategic fit between activities as follows:

1. 'First order' fit is simple consistency between activities and overall strategy in order to accumulate the competitive advantage inherent in each activity rather than cancelling each other out,
2. 'Second order' fit is achieved when activities are reinforcing each other,
3. 'Third order' fit is optimisation of effort where the need for additional work such as after sales activities is minimised.

## **7.2 Making competitive advantage sustainable**

It is interlocking the whole set of activities which defend against imitation by competitors rather than relying on individual strengths that makes competitive advantage sustainable. He considers that such advantage should span ten years or more in order to build unique capabilities and skills tailored to the strategy. Six key advantages of high level fit are then identified:

1. It will be more difficult for competitors to imitate many activities,
2. New entrants face “formidable barriers to imitation”,
3. When activities are interlocking they are more difficult for competitors to unpack and significant interconnections may be missed,
4. When a tight fit exists weaknesses are easier to identify and overcome,
5. When high level fit exists, improvement in one activity is likely to produce improvement in others,
6. “If there is no fit among activities, there is no distinct strategy and little sustainability”,

(Kippenberger 1997:22)

According to Porter (1996) long-term sustainable competitive advantage is achieved through making strategic choices. It is not enough to simply have a well run company as this only produces short term advantage. Issues that constrain the development of competitive advantage can be summarised as:

1. An ability to make trade-offs,
2. Imitating everything competitors do,
3. Concentrating on producing “tangible measureable performance improvements” in operational issues that appear more concrete and actionable,
4. “Exhorted to think in terms of revolution, managers chase every new technology for its own sake,”
5. The belief that others know better than you creates a “type of herd behaviour” among firms. ‘Choices get blurred by the conventional wisdom within industries that make everyone compete in the same way’
6. Falling into the trap that “customer focus” means meeting every customers needs.

(Kippenberger 1997:22)

### **7.3 Growth as a source of danger**

The imperative for growth is considered by Porter to have the most perverse effect on strategy and is a new source of danger. Although trade-offs limit growth they enable the firm to avoid inconsistencies in relation to the original fit of activities. Negative outcomes from dilution of activities such as falling profit, confusion and de-motivation can lead to further erosion of competitive advantage. Porter considers the solution lies in deepening the strategic position rather than extending it by offering customers what rivals find impossible or too costly to match. Growth however, could be achievable through stand alone units each with their own set of tailored activities reputation and fit. However, he warns that such an approach may result in the sharing of activities between units e.g. manufacturing and distribution resulting in homogenisation which could negatively impact on positioning. Porter finally points out that a strong leader with a clear intellectual framework is necessary if the right choices are to be made. Overall he considers that general management is at the core of strategy. This highlights that the intellectual capabilities of the owner/manager under study in this research will ultimately affect the success of their firms.

### **7.4 Competitive advantage through HRM practices**

Randall et al (1984) consider how few organizations pursue competitive advantage by capitalising on human resource management practices. They highlight that a firm that gains competitive advantage has control over its own destiny and puts its competitors in a reactive position. They seek to show how infrastructure requirements as discussed by MacMillan (1983) can be utilized to gain competitive advantage, i.e. “those functions

and activities necessary for the effective management of a company's human resources" (Randall et al 1984: 242). These are planning, staffing, appraising, compensation, training and development and union-management relations. They emphasise that being able to attract and retain the right people is critical to success and highlight with reference to Walter Wriston (ex Chairman and CEO of Citicorp) that "if you have the wrong person in the job, there is no management system known to man that can save you" (Randall et al 1984: 243). In the case of owner/managers in the Hospitality and Tourism sector, replacement is an unlikely option unless the owner wishes to appoint a professional business manager and step back from this role. Alternatively, there is the opportunity for a reevaluation of what they do and why they do it in order to identify how they can change in order to be effective leaders. Otherwise the optimal solution may be to identify other career or business options that have the potential to meet their objectives and thereby put in place an exit strategy from their firm. Indeed, if owner/managers are not suited to their role, their industry or both it is likely to have an impact on their willingness to engage in new learning. In this context therefore, the researcher should not assume that all managers wish to engage in new learning even though management skills are transferable across varying business types and industries.

Randall et al (1984: 243) demonstrate the use of a "target/thrust" matrix to show how firms can systematically gain competitive advantage through their human resources. They identify four strategic targets, self, customers, distributors/servicers and suppliers. They explain that a firm (the focal firm) can reach backwards or forwards to help shape the human resource practices of other firms in the supply chain.

Two strategic thrusts, or ways to beat the competition, are also identified and are similar to Porter's (1980) generic strategies of overall cost leadership and differentiation. These are the "cost/efficiency thrust and the differentiation thrust". The cost/efficiency thrust enables the firm to increase efficiency and thereby reduce costs. The differentiation thrust uses HRM practices to differentiate themselves from competitors. Overall, the matrix of targets and thrusts provides eight options from which the firm can launch its strategy for competitive advantage using HRM practices. Four "inertia barriers" to competitive response are also identified, the needs matching challenge, attaining consistency, lack of commitment and time horizon. The 'needs matching challenge' requires analysis of jobs and of the skills knowledge and abilities of the individual in order to get the right person for the job. This again raises the question as to whether the owner/manager is the right person to lead their business and what kind of learning might transform them into effective managers. Randal et al (1984) however, stress that analysis is anything but straightforward given the plethora of analytical approaches, each with their own strengths and weaknesses.

While 'attaining consistency' is given in the context of larger businesses it is nevertheless relevant to small firms. Consistency in product/service delivery is essential for customer retention and can be best achieved if human resource skills are developed and retained in the business. This concept can be related specifically to the owner/manager but also in relation to his/her ability to implement effective human resource practices. This means the owner/manager needs to possess the appropriate HRM skills. Randal et al (1984) consider that 'commitment' to improve human resource practices must begin at the top. Additionally, vast amounts of time and energy must be spent, especially if other initiatives in the past have not been successful. In the context

of the owner/manager's, previous learning history and exposure to previous failed initiatives may act as de-motivators. This gives focus to the need for future initiatives to be carefully conceived, planned and implemented. Access to the necessary resources need to be confirmed in advance so that the pursuit of achieving learning objectives can be sustained over time. The 'time horizon' of up to seven years suggested by Randall et al (1984) relates to change in larger firms. Overall, the work of Radall et al (1984) relates to implementing strategic human resource practices in larger firms. However, these principles if applied in SME's should still hold true.

As the utilisation of labour is critical to small business success Marlow (2000) investigates strategic human resource management in small firms. She suggests that competitive advantage can be gained through efficient HRM when integrated into organisational strategy and where it is "re-evaluated as a resource to develop, rather than a cost to control" (Marlow 2000: 140).

She argues that in the majority of small firms' strategic activity is more intuitive, or 'emergent' rather than following a more 'design school' or scientific approach which utilises analytical models in strategy formulation. The latter is less accessible to small firms as sophisticated management knowledge to enable effective application of models is required.

An emergent approach to strategy however, recognises the diffuse and intuitive nature of strategic activity in dealing with the interacting dynamics of the external environment and internal competencies of small firms. This aligns more closely with the intuitive business skills of small firm owners and managers. However, internal competencies

may be narrowly based as most owners and managers of small firms are likely to have acquired their specific skills through informal on-the-job experience with relatively little formal learning. Furthermore, there are constraints on recruiting skilled managers to small firms due to limited remuneration and progression packages compared to larger firms. Although a cross over of managerial roles can enhance communication in small firms, conversely there can be over emphasis on some areas of the business above others. Additionally, the 'ego' of the owner/manager is also considered as constraining the business as they typically have limited business expertise yet tend to control the decision making process. Further problems can also result from the focus on short-term production returns rather than returns on longer term investment such as training due to the short term nature of small firm financing. With regards to training, Marlow (2000: 140) refers to Newchurch and Co. (1990) who emphasise that "investing in staff is vital and developing an effective HRM strategy is an essential condition for successful growth". She also refers to Hoque (1999) whose research in the hospitality sector links HRM practice, strategic integration and enhanced business performance. This aligns with her findings that "appropriate HRM policies, strategically integrated with other management activities, can offer a major source of improved competitiveness" Marlow (2000: 146).

Marlow (2000) identifies specific managerial and policy implications:

- Although understood by the majority of owner/managers their capacity to act strategically needs to be developed.

- Strategic capability can be harnessed for success if it is understood as being emergent flexible and adaptable
- labour is managed in an *ad hoc* fashion and lacks use of strategic direction
- A strategic approach to utilising labour capacity can be promoted by advisors
- Policy makers can encourage awareness in owners and managers of the need for strategic awareness and the development of this competence

Overall, she considers that firms that use the skills of their managerial team as part of their strategic approach, however informal, are more likely to endure.

### **7.5 Co-ordinating the knowledge resource**

Ordenez de Pablos & Lytras (2008) highlight the importance of “The resource based view of the firm” (Boxall and Purcell, 2003) within strategic management literature as they consider the importance of human resource development in relation to gaining sustainable competitive advantage. In particular they identify that the executives’ human capital will have a clear impact on an organizations results. They point out that the use of the employees knowledge base is not enough but that their knowledge and competences must be managed in order to build long-term competitive advantage. Managed effectively, human resource management can attract and retain qualified and

motivated staff. This should reduce staff turnover, increase profitability and faster acceptance and implementation of strategy.

They identify that to establish sustainable competitive advantage a resource should be valuable, rare, be inimitable and have no substitute. They point out however, that to achieve competitive advantage over rivals a firm must be organised to use such resources. High level skills of employees can therefore be valuable for the firm and if they are rare, inimitable and have no substitute then they provide the potential for sustainable competitive advantage. They also highlight the need for a Strategic human Resource Management System that gives strategic flexibility to establish a fit between the firms' strategy and its environment. They refer to the need for both internal and external fit where which they define as follows: "Internal fit refers to the degree to which human resource constituents are linked in a logical way and support themselves. External fit focuses on the extent human resource systems are integrated with the process and content of the organizational strategy". (Ordonez de Pablos & Lytras 2008:51).

Konzelmann et al (2004) introduces the concept of 'creative work systems'. These are designed to improve efficiency, product quality and flexibility in order to meet changing product market demands and secure long-term success. They are characterised by, strong cooperation between management and workers, workforce commitment, high levels of training, worker autonomy, workforce participation in decision making, and job and income security. They are however slow to develop and are vulnerable to short-term issues such as price competition and market driven strategies. If implemented they can impact on the long-term success of the firm.

Many of the vulnerabilities facing larger organizations however, are not present in smaller owner managed firms where there is continuity of management. High staff turnover in the Hospitality and Tourism industry has however, often resulted in non training of workers which would threaten the process. Nevertheless, many firms have a core of long serving staff amongst whom such management practices could prove successful. Changes in the sector in terms of rising quality expectations from customers as well as a requirement to produce innovative products however, means that creative work systems could be advantageous. Small restaurants with limited seating capacity for example, need high value covers so a high value added product market strategy is needed. This requires training in core operational skills including hygiene, food preparation and presentation.

## **7.6 Value added skills**

Mason (2005) considers the issues surrounding the development of competitive strategies through the production of 'high value added' (HVA) goods and services. He investigated how HVA strategies can succeed and carried out comparisons between HVA and 'medium value added' (MVA) firms across a range of industries. HVA was principally achieved through continuous product innovation in response to changing customer requirements and through specialist skills and knowledge to address niche markets. This was underpinned by investment in research and development and longstanding relationships with customers and suppliers.

MVA firms, in contrast, produced less complex outputs with limited product innovation and relied on long production runs. They were also less capable of identifying opportunities or to secure long-term contracts. HVA firms had higher margins and lower competition and could survive in difficult economic conditions. Mason (2005) also identified that moving up from MVA to HVA was constrained by the quality of physical and human capital and organisational culture.

While a key barrier in all firms was the difficulty in recruiting skilled workers Mason (2005) concludes that the nature of HVA activities requires high skills levels and investment in capital assets. Management capability in terms of assessing market opportunities, forward planning to ensure availability of physical human and financial resources was also essential. Crucially however the combining of these effectively is what underpins any new product strategy. The nature of the Hospitality and Tourism SME sector is that mass market strategies are inoperable. This is due to the localised and unique nature of small outlets. This would then point to the need for such firms to follow an HVA strategy and consequently, a need for high level owner/managerial and operational skills. In other words, high value added skills.

## **7.7 Conclusion**

In conclusion, knowledge as a resource and as a means of developing sustainable competitive advantage has been discussed in this chapter. In earlier chapters the concept of lifelong learning has been introduced together with a range of issues surrounding theories of learning, the location of learning and conceptions of learning. Additionally,

key management weaknesses have been discussed as well as areas where management training could be focused.

From this literature, the next chapter identifies key areas where research issues have emerged in relation to this study and the research question under investigation. From this, a range of propositions have been devised which are further utilised in developing the research strategy as outlined in chapter 11.

## Chapter 8

### 8. Research Issues

This chapter builds on the theoretical foundations established in chapters 2 to 7 by identifying research issues which require investigation. These are discussed in the context of the literature, and from this, research propositions emerge. In turn, these propositions form the basis of the research strategy devised in chapter 11.

#### 8.1 Previous educational failure as a barrier to learning

While the Information Society Forum, (1996: 2) in Field (2000: 18) suggests there is a consensus that individuals with past educational failure may not engage in new learning, as outlined in 2.1, no measure of the extent of this is given. The writer has therefore sought to identify if the respondents in this research are affected in this way, so the following was proposed:

*Proposition 1: Failure in previous learning is a barrier to participation in new learning.*

#### 8.2 The need to continually reinvent oneself

As identified by the Information Society Forum (1996: 2) in Field (2000), “to build and maintain competitive economic advantages, skills and talents must be constantly reshaped to meet the changing needs of the workplace, wherever that is”.

In this context, as outlined in 2.2, the writer considers that such ‘reshaping’ of skills and talents will mean individuals continually renewing or reinventing themselves especially where career change becomes necessary to remain in work. Indeed, this is described by Park and Rothwell (2009) in terms of following a ‘protean’ career as outlined in 2.2

No indication is given however, as to the extent individuals are aware of this or believe this to be true. However, Salaman and Butler (1990: 183) suggest managers must adapt to environmental change through learning and that “a barrier to learning is thus a barrier to survival”. Additionally, in contrast to Fuller et al (2005: 66) who consider that “People come to a workplace already formed, with beliefs, understandings, skills and attitudes.....a disposition to life; to work; and to learning” the writer believes that the forming of individuals is in flux. This is because new experiences become past experiences, so individuals continue to change as they adapt to new situations. Consequently, the writer sought to identify if the respondents of this research as entrepreneurs, continually reform their identities or expect they might have to reinvent themselves. Such reinvention being in the context of the ‘reshaping’ of skills and talents as outlined in 2.2. The following proposition was therefore stated:

*Proposition 2: Owner/managers must reinvent themselves through lifelong learning to remain in business.*

### **8.3 Acceptance of the learner label**

The research of Boud and Solomon (2003) examined the effects of being named as a learner as outlined in 4.4. However, his subjects were teachers whose relationship with learners in their operational setting was that of expert. It may therefore have been difficult for these subjects to distinguish between their role as deliverer of learning opportunities and as learning professionals who continually need to update their knowledge. Similarly, in the context of the owner/managers' position of authority and the expectation of them knowing everything about their business, the writer considered it important to identify the extent to which they are willing to be named as a learner. The following was therefore proposed:

*Proposition 3: Because of their position, the owner/manager does not want to be labelled as a learner.*

### **8.4 Conceptions of work**

The work of Pillay et al (2003) studied workers as employees in relation to their conceptions of work as outlined in 4.2. In SME's owner/managers often become owner/workers as they may be operational doing work at the same level as employees. This means they may see their business in the context of simply being a job. Identification of the owner/managers' conceptions of work were therefore sought through the following proposition:

*Proposition 4: Being an owner/worker is no different to holding down a job*

## **8.5 Conceptions of learning at work**

Also, as owner/workers they may not fully appreciate the need for workplace learning and transformation of skills. The writer therefore sought to examine their conceptions of learning at work as outlined by Pillay et al in 4.3 through the following proposition:

*Proposition 5: The owner/manager does not recognise the pedagogical properties of the workplace.*

## **8.6 Learning supportive workplaces**

Engestrom (2001) highlights the need for individuals to learn new forms of activity while such forms are literally being created as outlined in 3.2. The writer sought to test whether such expansive learning occurs naturally among respondents in their commercial setting. Engestrom (2001) also refers to Bateson's (1972) Learning I, Learning II, and Learning III paradigm which suggest the existence of learning in the workplace in different forms. This includes overt learning, the hidden curriculum and individual or group drives for change respectively. The writer would however highlight that learning in the wrong way is also possible. This is of particular concern in relation to the hidden curriculum where learning is subliminal and therefore intervention to correct negative learning activity may not be possible.

The writer therefore proposed the following to identify what the owner/managers consider they learn in work.

*Proposition 6: The owner/managers' work dynamic provides them with learning opportunities.*

### **8.7 Tensions within the workforce to energize new learning**

Engestrom's (2001) boundary crossing laboratory as outlined in 3.3 offered a learning solution where no previous model was readily available. It sought to trigger the internal tensions and dynamics of the organizations involved in the study and to energize significant learning effort. However, while alignment of participants with overall objectives of the project was evident, how to deal with non-conforming participants is not discussed. In the owner/manager context, tensions would be internal to the business and therefore careful management of these would be necessary to ensure constructive outcomes are achieved. Such Tensions enact change as conceptualised in Bateson's Learning III paradigm. From the following proposition, the writer sought to identify if internal tensions such as strained working relationships between organisational members naturally emerge within the owner/managers' work environment. For example, what might be the effect on the owner/manager if a staff member was able to solve a problem they could not? Would such situations produce positive alternative contexts within a framework of business objectives, or would they be suppressed?

*Proposition 7: Tensions among organisational members effects change*

## **8.8 Learning from leavers**

Hodkinson and Hodkinson (2003) highlight that learning can come from new entrants as outlined in 3.4 and this is investigated in this research. However, in their research no information is provided as to the fate of those who did not fit into the organisation. The writer therefore sought to address this gap by identifying if any learning can be derived from leavers through the following proposition.

*Proposition 8: Leavers can provide a critique of organisational issues, problems and management.*

## **8.9 External sources of learning**

While Boud and Solomon (2003) as outlined in 4.4 express that learning in modern society happens everywhere including everyday life they have not been concerned with how this may be useful in work contexts. In order to address the gap, the writer will seek to identify if respondents integrate learning in non-work contexts into their business operations.

*Proposition 9: The owner/manager integrates learning from other contexts into their organisation.*

## **8.10 Learning from organisational members**

Although Hodkinson and Hodkinson (2003) discuss only learning from new entrants as outlined in 3.4, the writer sought to identify from the perspective of an owner/manager rather than an employee what learning is possible from others in the firm by means of the following proposition. This would include employees as well as business partners etc.

*Proposition 10: The owner/manager can learn from existing organisational members and from new entrants in their firms'.*

## **8.11 Identifying weaknesses in the owner/manager**

Oliver (2003) argues that the training provider should learn from the owner/manager in advance of developing training solutions as outlined in 5.2. However, he does not suggest a methodology for this process although a synopsis of owner-manager weaknesses has been extracted from his findings. Through questioning in relation to these weaknesses, based on the following proposition the writer sought to test whether these generally apply to this research cohort.

*Proposition 11: Owner/managers of SME's display the same weaknesses.*

### **8.12 Measuring entrepreneurial talent**

The qualitative measures of entrepreneurial talent of Ferrante (2003) have been generated from quantitative data relating to his research among Italian textile and clothing firms as outlined in 5.3. He chose these organizations because, while being independent, their relationship with other firms as sub-contractors aligned in some ways with the employer-employee relationship. It was his conjecture that the most entrepreneurial firms were less influenced by customers and suppliers. He identified that those managers who spent more time on entrepreneurial activities had more entrepreneurial strategies and performed better. In this study the owner/managers are fully exposed to the market and must perform consistently to high standards. If things go wrong once they stand to lose a customer. They are also subject to fashion trends and economic recession. Entrepreneurial talent is therefore fundamental to adaptability and creativity in staying abreast of market volatility. In order to assess the level of entrepreneurial talent among respondents the following was proposed:

*Proposition 12: Hospitality and Tourism owner/managers of this research cohort have high levels of entrepreneurial talent.*

### **8.13 Capacity for business growth**

As outlined in 5.6, Baum and Locke (2004) measure success in terms of business growth although other factors such as entrepreneur's personal satisfaction, rate of commercialized innovation, or improvements in market efficiency are also considered. Ultimately however, they consider that venture growth is the essence of

entrepreneurship. Conversely Porter (1996) considers growth to be a hazardous strategy as competitive advantage can be lost through loss of uniqueness. However, Baum and Locke (2004) also introduce the concepts of ‘communicated vision’ and ‘new resource skill’. Where vision is communicated they consider it assists in aligning employee-business goals. New resource skill relates to the ability of ‘new start-up’ entrepreneurs to acquire the resources to get into business. The writer considers that in a competitive, recessional environment such skills are still necessary in all stages of the business cycle. In order to identify if these skills are present among owner/managers the following was proposed:

*Proposition 13: Owner/managers in this research cohort do not have the capacity to grow their business*

#### **8.14 Training solutions**

A wide range of perspectives relating to learning approaches and locations of learning are discussed above. For example, Long and Smith (2003) consider the internet to be of potential use as a medium for training for owner/managers as outlined in 6.1. Additionally, Write and Gilroy (2001) as discussed in 6.2, call for a more holistic approach to manager training and are critical of conventional methods as there is no correlation between training and productivity. They also identify that 70% of workplace training is a waste of time and resources. The lack of consensus between researchers however, means there is no ideal training model or content making it difficult to identify specifically what training is necessary. The writer conjectures that the problem cannot be solved by offering broad solutions as for example; some owner/managers may need

learning with an emphasis on managerial skills while others may need operational or craft skills. In consideration of this, it is proposed to identify from the perspective of the owner/manager what they consider constitutes learning, how and where it can be obtained. There are also potential issues relating to the quality of learning as discussed by Billet (2000) as outlined in 5.1, although he considers the workplace provides a quality learning environment. In an educational setting however, some form of assessment to agreed standards, seeks to validate the learner's capabilities. Although this is not an exhaustive process, required standards of learning are to some degree understood by the learner. In comparison, learning from a hidden curriculum is not assessed in any formal way.

It is not validated and quality can only be based on whether the individual carries out their work to the satisfaction of their manager. The quality standard will therefore be dependent on the subjective requirements and knowledge of the manager and therefore will vary between managers and workplaces. Furthermore, any learning taking place in the work context may be of low volume and may be too slow. The owner/manager, being in control of their own standards therefore may require some form of external benchmark to assess standards for example, from a training provider. The owner/manager may however, also believe there are external sources and methods from which learning can be drawn. These issues are addressed through the following proposition:

*Proposition 14: Owner/managers have limited knowledge of training solutions*

## **8.15 Conclusion**

In conclusion, based on the review of the literature in chapters 2 to 7 a range of research issues to be investigated have been outlined in chapter 8 above. This has resulted in the writer stating fourteen propositions which have been used as the basis for the research strategy as devised in chapter 11.

Before this however, the following two chapters, 9 and 10, consider the underlying ‘theoretical issues’ pertaining to this research and then the ‘research design’ applied.

**Section 3**  
**Methodology**

## Chapter 9

### 9. The relationship between theory and research

Having identified the range of research issues to be investigated in chapter 8, theoretical issues relating to methodology are discussed here. This includes an evaluation of deductive and inductive approaches, and the competing perspectives of epistemological and ontological positions.

#### 9.1 Deductive and inductive approaches

Typically research is characterised as either ‘deductive’ where a theory is tested or ‘inductive’ where theory is the outcome of the research. Bryman (2001:5) defines theory as “an explanation of observed regularities” and a range of ‘Grand’ theories have emerged which attempt to explain how research in the social sciences should proceed. They present competing perspectives and therefore no single theory provides an ideal standpoint. The primary focus in this research methodology was to identify clearly what knowledge was being sought. Consideration has therefore been given to epistemological debates regarding what constitutes valid knowledge and how it should be obtained. Additionally, ontological considerations which are concerned with what actually exists in the world needed to be understood.

The overarching positions of these debates are contextualised as being either Institutional or Interpretivist, with each favouring quantitative or qualitative research methods respectively. Various mediating approaches have emerged however, in pursuit

of overcoming the polarisation and tension such extreme positions create as a mixture of both quantitative and qualitative methods in a research enquiry can be typical.

## **9.2 Epistemology**

Epistemology is characterised by the two opposing approaches of 'positivism' which tends towards quantitative, empirical methods and 'Interpretivism' which tends more towards qualitative research. Positivism is characteristic of more natural scientific methodologies, typically using questionnaires and sampling techniques in pursuit of generalizable, value-free results. For this research, obtaining value free facts was not an objective as it sought to understand the inner perspectives of its respondents. For example, how owner/managers 'feel' about learning? A positivist stance therefore would not have provided the type of data necessary for this project.

Interpretivist approaches such as phenomenology display empathy with their research subject(s) and attempt to understand the social world as seen through their eyes. They consider explication of the values held by both the researcher and their respondents and gives greater credibility to the research. Indeed, the researcher should make clear from the outset any awareness of bias which might impact on any interpretations given. Bona fides as an independent researcher may also be necessary in order to build trust so that more open, honest responses are obtainable. For this research therefore, a letter from the writers' university validating him as a student was given to the subjects. Even with this validation of independence however, responses were not taken at face value, but probed deeper. As is typical of Interpretivist research the writer also tape recorded and transcribed each interview.

Furthermore, Phenomenologists consider that replication of social science research is not possible because humans engage with the world as they find it rather than being driven by external forces. They behave differently at different times, even where the situation is similar. In this context this research is limited to the cohort of respondents interviewed so findings are confined to theory rather than generalization. The writer has however, sought to identify any indicators that could hold true in other situations. Semi-structured interviews were used as they are less restrictive on individualistic responses. This was however, more time consuming so practical considerations resulted in a smaller sample size and a non-random sample was purposively drawn in order to ensure a spread of respondents across different sizes and structures of firms. However, in both positivist and Interpretivist research there can be much room for misinterpretation of data. To minimise this, honest analysis which uses the actual words spoken by respondents has helped to avoid any distortion of findings in favour of any preconceptions held.

Additionally, whether a quantitative or qualitative research approach is taken, questions of ontology also need to be addressed.

### **9.3 Ontology in research**

While epistemological debates focus only on what constitutes 'valid knowledge' the ontological question relative to 'what actually exists in social reality?' also requires consideration. From an ontological perspective, any knowledge, in order to have validity, must be understood in relation to the subject or object of that knowledge.

The positivist ontological position is limited to what is measurable or observable whereas for the Interpretivist/relativist there is no external objective measure, just a choice between equally valid rival explanations. Therefore, if the epistemological assumptions made about the world by the positivist or relativist are inaccurate then they may produce no more than valid knowledge of an invalid world. Ontology considers the way individuals see the world as they find it. The writer was aware that his own ontological perspective would probably differ from that of his respondents. In asking questions therefore, terms used may have meant different things to different people. The writer therefore had to seek to understand what meaning the respondent attached to a term and so, made ontological assumptions. For this research, accepting the arguments in favour of an a priori focus on ontology has led to the use of a research design and methods that are constructed to capture, as far as possible, the world as the research subjects find it. It has also helped to make intelligible the 'how' and the 'why' of what makes the world work for the research subject in the way that it does. This is a world where the writer recognises that surface manifestations do not explain the causal influences that produce observable phenomena. The unobservable causal influences are depicted as having three layers or domains within the concept of critical realism. This helps to explain anomalies. For example, through the writers' work a manager was delegated to provide information for a business plan. However, only the owner of the business knew all the detail required. He therefore stepped in and demonstrated his 'superior' knowledge to the manager who then felt demoralised. Such perspectives, elucidated through the domain of Critical Realism, demonstrated to the writer, that in his research he should interview only business owners in order to limit such constraining mechanisms if non-owner/managers had been interviewed. Critical

Realism seeks to narrow the gap between actual and perceived reality and leads to more accurate research that is more representative of real world events.

#### **9.4 Competing ontological perspectives**

In the same way that epistemology tends towards two opposing stances, positivist and Interpretivist ontology tends towards either interpretive/constructivist or institutional/objectivist traditions. Positivist ontology would therefore consider an organisation to exist irrespective of the actions of social actors who are part of it.

In contrast, constructionist ontology asserts the view that “social phenomenon and categories are not only produced through social interaction but that they are in a constant state of revision” (Bryman 2001: 18). So for the writer to obtain knowledge by seeing through the eyes of the subject he had to understand how the subject perceives the world to be. Given that the subjects of this research are entrepreneurs who run their own businesses the writer would argue that they have influence over the construction of their own success. They are influential in constructing their own reality even though external structures such as the Hospitality and Tourism industry within which they are categorised exist. Such structures are however, in a state of constant change not only through the activities of individuals but also from other entities such as government who enact legislation which apply standards to this industry. Within the writers’ research the influence of structure on the owner/manager and the extent to which they believe they create their own reality had to be considered. Giddens (1984) suggests that structures are the result of the activities of social agents and that structure can be both enabling and constraining. It also makes certain kinds of activity recognisable and can provide

choices. The interdependence between structure and agency as portrayed by Giddens has been criticised as creating a chicken and egg scenario. This is because structure is portrayed as the medium by which individuals perform action and action is a prerequisite of structure and visa versa. This was manifest in the writers' research where respondents felt their business would suffer if they were not present during opening times.

Additional understanding of structure and agency is provided in Elias's figurational approach. He recognises that while 'social structure' or 'social systems' appear to have a life of their own they are in fact an amalgamation of the actions of individuals, a shifting 'nexus' of interdependencies. He explains this through an analogy with individuals playing multiple games of chess with each affecting the outcome of the game. For the owner/manager these explanations reinforce a constructionist view of society where they should not perceive themselves as being inconsequential, a concept explored through question 15 of the semi-structured interview. Rather they should seek opportunities to improve their 'game'.

## **9.5 Conclusion**

In conclusion, having discussed how theoretical issues may impact on this research, chapter 10 goes on to outline the research design used in this study. In the subsequent chapter the research strategy for the collection of data is then given.

## **Chapter 10**

### **10. Research methods**

In chapter 9 it is argued that an inductive/Interpretivist approach to this research is most suited to the kind of knowledge sought. This in turn impacts on the choice of research design and methods. It also identifies ethical issues relative to this study as well as selection of respondents and method of analysis of the data generated.

#### **10.1 Design and method**

For this research, the inductive/qualitative approach identified as most suitable was the comparative case study design as outlined in 10.3.5. The collection of data through semi-structured interviews has provided a framework for both data collection and analysis; and scope to probe for deeper insight into the research question. This mechanism for the production of evidence also impacts on the quality of the research for which a range of measures have been established within the subject of research methods.

#### **10.2 Measures of quality in research**

The quality measures that have been developed in relation to research pertain mainly to quantitative methods. These relate to reliability and validity which are concerned with whether the research can be replicated in the future. However, other measures have been devised in relation to qualitative research and align with those devised in the

quantitative domain. In place of reliability and validity “trustworthiness” (Lincoln and Guba 1985) is substituted as a yardstick of quality. This has been broken down into four elements credibility, transferability, dependability and confirmability.

Credibility, replaces internal validity which is concerned with causality of relationships between variables for example, where it can be concluded that variable x causes y, without influence from any other variable. Transferability, replaces external validity, which focuses on generalizability and although not a concern of this research, is relevant where indicators that could hold true in other situations emerge. Dependability substitutes for reliability which relates to how consistent a measure of a concept is from one situation to another. In this research this has been achieved through consistent application of the same research instrument across all cases. Confirmability, replaces ecological validity which is determined by the extent to which the researcher avoids intervening in the natural environment of the research subject. In this regard Cicourel (1982: 15) questions whether research instruments can “capture the daily life conditions, opinions, values, attitudes and knowledge base of those we study as expressed in their natural habitat”. This research was however, located in the setting of the respondents in order to maximise confirmability.

### **10.3 Choice of research method**

Following on from above, a range of research methods have been considered by the writer. Having considered the merits of the approaches discussed below the writer considered the use of a comparative case study design to provide the best approach for generating the kind of data he sought.

### **10.3.1 Observation**

Observation is an interpretive approach to research used to explore phenomena within the context of social norms and behaviors of subjects in their natural surroundings. Being immersed in the setting of their study, the observer can gain an insider-view and experience situational dynamics at first hand. Therefore, rather than relying on the ability of individuals to reconstruct and communicate happenings retrospectively, observation can enable the researcher to obtain data as it is being generated. However, Mason (2002: 86) warns against the “simplistic ‘stand point’ ” that the researcher becomes ‘knower’ because of their having been there when the data were generated. This is because the researcher’s experience or social location for example, may differ from that of others present. Furthermore, subsequent explanation of the phenomena under study ultimately requires retrospective analysis, reconstruction and evaluation.

For this research, the writer did not seek to obtain data emerging from the observable live activities of the research subject. Instead, the data sought related to the opinions and perspectives of the individual, rather than their explicit behaviors in the setting they presently occupy. The study was however undertaken within the subjects’ normal work setting in order to support the ecological validity of the research.

### **10.3.2 Survey research**

Survey researchers can draw on a range of data collection techniques. Most commonly used is the questionnaire although structured interviews, content analysis or observation can also be used. However, “what makes a survey is the nature of the data collected not

the actual technique in use” (CLMS M1, U3: 17). The nature of the data collected will relate to the researcher’s theoretical position as being positivist/quantitative or interpretative/qualitative and will have influence on the research technique(s) adopted. Survey research tends towards being quantitative in nature with the researcher seeking to obtain data from a representative sample of a population in order to generalize their findings to the wider population from which the sample is drawn. The process of sampling however, enables research to take place at a practical level. It can overcome barriers such as time and expense that could be faced for example, if a full census were to be administered; i.e. where all members of the population under study are surveyed. The process of sampling can however be problematic, as sampling errors can result in the collection of non-representative data which in turn affects the validity of any generalizations made. Bryman (2001: 86) suggests errors can occur where the sampling frame is non-random; where those agreeing to be involved in the research do not constitute a representative sample or if the sampling frame is inadequate. Nevertheless, survey research can be administered to large numbers of respondents if for example, self-completion postal questionnaires are used. Such survey instruments can include a mix of response mechanisms such as Likert scales or open and closed questions. This approach can also ensure distance is created between researcher and subject which can help to avoid “bias and ‘contamination’” (CLMS M1, U3: 19) of results which might occur in face to face questioning. However, in the context of the writers’ research it was desirable to undertake face to face semi-structured interviews with all questions being open ended. This would enable probing of responses and allow respondents to digress so as to reveal new ideas not thought of at the research design stage. The type of data sought was for the purpose of understanding individual perspectives and to make comparisons between cases rather than to make generalizations about a larger

population. From this inductive perspective, the more systematic, structured and deductive characteristics of the survey method would not have provided the diversity of responses required to address the research question.

### **10.3.3 Longitudinal research**

This involves the study of a sample a population typically using social survey methods on two or more occasions over long time periods for the purpose of generalising findings. For example, the British Household Panel Study is undertaken annually. The temporal dimension of longitudinal research provides potential for strong internal validity due to the opportunity afforded to identifying causal relationships. It can however, be expensive to administer due to the temporal dimension and it can suffer from the loss of research subjects through attrition as some may die, move on or withdraw from the process. It is primarily a quantitative approach to research and was considered unsuitable for this research design, which focussed on generating qualitative data for comparison between research respondents, rather than generalisation to a wider population.

### **10.3.4 Case study design**

This involves “a detailed and intensive analysis of a single case” (Bryman 2001: 47) using either quantitative methods such as surveys or qualitative methods such as unstructured interviews or participant observation. With the case study method, the actual case is the object of interest as the researcher pursues elucidation of its unique features. While issue of validity depend on the needs of the researcher, the external

validity of a case study, being a sample of just one, offers no grounds for generalisation. The case study method is unsuitable for the writer's research which seeks to identify similarities and differences between multiple cases.

### **10.3.5 The comparative case study design**

The comparative case study design is where two or more cases are subject to the same research methods in order to collect data. This is then used to identify similarities and differences between the cases. The criteria for evaluation of the comparative design, reliability, replication and validity are the same as that of cross-sectional research. Cross-sectional design is a quantitative method typically used to analyse data relative to two or more variables from more than one case study in order to detect patterns of association. It follows a quantitative approach that can negatively impact on the ecological validity of research. The comparative case design however, is essentially two or more cross-sectional studies carried out at more or less the same point in time but "improves theory building" (Bryman 2001: 53). Indeed, for this research, the writer sought data for the purpose of identifying similarities and differences between cases. Obtaining such data would require the elucidation of the subjective knowledge, opinions and perspectives of each case. This required the making explicit of, not only the research subjects' current thoughts about future developments in owner/manager training; but also of reflection on past issues and events. The writer considered this to require an inductive approach to the research. Consequently, as a multiple case study design improves theory building, the comparative case study was considered the most appropriate method to adopt. Additionally, the writer considered it important to

undertake his study within the respondents' natural work setting in order to enhance the ecological validity of his research.

#### **10.4 Ethical issues**

This research was carried out independently as part of an academic course of study. As a result there were fewer ethical issues than would have arisen if it was carried out on behalf of the writers' organisation, for example. However, there are three key areas which could have impacted on this research pertaining to the protection of the subject. Firstly, subject confidentiality has been protected by removing or disguising any information which could identify an organisation or individual and in the context of compliance with the Data Protection Act 1998. Secondly, no confidential information has been disclosed. Thirdly, Simon (1987) refers to openness and honesty from the research subject being reciprocated by the researcher. This means that the subject should be protected from 'risk, hurt or injury'. This may have presented a dilemma for the researcher had some form of law breaking been exposed, as was the case with David Bridges (1989). To overcome this Bridges suggests that procedural arrangements are in place to ensure that such dilemmas are not faced. The writer therefore, explained to the respondents at the outset that they should only make available information that they felt comfortable in revealing.

## **10.5 Selection of respondents**

Selection of the sample of respondents was purposeful in order to recruit SME owner/managers, as they are characterised as having limited resources or time available for participation in training. Such purposive sampling would support the researcher in accessing data for the development of “an empirically and theoretically grounded argument” (Mason 2002: 121) relative to the research question. It was also important that the respondents were located within the Greater Belfast area so that the researcher could gain access to them.

Purposive sampling also aligns with the ‘inductive’ theoretical underpinning of the methodology of this research which did not seek generalisation about the population from which the sample was drawn. This approach offered an effective way to obtain data about owner/managers from diverse hospitality and tourism SME contexts, within the accommodation, food and drink and brewing sectors. From this data, some understanding of similarities and differences between individuals could be gained; while facilitating the development of well founded “cross-contextual generalities” (Mason 2001:125) the significance of which could relate to a wider universe.

Choice of potential participants and the overall sample size was the outcome of a characteristically “organic sampling practice” (Mason 2001: 127). This involved the researcher following new leads that developed throughout the research. For example, the selection of one case, that of ‘Sean’ was based on a recommendation from ‘Millicent’. Additionally, as some potential respondents agreed to take part, but later withdrew, substitute respondents had to be found. Ultimately, cases were recruited on

an ongoing basis and interviewed until theoretical saturation had occurred. Theoretical saturation in this context resulted where “no new relevant data seemed to be emerging...” (Bryman 2001: 303).

Overall, around seventy five potential respondents were contacted and invited to participate. Initially, a list of twenty five firms within thirty miles of Belfast was drawn up, their names having been identified from three sources. Copies of the Northern Ireland trade magazine ‘Hospitality Review’; Restaurant Guide ‘A taste of Ulster’ and web site ‘[www.discoverireland.com](http://www.discoverireland.com)’ which holds a city and county accommodation guide. The benefit of using the former two sources was that the names of proprietors were given and the writer’s request could be made directly to them. Initial contact was by email which did not result in any responses; however follow up telephone calls produced four respondents. In the follow up process only one respondent, Brendan who became the subject of the pilot study was aware of the initial email. He had not responded because he had been on holiday. Telephone recruitment was used thereafter as the writer could know where he stood in the process rather than waiting for responses from written communications which may not come.

Additional respondents were identified from an internet search using search criteria such as ‘Greater Belfast tourism’, ‘Northern Ireland accommodation’ and ‘Northern Ireland bed and breakfasts’. Additionally, the telephone directory ‘Yellow Pages’ was used extensively which together with the ‘[www.discoverireland.com](http://www.discoverireland.com)’ web site’s range of hospitality and tourism guides, proved the most productive.

A key barrier within the process of telephoning was the difficulty in speaking with owner/managers directly. This was either because they were not there or the person answering the phone felt able to express that the owner/manager would not be interested in participation. Where owner/managers were not present arrangements were made to call back at a specified time when they were expected to be there. This also meant that the researcher could learn the owner/manager's name so as to ask for them directly on the return call.

However, small firms such as bed and breakfasts and small local pubs which could have provided rich data tended not to want to participate. Overall, twenty four firms initially agreed to participate. However, after a range of cancellations and a subsequent process to recruit replacement cases a final number of nineteen cases stood. One of the nineteen firms was used to pilot the research instrument and the other eighteen used in the research proper. Three cases were however abandoned for the following reasons. Two were owners but were not involved in managing their firms. The other had just opened his business after having been made redundant from his engineering job and had not yet built up any degree of knowledge of his operation.

The pilot study involved the use of a research instrument containing 44 questions. The respondent, Brendan is owner of a small hotel located near Larne and is himself a highly experienced and managerially qualified professional. The interview process took two hours and after discussion with the respondent the research instrument was reviewed and reduced to 34 questions. This in turn reduced subsequent interview times to just over one hour.

Overall, recruitment of research subjects proved difficult and respondents had limited time available to assist with the research. The analysis of the subsequent qualitative data was time consuming as would be expected with this type of research design. However, the semi-structured interview method provided the best opportunity to undertake a contextualised study in reasonable depth within a limited timescale.

## **10.6 Analysis of Data**

Common approaches to the analysis of qualitative data are ‘analytic induction’ and ‘grounded theory’. These are both iterative in nature involving “a repetitive interplay between the collection and analysis of data” (Bryman 2001:389). Analytic induction involves the exclusion of deviant or negative cases through redefinition of hypothesis in pursuit of universal explanation of phenomena. Zucker (2001) however, explains that rigor can be incorporated into the research design by use of the negative case to serve as a study control. This could involve the inclusion of the extreme case, the deviant case, and the normal case to help in the making of comparisons. Two cases, those of Duncan and Sean, have been included in this research and provide a contrast to all other respondents as they believe they have nothing new to learn in relation to their roles.

Grounded theory devised by Glaser and Strauss (1967) is considered by (Bryman 2001:390) to be “the most widely used framework for analysing qualitative data”. He explains grounded theory as being a set of procedures involving theoretical sampling. It is a technique whereby data is collected, coded and analysed. This then directs the researcher towards what data should be collected next in order to develop theory as it emerges.

Once data has been broken down through the coding process, it is collected into component parts. These are then labelled facilitating constant comparison of data, a process that continues until theoretical saturation occurs. This is where new data no longer illuminates the concept. This research displays many characteristics of a grounded theory approach. Unlike grounded theory however, it started out with a framework to be used in all interviews to enable comparisons between cases to be made. Consequently, the analysis follows a cross-sectional and categorical indexing approach. This is similar to a grounded theory approach as individual responses were grouped into data sets and tagged to uniform sets of codes/categories.

A discrete data set was created within the overall database for each question on the semi-structured interview questionnaire, so that there were thirty-four data sets in all. This had the advantage of maintaining the original structure of the research strategy thus supporting data analyses centred on the theoretical underpinnings of the research themes. Research data were then loaded onto the database and categories specific to each data set were developed.

For example, for data set 1, created from all participants' responses to question 1 of the semi-structured interview questionnaire;

*'In what way has your previous education, including your 11+, apprenticeships, training or work experience affected your willingness to participate in new learning?'*

the following categories were developed:

1. Passed the 11+
2. There is a need to continue to learn new things
3. Life and work experience is the best teacher
4. Cultural impacts on learning
5. Previous learning experience has a negative impact.

By sorting the data into categories, similarities and differences between cases could be discerned. Each item of data (i.e. each individual response to a question) had been created by summarising each research subject's response to each question into a response summary. This overcame the problem of lengthy answers to questions and was the first stage of 'data reduction' (Miles and Huberman 1994) which initially involved a literal reading of the transcripts. An interpretative approach was then used to gain more meaning from what was said. In order not to lose meaning however, where possible the actual words of the respondents were used. In this way the ontological integrity of the phenomena being explained has been best protected. Epistemologically, the categories were devised on the basis of two dimensions. Firstly, the research issues identified from the literature underpinned the propositions. This enabled the generation of the questions used in relation to what knowledge the writer sought to gain. Secondly, on the basis of the responses, what new knowledge was uncovered?

The method of summarising the data also involved identifying literal "points of substance" (Mason 2002:156) in the responses to each question in relation to its theoretical underpinning. For example, in question 4 as outlined in 11.3, categories that

had been derived from the literature were suggested to the respondents in respect of how they perceived work; i.e. as a job; as a challenging experience; as personally empowering; as structuring your life or a place where you can develop your vocational knowledge. Other points of substance however, were generated by the respondents. For example, when Sean disclosed in his response to question 1 as outlined in 11.3, regarding the affect of previous education on willingness to engage in new learning. He said, “I personally don’t feel there is new learning. What I feel today its all about is reminding you of what you’ve stopped doing”. This came as a surprise to the researcher given his role as an educator who believes that learning is always happening. Interpretative issues related to things like the rules and norms typical of the Hospitality and Tourism industry also emerged. For example, it was identified from question 13 as outlined in 11.4, relating to the use of financial information for business decision making; that very few firms have a budget and tend not to plan too far ahead. This represents a contradiction between what the writer considers good management practice and how the respondents can still run their businesses successfully without using such tools.

In the construction of each data set, each item of data was located vertically in an independent field allocated for each respondent. Categories were then located horizontally in independent fields thus producing a matrix. By allocating a tag (for example, this was a yes/no tag in the case of data set 1) against individual responses relative to each category within the data set matrix, a retrieval system was developed. It was then possible to sort the dataset in various ways. On review, this enabled the identification of common themes and differences and highlighted individualistic insights provided by some respondents. Where the response to a question also had

relevance to other questions it was possible to identify this through cross-referencing between data sets. This process involved scrutiny of each response within each data set in the context of each other questions. Overall, the data reduction and analysis process followed in this research enabled the writer to understand the findings of the research more easily and consequently to draw conclusions. This aligns with the assertion by Miles and Huberman (1994) that data reduction is integral to the analysis and reduces the data to its meaningful content by summarizing, paraphrasing organizing and discarding.

Miles and Huberman (1994) also refer to ‘within-case analyses’ where case data is compared to previous theories. The writer has therefore related the conclusions to the range of literature used as a framework in developing the research design. Additionally, cross-case analysis is used to identify common themes across respondents. Although this does not provide a basis for generalization, it enriches the findings and increases the possibility that others outside this research cohort, may identify with, or relate to, the findings of this research. Finally however, the writer takes note of Miles and Huberman (1994) that research conclusions should be taken lightly by the researcher who should maintain both openness and a degree of scepticism.

### **10.7 Limitations of the research strategy**

The research strategy was structured in two parts. Firstly, a business and career profile, Appendix 2, the results of which are presented in Appendix 5. Secondly, a semi-structured interview which involved 34 open ended questions to test the propositions outlined in chapter 8.

Factual data was collected on the business and career profile, however in some cases this presented difficulty as not all respondents could recall all the requested information, in particular dates relating to previous employment data. Nevertheless, the business and career profile acted as a means of firstly, breaking the ice and secondly, providing the writer with an introduction to the respondents, none of whom he had met before.

The semi-structured questionnaire was the main research instrument which was initially piloted and subsequently reduced from forty two questions to thirty four. Overall, the process of questioning tended to be time consuming with interviews lasting between one and two hours. The open ended nature of the questions in some cases meant that the respondents had the opportunity to provide substantial detail. This in turn added to the volume of work required to transcribe and analyse the resulting data.

There was difficulty in recruiting respondents as owner/manages in the Hospitality and Tourism industry tend to work long unsocial hours and have little free time. However, the writer was ethical in informing prospective respondents that the process would take around one hour which tended to be off putting for most of the potential respondents contacted. However, this mitigated against meeting with a respondent who had not set aside the required time which would have frustrated the procedure had they cut the interview short.

The choice of the comparative research design was considered the best method to obtain the kind of data sought. However, the writer was aware in advance that this method would mean that results would not be generalizable. This was not a major concern however as the writer sought to undertake a small in depth study of a number of cases

with a view to making comparisons and to identify differences between them. The writer also sought to preserve ecological validity by questioning the respondents in their work environment. However, this was limited by the fact that the process of questioning itself upset the normal flow of work. It was beneficial however, that the writer was more interested in learning the perceptions of the individual in relation to the research question than to examine the context of their workplaces. Even though the writer sought to be objective the presence of subjectivity was unavoidable. For example, as a management trainer with a background in finance, he harboured personal opinions as to what constituted good management practices. However, being aware of such subjectivity meant that the writer could attempt to limit the influence of this during the research, analysis and interpretation of data. Overall, while these limitations have been identified, they do not detract from the significance of the outcomes of the research presented in chapter 17.

## **10.8 Conclusion**

In conclusion, this chapter has provided explanation for the choice of research design and method of analysis for this study as well as ethical issues and selection of respondents. From this and with consideration to the theoretical issues discussed in chapter 9, the writer has devised a research strategy which is outlined in the next chapter.

## **Chapter 11**

### **11. Research Strategy**

This research set out to identify ways in which owner/managers from the Hospitality and Tourism sector of Greater Belfast could be facilitated in obtaining individualised learning solutions for developing their management skills. From a review of the literature provided in chapters 2 to 7 a range of key issues have emerged pertaining to the learning process. Subsequently, fourteen research propositions were formulated, as outlined in chapter 8. From these propositions and within the context of theoretical issues, research design and methods as discussed in chapters 9 and 10, the writer has devised the following research strategy. Issues identified as constraining or as being a barrier to learning include educational journey, vocational training and employment history. In addition, key limitations in relation to managerial skills including the ability to use financial information and to manage human resources effectively are highlighted. A range of personal attributes that may affect their ability to perform as effective business managers such as entrepreneurial talent and management style also emerge.

The research strategy has therefore been structured in two parts:

Part 1 Completion of a business and career profile Appendix 2 in order to obtain factual data about the individual's educational and career history. A summary of this is provided in Appendix 5.

Part 2 Semi-structured interviews involving the posing of 34 pre-prepared open ended questions designed to test the propositions as outlined in chapter 8. These were categorised into five sections:

Section A - The owner/manager as a learner,

Section B - Management capabilities,

Section C - Entrepreneurial talent

Section D - Business growth, and

Section E - Training solutions

### **11.1 Part 1 - Business and Career Profile**

The purpose of the business and career profile was to obtain factual data about the respondents' business and their career trajectory. The owner/manager was asked to describe their business to see how they perceive their operation. The length of time their business has been established provides the writer with a potential status of the owner/manager as either an entrepreneur or business person. The number of outlets indicates the degree to which the owner/manager has pursued growth. The number of employees provides an indicator of how busy the business is and the average tenure of employees demonstrate the firms' ability to retain its staff. The contact information was also recorded.

Personal data such as family information allowed the writer to understand the kind of non-business commitments the owner/manager had. Discovering whether the owner/manager has hobbies or interests also helped to identify the level of work/life balance they achieve. Their age helped to establish where they are in their life cycle and what is currently important to them in their lives. For example, a younger owner/manager may wish to grow their business, whereas an older respondent may be planning towards retirement and the sale of their business. Any achievements and awards indicate the degree to which the owner/manager pursues improvements in standards and the degree to which they are committed to updating skills and product quality. It is typical among chefs for example, to seek to win competitions in order to promote the quality of their work.

Information regarding employment history enabled the writer to understand how the owner/manager entered and progressed through the workforce. The various positions held during their careers provide information on their technical/operational, managerial and business experience. Similarly, the educational history provided information regarding the formal knowledge and skills they have accumulated. Records of on the job and off the job training also provided information on how the owner/manager has progressed in their learning to date. Finally, the information obtained in the business and career profile set the scene for questioning during the semi-structured interview. A summary of the Business and career profile is provided in Appendix 5.

## **11.2 Part 2 Semi-structured interview**

The semi-structured interview has been developed from the fourteen propositions which emerged from the research issues outlined in chapter 8.

### **11.3 Section A - The Owner/Manager as a Learner**

In consideration of the owner/manager as a learner, ten questions were devised in order to test propositions 1 to 10.

**Proposition 1: Failure in previous learning is a barrier to participation in new learning.**

Identifying whether or not respondents are open to new learning was the first step in the interview. This has not to be taken for granted as Ashton (2004) points out that previous experience determines an individual's motivation to engage in the learning process. Consequently, an answer to the following question was sought.

1. In what way has your previous education, including your 11+, apprenticeships, training or work experience affected your willingness to participate in new learning?

**Proposition 2: Owner/managers must reinvent themselves through lifelong learning to remain in business.**

Identifying the current status of the owner/manager as a learner was investigated here together with their perception of the need for new learning. Field (2000) for example, posits that the fast pace of change in society requires individuals to continually reinvent themselves and therefore need to become lifelong learners. The following question sought to establish the extent to which respondents are lifelong learners.

2. It is currently argued that people no longer have a job for life and therefore must learn new skills to remain in work. Can you describe how you might have to learn new skills to remain in work?

**Proposition 3: Because of their position, the owner/manager does not want to be labelled as a learner.**

Boud & Solomon (2003) identify that individuals are not always happy to be named as a learner or to name things as learning. Their research identified both negative and positive impacts in relation to such naming. The writer therefore sought to understand the feelings of the research subjects in this regard from the answer to the following question.

3. How would you feel if others considered you to be a learner? For example, employees, colleagues or friends & family.

**Proposition 4: Being an owner/worker is no different to holding down a job**

The next set of questions sought to identify the nature of the respondents' workplace as a learning environment and how their attitude to work might impact on their learning. Pillay et al (2003) identified four conceptions individuals have in relation to work i.e. as a job, a challenging experience; as personally empowering; or as structuring the individual's life. They also identify five conceptions in relation to learning at work i.e. acquiring skills to survive, onsite observing and experiencing, taking formal courses, a continuous lifelong learning process and changing as a person. The writer therefore considered it necessary to investigate where the owner/manager stands in relation to these, as this will have an impact on how they manage their firms. For example, they may see work as a job providing for their financial needs. Such perceptions of the business and of their role may influence their beliefs about knowledge and learning and were explored through the following two questions.

4. How do you perceive your work? For example,; as a job, as a challenging experience, as personally empowering, as structuring your life or a place where you can develop your vocational knowledge etc?

**Proposition 5: The owner/manager does not recognise the pedagogical properties of the workplace.**

5. From your perspective, what does learning in relation to work mean? For example, acquiring skills to survive, onsite observing and experiencing taking formal Courses, a continuous lifelong learning process, changing as a person?

**Proposition 6: The owner/managers' work dynamic provides them with learning opportunities.**

Engestrom (2001) introduces the theory of 'expansive learning' where learning in the workplace can occur naturally. As owner/managers, according to Oliver (2003), typically spend 60 hours per week in their workplace, they may have little time left to undertake off the job training. Structuring the workplace and work processes to facilitate expansive learning may therefore offer the potential to narrow the training gap. Engestrom (2001) depicts learning as a live experience as individuals learn new forms of activity while such forms are literally being created. He refers to the three levels of learning as identified by Bateson (1972), Learning I, Learning II and Learning III. Learning I is depicted as 'open learning' and learning II as the hidden curriculum in the workplace. Learning III is described by Engestrom (2001: 139) as "a provocative proposal, not an elaborate theory" and occurs when an individual or group radically question contradictory demands in their current context as they seek to construct a wider alternative context. In relation to Learning I and II the following question sought to identify, whether 'open learning' takes place and if a hidden curriculum [a collection of participative activities and advice that support learning] exists.

6. Can you identify the kind of things you learn while you are working and how the workplace dynamic either supports or prevents learning?

**Proposition 7: Tensions among organisational members effects change**

In relation to Learning III, the following question sought to identify if staff seek to establish an alternative context i.e. change.

7. How would you describe the tensions within your staff to generate changes in how your business operates?

**Proposition 8: Leavers can provide a critique of organisational issues, problems and management.**

From the writer's experience leavers have been a valuable source of learning as those unable to effect change in an organisation often find a new job. Their reasons for leaving can provide insights into issues that impact on workplace learning. For example, Ashton (2004) identifies institutional conditions, organisational structure and the control of access to knowledge as issues which constrain an individual's development. The following question therefore was used to identify if the respondents learn from leavers and whether they accept their business may constrain development.

8. For staff members who leave because they have not been happy with the way things are run, what issues do they identify and how do you evaluate these?

**Proposition 9: The owner/manager integrates learning from other contexts into their organisation.**

Other than learning from business processes and from people with whom the owner/manager interacts in relation to the business, the writer sought to identify where other learning might come from. The following question was therefore devised in order to find out whether respondents learn things outside the workplace that they are aware can be used in the workplace.

9. How do you integrate learning in non-work contexts into the operations of the business?

**Proposition 10: The owner/manager can learn from existing organisational members and from new entrants in their firms'.**

Who we learn from is also considered by Engestrom (2001) who considers learning takes place horizontally as well as vertically within the organisational structure. In addition, Fuller et al (2005) identify that as well as learning from existing organisational members new entrants can also be a source of new learning. These perspectives have been explored through the following question.

10. What kind of things have you learned from your existing or new employees or others within your firm?

## **11.4 Section B - Management capabilities**

In consideration of the owner/manager's management capabilities, six questions were devised in order to test the following proposition:

**Proposition 11: Owner/managers of SME's display the same weaknesses.**

These questions, (i) to (vi), are based on the six managerial weaknesses identified in Oliver (2003).

**i) Lack of management skills and business confidence to enable growth.**

Here Oliver (2003) links attributes of management skills and business confidence as being supportive of growth. The writer therefore sought the owner/manager's opinion of the strength of their management skills and business confidence and if an aspiration to grow the business existed.

11. In what ways does your current set of management skills give you the confidence to grow your business?

**ii) Limited, longer term strategic thinking capabilities as they look only to solve today's problems.**

In relation to this limitation the following question sought to discover if the owner/manager has a vision. The owner's perception of short and long-term is also sought.

12. How does your vision and strategy for the future enable you to see beyond your more immediate problems?

**iii) Limited financial analysis capabilities.**

Here the writer sought to discover if the owner/manager obtains and uses financial data in decision making. This includes revenues, expense analysis, budgets or accounts etc.

13. How do you use the financial information from the business to make your decisions?

**iv) Weakness in human resource management skills.**

From the following question the writer wanted to identify if the owner/manager actively utilises human resource management methods. For example, if they foster team building or motivational techniques. The extent to which they understand the strengths and weaknesses of their staff and information regarding human resource development practices was also sought.

14. How do you use your human resource management skills to maximise business performance?

**v) Lack of business confidence or understanding of their business environment.**

Oliver (2003) identifies weaknesses in the managerial and strategic skills of owner/managers and he points out that they have limited business confidence. The writer therefore concludes that such weaknesses impact on their ability to scan the environment and is likely to effect their perception of their place within the local economy and their industry. The writer also considers that business confidence is manifest in terms of how the owner perceives their status relative to competitors and other businesses. The following question therefore sought to discover the owner/manager's sense of identity and if they had a wider knowledge of the local and Northern Ireland Hospitality and Tourism industry.

15. Can you explain how important your business operation is in relation to other similar businesses both locally and throughout Northern Ireland?

**vi) Over reliance on themselves and an unwillingness to use external resources.**

Whether the reason is cost, perfectionism, or a self reliant disposition, if managers do not delegate they suffer from this limitation. They are likely to be under utilising their human resources and are unable to delineate what services could be outsourced. This

question sought to identify how internal human resources are utilised and if external experts or other services are used.

16. What kinds of things are you happy to delegate to others within the business or to obtain from people outside the business?

## **11.5 Section C – Entrepreneurial talent**

In consideration of the owner/manager's entrepreneurial talent as measured through their strategies and performance, as identified in Ferrante (2003), eleven questions were devised in order to test proposition 12.

**Proposition 12: Hospitality and Tourism owner/managers of this research cohort have high levels of entrepreneurial talent.**

Ferrante (2003) considers issues of strategies and performance and relates business success with the allocation of managerial time to entrepreneurial activities. For example, production, investment, pricing strategies, business planning and product development. Although he undertook his research in firms of varying sizes, the writer considers that his work may be related to owner/managers within the SME Hospitality and Tourism sector. The following question was therefore posed in order to gain an insight as to how owner/managers within this study allocate their time and to consider the degree to which they are entrepreneurial.

17. How much time do you spend on the different jobs that you do in your business?

Beyond this, Ferrante (2003) suggests eight measures of strategy and performance:

**i) Whether the investments of the firm in the previous two years were innovative.**

This question sought to elicit whether any investments made in the business were innovative and if they generated benefits for the firm.

18. Can you describe any investments you have made in your business over the past two years and how productive they have been for the business?

**ii) The propensity to acquire information through systematic use of market analysis.**

The purpose of this question was to identify firstly, if systematic (or any) market analysis is undertaken and secondly, if there is, how effectively has it been used to increase competitiveness?

19. How do you systematically use market information to improve your competitiveness?

**iii) The quality segment of the market (entrepreneurial firms operated in high-quality market segments).**

The next question has been posed in order to gain an insight into various perceptions of the owner/manager. Perceptions of their products, their customers and of where they consider they are positioned relative to a high quality market segment.

20. How would you explain how your products meet the needs of the customers in the segment of the market you firm serves

**iv) The competitive advantages of the firm (The competitive edge in entrepreneurial firms was gained through product quality or human capital rather than low price).**

Here Ferrante (2003) considers price, product quality and human capital in relation to competitive advantage. These issues have also been addressed by Porter (1996). Porter considers sustainable competitive advantage is only achievable by being different from competitors. While this may involve different activities it may also involve doing the same things but in different ways. It is achieved through making strategic choices and is likely to involve a mix of many activities. Simply lowering prices for example, does not give sustainable competitive advantage as competitors can easily lower their prices. Ordonez de Pablos & Lytras (2008), highlight that sustainable competitive advantage is achievable when a resource is valuable, rare, and inimitable and has no substitute. The following question sought therefore to identify how the owner/manager defines their competitive advantage.

21. What strategies have you chosen or abandoned in order to gain a competitive edge for your firm? For example, price, product quality, high levels of skills among staff compared to competitors, other?

**v) The concentration of sales, which should provide a measure of outside options (e.g. a narrow customer base would impede bargaining power due to reliance on few customers, each generating high sales volumes).**

In this question the writer wished to derive information in relation to the firms' customer base. It also sought disclosure of whether the owner/manager knows his/her customers personally, the extent to which customer activity is tracked and the strength of the firm's customer base.

22. What percentage of sales is typically generated by your most regular customers?

The next question investigated the extent to which the owner/manager collects and analyses data. It also investigated how well they understand customer preferences and how this impacts on sales and product development. For example, 80% of sales coming from 20% of the product range which would be typical of the Pareto effect.

23. What percentage of sales is generated by your most popular products?

**v) The nature of the bargaining process, i.e. the greater or lesser passivity of the firm.**

The ability of customers to reduce their bill was used as an indicator of the firm's bargaining strength. The intention was to identify how strong the owner/manager considered their market to be and how much they are willing to stand over their product and service quality. If they have to reduce bills in order to placate customers then their business may be vulnerable and there is the potential for repeat business and referrals to be lost. The arguments used by customers would provide an indicator of the weaknesses of the firm. For example, the customer's perception of product quality, levels of service or value for money.

24. What kind of arguments do you normally accept as good reasons when customers ask for money off their bill?

**vi) The sign of the output price change experienced in the previous three years.**

Prices may change because of competitive pressure or increased costs etc. Inability to increase prices may indicate a lack of business strength for example, due to customer perceptions of the firm's product or its position in the market. If prices are held for competitive reasons this would suggest problems in establishing a competitive advantage. This is because firms with strong competitive advantage, according to Porter (1996), differentiate themselves using non-price based values and avoid direct price competition. The following question sought to elucidate information on such issues.

25. By how much and for what reason have your prices changed (or not changed) over the past three years?

The firm's market position and its competitive advantage is also considered in the next question as a firm that attracts customers using special offers may be unable to communicate non-price based values.

26. How do you feel about the percentage of your turnover that is generated through special offers?

**vii) The numbers of days delay in receiving the amounts due, on the assumption that *weaker firms* are obliged to accept late payments.**

Late payment often suggests limited power or little respect from buyers and may indicate weak financial systems especially credit control. If for example, the owner/manager relies on sales from a low number of corporate customers there is a significant threat to cash flow if customers delay payment. This also puts power in the hands of the buyer. This question considers this issue.

27. When customers owe you money, how long does it typically take them to settle and how do you deal with late payment?

## **11.6 Section D - Business growth**

In relation to the owner/manager's ability to grow their business, six questions were devised in order to test proposition 13.

### **Proposition 13: Owner/managers in this research cohort do not have the capacity to grow their business**

From the findings of their research Baum and Locke (2004) identify two key factors affecting business growth and performance; communicated vision and new resource skill. Communicated vision, they consider, can be used to motivate and align entrepreneur-employee goals. New resource skill in the context of Baum and Locke (2004) related to new start firms. It refers to the ability of the entrepreneur to “acquire and systemize the operating resources needed to start and grow an organisation” Baum and Locke (2004: 589). However, the writer conjectured that this trait is important in the current recession where funding for both capital and working capital is constrained by a non-lending banking sector. Also, as customers spend less business owners must display a new level of resourcefulness; so firstly, a response in relation to communicated vision was sought.

28. How do you define your vision when discussing the future with people within your business?

In relation to new resource skill there are two dimensions. Firstly, the acquisition of new resources and secondly, systemizing these to develop a growth business. The next

two questions were therefore devised to discover the level of difficulty the owner/manager finds in obtaining and systematically integrating new resources into their business.

29. How would you describe the levels of ease or difficulty you face in obtaining new resources for the operation of your business? For example, funding, human resources, equipment or materials.

30. How systematic or chaotic is the process of integrating new resources into the operations of the firm?

Following on from the above, the writer wished to investigate further how the owner/managers hope to achieve growth. The following question was therefore used to identify if previous growth strategies were successful and how success was measured.

31. Can you describe how your business success compares to the success criteria you have set for the business?

In order to investigate the perceptions of the owner/manager regarding their capabilities to achieve growth the following question was posed. It is set in a time context as well as seeking to identify future criteria for measuring success. It also sought to identify whether a clearly defined growth strategy has been considered.

32. In what ways and by how much do you expect your business to grow over the next one to three years? For example, sales increases, average covers, profit levels, number of outlets, other.

The assessment of the owner/manager in relation to factors that will either enable or restrict growth is sought in the following question. The writer wished to identify the key strengths and weaknesses of the firm, any perceived opportunities and threats, and if they consider they have the appropriate management skills set to effect growth.

33. What kind of internal or external factors do you think will either enable or be a barrier to growth, including your own capacity to deal with growth in terms of your current set of management skills?

## **11.7 Section E – Training solutions**

With regards to the owner/manager's appreciation of the kinds of training available to them and of the kinds of training they believe would offer a solution that would meet their needs, the final question was devised to test proposition 14.

### **Proposition 14: Owner/managers have limited knowledge of training solutions**

In order to obtain the opinion of the owner/manager regarding the kinds of training approaches that might maximise learning opportunities, the following question was asked.

34. What kinds of training content and methods do you consider would provide the best opportunities for you to learn new things that would improve your business?

## **11.8 Conclusion**

In conclusion, this chapter has provided the rationale for the development of the questionnaire used at the semi-structured interviews undertaken at the premises of the respondents. Following on from this, chapters 12 to 16, provide an outline of the results of these interviews. Chapter 17 then outlines the conclusions of the research in the context of the review of the literature and the research issues outlined in chapter 8.

## **Section 4**

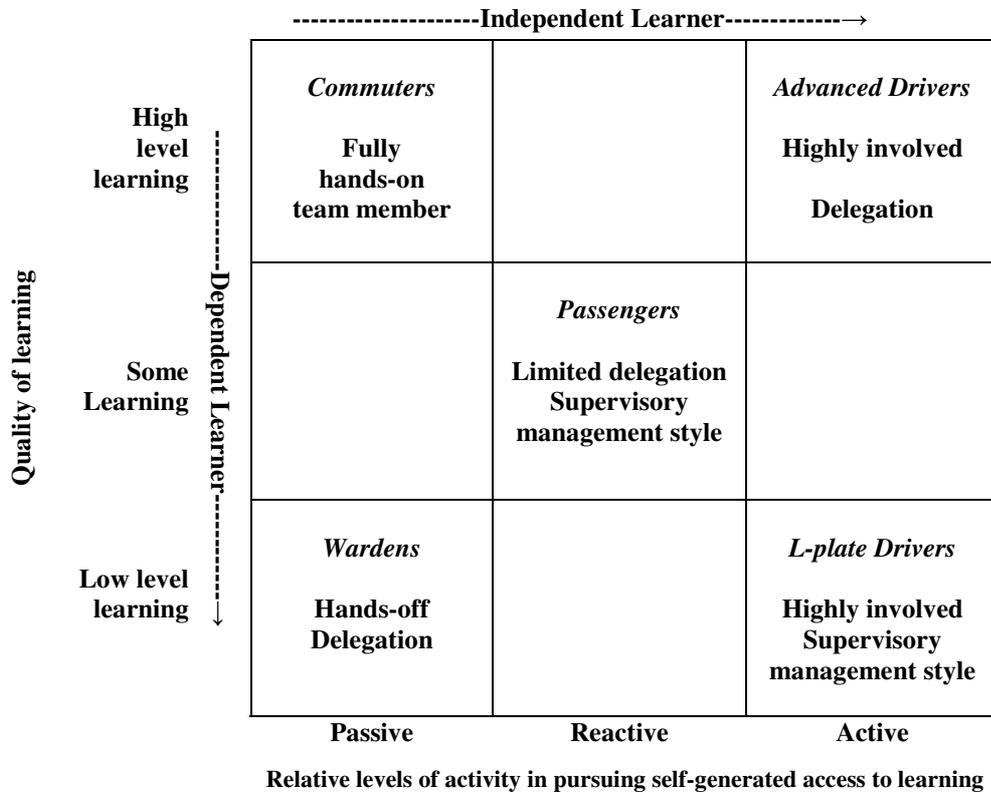
### **Results**

## **Introduction**

Following on from section 3, chapters 12 to 16 outline the results obtained from the responses during semi-structured interviews. The chapter includes direct evidence “in the form of quoted extracts” (CLMS M1, U1: 20) in order to gain the advantage of understanding perspectives through the words of the respondents. This approach gives authenticity to the narrative and is also supported by Perry (2002:36) who suggests the use of “specific examples and quotations to further collaborate the existence of patterns in the data presented”. Each chapter is based on the propositions stated in chapter 8.

From the conclusions about the research question, as outlined in 17.3, the ‘owner/manager learning access model’, Figure 3 below, has been developed to provide a typology of entrepreneurial learning. An outline of the model is provided below in order to assist the reader as they progress through the results section. This should also help give an understanding of the derivation of the model and how individuals are associated with the different profiles therein. The application of the owner/learner access model in the re-conceptualisation of individualised owner/manager learning solutions is developed further in 17.3.

### Owner/manager learning access model



**Figure 3**

A range of approaches to learning within the research cohort were identified from the data presented in chapter 12. In particular, it was revealed that the capacity of owner/manager’s to identify and gain access to new learning differed significantly across respondents. The findings ranged from those who were not interested in gaining new learning to those who were highly driven toward new learning. Within the typology five learner classifications are given; Advanced driver; L-plate driver; Commuter; Passenger and Warden.

### **Advanced drivers**

These owner/managers are highly self-driven, independent entrepreneurs who are highly involved in the business but are happy to delegate. They seek to rise above normally accepted standards to set themselves apart. They find their own solutions to overcome problems such as lack of training provision. They also place no restrictions from whom they are willing to learn.

### **L-plate drivers**

These respondents are relatively inexperienced in business but are self-driven towards success. They are highly involved in their firms, managing through direct supervision because they are afraid of anything going wrong that would affect their reputation. They seek to learn how to improve standards but would benefit from guidance in order to achieve this.

### **Commuter**

The 'Commuter' is self-driven and independent and follows the same procedures or route everyday. They do not delegate and are highly operational in the business as a member of the working team. Consequently, they have no time for courses but are very keen to learn from the everyday detours presented by the business dynamic and are open to learning from any source.

## **Passenger**

This profile within this research, typically related to those who operate established businesses. While they say they delegate they maintain a highly supervisory management style. They are not self-driven in developing new learning opportunities and look to others to organise training and development courses for them. They also tend to be selective from whom they will learn.

## **Warden**

The 'Warden' profile is representative of managers who delegate, take little part in the operation of the business and are not hands-on. They do not have set working hours and tend to call in periodically to check up on the business. They do not believe they need, or seek to learn anything more to be able to improve how they run their businesses.

Finally, one of the key conclusions emerging from this research is the need for *a layer of learning* as outlined in 17.3.5 to equip the owner/manager with the ability to self-generate and gain access to new learning. The focus is on developing the owner/manager towards achieving the 'advanced driver' position in the 'Owner/manager learning access model', Figure 3.

## Chapter 12

### 12. The Owner/Manager as a Learner

Chapter 12 considers propositions relating to the owner/manager as a learner as well as their perceptions and attitudes to learning.

#### **12.1 Proposition 1: Failure in previous learning is a barrier to participation in new learning.**

The Information Society Forum, (1996: 2) in Field (2000: 18). as outlined in 2.1, expresses that there was a consensus that for those with previous failure new educational opportunities could be perceived as another chance to fail. This view is also supported by Ashton (2004) as outlined in 4.5, who propose that previous experiences determine an individual's motivation to engage in the learning process. The evidence from this research however, showed both a range of positive and negative responses regarding previous learning experiences with failure of the 11+ having the greatest impact on attitudes. Three key patterns emerged:

- Not being affected by past failure,
- Being negatively affected by past failure and,
- Those who passed for which there was a neutral effect.

For two respondents, Connell and Jimmy, the negative effect of having failed their 11+ was mitigated against as they were able to enter grammar schools by following in the

steps of siblings. This suggests that where no difference is made between those who pass or fail then the potential negative effects of failure can be overcome.

However, failure did impact negatively on Irene who felt “alienated” from friends and lost interest in school and Jennifer, who says “I still have a chip on my shoulder...It really put me off”. While these two respondents were put off formal learning they continued to learn informally. Irene for example, explains she learned from “the street” world travel and international work experience. Indeed, Peter who also failed his 11+ but went to a streamed secondary school explains, “I elevated myself to the sort of, top class”. The Information Society Forum, (1996: 2) in Field (2000: 18) do not identify that those who fail in the formal education system may succeed by finding their own alternative learning methods and sources of knowledge. They may also, as in the case of Peter, have the ability to devise a strategy to rise to the top of the context in which they find themselves. However, such learning would have to specifically enhance their business success, which aligns with the findings of Dawe and Nguyen (2007) in 5.1. Indeed, regardless of educational background, Doyle and Hughes (2004) in 5.1, argue that formal learning is not a pre-requisite to being able to deal with major business issues.

While the Information Society Forum, (1996: 2) in Field (2000: 18) consider the negative barriers to future participation as a result of failure the neutral effect of success has not been considered. This neutral effect was apparent for all of those who passed their 11+. Their feelings are best represented by Jane who says she can’t remember “being super motivated by it”.

However, Ashton (2004: 45) as outlined in 4.5 identifies that the absence of “supported learning processes” constrains learning. This was affirmed in the case of Millicent who although putting her failure down to family problems as a young person, also highlighted that family tradition dictated that boys be educated. Girls, she explains, “were expected just to get married and have children”. In contrast, Duncan left school at 14 to join the family restaurant where he learned about the restaurant trade. He does not value educational credentials as having no qualifications has not impacted on his success. Jane also joined her family restaurant and like Duncan benefited from ‘supported learning processes’ which enabled her to develop her management skills.

Overall, for all respondents learning has become an important issue in relation to their businesses. For example, Millicent became an enthusiastic learner later in life after participation in a hospitality programme with industry peers “That really, really stretched me and I really got a lot out of it” she says. Duncan however, avoids defining himself as a learner.

## **12.2 Proposition 2: Owner/managers must reinvent themselves through lifelong learning to remain in business.**

As outlined in 2.2, Field (2000) suggests people must become lifelong learners. Additionally, as identified by the Information Society Forum (1996: 2) in Field (2000), “to build and maintain competitive economic advantages, skills and talents must be constantly reshaped to meet the changing needs of the workplace, wherever that is”. In this context, the writer considers that such ‘reshaping’ of skills and talents will mean individuals continually renewing or reinventing themselves especially where career

change becomes necessary to remain in work. Field's (2000) research however, took place among employees who to remain in employment, would have to concentrate on what they had to offer an employer. It did not address the lifelong learning requirements of the owner/manager.

Until asked, none of respondents had considered a need for new learning in order to 'reinvent' themselves, in particular Jane. Nevertheless, although a range of diverse opinions were expressed there was general concurrence with the literature as most respondents realised a need to reinvent themselves. Irene was most enthusiastic about new learning and recognised that reinventing yourself is an ongoing process. She emphasised the need to change all the time and that she learns from everything. She explains, "Everything comes from the street, everything comes from fashion, food, everything, right?" Aligning with 'advanced driver' characteristics, she learns from many sources. "Its reading magazines, its watching TV, its learning, its theatre, its going out to a festival, its going to events its having good team meetings with your staff to listen to them what they've seen on their travels, what they think..."

Millicent also showed high levels of awareness of the need to continuously update her knowledge stating that she would "go stale" without new learning. Samuel, now 67, portrays the characteristics of a lifelong learner, but is technically retired and so, doesn't believe he'll ever have to reinvent himself. However, Jennifer's need to reinvent her self is driven by her own aspirations to retire early. She says "I don't necessarily want to be standing behind a cooker the rest of my life".

Some did not display a need to reinvent themselves for example, Jane explained, “I haven’t actually thought about it at the moment, so no, not currently we seem to be alright here”. Duncan believes reinventing himself would involve doing the same things but in a different organisation and ideally, in a different country so his peers locally would not see him as a failure. He does not want to change what he does so he puts up a barrier to learning new things consequently, as suggested by Salaman and Butler (1991: 183) as outlined in 5.1 “a barrier to learning is thus a barrier to survival”. Indeed, Doyle and Hughes (2004) in 5.1, consider owner/managers have to learn as SME’s operate in increasingly more specialised markets so generic training needs are narrowing and more specific learning needs are broadening.

Overall, while learning in order to gain competitive advantage was accepted, learning in order to ‘reinvent’ oneself had not been considered among respondents. They did not see any reason for such contingent learning. Rather, they believed they would have to continually change their business configuration to meet changing customer demands and did not see themselves changing career. This indicates confidence in both themselves and their businesses. In alignment with Field (2000) therefore; implicitly, it indicates their recognition of the need for new learning within an organisational change process for example, learning about changing products or markets.

**12.3 Proposition 3: Because of their position, the owner/manager does not want to be labelled as a learner.**

The 'learner' label can be perceived by individuals as either positive or negative according to Boud & Solomon (2003) as outlined in 4.4. The results showed that only Duncan held negative perceptions of the label. He agreed with the proposition and wouldn't be seen as a novice in his local environment.

Respondents who were positive about the learner label however, included Connell who explained that continual learning is a family characteristic for him. Jane considers she would be "flattered" to be thought of as a learner "the fact that you're always willing to change... and to get better at things you're not so good at". For Jennifer and Millicent the learner label as attached to the owner/manager can portray enthusiasm and leadership for learning, a point not identified in Boud & Solomon (2003). Jennifer said "it would be a kind of inspiring thing for somebody to see you as taking on a new challenge or, learning something new". Similarly, on a practical level, Millicent highlights a potential positive knock-on effect. She feels that if her employees could see how learning excites her and helps her in her work, they might be encouraged to learn also.

Owner/manager and head chef at her restaurant Catherine, considered it would be good for others to recognise her as a learner. She explains "I go up to work for Michael Croft sometimes. I work there maybe for fifteen hours doing errands. I work as a Comis Chef basically preparing food for the chefs and I don't get paid. If I can learn just one thing it's worth it". This highlights that accepting the learner label means that even an expert

can gain advantage from assuming the role of a novice within a different hierarchy of expertise. Furthermore, such self-generated learning is characteristic of the ‘advanced driver’. Additionally, through such continuous learning she demonstrates the characteristics of following a protean career as defined by Park and Rothwell (2009) as outlined in 2.2 in that she takes responsibility for her own. Overall, it is possible that accepting the ‘owner/learner’ label may be easier compared to the ‘employee/learner’ label. This is because, as owners hold the power position within the firm their status as ‘competent worker’ is not threatened regardless of their ability levels.

#### **12.4 Proposition 4: Being an owner/worker is no different to holding down a job**

The conceptions of work held by the owner/managers extend from the research of Pillay et al (2003) ‘issue 1’ as outlined in 4.1 and 4.2. They examined the workplace as a learning environment for non-apprentices. From this four conceptions of work were identified; work as a job, as a challenging experience, as personally empowering and as structuring my life. Each conception builds on and subsumes the previous with the highest conception being ‘work structuring my life’. The results broadly support the findings of Pillay et al (2003) however; additional conceptions also emerged in these findings.

All respondents recognised ‘work as a job’, a place where they make their “bread and butter” as Irene puts it. Jimmy however, holds the longer term conception that the hard work invested today will provide future rewards and security, “I would like to think it’s a nest egg” he says. Consequently, the additional concept of ‘work as a future investment’ emerges.

Work was also perceived as a challenging experience. As Anjab explains, “If you just want a job you just go work for other people. It has to be more than a job”. Jennifer described work as “challenging”.

A feeling of empowerment was also expressed for example, Irene emphasises how her role as employer has a financial impact on the families of her staff. For her, she says, “I can get a chance to show what I’ve learned, what I’m learning, what I think is new, what I want to show to other people...I really love what I’m doing, it keeps me young...it’s a passion!” Consequently, the owner/manager’s concept of ‘work as supporting families’ is elucidated.

Peter who considers himself a shy person conceives work as a place where he has developed his vocational knowledge in particular, gaining confidence and learning how to start conversations with customers. Equally, Millicent says she experiences “connected and its natural learning”. However, learning must be related to business improvement.

The conception of the owner/manager’s role and their ‘work as an integral part of the community’ is elucidated by Thomas. His role extends beyond its typical function as he explains “you are a social worker sometimes...Your work is a focal point of the community”. For Samuel work does more than structure his life, he explains that for him it has the effect of “structuring your place... my place in life”. Consequently, ‘work as structuring your place in life’ is yet another conception of work identified here.

Furthermore, the conceptions of work within this proposition were measured across an age range of between aged 32 and 67 with four respondents being under 40 years of age. Respondents also came from organizations of different sizes. From these findings it can be identified that the conceptions identified in Pillay et al (2003) hold true in various different contexts and contrary to their research, across different age groups. Furthermore these conceptions are also relevant to business owners as well as employees.

**12.5 Proposition 5: The owner/manager does not recognise the pedagogical properties of the workplace.**

Pillay (2003) 4.3)

This proposition extends from the research of Pillay et al (2003), 'Issue 2' as outlined in 4.1 and 4.3 regarding the workplace as a learning environment.

Although Duncan believes he has nothing new to learn about his role, he still believes he learns in the workplace. This involves honing of his customer service and customer rapport building skills and explains "It all is customer service in our industry. It is customer service lock stock and barrel". Samuel in alignment with Pillay et al (2003) as outlined in 4.3, explained it is not new knowledge he needs its "acquiring the skills to survive" i.e. learning what is needed to be done "now!"

In contrast, for Irene its a lifelong process. She says, "You have to be on the ball all the time..." She also explains how unlearning behaviours which were acceptable in the banking culture where she previously worked. "I'm quite abrupt, and I, you know, don't

go round, pussyfooting round people...” She feels the need to temper this disposition because “there’s a different way of dealing with people now”. ‘Unlearning at work’ is yet another conception of work which is in addition to those identified by Pillay et al (2003).

Jennifer learns from the deviations or problems arising in the course of her journey through her normal workday and as such aligns with the characteristics of the ‘commuter’. She explains that she learns from problem solving when “you have to think on your feet”. Such problem solving is identified by Kirby (2004) as outlined in 5.2, as an important entrepreneurial attribute as it can help develop both rational and intuitive thinking. Additionally, Jane explains that “reacting to what you see” and keeping “an eye on what the competition is doing” is how learning in relation to work takes place.

Learning ‘in relation to’ work’ as well as ‘at’ work also occurs by learning from peers and from the workplaces of others. For example, networking with other small brewers enables Samuel to learn and removes the isolation for him. “We meet lots of them and chat to them” he explained. Also, Catherine learns from external experts. She says, “I used to work for Paul Bailey and I still do some hours there in order to learn what is going on at the top of the industry”. Kathleen participates in learning activities organised by the local enterprise agency. Her reliance on external agents both leading and organising her learning aligns her with the characteristics of the ‘passenger’ as outlined in Figure 3. This learning stems from visits to benchmark organizations which are at the “top end of the market” from where ideas can be “plucked”. She explains that formal courses “reach a ceiling because once you have on board the skills that you require, that fairly well stays, except of course maybe marketing where there’s new

medium”. Connell supports that because “70% of bookings are now done online” he must develop his internet marketing skills.

Respondents linked learning ‘at’ work to learning in ‘relation’ to work. This involved learning sources outside the boundaries of their firms in alignment with Unwin et al (2007) as outlined in 3.3. Such boundary crossing involved networking, knowledge sharing and visits to benchmark organizations as explained by Caroline, Samuel and Irene. This is reflective of the strategic position they hold compared to participant ‘employees’ in the research of Pillay et al, where gaining knowledge and information externally is fundamental to the owner/manager’s internal role.

**12.6 Proposition 6: The owner/managers’ work dynamic provides them with learning opportunities.**

Engestrom (2001) as outlined in 3.2 introduces the theory of ‘expansive learning’ where learning in the workplace can occur naturally.

However, within the findings of this research it is identified that where work routines are well rehearsed the workplace dynamic does not provide significant learning opportunities. This is articulated by Catherine who explained “I’m used to everything in the business and you tend not to learn much while in work”. Similarly, Connell explains for him its “not rocket science”.

In alignment with Engestrom (2001) however, Samuel explains the workplace supports “learning all the time with people” both employees and customers. This is a never ending process he considers, with no “general lessons that you can apply across the

board”. Similarly, Irene explains, “its just people isn’t it, people, whether its your staff or your clients, and the way you deal with them and how susceptible they are to product change, and atmospheric change, and I mean, even how I come in sometimes can effect peoples mood changes...” The revelation by Irene that she affects the work dynamic is an important finding in this research. Indeed, it contrasts with Engestrom (2001) who has not discussed the effect he has on the expansive learning process through his participation. Irene locates herself ‘inside’ the activity system and is aware that she can effect “peoples mood changes” and can affect the work/learning environment. Indeed, she also contrasts with all other respondents who take the perspective of being on the ‘outside’ looking in. Kathleen also learns as “the dynamics within the industry revolve around changing customer tastes forcing the business to be responsive”. Similarly, Jane explains, “everything we do has to be customer focussed so you have to be basically proactive”. The technique of ‘proactive learning’ is therefore elucidated by Jane, i.e. thinking things through in advance to identify and solve problems before they occur. She also identified that learning occurs in relation to external stimulus such as market forces.

Kathleen also explains she learns operational processes, “you start off by putting them in place and then you’re constantly tweaking them as new situations present”. Additionally, in the current recession “value for money is a big thing so you are constantly remixing what you do”. Similarly, Samuel lacks technical solutions for micro breweries, and learns because “Innovative thinking” is needed to overcome problems. “...we can’t go and buy the solutions off the shelf... We’ve got to create them... so we’ve got to sort of, be creative”, he explains. In this context he aligns with Kirby’s (2004) entrepreneurial characteristic of ‘creativity and opportunism’ as outlined in 5.2.

Reflection provides a realisation of learning for Millicent. She says, “I just end up doing it and then its only when you look back, you sort of think oh!” In this way Millicent’s subliminal learning becomes tacit knowledge which in turn becomes explicit as identified in Nonaka and Takeuchi (1995) as outlined in 5.3. This means that through tacit knowledge becoming explicit knowledge Millicent gains the ability to pass her knowledge onto others thus contributing to organisational learning which can improve competitive advantage.

Jennifer however, reflects on more explicit comments made in her customer feedback journal. She mostly gets positive comments but also values criticism. She explains “Well sometimes its good getting that as well, because hopefully, next time, you’re feeling a wee bit like that or under pressure, you take a deep breath and say these customers could go somewhere else they don’t have to come here”. Here, Jennifer’s daily challenges in the course of her work displays the characteristics of the ‘commuter’ as identified in Figure 3.

In finding ways to improve low staff moral Irene considers “ergonomic solutions”. She explains “how the place looks, how it feels, it enhances people to work better... and then you get better productivity”. In this way Irene seeks to create an “expansive learning” (Fuller and Unwin 2003) environment as outlined in 3.3. Additionally, Irene aligns with Thornton Moore’s (2004) conception of the “curriculum of experience” as outlined in 5.1 Anjab also explains how workplace atmosphere supports learning “because we’re relaxed here we like to teach people, we don’t hide anything from anybody. My chef doesn’t hide anything from my staff in the kitchen. I don’t hide

anything from anybody in the front. If I could teach somebody to improve the service I would do it". Connell explains how after attending external training days he and his staff can develop their new skills together in the workplace. Consequently, the concept of 'management and staff learning together' is disclosed by Connell as a useful way to develop skills. Such enabling of conducive learning environments aligns with Thompson's (2004) entrepreneurial characteristic of being "strong on "developer", an ability to spot potential and a desire to bring out the best in others" as outlined in 5.2.

### **12.7 Proposition 7: Tensions among organisational members effects change**

In continuation from proposition 6, proposition 7 was devised to identify if Learning III as outlined in 3.2 exists in the workplaces of the respondents. Engestrom (2001) explains that this occurs when an individual or group radically question contradictory demands in their current context in pursuit of change.

Tensions to effect change occur within the respondents' organizations and are accepted as a source of expansive learning. Peter for example, learns new ideas from staff. Displaying the entrepreneurial characteristic described by Kirby (2004) as 'intuition' as outlined in 5.2, where problem solving requires 'holism' and 'synthesis' Peter explains, "I've got to take everybody's ideas and sort of roll it round and then think you know, is this right?" Thomas identifies different kinds of tensions such as "age group tension" front of house staff being "very pushy" or "temperamental chefs" and he has to keep them all in balance. Thomas explains how multiple tensions from multiple sources can be present and while the owner/manager can learn from this, they must continuously balance these through an adaptive management style. He considers "you have to adapt your style to suit them and get the best out of them... because everybody

has something to bring to the table”. Similarly Sean explains “change is growth, so you have to change”. Samuel explains that tension in the family business context produces “various complex dynamics” but it is acceptable for individuals to argue from their own perspectives as long as “they can come together and work together when they need to”. Consequently, tensions are acceptable but these must ultimately be aligned with the goals of the organisation

Irene has a dilemma as she says “I know what I’m doing and I do take great offence sometimes...Its hard to listen but I do try and listen but I do sometimes go look... I know what I’m talking about here”. Overall, she is positive however, she says, “sometimes we’ve got a lot of academic and artistic people working here so you’re going to get a tension and that’s normal, that’s normal”. Kathleen however, explains in relation to suggestions at staff meetings “...even though in principle I identify the limitations of what they are suggesting, I think to keep these suggestions flowing you’ll get one very good one maybe out of ten, that I will allow them...” Kathleen is consequently prescriptive in the level of learning she is willing to accept from employees.

Duncan does not welcome tensions. He is unwilling to accept staff opinions as his formula for running a pub works, he says “I want people to walk in and say ‘that’s a ‘Duncan Kennedy’ pub”. He feels staff should learn from his expertise and not the other way round. He says “good staff want to learn more”. Millicent is also categorical about workplace tensions, she says, “I know those that are resistant to change and those are the ‘polluters’ as well”. She discloses, “I’m quite good at manipulating” and achieves what she wants. While Engestrom (2001) does not identify issues in relation to negative

perceptions of tensions, in the case of Millicent, those who seek change are named as ‘polluters’. She considers ‘manipulation’ to be the best method to secure their support. Understanding such issues of management style as identified by Natalie Shope Griffin (2003) as outlined in 5.4, is a pre-requisite to devising training solutions.

Catherine considers delegation reduces tensions. As she works as chef for fourteen hours per day in the kitchen her staff have a high level of discretion over the rest of the business. Consequently, positive organic change can be fostered through delegation where individual and organisational goals are in alignment.

**12.8 Proposition 8: Leavers can provide a critique of organisational issues, problems and management.**

As outlined in 4.5, Ashton (2004) identifies that institutional conditions can affect individual development, such as hierarchical structure of relationships, rewards systems, feedback on performance and barriers to learning. As these can be some of the issues that cause employees to change employment the writer conjectured that reasons for employees leaving can become a source of learning and so stated proposition 8. This conjecture is supported in the results set out below.

The main reasons for staff turnover were given as, inter-employee and management-employee conflicts and career development. For those leavers who gave criticism of their firms’, it was mostly considered the leaver was the problem. Indeed, there were both active and passive approaches to dealing with employees who didn’t fit in with the organisation or who were of “high maintenance” as Millicent puts it.

When Samuel's staff leave it is "nothing to do with being unhappy with the job" he says. Brewers for example, leave to develop their careers with larger organizations and a "treasured" chef changed his career to teaching. Similarly, Sean explains in his hotel employees ask themselves "how do I move on in my career path because its not turning over quick enough". i.e. staff turnover. Additionally, a problem with many leavers "is that they actually want back".

Thomas considers if employees "leave you on the right frame...they might come back to help you again in the future". He prefers to anticipate conflicts between staff and would intervene by changing staff rotas or by negotiation to "solve their problems". He explains "you try and sort it out even before it's the leaving stage". Consequently, it emerges that proactive interventions from the owner/manager can reduce staff turnover by resolving problems; so the concept of 'learning from potential leavers' emerges here. Peter also identified that in his business "Most of the staff members who have left may have been unhappy with another member of staff".

In contrast, Kathleen adopts a non-interventionist approach. She undertakes exit interviews but she explains "in some cases we let things take their course and allow people to decide themselves, that really, that this is not really going to work for me and they're going to move on". Although she says, "we have picked out some things and we have changed our approaches as a result of them". Jimmy also avoids intervention as he says non-team players leave as they "get found out and discovered and they find that others then possibly resent them". Consequently, such non-interventionist strategies may limit learning in relation to HRM. Additionally, human resource procedures do not

substitute for managerial action as outlined by Kathleen who undertakes exit interviews simply as a matter of procedure or apparent good practice.

Ashton's (2004) as outlined in 4.5 asserts that as employees develop they seek long-term rewards for example, through promotion and this is confirmed in the contexts of Jane and Jennifer. Employees at Jane's restaurant have left "because they need more of a challenge" and lack of career progression. For one however, "it was more of a title she was looking for which, you know, really we couldn't provide for her". Similarly, Jennifer had one employee who wasn't happy with just working in the business "they wanted to be the one running it" she says, "I feel as if we're too small and its my baby and you don't give your baby to everybody". This highlights the need for SME owner/managers to understand employee aspirations prior to recruitment so they can make clear the limitations of career progression in their firms'. Otherwise, they need to devise ways to reward learning and development for example, it may satisfy someone to be given a title so development of the organisational structure may make this possible.

Millicent knows her senior staff well "so if they left you would know why they would leave" she says. Employee grudges are dealt with through the grievance procedure Millicent considers to be fair. However, she upheld a decision at an appeal hearing because "there's a new HR manager so I wasn't going to let any weakness be shown". She is keen not to have employees who are "high maintenance," even where their problems are genuine. She explains, "if you look at personnel files and if they're like that [indicates a thin file with her fingers] all it holds is their application form and their holiday requests that's the best one". Similarly, Duncan explained that in his business "they would just leave". If someone did have an issue with how the business was run,

he says “I would love to turn round and say ... see whenever you’re my age, if you’ve built up a business like that there, I’ll come back and apologise to you!” The owner/manager’s attitude consequently can determine whether a barrier to learning from leavers is present.

In contrast, James accepted his attitude as the main reason why staff left. They would tell him “You mortified me you shouldn’t have done that to me”. Having learned from this he explains “I’ve got better at giving them, not so much a by ball, but not embarrassing them”. Irene is also happy to admit that in the past people left because of her because she wasn’t organised or even clashed with their personalities although she did refer to the majority of people who left as “just bad eggs”. Nowadays she says, “people do really like to work here.... we’ve developed and any issues we have now, I think, we’re still learning but we can sit down say look, we’re a team here lets calm things down”. These cases demonstrate how owner/managers can learn from leavers the extent to which their management approach can impact on staff and staff turnover, and how they have been part of the problem. Importantly, both James and Irene have changed their management approach on the basis of their new learning.

**12.9 Proposition 9: The owner/manager integrates learning from other contexts into their organisation.**

As outlined in 3.2 Engstrom (2001) explains how new learning can be achieved through “boundary crossing” as professionals sought to resolve communication and co-ordination problems. The work of Engstrom (2001) is concentrated on an interconnected set of healthcare organizations each, dealing with the same patient. From

the results it has been identified that different 'boundary crossing' methodologies can exist both in the owner/manager's personal and commercial environment.

From their personal environment most common sources of learning identified included TV, visiting similar businesses socially and foreign holidays. Jimmy, for example, integrates such learning into his business by discussing television programmes like the 'Hotel Inspector' with his staff from a customer service perspective. He uses the technique of enabling his staff to identify in their criticisms of others, the similar things they do while they are in work, in order that they can be more self-aware and learn from this. However, Samuel points out that "things you see happening elsewhere are not necessarily transferable" for example, décor, certain menu items and attitude to customer service. Duncan is continually impressed by American customer service standards, he explains "I'm sitting on a cruise ship or something and I'm watching people doing it, and I can't wait to get back home" as he wants to try out the new ideas. Similarly, Thomas considers he learns from the marketing ideas of IKEA and Marks and Spencer. This demonstrates that owner/managers constantly learn from all aspects of their life including leisure activities. Most importantly however, they are conscious of this learning and actively seek to identify ideas and improvements they can transfer to their own firms'. Catherine actively cascades her learning from Crofte's and Bailey's to her chefs in alignment with Broad and Newstrom (1992) as outlined in 6.4, which enables her to maximise the benefit of her new knowledge within her restaurant. She also takes her staff to dinner at Gordon Ramsay's in London as a post Christmas reward/training event. "Its about letting them experience the high standards and then they can bring this home to the Stag Inn" to be integrated into her restaurant. This demonstrates a wide range of learning is available from diverse sources within an

industry context. This is further supported by Irene who also integrates new learning through experiencing new ideas by visiting London restaurants with other staff members. She explains, even seemingly ridiculous menu items like “pig intestines and rice” which if suggested “sounds revolting” but “if you can see it and taste it and see people eating it” it makes the difference. “That’s important, on sight, visual, visual training in any aspect is amazing” she says. From this insight, the important concept of ‘visual training’ emerges. Additionally, both Catherine and Irene demonstrate that the external environment can be conceptualised as offering an accessible and open curriculum within which self-generated learning opportunities can be devised. Boundary crossing as discussed in Unwin et al (2007: 5) relates to crossing of “job lines”. In the case of these respondents learning as a ‘customer’ and ‘visual learning’ are taking place through targeted informal boundary crossing into external learning environments. The innovative learning approaches of Irene and Catherine as outlined above demonstrate that they hold the characteristics of the ‘advanced driver’ as outlined in Figure 3. Furthermore, they identify that potential sources/locations for learning are numerous.

The politicisation of knowledge is alluded to in Salaman and Butler (1990) and Thornton Moore (2004) as outlined in 5.1 and Millicent outlines how she has control over who learns, what is learned, how it is learned and when it is learned. When she brings back new learning (from enterprise agency led training) to the business she explains “sometimes they would go with my list and they wouldn’t be introduced, you know, straight away or they would have be manipulated, some people to evolve, or you’d have to make them think its their idea”. Millicent’s heavy reliance on her local

enterprise agency to lead and provide new learning opportunities aligns her with the 'passenger' characterisation in Figure 3.

**12.10 Proposition 10: The owner manager can learn from existing organisational members and from new entrants in their firms'.**

It is suggested by Engestrom (2001) as outlined in 3.3, in relation to employees, that learning takes place horizontally as well as vertically in the organisational structure. This research however, has sought to evaluate this concept in the context of owner/managers.

Learning from employees tends to be limited as respondents consider themselves as the experts in their own businesses. For example, Kathleen considered ideas voiced at her monthly open forum produced inter-staff learning rather than learning for her. Duncan was adamant that he does not learn from his employees. He explains "I'll be perfectly honest. Again I'm not again saying that I am god by no means. There's nobody within my company that ... that would be better doing what I can do or my brother can do". The consequence of such attitudes may be that owner/managers who are selective in who they learn from may underutilise their pool of human resource skills.

For Catherine, whose work is well rehearsed with an established team; already knows what they know so new learning is limited. Implicitly she recognises the limitation for learning within the firm so as an 'advanced driver' adopts a 'boundary crossing' approach for her own vertical and horizontal learning by working with Crofts and Bailey's.

Peter however, who is new to business learns from experienced employees who, he says, would say, 'when we were working in such and such a place we used to do it like this, or, it used to cost this'. Jimmy explains he is "always open to suggestions" and learns from both staff and customers. Similarly, Thomas says "if you talk to them and listen, especially young people in relation to new technology". For example, "setting up your guest databases and all that, they can pick up things they've learned somewhere else to make your life a lot easier". Such 'advanced driver' behaviour demonstrates how innovative owner/managers have the creativity to utilise the knowledge they discover in others to enhance their businesses. This may involve tasks outside their role or in an extended role for the knowledge holder.

Irene learns from her staff, especially in how they "can adapt to change...can up the mark and .... can learn". Samuel has learned from famous master brewer Matthew Doherty who started his career at Cooley Hills. He also learns from his son and daughters of whom he says, "I trust their judgement in a lot of things whereas I wouldn't trust necessarily my own ...". This demonstrates that vertical learning from employees is possible, but only where the owner/manager has the capacity to accept the knowledge of others. In the case of Millicent there was reluctance to 'pin point' where she had learned from employees. She explained, "I've had to learn what I know now, even what I knew two years ago, from somewhere, so to pin point, I'm not sure how to answer that".

Fuller et al (2005) as outlined in 3.4 also identify new entrants as a source of learning however, low staff turnover at Sean's hotel, he considers, can constrain learning.

## **12.11 Conclusion**

In conclusion, having outlined the findings in relation to propositions 1 to 10 regarding the owner/manager as a learner, the next chapter presents the results relating to the respondents' management capabilities.

## Chapter 13

### 13. Management capabilities

Having provided the results in relation to the manager as a learner in chapter 12, this chapter presents the results derived from proposition 11. This proposition has been used to test the respondents' management capabilities.

#### 13.1 Proposition 11: Owner/managers of SME's display the same weaknesses.

Oliver (2003:13) as outlined in 5.2 characterises the SME owner/manager as wearing all the hats working 60 hours per week. They have a passion for ideas, a drive to achieve and a willingness to take risks. He explains however, they can reach a "roadblock to growth" due to six key limitations in managerial capabilities as follows:

- management skills,
- vision and strategy,
- use of financial information in decision making,
- Utilisation of human resource management skills,
- business confidence, and
- delegation and outsourcing.

### **13.1.1 Lack of management skills and business confidence to enable growth**

Some respondents confirm Oliver's (2003) findings, as outlined in 5.2 in that they lack management skills and business confidence. Nevertheless, most respondents believe they have the skills and confidence to effect growth.

The concept of business growth was not defined in Oliver 2003, however, respondents here highlight there are diverse interpretations of growth among owner/managers. These include: rebuilding the business back to survival levels for Sean who faces market structure changes. His core business was airline crew stopovers however, the ongoing developments with budget airlines has limited this source of revenue. Internal growth is his only option as he struggles to rebuild the business. This will require a redefinition of his business and the development of new products and service.

Jennifer however, has actively slowed down the rate of growth to a measure that she felt comfortable to handle. Both she and Trevor consider they have been too operational to learn management skills which limited business growth. Jennifer explains "I think if anything we've put the reins on" and Trevor says "I can't understand how somebody can run three businesses or two businesses". From this he demonstrates a lack of understanding of how his own business is multi-faceted although within a single complex. Neither does he understand the extent of success given the development of his business from a ruined building to a well established business. Similarly, Jane says "I find it difficult to understand how businesses can run more than one outlet". This demonstrates the inability of these managers to think strategically due to their immersion in business operations.

Millicent, who believes she has the managerial skills and confidence to grow, says she would not open another outlet as “one good ship’s better than three half ships...” Her business development strategy has been market repositioning as she has upgraded from a three star to a four star hotel in order to compete with the three star brand hotels such as the Holiday Inn. Similarly, Connell would not open additional outlets, also not because of his management skills. He explains, “You lose what you have here quite specific, quite unique, and you can’t be in two places at the one time. Its not like running a chain of ‘Holiday Inns’ where it’s a faceless, standardised product”. Both Millicent and Connell demonstrate an ability to make key strategic choices in particular, deepening their business concept to gain competitive advantage rather than external growth strategies. This aligns with Porter’s (1996) argument as outlined in 7.3, who considers growth as a source of danger.

Samuel explains his management team are too operational to have developed management skills however, he points out “the other side of the coin really is the fact if you free people up too much from all of that, then they lose touch with what’s really happening”. This highlights the inability to achieve an operational/strategic balance and the development of a business structure that is more suited to the operation.

Irene however, actively seeks growth and is already engaged in opening of a second outlet. She believes “there’s no problems, just challenges”. She feels comfortable developing strategies and plans and will react quickly to solve problems. She also plans a degree of backward integration by opening a bakery to supply her outlets and other

businesses. James is currently extending his premises to house a new restaurant, while Jimmy would move to larger premises.

### **13.1.2 Vision and strategy**

In contrast to the observations of Oliver (2003:14) as outlined in 5.2, that there can be “a lack of strategic thinking and longer-term vision for their businesses” many respondents demonstrated longer term strategic thinking capabilities.

For most respondents, their vision is linked to the duration of the recession which Connell and Kathleen estimate will last three more years. They are investing in their businesses however, to ensure, as Connell explains, they are “hitting the ground running when the upturn comes”. Contrary to the assertions of Oliver (2003), this demonstrates these respondents to have both a vision and strategy. Catherine also demonstrates vision as she considers she will open another outlet post recession and explains she already sees economic improvement. She explains, “We were down 20% last year but this year we are up 10% on last year”. Also, Jennifer’s ultimate vision is to make the business “more of a sellable item” so she can retire.

In contrast, Samuel admits he has no clear vision because he has failed to deal with lack of administrative backup. “That’s the area we need to turn our attention to” he says... “If we do that then... no doubt we would have a vision and a strategy”. Peter says, “at the minute I just see myself just sitting tight and just keeping things tight”. However, he still envisions himself being in business in five years time.

Thomas expresses that his need to see beyond his immediate problems comes down to “pounds shillings and pence” to solve his financial problems. He also has a personal vision not to let life pass him by and he says “I have to get on to the next part”.

Sean has significant strategic challenges, as in the short term he must reinvent his hotel. His traditional market from overnight aircrews no longer exists in the new budget airline environment.

### **13.1.3 Use of financial information in decision making**

As discussed in 5.2 very few participants in the ‘Icehouse’ owner/manager programme as outlined by Oliver (2003:14) “had a competent working knowledge of any key operating or funding ratios in their business”. Respondents in this research do not fully align with Oliver (2003) as there is evidence here of financial analysis capabilities as respondents demonstrated extensive use of KPI’s in managing their businesses.

For example, James gives priority to KPI’s. He says, “I don’t feel I need the financial information... its the KPI’s I focus in on more”. Prioritising KPI’s opposes the view of Porter (1996) as outlined in 7.1 however, who criticises the focus on critical success factors rather than viewing the business as a whole. However, Kathleen also uses KPI’s and has strong accounting records, as do Millicent and Irene, who rely on their KPI’s to monitor performance.

Samuel however, admits to his financial records being fragmented and says, “We’ve been saying for years now we’re going to get it into one system but I just haven’t got round to doing that”.

Only three respondents, Sean, Thomas and James use budgeting and cash flow statements. Thomas tracks his operational overheads from week to week and says “I do weekly electricity readings and gas readings just to control my costs, and know what’s going on”. Sean understands the modelling application of budget and explains, they “allow us to actually shape our business to how well we’re doing and what we need to do”. He has also introduced a new financial control where staff rota costs must be aligned to both budgets and KPI’s at the planning stage. James however, only uses his budgets for setting spending limits and not for identifying potential problems in advance or as a tool for remodelling his business.

Irene however, perceives budgeting as a tool for use in larger, multi-outlet organizations and as being restrictive on flexibility. “We can’t, we’re fully independent. And even if you’ve got a second place you can’t be, we’re gastro so it depends what you see is in season and stuff like that”. Neither Jane nor Jennifer use forecasts to plan growth. “Its just a matter of getting the money together” says Jane and Jennifer explains “from we started business, and its not as if anybody set us up, we’ve just worked hard and we haven’t bought anything until we could pay for it”. By not putting a time frame on future growth targets demonstrates a misalignment between long-term envisioning in relation to business growth and short term thinking in financial planning terms. Additionally, such a perspective demonstrates lack of appreciation of the modelling applications of financial tools such as budgets and cash flow statements. This in turn

prevents deeper understanding of resource implications relative to growth which could result in failure of any growth strategy. Furthermore, where the owner/manager self funds business growth, the influence and resource of external knowledge from those such as bank managers or development agencies is lost. This is a particular danger where the owner/manager does not have the skills these stakeholders could provide. Such interaction in the form of learning circles, between the business and its stakeholders, is advocated by Gibb (1997) as outlined in 5.1.

#### **13.1.4 Utilisation of human resource management skills**

Key HRM weaknesses were identified in alignment with Oliver (2003) as outlined in 5.2. These are identified as recruitment, training, motivation, reward retention and team leadership skills and delegation.

However, overall, respondents place significant importance to the HRM discipline and some good HRM practices including leadership, outsourcing of HR skills and delegation were evident. For example, Irene delegates to a full time HRM professional who undergoes continuous training. “Putting proper practices in place” in the Hospitality industry will have the benefit of developing a “proper profession” she says. Additionally, Irene explains, “you’ve gotta be prepared to pay more money, taking less yourself...have a good staff that you can trust”. Paying staff higher than average wages together with terms and conditions that do not infringe on their family lives enhances staff retention according to Samuel. He says they “recruit people that we think that will be sympathetic to our way of doing...” He also feels his informal training approach is highly effective. Such pro-active human resource activity highlights the strategic importance placed on this discipline by these respondents. There is alignment here with

Mc Cracken and Wallace (2000) as outlined in 6.4 not only in terms of the pro-active non-passive approach from the leaders within these firms but also in respect on understanding the role of SHRD in developing and enhancing corporate culture.

Similarly, these respondents align with Marlow (2000) as outlined in 7.4 who highlights that competitive advantage can be gained by integrating HRM into organisational strategy.

In contrast, Peter has been able to motivate his staff to work extended hours without additional pay as he considers this will ensure survival of the recession. Also, Millicent considers her “effective managers are easy, [to motivate] because they want to grow, the ‘polluters’ are the ones that eh, you have to force things on...you have to manipulate it” she says. Kathleen has a similar attitude. Her approach in communicating ideas to staff utilises her “ability to almost put the words in their mouth so the staff believe collectively, ‘its our idea...’”. Millicent however, delegates to a human resource manager and also outsources part of the function to a specialist HRM company. James who was in the process of extending his restaurant knew he had to put in place a new HRM strategy. He disclosed this strategy to be overdue as he was waiting for his local enterprise agency to help define his strategy and to assist in the up skilling of his staff. For his own training he also relied on the local enterprise agency that had organised visits for him to benchmark firms. In this context, James revealed himself as a ‘passenger’ in the context of the owner/manager learning access model Figure 3.

“Watching, listening and getting involved” is how Thomas considers he uses his HRM skills to maximise business performance. “I would lead from the front” he says. Thomas

is hands-on in training and motivating staff when necessary. He explains “especially with younger staff... you’re not just telling them. You’re explaining; they see why you’re doing it”. Such situated learning aligns with Fuller & Unwin (2003) as outlined in 3.3 who discuss the acquisition of skills through working on their own or with others either informally or formally. Similarly, Anjab motivates through flexibility with staff. “I’m not over the top, I work as a team with my staff which they feel comfortable with” he says. Equally, Jennifer explains “I suppose we just work with them and we’re doing the same job as what they are and we’re setting the pace. We’ve always been setting the pace” Once again Jennifer’s operational involvement in the firm is highlighted which reinforces her characterisation as ‘commuter’ in the owner/manager learning access model Figure 3. Jane emphasises that HRM is “integral” to the business. She motivates her staff by giving them positive feedback. Consequently, not identified in Oliver (2003) management style, emerged as an important factor in leading and motivating staff. For example, supporting a work/life balance among employees as is the case with Samuel. Also, hands on participation in the practical training of staff as with Thomas. Millicent and Kathleen’s management style involved ‘manipulation’ of staff or ‘putting words in their mouth’ in order to effect change. This is suggestive of a ‘restrictive’ Fuller & Unwin (2003) learning environment as outlined in 3.3 as employee learning is highly controlled rather than being through a process of interaction in work processes. .

### **13.1.5 Business confidence**

Most respondents had a strong sense of business identity. This contrasts with Oliver (2003) who connects lack of business confidence with limited management skills which constrain growth as outlined in 5.2.

Some owner/managers lacked a sense of identity for their business. James for example, said, “I’m not sure how important it is...we’re busy!” Similarly, Jennifer says, “its important to us, but I don’t really see that its important to anybody else”. Even Samuel, who is well known as owner of the one of the most famous micro-breweries in Ireland, laments at being on the fringe of a market he has been unable to develop significantly during the life of the business. Nevertheless, these respondents were still confident they could grow their businesses. However, they also demonstrated that lack of formal management skills and knowledge does not necessarily equate to lack of business confidence. Indeed, Doyle and Hughes (2004) as outlined in 5.1, allude to the fact that formal learning is not a prerequisite to being able to deal with major business issues.

Others have a strong sense of identity such as Peter who explains, “I’m the busiest restaurant on this road. Restaurants would be kind of having a look to see ... because a lot of people have come in I know from other bars and restaurants... come in and have something to eat”. Catherine also explains how she recognises her competitors “coming in for a meal so they can copy what I do”. Also, she has been reviewed by Michelin and many English journals. Business identity as a benchmark organisation has therefore high importance for some respondents. This also included Irene who considers her restaurant to have “definitely made a difference” in Belfast. “There’s nothing like this in Northern Ireland” she says. She has also gained international recognition through magazine articles and has been voted “most ethical restaurant on the island of Ireland” among other ethical awards. Similarly, Connell has gained UK wide recognition by being in the top 5%, of 5 star guest houses in the UK”.

Some respondents also have a strong identity in community terms. Sean's hotel for example, featured strongly during the Peace Process in Northern Ireland as a venue for political meetings between Tony Blair, John Hume and David Trimble. He says, "I would say this is one of the most important businesses in the whole area". He reflects on the importance on such community involvement. "It's a bit like the old geography question... 'Glasgow made the Clyde and the Clyde made Glasgow.' The Old Barn made this area and this area made The Old Barn!" Equally, Thomas explains how his rural pub/restaurant is "at the centre of the community," where people meet to do business, where tradesmen can meet potential employers or where farmers can do deals. He explains "you've got the pub, chapel, church, wherever you go to... and the shop in a rural area ... its more than just a pub". These perspectives introduce an important dimension for these organisation types as they can have multiple identities within their market/communities. By knowing how their market and community interconnect, they can best satisfy the diversity of their customers' needs and from this build a stronger business.

### **13.1.6 Delegation and outsourcing**

Findings in relation to delegation and outsourcing, contrast with Oliver's (2003:14) observation where "a reluctance to delegate was a common restraint on growth" in the context of his research.

All respondents were happy to outsource services but in some cases there was some reluctance to let go. For example, Millicent, delegates everything but says, "I would always know the in and outs". Similarly, James delegates but only "the menial stuff, the

wedding enquiries and that sort of thing”. However, he says, “I’ll still take wedding appointments just to see what is in the customers head, what they’re looking for, what their expectation is”. This highlights firstly, that being in touch operationally has implications for the product/market strategy and secondly, that market research can be undertaken as part of the embedded processes in the business. In this context, an “expansive learning” environment is supported as identified by Fuller and Unwin (2003) in 3.3.

Jimmy outsources his administration but does the majority of cooking. Samuel considers non-delegation of administrative tasks has constrained growth. However, he delegates responsibility for the brewery and kitchen to specialists. In Jennifer’s business she is the only full-time person and is 90% hands-on. She would have to replace herself if she delegated more she says, “That would mean you’re always going to have to have a spare person”. Consequently, issues of business structure are highlighted where a trade-off between potentially higher staff costs and time for strategic management is being made. The problem with this could be ensuring that the right operational/strategic balance is maintained.

Irene explains its not easy to let go as “when its your own its like your baby”. Although others might “mess up” she is now willing to delegate. Catherine delegates as a training mechanism by rotating chefs between food courses. The benefit of such job rotation is not always given the value it deserves according to Kotey and Folker (2007) as outlined in 5.1. However, Catherine demonstrates her recognition of the value of such training approaches. She explains “its important that everyone can cook all dishes so they all have to learn”. Additionally, she says “I can delegate everything sometimes” as she skis

for four weeks each winter leaving her staff in charge. “The restaurant is probably better run as they have a sense of pride in doing a good job while we’re away”. Such delegation also contribute to an “expansive learning” environment (Fuller and Unwin 2003) as outlined in 3.3. Similarly, Duncan describes his team of managers as “the backbone” of his operation and says, “I wouldn’t be at where I am today if it wasn’t for my key managers”.

Thomas explains, contrary to Oliver (2003), that he outsources when it “is most cost effective” and the standard is good and buys in dressed crab and lobsters. Training in making cocktails or wine tasting etc. can all be outsourced. Indeed, this training is often provided by suppliers demonstrating Thomas’s ability to engage with his network of stakeholders as suggested by Gibb (1997) as outlined in 5.1. .If “there’s a certain area I may not be the strongest at I’d gladly let somebody else do it”. Sean has a similar attitude. He explains, “I’m happy to delegate everything...the whole secret of any business is to employ people better than yourself...so why would I run all over the place... making my life difficult... where if I picked the right people in the first place?”

## **13.2 Conclusion**

In conclusion, the results in respect of the six key management weaknesses identified in Oliver (2003) have been presented above. The next chapter presents the results derived from questioning centred on testing proposition 12 relating to entrepreneurial talent.

## Chapter 14

### 14. Entrepreneurial talent

Chapter 13 presented results in relation to management capabilities. This chapter presents results derived from proposition 12 which was used to test respondents' in relation to their entrepreneurial talent.

#### **14.1 Proposition 12: Hospitality and tourism owner/managers of this research cohort have high levels of entrepreneurial talent.**

This proposition was devised to identify owner/manager entrepreneurial talent within the framework of research by Ferrante (2003) which examined how allocation of working time between operational and entrepreneurial tasks affects the performance of the firm. Ferrante (2003) suggests eight qualitative measures of a firm's strategies and performance.

Ferrante's research was undertaken among Italian clothing and textile sub-contractors and she considered that her findings could not readily be extended to other sectors and firms. The writer would however, suggest that as many entrepreneurs have business portfolios across various sectors entrepreneurial talent has a more generic character. He therefore sought to identify if the findings of Ferrante (2003) applied among this research cohort on the basis of questions centred on the following:

- time spent on different tasks,
- investments made in the business in the past two years,
- systematic use of market analysis,
- how products meet the needs of their market segment,
- choice of strategies,
- sales levels generated by regular customers,
- sales levels generated by most popular products,
- arguments accepted for reducing a customers bill,
- price changes over the last three years,
- turnover generated through special offers, and
- credit control.

#### **14.1.1 Time spent on different tasks**

While Ferrante (2003) as outlined in 5.3 suggests that entrepreneurs spend less time on operational activities, it emerges here that the owner/managers' operational activities are crucial to business performance. Millicent spends all of her 40 hours per week on financials, sales and marketing. Although 60% of Irene's time is spent on managerial tasks she believes its important to be operationally involved for staff to see "that you do clean and stuff" although she is not tied to regular duties. From Sean's 50 hours per week he does "very little operational work" he explains. "I see my role more like a host...more like showing importance to people...more like being able to have the strategic view..." Duncan and Paul also focus mainly on managerial activity but emphasise the importance for them to meet and greet the customer. This is a dominant feature across all respondents. For example, Thomas considers that a ratio of 70% front

of house and 30% on other managerial activities. He considers there must be a “face of the business”. He uses operational work to covertly observe whether staff are meeting standards. He says, “I’d go into the kitchen and say do the dishes, yea...and see who’s doing what. So you’re doing something but you’re not letting on”. This approach is an alternative to a highly visible supervisory management style and has the advantage of enabling Thomas to set standards through the work he does. Consequently, a learning environment is supported so that employees can benefit from Thomas’s knowledge and experience. Additionally, in alignment with Ashton et al (2008) in 5.1, there is the opportunity to embed the desired culture and ethos within the firm.

Similarly, James highlights the importance of working front of house in his Bistro, he says, “This is our show case, this is our front, this is our window. If we can’t get our soup and our sandwiches right at lunchtime and our simple service we’re not going to get the bigger stuff in the rest of the hotel”. This emerges as a crucial foundation for the setting of standards for James’ employees. ‘The bigger stuff’ for James is primarily his wedding business which is an important revenue stream.

Operational owner/managers however, also give consideration to strategic thinking. Although Jennifer is “90% hands on” she has still been able to develop the business in strategic terms. Equally, Connell who says “we’re all Jack of all trades” has extended his business. In contrast, Jane explains “I’m not here as a manager...I’m here to do a job and you know, I’ll oversee people while I’m doing that”. Overall, it emerges that being embedded in the work flow has both operational and strategic advantages.

### **14.1.2 Investments made in the business in the past two years**

A further measure of Proposition 12 was the level of investment in their firms'. Ferrante (2003) suggests that entrepreneurs would typically have invested in their firms in the previous two years as outlined in 5.3. However, a period of five years is given among respondents in this research.

The interpretation of the term investment varied between assets and people acquired during the last five years. For example, the conversion of the upstairs of Duncan's premises into a function room still produces returns, and will continue to do so, due to the quality of workmanship and regular maintenance. Investment in 'quality' assets, a distinction not made in Ferrante (2003), is highlighted as important in gaining longer term returns. Furthermore, investment in 'quality' and a five year perspective demonstrates the owner/managers' long-term commitment to the business. Catherine also extended her premises to open up access to the wedding market. Samuel has extended his market reach through the purchase of two bar tents which he sites at events and beer festivals. They have been "very productive, that is, you know it has, in terms not only in generating some revenue, but also in terms of raising our profile getting us out there and people see us" he says. Again, bringing the bar to the customer highlights Samuel's creativity and entrepreneurial opportunism as outlined in Kirby (2004) in 5.2.

For Millicent upgrading to four stars and for Connell extension and refurbishment enabled repositioning of their businesses. For Jennifer, it was the addition of a car park which makes it easier to get customers. Sean refurbished bedrooms and some public areas which gave confidence to a previously demoralised staff who gave a negative

impression to customers and neutralised rumours that the hotel was up for sale. This is an important finding as employees may need to see investment if they are to have confidence in the business. If they lose confidence they may subliminally transfer these feelings to customers and affect the business negatively.

Similarly, James explains “About four years ago we completely gutted all 31 bathrooms”. This has been productive as he says, “our accommodation has increased dramatically over the last three years”. He also views the employment of a specialist reservations manager to alleviate booking issues and a dedicated banqueting manager to look after the weddings as investments. Consequently, investment in processes and human resources that improve customer service are deemed as important as investment in physical assets.

### **14.1.3 Systematic use of market analysis**

While Ferrante (2003) proposes that systematic market analysis is entrepreneurial, few respondents in this research demonstrated a systematic approach. However, what is highlighted is the high level of focus given to internal marketing activities to gain repeat business and referrals. This involves, perfecting the product mix. This centred on availability of product choices and consistent quality and service standards. Also, the importance was excelling in customer service and maintaining an ambient customer environment was highlighted. However, the use of systematic market analysis varied sharply between respondents but all were clearly focused on quality of products and the highest levels of customer service.

Trevor in particular, tended not to look externally to analyse the market. He says he prefers to “concentrate on what we’re doing ourselves and do it right and don’t take the eye off the ball instead of worrying about looking over your shoulder ...” Anjab concentrates internally on quality products and a pleasant environment for the customer. He explains “every customer that comes in, they say they recommended it to their friends. Which I think is the best way to market”. Consequently, these cases highlight the importance of internal marketing activity as the basis for business sustainability through repeat business and referrals.

For others, market analysis was limited to occasional visits to competitor restaurants. For example, Peter occasionally picks up ideas from restaurants on “the Lisburn Road where people are going to pay that bit extra...so I can sort of take stuff from places like that there and do it cheaper”.

As Connell gets most of his bookings online, he was more systematic as he uses Google analytics. Equally, James explained “I would watch the websites of all of my competitors on a near daily basis”. Additionally, he monitors what’s on in Belfast to judge demand levels and adjust prices.

Irene and Duncan use multiple sources for data. Irene’s customer base is 75% female. She says “the female industry is massive like you know as in, women from 18 to 35 that’s your sole client...Belfast hasn’t got a huge amount of people to benchmark yourself against”. She continues “I research a lot, I’d use a lot of web sites, magazines, I’d go away a lot and see friends so you do. Places like London, you can walk the streets and just see what’s going on there, what’s working”. Duncan regularly visits

competitor web sites and watches the daily newspaper to track their offers etc. He explains “I would be street wise enough. I would listen to a lot of reps, I would listen to a lot of bar staff, I would listen to a lot of people just to get their own wee vibes on it”. He considers his efforts to be systematic, he says “listen, you don’t sleep, you don’t turn off you know. Even, I go to London every now and again, to watch the Spurs and you know, different city, different country you’re watching. I would go and say you know, not as many out at this match as there was last year!” The importance of these results is that *multiple* information sources are available to owner/managers who wish to undertake systematic market analysis. This includes, the internet, magazines, newspapers, listening to reps and customers and visits to other cities.

#### **14.1.4 How products meet the needs of the chosen market segment**

Each respondent feels they offer a marketing mix based on an understanding of the needs of their clientele. All believe they operate at the quality end of the market segment they target and are therefore in alignment with Ferrante (2003) as outlined in 5.3. Sean’s hotel however, is fighting for survival and is putting on four star offers at three star prices in order to prevent business failure. While Ferrante (2003) does not offer suggestions for a business that has to reinvent itself with new products for new markets, entrepreneurial skills will be at the foundation of any solution.

Catherine however, understands that the Stag Inn operates at the top end of the market and attracts a premium clientele, she explains, “We can sell bottles of wine around £200 and £300”. Irene’s customers are looking for quality but also something different. She explains “our basis is gastro, back to basics cooking whether it be Belgian or Japanese,

just old fashioned food, good quality products, lots of food on the plate, you know, big portions, quirky cutlery, we try and do things really differently you know”.

Equally, Samuel describes his beer as high quality premium product for “people who are looking for something distinctive and different ... People are looking for things that are closer to nature and closer to ‘real’...” he said. Additionally at the retail sector he considered that “reducing our prices wouldn’t necessarily give us more revenue. It would just de-value our product”. Peter strikes a balance between affordability and higher quality. He feels he offers something “a little bit unique” and gets a “full house” at weekends. Connell, who operates at the top end of the guest house market, can offer accommodation which is a suitable alternative for overflow guests to the Culloden hotel. It is also generally high quality affordable accommodation. Samuel however, highlighted the difficulty in maintaining consistency in his ale production and so redefines ‘consistency’ as ‘character’. He explains that his beer “doesn’t have the consistency of ... you’d expect if you are buying a bag of ball bearings, you know it doesn’t have that consistency because its live, it’s a live product...I try and take the character of a product rather than say the quality of the product”. There is a danger here however, as lower standards could easily be explained away. Ultimately, it will be the customer who decides the extent to which they want to substitute such subjectively defined ‘character’ for ‘consistency’ or perhaps ‘quality’.

Duncan’s bar is a free-house, and so his wide range of beer choices wins him customers. Millicent explains there are “so many businesses in a hotel...you see you would have like the pub trade, the bar food trade, you would have the restaurant trade you would

have the accommodation, your leisure guest, you have your corporate guest, you would have your wedding guest.”

James also considers he meets the needs of his market segment very well “Our bedrooms are very niche and very quirky. Our food in our restaurant and bistro is very good and our drinks service isn’t bad”. He considers however, that wedding prices need to rise “because of peoples’ perception of us became cheap; we started getting weddings from the wrong end of the market”.

Sean’s hotel however, is configurationally limited as the building, while lending itself well to the wedding market, is not suitable for conferences.

#### **14.1.5 Choice of strategies**

Respondents demonstrate entrepreneurial behaviour in alignment with Ferrante (2003) as outlined in 5.3 as they have a mix of strategies to gain competitive advantage. For example, product characteristics, pricing, employee development, market development and uniqueness of business concept. For example, Millicent raised the specification of her outlet from three star to four star and became a boutique hotel.

Other product/market strategies included Irene differentiating her product as quirky, good quality yet basic well cooked food in an authentic style and uses rare breeds and organic produce. Catherine also focuses on high product standards but emphasises the need for consistency.

Connel differentiates his guest house through added value by providing “complimentary glasses of wine and complimentary port in the rooms” in alignment with Mason (2005) as outlined in 7.6. Jimmy considers product quality and high level service skills delivers competitive advantage. He wants to change his image as having the lowest prices and says “I don’t want to be known as the cheapest coffee shop in town”.

James considers that balancing “price and quality” are “key”. In January and February low season offers are used to fill the rooms. Using priced based offers in order to utilise excess capacity in low season are however, acceptable due to the nature of the Hospitality and Tourism market and does not devalue the image of the product. Nevertheless, when prices are reduced quality standards must still be maintained in order to protect the reputation of the firm so that high season business is not affected. James also recognises staff training as a method of gaining competitive advantage in alignment with Field (2000) as outlined in 2.2, although he states, “We’re terrible at that”. Equally, Thomas seeks increased operational and financial efficiency through staff training, as he explains “the big thing in the restaurant business is getting everything through the till...and its getting the systems in and we’re still working on that and we’re still making mistakes” He has “made the special menu £1 cheaper” than his competitors in order to compete and is considering other similar tactics. As part of the ongoing development of her business Jennifer is following a product development strategy by opening a take out food counter.

Strategies that were tried and abandoned included the attempt by Irene to present a cool image for her business. She explains “when I first opened I thought it would be cool if I

took a glass of wine, people would respect me and things like that and its just ridiculous, don't drink on the job!"

Overall, respondents align with Ferrante (2003) as they have a mix of strategies to gain competitive advantage. These include, product characteristics, pricing, employee development, value added and market development.

#### **14.1.6 Sales levels generated by regular customers**

Ferrante (2003) suggests that the concentration of sales should provide a measure of outside options as outlined in 5.3. When measured in terms of sales levels generated by regular customers, in relation to proposition 12, some respondents provided a range of percentages. Others could identify the level of sales from regulars but not the relative size of this cohort. Building design in some cases also determined that the firms' revenue streams had to be limited to a few core activities such as weddings or conferences as was the case with Sean and Millicent. However, the importance of repeat business was again emphasised.

Millicent who targets the conference market explained that 80% of her sales come from the 20% of public body customers in the local market and considers that this "is where the money is". She explains "the leisure guest is a filler for us". Understanding this ratio does however, highlight her understanding of her core business that can affect all managerial activities she undertakes. The weakness here however, could be failure to develop multiple revenue streams. Conversely, in the recession Connell relies more on

the leisure market as his regular corporate custom has fallen to around 50% compared to 65% last year. Samuel considers he has a sustainable regular customer base of 40% to 50% for his restaurant. However, high volume discounted wholesale beer sales are 80% to 90% channelled through the same distributor so the brewery has a weak bargaining position.

Restaurant owners have been less able to define their customer base other than to say that staff know their regulars. When Catherine's staff recognise regular faces she says they "would maybe give them a pre-starter or something extra to reward them". Irene estimates that between 50% and 60% of customers are regulars and James feels his regulars represent around 60%. In Duncan's pub his regular customers account for 80% of sales i.e. £16000 out of £20000 per week. He recognises the importance of repeat business. He explains "I'm not Paddington Station in the centre of London, where if I lifted £20000 a week, £19500 of that are people who came of the 5.50pm that have never been into Paddington in a year". Here Duncan distinguishes between two distinct business models with location defining the differences between the need for regular customers rather than irregular passing trade. While Ferrante (2003) considers a narrow customer base impedes bargaining power in the context of their research. In this research, a relatively high proportion of sales from a smaller 'core' percentage of customers can be indicative of strength. As Duncan explains, a bar in Paddington Station has the levels of footfall from passing trade to enable business sustainability. The opposite is true of his bar. Consequently, he relies on regulars which in turn drive him to focus on quality and customer service so as to win repeat business. Anjab also emphasises the importance of location. An estimated 90% of his sales are generated by repeat business. Thomas who is also in a village generates 80% of his business from his

most regular customers and benefits from the tourist market in the summer. Jane is also in a tourist location and draws customers from towns within a 15 mile radius. She estimates that only 10% of business is generated by regulars.

Sean was unable to provide customer estimates but recognised that his corporate custom was the only source of repeat business and this was constrained by limited facilities. He relies on the 186 weddings hosted each year however, like Millicent above he has too few revenue streams leaving him vulnerable to the dynamics of a narrow market. While James relies on revenue from hosting 236 weddings, he revealed a broader balance of income from his revenue streams i.e. 50% of business was generated by the bar/bistro and 30% from accommodation. Jennifer estimates she generates around 50% of her sales from a strong regular customer base with the other 50% coming from domestic tourism.

#### **14.1.7 Sales levels generated by most popular products**

Following on from above, the writer sought to identify if respondents knew the level of sales generated by the firms' most popular products. While some respondents offer a wide range of products there was no evidence of analysis of the contribution of individual products to overall sales.

Respondents defined their most popular products in different ways for example; Jennifer identified "lunch" as producing 70% of sales. Kathleen however, identified specifically that the restaurant's signature dish, 'Chowder' was the key product and for her scampi, "people will travel half the distance of the province". James also identified

specific dishes. Chilli Chicken, Fish and Chips and the 'Special Number 1' he says, "I would say between those three products could account for 60% to 70% per cent of my sales here on a lunch time, very, very high". For Anjab it is "Chicken Tikka Masalla... [and]... Chicken Korma" he says would account for around 60% of his sales.

Irene identified that 50% of dishes ordered were "white wine, fish finger sandwiches and burgers" and she says "Steaks... we're really known for steaks, they're amazing". Even though Jane runs a seafood restaurant, seafood accounts for only 20% of sales. "You know there's a wide variety of things on offer here" She explained. Peter explained he has "quite a few menus" with an even spread of sales although "steaks would probably be the most popular". Catherine did not understand her sales mix but explained she could utilise her electronic till better, "I suppose I should look at it more often but I spend 15 hours in the kitchen everyday so its hard to find time".

Duncan sells three core brands of draught beer which together generate 60% to 70% of turnover. However, Samuel explains that while all his products revolve around Cooley Hills Ale, this only contributes 30% to total turnover. He produces "seven or eight different beers" but doesn't "know what the most popular ones are". Weddings, conferences and outside events also generate around 30%. He explained that "the diversity of income streams, you know has emerged relatively recently". Currently 55% of Thomas's trade is generated by food and 45% beverage. He wishes to increase food to around 65% and be known as a food venue.

Not understanding the contribution individual products make to overall sales demonstrates weakness in evaluating product strategies. This in turn impacts on

respondents' knowledge of customer tastes. Any changes in menus for example, could result in their losing regular customers as they may change a core product. This highlights a weakness in obtaining analytical data to be used for strategic purposes for which a learning methodology could be devised in order to close this knowledge gap.

#### **14.1.8 Arguments accepted for reducing a customer's bill**

Here the writer sought to identify what arguments are accepted for reducing customers' bills. Ferrante (2003) as outlined in 5.3 relates bargaining strength to business performance. Respondents here demonstrate strength in that mistakes are few and they normally achieve their asking price. Some respondents emphasise the importance of compensation for mistakes in maintaining long-term customer relations rather than it being perceived as weakness. Some also recognise the strategic importance of their supply chain in enabling them to deliver quality to their end user. The following has therefore been concluded from the above:

While Connell states giving money off the bill "doesn't happen. It hasn't happened", Anjab says the "only time I have to give them a refund or 50% off, if they maybe got a wrong meal by mistake by a waiter".

Irene explains "mistakes do happen" and is happy to compensate. She reveals her understanding of the importance the supply chain in delivering quality to the end user. Where a customer complains there is an issue with the produce used she follows this up with the supplier so that it does not happen again. Jimmy says "If there's a bona-fide reason for a complaint you really have to accept it..." Similarly, Peter says "its not all the time I'm happy about taking it off, 20% percent of the time I'm not happy about

taking it off but I don't want anybody to eat in here unhappy". Thomas is confident about his product but says "I believe the customer's always right...If there's a problem you try your best to solve it. He considers that where he identifies a problem "there wouldn't be a bill in the first place". He explains that he is not "soft" but that "If you go where you're trying to appease the customer, its a short term loss and a long-term gain". Equally Duncan is happy to replace products or reduce the bill where there is a genuine complaint. For Jane replacing food or reducing the bill is a rare occurrence. She quantifies it at around 1 in 500 out of a total of 40000 customers per year.

For Samuel' reducing the bill, "happens fairly frequently" He explained "...there have been a few incidents where a table has been forgotten or something like that".

Some restaurants use complaints as feedback. Catherine for example, records customer dissatisfaction which is then reviewed with the chefs. Equally, Peter says where there is a problem "I want to find out. I'll be in the chef's room...making sure it doesn't happen again". Irene also follows up on complaints with suppliers in order to identify what has gone wrong so as to avoid future problems. James has resolved issues such as low water pressure through refurbishment and has fewer complaints.

Overall, rather than perceiving the need to occasionally compensate, respondents place the value of the customer as paramount and generally a long-term strategic view is taken.

#### **14.1.9 Price changes over the last three years**

Maintaining prices is seen by Ferrante (2003) as a measure of business strength in the market as outlined in 5.3. The writer therefore sought to identify how prices had changed in the last three years for respondents. It can be seen that most are confident about increasing prices when necessary.

Catherine for example, is confident about passing increased supplier costs onto the customer suggesting a strong competitive advantage. She explains “we would always have the freshest fish or venison from the farm two miles up the road so we have to charge accordingly”. Similarly, Irene raises prices when her suppliers raise theirs. James explains that increasing wedding prices by 10% will re-establish his market position and attract his preferred clientele. Thomas has raised his prices as he says “insurance, fixed costs went dramatically through the roof over the years”. Similarly, Anjab identifies increases in utility bills as the main reason he has increased prices. However, he explains “Even when the minimum wage wasn’t there you like to pay somebody a decent wage who are good for your business...will develop your business instead of ruining it”. Peter raised prices in his restaurant by 10% due to losses in his first year of trading. Overall, these respondents demonstrate they can maintain price and pass on supplier increases to their customers. Consequently, they align with the assertion of Ferrante (2003) and demonstrate business strength.

However, Jennifer and Trevor draw a balance between increasing prices and maintaining customer visits. Even though overheads have increased they are keen not to overcharge as Trevor explains “we kind of like to get the customer twice a week than

once a week. So we'd be kind of conscious that we're not over charging and its not too much of a treat". Trevor demonstrates that, rather than being able to maintain prices as suggested by Ferrante (2003) it is about devising pricing strategies that maximise sales that is a key strength. Similarly, Millicent operates a yield management system similar to that used by budget airlines. Her system tracks demand levels and she devises prices that maximise on prevailing market conditions.

Samuel however, demonstrates a lower level of entrepreneurial talent. He justifies heavy discounting on bulk beer orders to retailers on the basis of lower costs on distribution and not having to maintain in-pub pumping systems. However, other issues may affect his ability to price higher for example, consistency of product as discussed 14.1.4.

Due to the recession Duncan says "the government has brought in three price increases and I put on one". His ability to maintain price is affected by competitive pressure as he is located beside another pub that consistently offers its beers at low prices. Sean is also challenged by market conditions and explains that "in the last three and a half years we have kept the prices the same without any increase and are always having now to discount heavier" which means his prices are continually falling.

#### **14.1.10 Turnover generated through special offers**

This is considered in relation to output prices as described by Ferrante (2003) outlined in 5.3. The results reveal that most respondents are reluctant to introduce special offers as they consider this would devalue their image. James's restaurant however generates significant sales revenue from a two for one meal deal, but this is pitched at the upper

end of the quality/price spectrum. Low season deals are necessary as previously explained and some tactical pricing is also evident. Ferante's (2003) research took place in the context of "substantial homogeneity of the firms' technologies and outputs". In this research respondents, although from the same industry had diverse businesses in terms of concept, size structure and location. However, results tended to be consistent across firms in that few thought special offers were a good idea other than seasonal offers. However, in Sean's case it is a mechanism for survival.

Catherine however, does not do special offers because she says "we pitch ourselves as high quality that is worth paying for". Similarly, Irene says "I think if you start plastering special products across you're windows it looks tacky, its not good, people say it's a cheap product". Equally, Anjab explains "I think special offers people tend to think well you must be desperate for business. It gives the wrong impression sometimes".

Jimmy explains "I have thought about it but haven't got to that stage". Peter however, generates around 35% of his sales through special offers. He doesn't like doing them but believes they play a part in "getting people through the door" so he can pay his bills. "It works" he says "so I wouldn't change it".

To overcome low occupancy in low season James explains that special offers are "absolutely necessary". In this context however, price maintenance can be dependent on industry characteristics such as seasonality. However, all year in the Bistro he also offers a 'meal for two and a bottle of wine' for £39.50 attracting between 40 and 50 covers Monday to Thursday, around 90 on a Friday and 120 to 130 on a Saturday night.

This is not a one off special offer however and is a core product in his product mix. It is also at the upper end of the price spectrum relative to his competitors for the same offer. It should be considered however, that as price change may be dependent on market conditions a better measure would be price change relative to competitors. If a firm can maintain its prices without negative effects on turnover relative to competitors this would be a sign of business strength. Kathleen for example, explains that she does more special offers due to the recession because her target market has “slipped to a lower spend”. Such issues are equally likely to affect her competitors. Also, while revenue values decrease through reduced prices, volume levels may remain the same. Maintaining volume equates to maintaining customer patronage which is essential for business survival.

Sean considers he must do more special offers. He says “I do believe we can be much more...focussed on special offers and things, and we’re actually putting a lot of offers together”. This is part of his recovery strategy for his hotel.

Although Millicent uses her yield management system she sometimes offers ‘two nights for the price of one’ but markets this as added value. Consequently, respondents generally demonstrate a strong knowledge relating to the relationship between price and perceived quality.

#### **14.1.11 Credit control**

Ferrante (2003:165) as outlined in 5.3 makes the assumption that “weaker firms are obliged to accept late payment”. In line with Ferrante’s (2003) Samuel demonstrates

weakness as he struggles to manage without an administrative infrastructure in place. He occasionally has to wait for money from functions or wholesale beer customers. He says “we don’t have any systematic way of dealing with them, we just simply chase”. Samuel also revealed that he has suffered a small number of bad debts in the past and expects he may be exposed to future bad debts.

Most respondent however, revealed that they are efficient at credit control. Indeed, James demonstrates in relation to his wedding business, if you have a strong product the customer will pay in advance.

Weaker businesses often do not wish to press customers for money in case they lose their custom. This in turn negatively impacts on cash flow and further weakens the business. Most respondents operate on the basis of immediate payment or advance booking of funds on customer credit cards. Nevertheless, on one occasion it took Irene ten months to collect a small debt from a government agency. Both Millicent and Jimmy can sometimes wait up to sixty days for payment but having strong credit controllers has helped them avoid any bad debts.

Overall however, most respondents do not align with the findings of Ferrante (2003) which suggests they have stronger firms as they do not have to wait for payment. Indeed, most can achieve advanced payment even for major purchases such as weddings as is evidenced by James.

## **14.2 Conclusion**

In conclusion, the results in respect of measures of entrepreneurial talent as identified by Ferrante (2003) have been presented above. The next chapter presents the results derived from questioning centred on testing proposition 13 relating to business growth.

## Chapter 15

### 15. Business Growth

Following on from chapter 14 which presented the findings in relation to the respondents' strategies and performance, this chapter provides the results relating to proposition 13.

#### **15.1 Proposition 13: Owner/managers in this research cohort do not have the capacity to grow their business**

This proposition has been devised to measure 'communicated vision' and 'new resource skill' as defined by Baum and Locke (2004) and outlined in 5.6. These have been considered on the basis of questioning respondents regarding the following:

- Communicated vision
- difficulty in obtaining new business resources
- integration of new resources into the firm
- business success achieved measured against a previous vision
- expectation of growth in the next three years, and
- anticipated internal or external enablers or barriers to growth

### 15.1.1 Communicated vision?

Baum and Locke (2004) as outlined in 5.6 consider that communicated vision can be used to motivate and align entrepreneur-employee goals. However, it is apparent from this research that vision may not need to be articulated to employees *per se*.

Not all respondents shared their vision with organisational members. Samuel explains that his vision is “blurred”. There are a lot of growth ideas “floating” he says but no focus in terms of what should be pursued. Similarly, James says “I don’t know how I define my vision?” although he discusses development plans with staff which suggests he must have some perception of where he wants to be in the long-term.

Peter doesn’t look too far ahead “I would have something in the back of my head” he says. However, he wants to “focus on one thing and make sure we get this right first and then move onto the second thing”. Jane has also no clear vision but says she is centred on creating “somewhere people are happy to work and where customers are happy to come in to, you know we’re not looking for a business that going to rule the world”. So while they do not identify a vision they still look towards the future.

Other respondents have a vision but do not wish to discuss this with others. Catherine for example, explains that she works hard “to keep the standards up and keep the customers coming in.... I think [the staff] feel secure in their jobs and that the restaurant will continue to do well in the future”. Similarly Connell explains in relation to his vision “...as far as employees are concerned it doesn’t really mean much” as most of his staff are casual and part-time.

Jennifer doesn't like to raise staff expectations in case things change but shares her vision with some. Trevor explains "You want to keep them on board and give them ideas that maybe their will be something else for them, whether it be a different job for them to manage that section you know?"

For those who actively share their vision it is not always perceived as productive. For example, Irene discusses her vision with her staff "too much sometimes" she says, as they can be critical if her ideas don't work out. They say "keep it quiet until you actually get it next time". Duncan harbours the vision of buying back six restaurants he sold and discusses this with current and past employees. He explains "even members of staff that used to work with me that no longer work there will say 'when are you buying that Horseshoe Inn back? I'll come back and run it with you!'"

Thomas is open with his staff about his vision as it prevents rumours from developing. Not knowing he says "it does get people very scared and very, very unmotivated, un-nerved". He also asks their opinions regarding his ideas for the business. He explains "you would ask them, and they could see something...sometimes you learn more by listening to them". Millicent also shares her vision, but with key staff only, so she can talk it through as its "only through discussing things, that things become clearer and whether they're going to be practical and workable".

### **15.1.2 Difficulty in obtaining new business resources**

According to Baum and Locke (2004:589) as outlined in 5.6 an entrepreneur's 'new resource skill' will impact on their growth and performance. It is defined as the ability of the entrepreneur to "acquire and systemize the operating resources needed to start and grow an organisation".

Respondents report the most difficult resource to acquire is people. Jane for example, operates in a remote coastal location where there are few potential workers. Thomas, explains "I've had to get rid of four chefs, five chefs since I started here" because they did not meet his standards. Kathleen also identifies high turnover of chefs however, she now provides them with accommodation which has improved retention. Equally, James has retained his chef of twelve years by paying a top salary of £50000 per year and pays higher than the minimum wage for all other staff. Consequently, not only does new resource skill apply to the entrepreneur as outlined by Baum and Locke (2004) it is also relevant in established enterprises.

For Anjab, the problem is acute as there are few Indian chefs in Northern Ireland and immigration procedures prevents him bringing in recruits direct from India. He needs genuine Indian chefs who can produce authentic Indian cuisine. "So human resources can be pretty tough to get, and there's many times when staff were hard to get I just felt like giving up" he says. Anjab also has an established business but had to be relentless in his attempts to recruit genuine Indian chefs. This shows that entrepreneurial skills are always necessary regardless of whether the firm is established or not. In contrast to Anjab however, for Millicent, the recession has provided a bigger pool of labour.

Catherine hopes to overcome the inconsistency in the quality of produce by growing her own organic vegetables in a new poly tunnel she has acquired. For Samuel raw materials for the brewery are available but he says “Its getting the stuff we want and getting it at a price you know?” The slow process of gaining planning permission for her new car park presented a major problem for Jennifer. Nevertheless, she was able to negotiate the bureaucracy of government agencies to gain planning permission.

### **15.1.3 Integration of new resources into the firm**

In accordance with Baum and Locke’s (2004) definition of ‘new resource skill’ as outlined in 5.6 the writer has sought to discover if integration of new resources was systemised. While systematically integrating new resources into operations has been achieved there have also been problems identified.

Most respondents have followed a process when integrating new resources. Jane explains that integrating new people is not a problem as they are easily “absorbed into the flow” and it takes only half an hour to train them to operate the till. People start at the “bottom” and are not given responsibility until their skills develop so that there is no disruption to the operation. For Anjab, new staff come from the Indian restaurant sector and are accustomed to the workflow and equipment. Millicent explains that she is systematic and plans well in advance of integration. Nevertheless, the introduction of a new computer system, still required a lot of work, “it took four months out of our lives,” she said. It is consequently important to recognise from this that pre-planning does not guarantee avoidance of disruption when introducing new resources.

Duncan consults with his key staff and provides training for them in the use of new resources. “It wouldn’t happen overnight, it would be, we would be talking for days, weeks, months planning it”.

Thomas has had difficulty integrating new staff that come from outside the locality as they tend to be “clannish” he says. Catherine however, feels that “people need to be able to break into new groups if they are going to be successful”. Similarly, Samuel explains that the integration of new resources can be “quite chaotic” because long serving staff can be resistant to change.

#### **15.1.4 Business success achieved measured against a previous vision**

In order to further consider ‘new resource skill’ as identified by Baum and Locke (2004) as outlined in 5.6 the writer has sought to discover the level of business success achieved against a previous vision. The issue of target setting had been a problem for some respondents, mainly at the start up stage. While some did not set targets, others did, but under or overstated their potential. The key underlying reason identified was lack of understanding of the market.

However, not all respondents had specific predetermined success criteria. Catherine for example, did not have specific targets but has done “much better than expected” she says. This means that intrinsically, she must have some kind of target in mind. Equally, Irene expresses that it has been “better than what I ever imagined”.

Thomas is also happy with results against targets set but would like to set and achieve higher targets. Similarly, Jimmy says “I think it would run fairly well in parallel with what I’ve set for it” but wonders if he originally set his targets high enough. Conversely, Peter considers he set his expectations too high. He thought it would have been “plain sailing” but explains “I just didn’t know how hard it was going to be so ehm, its not, it hasn’t been a great success”. This means the ability of the owner/managers to forecast the performance they had achieved was weak, with both over and under estimations appearing to have wide variances within their projections.

Not only has Jennifer and Trevor “exceeded” their targets “every day we get busier” she explains, as they have opened up more revenue streams than they originally would have planned to. Also, James who set out his targets in a corporate plan says he has “beat seven bells out of it... in the last three years it has far exceeded anywhere close to where we thought it was going to be”.

Millicent, after the refurbishment of her hotel, reflects that she’s “disappointed that we’ve got everything all singing, all dancing, and can’t capitalise on the boom that we had”. Kathleen explains that achieving in excess of 10% net profit margins means “its not falling below the expectations” whereas Samuel has not achieved business or personal expectations. Equally, Anjab admits he “expected to do better than what we initially did, but you understand we underestimated the area. People just seem to be just weekend people” whereas he expected at the start up stage there would be steady business all week. Overall, lack of target setting and inaccurate target setting, including limited financial planning as identified in relation to Proposition 9, may impact on how the respondents model their future growth and viability.

### **15.1.5 Expectation of growth in the next three years**

In further consideration of 'new resource skill' as identified by Baum and Locke (2004) as outlined in 5.6 the writer has sought to discover medium term growth expectations. All respondents expressed an aspiration for further growth which most felt would be achievable after the recession.

For those constrained by the footprint of their premises, such as Catherine and Connell, growth is sought through increased turnover. Catherine also considers her poly-tunnel as growth and Connell believes the restaurant side of his business is under developed. James also seeks to increase turnover and explains "if we get it in the accommodation the trickle down generally comes back on the food and on the drink". Similarly, Kathleen seeks to increase occupancy and achieve productivity gains as fixed costs would not have to rise. These perspectives suggest a positive outlook for the future.

Similarly, opening additional outlets is the intended growth strategy for Peter and Irene. However, while Irene is currently in progress Peter aims to "keep everything level" until after the recession. Jimmy hopes to benefit from the recession due to the closure of competitors and would like to move to bigger premises. Thomas seeks to purchase the adjoining premises to redevelop the accommodation side of his business. Jennifer & Trevor are currently extending their premises and expect between 10% and 20% growth next year. Again while there are actual growth strategies in progress there is also caution in the current challenging economic environment.

Growth through developing a carry out service forms Anjab's strategy and for Jane it will be achieved by opening a coffee shop within her existing premises. Samuel thinks he could double the size of his business by developing the hospitality side of the operation. He believes there is "great potential" to grow beer sales through the events promotional activities "and that potential will I think sort of generate, regenerate the, the basics of the business" he says. For Duncan, the strategy is to claw back sales lost during the recession but he would also buy back some of the outlets he previously sold. Sean however, expects his business to contract although he says "we have to turn it around...but realistically the way things are going its not improving!" Overall, the diverse range of growth strategies reveals the owner/managers possess the entrepreneurial characteristic of 'creativity' in alignment with Kirby (2004) as outlined in 5.2.

#### **15.1.6 Anticipated internal or external enablers or barriers to growth**

In continuing the assessment of 'new resource skill' identified by Baum and Locke (2004) and outlined in 5.6 among the owner/managers, the writer has sought to identify internal and external barriers to growth recognised by respondents.

Externally, the peace process has had a positive effect according to Peter as people now feel safe going out. He explains that during the troubles in West Belfast if "you wanted to get into a restaurant you were buzzing a steel cased door". Irene however, explains how councils have vast budgets but do little with the money "and everything takes so long to do anything". Also, she explains "The businesses that are here already, almost have got like a business mafia that own a lot of organizations, it can be really stifling".

Samuel considers the 'Licensing Act' impacts on the development of new bar outlets and states its "the biggest restrictive practice" as there can be no new pub licenses.

Kathleen explains how employment legislation poses a threat, "working hours, working conditions, contracts of employment, job descriptions, the possibility of tribunals eh, opportunity for all eh, various harassment legislation. The big one is health and safety at work". She continues, "I mean a tribunal could blow a very, very good business out of the water. So I think the external threats are huge".

Internally, Irene considers she personally presents a barrier "I get very aggressive and piss people off with my language" she says, and she can be disorganised and impatient. Equally, James is self-critical of his human resource management skills. He explains, "we are very lucky we have some very good staff here we just need to get better at getting them better". Importantly, these respondents manifest the important entrepreneurial characteristic of 'internal locus of control' as identified by Kirby (2004) as outlined in 5.2. This demonstrates that rather than considering problems being the fault of others, they accept they are in control of their own outcomes.

An inflexible building layout is a barrier to Jennifer as all trading areas are separated and each requires a separate cohort of staff. Connell is constrained by the footprint of his building and Sean whose venue is perfect for weddings does not have a configuration suited to the corporate market.

Willingness to delegate presents a barrier for Peter who while leaving staff in charge occasionally, says "if I hear anything's went wrong, you know, a customer's

complained or something, I sort of, you say, ‘why wasn’t I there’ you know”. He also worries that he cannot split himself in two and if he had another outlet, this might affect the business. Connell explains how the guesthouse business “is a job where you’re on duty 24 hours a day” and retaining uniqueness would be difficult if he was shared across additional outlets.

## **15.2 Conclusion**

In conclusion, the results presented above relate to the owner/managers’ ability to grow their firms as measured from responses to questions derived from proposition 13. The results obtained in relation to final proposition are presented in the following chapter. These relate to the owner/managers’ knowledge of potential training solutions.

## **Chapter 16**

### **16. Training solutions**

The results pertaining to the capacity of the owner/managers' to grow their businesses are presented in chapter 15 above. In this chapter, responses relating to proposition 14, devised to test the respondents' knowledge of potential training solutions, are provided.

#### **16.1 Proposition 14: Owner/managers have limited knowledge of training solutions**

##### **16.1.1 Learning solutions identified**

Overall, many respondents demonstrate high levels of business acumen and skills. Most respondents also recognise a need for training and in the absence of suitable courses some have taken steps themselves to develop their management skills. This has included, listening to tapes, reading management books, attending seminars and working in benchmark firms.

Duncan considers he does not need new learning and his business runs smoothly under his business manager and Duncan only has to call in when he feels the need. His attitude to learning and his business management method confirms him in the 'warden' characterisation as set out in the owner/manager learning access model Figure 3. Such a mindset however, immediately creates a barrier to learning which in turn as explained by Salaman and Butler (1990:183) as outlined in 5.1 may become a barrier to survival. Duncan considers "everybody's got their own forte" and he knows what he's good at.

He questions the point of seminars as if he went to one he says “I don’t think I could come back next week and walk into The Central Bar and make things two grand a week better. I don’t believe so”. Indeed, Salaman and Butler (1990) also identify rewards for training as a potential barrier to participation. Duncan’s linkage between training and financial reward highlights the nature and scale of return he would need to achieve in order to overcome his barrier to participation. In alignment with Dawe and Nguyen (2007) as outlined in 5.1, Duncan finds it difficult to relate training to business performance. Sean similarly explains “I haven’t been to a course in a very long time where I have gone wow! There’s something new that I didn’t know. But I’ve often gone to the course and said, one moment, wow! I’ve stopped doing that”.

Irene explains that “working under people and learning from people” rather than “quick fix courses” would be her preference. In terms of online training, Connell who wants to develop his internet marketing skills says this “wouldn’t work for me. I need to be with people”. Equally, Millicent doesn’t “really believe in online learning” because “people learn much better with their peers in a room” she says. Also, James says “I think I would learn better in an environment where there are people in the same position as me trying to get to the same finish line” he says.

Long and Smith (2003) as outlined in 6.1, perceive the internet as a valuable training tool and some managers would consider the internet as an acceptable learning medium. Jimmy for example, would consider some online learning or "the odd seminar" residential week-ends and the use of audio and video media. Going into someone else's business he says, to get “hands on experience...I’d say you could go to a seminar and learn about it, but the theory is often very different from the reality”. Here Jimmy

recognises the difficulty in achieving the transfer of learning from theory to practice as identified in Broad and Newstrom (1992) as outlined in 6.4. Equally, as identified in 12.5, Samuel considers “placements in other places where they can see things being done” is the best learning method if it can be arranged. However, Samuel asks, “Where are those opportunities? And secondly, how could we possibly sort of, how could we possibly organise for that to happen”. Samuel’s inability to see how such learning opportunities could be self-generated, confirms him as a ‘passenger’ in the context of the owner/manager learning access model Figure 3. In contrast, Catherine is an ‘advanced driver’ having taken the initiative to organise her own learning opportunities by working in Crofts and Bailey’s. Indeed, such boundary crossing aligns with Gibb (1997) in 5.1, who advocate participation in ‘knowledge circles’. Also, Dawe and Nguyen (2007) in 5.1, emphasise that small firms prefer learning through business to business networking or collaborative or group learning in business clusters. Such informal learning is considered by Ashton et al (2008) in 5.1, to be beneficial as it is specific to what needs to be known when the knowledge is required.

Peter says “I want to do anything that’s going to push us on, you know” and he would do online courses. Anjab would like to learn new things if it helps the business but is not sure how to go about it although he has ideas. He says “Where I lack a bit of knowledge is marketing” and doesn’t know how to use the internet. Visits to curry houses in cities like Manchester would also be valuable to “see what methods and what different things they do in front of house, service wise and things like that”. Also, “Indian restaurants don’t tend to do a lot of desert menus, so maybe you could learn different things about deserts”. Anjab’s desire for learning but need for guidance confirms him as L-plate driver in the owner/manager learning access model Figure 3.

Thomas would like to learn new internet marketing methods like twitter and facebook at seminars or workshops alongside peers from a mix of different industries. He also says “I think home study is very, very good”. He has also used the Economist magazine’s training courses. “You download them listen to a couple of them. They’re great”. He would also use books but says “to get the time just to find what’s the best that’s available and...I think there’s that much its trying to get what’s specific to you”.

Jennifer would like to learn at industry seminars she says “I suppose it would be nice to be with people with the exact same problems ...” she continue “I wouldn’t mind doing it on the internet as opposed going into that class room situation” where she would not feel comfortable. Jane is interested in learning more about marketing and how to link better with other businesses. She would consider online learning but not seminars or workshops. Learning in other businesses, she says “I think that’s probably the number one thing”.

So while training opportunities are limited it is possible for the owner/manager to create their own learning solutions as was demonstrated by Catherine, Irene and Thomas which in itself demonstrates entrepreneurialism.

Additionally, the owner/managers possess a significant pool of skills and knowledge. However, these are not sufficiently concentrated in individual organizations and so significant knowledge gaps exist. This suggests that from the pool of knowledge spread across all firms, there is potential for knowledge sharing if a framework were devised to facilitate such co-operation. Indeed, knowledge sharing is the preferred method of

training if structured on the basis of working in the firms of others to gain experience as highlighted for example, by Irene, Jimmy, Samuel and Jane who says “I think that’s probably the number one thing”. Such informal learning approaches are identified by Ashton et al (2008) as outlined in 5.1 as having the benefit of being focused on the knowledge that specifically needs to be learned.

## **16.2 Conclusion**

In conclusion, this chapter presents results from questioning to discover the owner/managers’ knowledge of training solutions and concludes section four of the thesis. The next section, section 5 draws conclusions from these results which are discussed within the context of the literature reviewed in chapters 2 to 7 and the research propositions identified in chapter 8.

## **Section 5**

Conclusions

A final review

## Chapter 17

### 17 Conclusions and implications

Having outlined the findings of this research in chapters 12 to 16, this chapter draws conclusions from the study. This is then developed into the ‘owner/manager learning access model’ Figure 3.1 in 17.3.6 which enables the research question as posed in 1.2 to be answered within the context of this model. Limitations and implications of the research are then discussed.

#### 17.1 Introduction

The research results have been outlined in chapters 12 to 16 above. This chapter provides conclusions in relation to these.

While some results confirm expectations from the literature reviewed in chapters 2 to 7, this literature has not previously been considered in the situation of owner/managers in the Greater Belfast area. Within this chapter, such confirmations of the findings in the literature are considered to be ‘*advances*’ on previous research and add depth to the understanding of the phenomenon under study.

The key focus of this chapter however, is to identify the more important ‘*contributions*’ or ‘additions’ to the body of knowledge, arising from this research and comprises:

- Disconfirmations, where the findings were contrary to the expectations derived from the literature.

- Areas about which there has been speculations in the literature, but no empirical testing and finally,
- New areas that have not been raised in the previous literature.

(Perry 2002:37)

A full table of conclusions has been provided in Appendix 4, in which each conclusion, as devised in 17.2 has been displayed. These have been categorised on the basis of the above relative to their *advancement* of, or *contribution* to the wider body of knowledge.

Further to this, the conclusions about the research question have been discussed on the basis of four emerging themes and displayed in Figure 2 in 17.3.

- The workplace and its members sources of learning,
- Owner/manager perspectives on learning and of being a learner,
- Current capabilities of the owner/manager, and
- Owner/manager perspectives on training solutions.

From this, the ‘owner/manager learning access model’, Figure 3.1, shown in 17.3, has been devised. Additionally, the interconnections between components of learning are shown in Figure 4, in 17.3. Finally, the answer to the research question posed in 1.2 is then outlined in 17.3.5.

Further to this, limitations and further implications for the research are discussed.

## **17.2 Conclusions about research propositions**

This section outlines the conclusions reached in relation to the propositions stated in chapter 8.

### **17.2.1 Proposition 1: Failure in previous learning is a barrier to participation in new learning.**

The results presented in 12.1 were contrary to the expectations derived from the assertions of Aston (2004) in 4.5 and the Information Society Forum, (1996: 2) in Field (2000: 18) in 2.1, that previous failure is a barrier to new learning. The writer has therefore deduced the following conclusions.

Firstly, although there was evidence of one owner/manager, Jennifer who perceived failure in the past had left psychological scars, this did not put her off engaging in new learning. Such learning would typically have to be related to business success (Dawe and Nguyen 2007) in 5.1. Indeed, Doyle and Hughes (2004) in 5.1, consider formal learning is not a pre-requisite to being able to deal with major business issues. Others who had perceived failure in the past also engaged in new learning. Respondents were however, only interested in new learning that related to enhancement of business performance.

Secondly, it can be concluded that drive to succeed can exist regardless of past failure, as demonstrated by Peter and Irene who found their own informal routes to learning.

This would suggest that these owner/managers possess an innate ability to break down barriers, a trait that underpins their entrepreneurial capabilities.

Thirdly, the Information Society Forum, (1996: 2) in Field (2000: 18) did not consider, whether past educational success had a positive impact on an individual's willingness to learn. In this research it can be concluded from Jane that past educational success gave no additional drive to learn, rather it appeared to have a neutral effect.

The final conclusion centres on access to knowledge and "supported learning processes" Ashton (2004:45) as outlined in 4.5. It is shown in this research that such access is not a given when joining a family business as was revealed by Millicent. Conversely, Jane and Duncan entered their family businesses and were given full access to knowledge.

**17.2.2 Proposition 2: Owner/managers must reinvent themselves through lifelong learning to remain in business.**

Field (2000) as outlined in 2.2 suggests people must become lifelong learners so they can continually reinvent themselves to remain in work. His research took place among employees who, to remain in employment, would have to concentrate on what they had to offer an employer. Similarly, Park and Rothwell (2009) as outlined in 2.2 suggest individuals need to engage in continuous learning as they take personal responsibility for their 'protean' career in a rapidly changing society. Furthermore, Salaman and Butler (1990:183) emphasise a need for learning in a rapidly changing environment and that "a barrier to learning is a barrier to survival". However, the results in 12.2 demonstrate that the owner/managers in this research are willing to learn new things to

improve their businesses but not from the perspective of reinventing themselves. However, Doyle and Hughes (2004) in 5.1, consider owner/managers have to learn as SME's operate in increasingly more specialised markets so generic training needs are narrowing and more specific learning needs are broadening.

Firstly, no respondents had considered a need for new learning in order to 'reinvent' themselves, in particular Jane.

Secondly, owner/managers here focused on continually adapting their *business* configuration to meet changing customer demands rather than themselves.

Thirdly, they did not see any reason for learning contingent on their having to change careers thus demonstrating confidence in themselves and their businesses.

**17.2.3 Proposition 3: Because of their position, the owner/manager does not want to be labelled as a learner.**

The 'learner' label can be perceived by individuals as either positive or negative according to Boud & Solomon (2003) as outlined in 4.4. The results outlined in 12.3 showed that only Duncan held negative perceptions of the label. The positive perceptions of others however, enable the following conclusions to be drawn.

Firstly, as explained by Jennifer and Millicent the learner label as attached to the owner/manager can portray enthusiasm and leadership for learning, a point not identified in Boud & Solomon (2003).

Secondly, accepting the ‘owner/learner’ label may be easier compared to the ‘employee/learner’ label. This is because, as owners hold the power position within the firm their status as ‘competent worker’ is not threatened regardless of their ability levels.

Finally, accepting the learner label means that even an expert can gain advantage from assuming the role of a novice within a different hierarchy of expertise as demonstrated by Catherine.

#### **17.2.4 Proposition 4: Being an owner/worker is no different to holding down a job**

Pillay et al (2003) ‘issue 1’ as outlined in 4.1 and 4.2 identify four conceptions of work; work as a job, as a challenging experience, as personally empowering and as structuring my life. Each conception builds on and subsumes the previous with the highest conception being ‘work structuring my life’. The results outlined in 12.4 broadly confirm the findings of Pillay et al (2003) however; additional issues have been concluded from this research.

Firstly, the conceptions identified in Pillay et al (2003) hold true in various different contexts to their research and also among business owners rather than employees.

Secondly, as all respondents, in alignment with Pillay et al (2003), held the highest conception of work as ‘structuring my life’ their age, diversity of background and business type was shown to have no effect on how they conceived their work.

Thirdly, additional conceptions of work emerge which build on Pillay et al (2003). These were, investing for long-term reward and security, ‘a nest egg’ as explained by Jimmy and as *defining* the individuals *place* in life as identified by Samuel. Additionally, the conceptions of work as supporting families and as being integral to the community fabric emerge from the responses of Irene and Thomas.

**17.2.5 Proposition 5: The owner/manager does not recognise the pedagogical properties of the workplace.**

This proposition was used to investigate the owner/managers’ perceptions of learning at work within the construct of research by Pillay et al (2003) in relation to workplace learning. From the findings outlined in 12.5 it was identified that respondents’ perceptions of what learning at work means, confirms those identified in Pillay et al (2003). There is also confirmation in relation to their conceptions of learning at work. However, additional conceptions can be concluded from the results.

Firstly, the conception of ‘unlearning’ at work becomes explicit as demonstrated by Irene.

Secondly, respondents linked learning ‘at’ work to learning in ‘relation’ to work. This involved learning sources outside the boundaries of their firms and involved

networking, knowledge sharing and visits to benchmark organizations as explained by Caroline, Samuel and Irene. This is reflective of the strategic position they hold where gaining knowledge and information externally is fundamental to their internal role.

**17.2.6 Proposition 6: The owner/managers' work dynamic provides them with learning opportunities.**

Engestrom (2001) as outlined in 3.2 introduces the theory of 'expansive learning' where learning in the workplace can occur naturally. From the results outlined in 12.6 it can be concluded that:

Firstly, the working environments of the respondents to some extent support such expansive learning. This is particularly true where innovative thinking is required when off the shelf solutions to problems are not available as identified by Samuel. Additionally, he reveals the challenge of learning about people as a never ending process for which general lessons cannot be learned. However, it emerges that learning is limited where work routines are well rehearsed as is explained by Catherine.

Secondly, how the owner/manager affects the workplace dynamic is elucidated. In contrast to all other respondents who take the perspective of being on the 'outside' looking in, Irene locates herself 'inside' the activity system and is aware that she can effect "peoples mood changes" and as such affects the work/learning environment.

Thirdly, the technique of proactive learning is elucidated by Jane, i.e. thinking things through in advance to identify and solve problems before they occur. She also identifies that learning occurs in relation to external stimulus such as market forces.

Fourthly, reflection on work activity can make explicit, learning that was previously subliminal, as explained by Millicent. This is crucial in enabling the application of such learning in future situations or to teach others.

Fifthly, workplace design and atmosphere or ‘ergonomic solutions’ as it is labelled by Irene, are identified as crucial to supporting workplace learning and enhances the quality of work and productivity.

Finally, the concept of management and staff learning together is disclosed by Connell as a useful way to develop skills.

#### **17.2.7 Proposition 7: Tensions among organisational members effects change**

Proposition 7 was devised to identify if Learning III as outlined by Engestrom (2001) in 3.2 exists in the workplaces of the respondents. Learning III occurs through the radical questioning by individuals or groups of contradictory demands in pursuit of change. From the results outlined in 12.7 it can be concluded that:

Firstly, there is confirmation that tensions to effect change occur within respondents’ organizations and is accepted as a source of expansive learning as described by Peter and Irene.

Secondly, multiple tensions from multiple sources can be present which fosters learning. Such tension however, must be continuously balanced through an adaptive management style as identified by Thomas.

Thirdly, as can be deduced from Samuel's comments that while tensions are acceptable these must ultimately be aligned with the goals of the organisation as people must "...come together and work together when they need to".

Fourthly, Engstrom (2001) does not identify issues in relation to negative perceptions of tensions, for example, where Millicent defines non-compliant staff as 'polluters' and Kathleen 'allows' ideas she believes are of limited value. From this it can be concluded, in alignment with Natalie Shope Griffin (2003) outlined in 5.4, understanding management style is a pre-requisite to devising training solutions. A method for evaluating management style in advance of training therefore needs to be developed.

Finally, delegation of authority can reduce tensions as employees participate in managing the firm as is apparent from Catherine's business. It may be elucidated from this that participation through delegation enables positive organic change to occur where individual goals are in alignment with organisational goals.

**17.2.8 Proposition 8: Leavers can provide a critique of organisational issues, problems and management.**

The effect of institutional conditions such as hierarchical structure of relationships, rewards systems, feedback on performance and barriers to learning can affect individual development according to Ashton (2004) as outlined in 4.5. From the findings outlined in 12.8 the following conclusions have emerged.

Firstly, employees leaving due to lack of progression routes or status in the hierarchy of the firm, as outlined by Jennifer and Jane, confirms Ashton's (2004) assertion.

Secondly, the owner/managers can learn from leavers about the impact of their management approach on staff and staff turnover, an issue not identified in Ashton (2004). This is elucidated through Irene and James, who recognise they can be part of the problem.

Thirdly, proactive interventions from the owner/manager can reduce staff turnover by resolving problems so the concept of 'learning from potential leavers' emerges as explained by Thomas.

Fourthly, non-interventionist strategies may limit learning in relation to HRM, as is evident in relation to responses by Jimmy and Kathleen, who let things take their course.

Fifthly, the owner/manager's attitude to leavers will determine if learning from leavers is possible as is interpreted from Duncan's comments.

Finally, human resource procedures such as undertaking exit interviews do not substitute for managerial action as outlined by Kathleen who is non-interventionist in relation to potential leavers.

**17.2.9 Proposition 9: The owner/manager integrates learning from other contexts into their organisation.**

According to Engestrom (2001) as outlined in 3.2 new learning can be achieved through "boundary crossing". Owner/managers in this research demonstrate they learn from contexts outside the boundaries of their organizations as concluded below.

Firstly, in confirmation of Engestrom (2001) owner/managers constantly learn from all aspects of their life including leisure activities such as watching television programmes, socialising and holiday experiences as is explained by Jimmy, Jane and Duncan.

Secondly, informal self generated 'boundary crossing' learning solutions are possible with potential sources/locations for learning being numerous. This is evidenced by Catherine and Irene who learn from being customers at restaurants such as Gordon Ramsay's. Additionally, Catherine works without pay at top Belfast restaurants to learn from top chefs and to keep in touch with what's going on at the top of the industry. This conclusion further illuminates the work of Engestrom (2001)

Thirdly, while Engestrom (2001) identifies questioning as the key mechanism for the generation of new learning the new concept of 'visual training' emerges here as described by Irene. This involves visiting other restaurants to see highly unusual menu ideas that might be integrated into her restaurant.

Finally, a wide range of learning is available from diverse sources, as evidenced by Catherine and Irene. Consequently, it can be concluded that the external environment can be conceptualised as offering an accessible and open curriculum and as such represents a contribution from this research.

**17.2.10 Proposition 10: The owner/manager can learn from existing organisational members and from new entrants in their firms'.**

Engestrom (2001) as outlined in 3.3 considers that learning takes place both horizontally and vertically in the organisational structure. This research has sought to evaluate this concept in the context of the owner/managers. From the results outlined in 12.10, a range of conclusions have been drawn.

Firstly, horizontal learning in a hierarchical organisation is not possible for the sole owner/manager so access to horizontal learning would have to come from inter organisational boundary crossing. This is not identified in Engestrom (2001) which deals with a single, large organisation. Such inter-organisational boundary crossing is demonstrated as being possible by Catherine's work with Crofts' and Baileys'.

Secondly, vertical learning from employees is possible only where the owner/manager has the capacity to accept the knowledge of others. This is evidenced by Thomas who learns from young people with superior IT skills.

Thirdly, innovative owner/managers have the creativity to find applications for the knowledge they discover in others to enhance their businesses. This may involve tasks outside their role or in an extended role for the knowledge holder evidenced by Thomas's use of employee IT skills.

Fourthly, owner/managers who are selective in who they learn from may underutilise their pool of human resource skills. This is demonstrated by Kathleen and Duncan who feel there is little or nothing to be learned from employees.

Finally, Fuller et al (2005) as outlined in 3.4 identify new entrants as a source of learning however, it can be concluded here that low staff turnover constrains learning as is the case in Sean's hotel as outlined in 12.8.

#### **17.2.11 Proposition 11: Owner/managers of SME's display the same weaknesses.**

Oliver (2003:13) as outlined in 5.2 has identified a range of weaknesses in the owner/managers who participated in his 'Icehouse' programme as outlined in 1.3.

- management skills,
- vision and strategy,
- use of financial information in decision making,
- Utilisation of human resource management skills,

- business confidence, and
- delegation and outsourcing.

### **Management skills**

While some respondents confirm Oliver's (2003) findings, as outlined in 5.2 in that they lack management skills and business confidence, most believe they have the ability to effect growth and it has therefore been concluded as follows:

Firstly, the work of Oliver (2003) is extended through this research as while he did not define business growth, there are diverse interpretations of business growth among owner/managers emerging from the results 13.1.1. These include: rebuilding the business back to survival levels for Sean, market repositioning for Millicent and developing new revenue streams for Jane. For Irene it was backwards integration and for James extension of his premises. Growth for Jimmy would involve moving to larger premises and opening an additional outlet was discussed by Irene.

Secondly, a key managerial weakness is identified in this research in that; owner/managers may not understand their business configuration or, the extent of their success. This is demonstrated by Trevor whose business configuration included multiple business units in the same complex. However, he could not understand how an individual could run more than one business.

Thirdly, in this research some owner/managers demonstrate an ability to make key strategic choices. Deepening their business concept to gain competitive advantage rather

than external growth strategies is the choice made by Millicent and Connell. They are in alignment with Porter (1996) as outlined in 7.3, who considers growth as a source of danger.

### **Vision and Strategy**

In contrast to Oliver (2003:14) as outlined in 5.2, many respondents demonstrated longer term strategic thinking capabilities as outlined in 13.1.2. It has therefore been concluded as follows:

Most owner/managers provided evidence of having a vision and a strategy. For example, Connell and Kathleen who are continuing to invest during the recession and Catherine who seeks to open a new outlet post recession. Only Sean indicated that short-term survival was the overriding objective.

### **Use of financial information in decision making**

In Oliver's (2003) 'Icehouse' programme as outlined in 5.2, participants displayed weakness in financial analysis capabilities. In this research as outlined in 13.1.3, respondents demonstrated a good knowledge of financial analysis techniques and their application to decision making which has led to the following conclusions.

Firstly, in contrast Oliver (2003), there is evidence here of financial analysis capabilities as respondents demonstrated extensive use of KPI's in managing their businesses. For example, Kathleen, Millicent and Irene monitor performance using KPI's and James

gives priority to KPI's over financials. However, prioritising KPI's opposes the view of Porter (1996) as outlined in 7.1 who criticises the focus on critical success factors rather than viewing the business as a whole.

Secondly, In alignment with Oliver (2003) few respondents appreciate the problem solving and modelling applications of financial tools such as budgets and cash flow statements. This includes Irene who felt budgets were for larger organizations and James who uses them for setting spending limits only.

Thirdly, there is a misalignment between long-term envisioning in relation to business growth and short term thinking in financial planning terms. This is evident from Jane and Jennifer who do not put a time frame on future growth targets they simply wait until they have built up enough money. This misalignment between vision and planning is not identified in Oliver (2003)

### **Utilisation of human resource management skills**

Oliver (2003) as outlined in 5.2 identified the Utilisation of human resource management skills as an area of weakness among his research participants. In this research as outlined in 13.1.4, both strengths and weaknesses were identified from which the following conclusions have emerged.

Firstly, respondents understand and place significant importance on the HRM discipline. In particular this is evidenced by Irene and Millicent who outsource aspects of HRM and have a full-time specialist employed.

Secondly, management style, not identified as a factor in Oliver (2003), emerged as an important factor in relation to leading and motivating staff. This ranged between supporting a work/life balance among employees as is the case with Samuel. Also, hands on participation in the practical training of staff as with Thomas. Evidence of manipulation of staff or 'putting words in their mouth' in an effort to effect change also emerged from Millicent and Kathleen.

Thirdly, not identified in Oliver (2003) is that good HRM practice has been set in the perspective of professionalising hospitality roles to underpin a stronger industry as explained by Irene. This is an important conclusion in that Irene even as owner of a small business displays the confidence to take on a leadership role within her industry through developing benchmark business practices.

### **Business confidence**

Oliver (2003) as outlined in 5.2 connects lack of business confidence with limited management skills which in turn constrains growth. However, this connection is not clearly defined within results set out in 13.1.5 from which the following conclusions can be drawn.

Firstly, contrary to Oliver (2003) Lack of management skills does not necessarily equate to lack of business confidence or intention to pursue business growth as evidenced by Jennifer and James.

Secondly, also contrary to Oliver (2003) self-identity as a benchmark organisation has high importance for some respondents. This is from an ethical business perspective for Irene and from a quality and innovation perspective for Catherine and Peter.

Thirdly, a new perspective on business identity has been identified through this research; owner/managers in the hospitality sector can have multiple identities within their market/communities as explained by Thomas and Sean. This level of awareness in how they interconnect with or are woven into their communities should enable them to understand how best to satisfy the diversity of their customers' needs and from this build a stronger business.

### **Delegation and outsourcing**

Findings in relation to delegation and outsourcing mostly contrast with Oliver's (2003:14) observation where "a reluctance to delegate was a common restraint on growth". However, Catherine used delegation incorporating job rotation as a means of training, which according to Kotey and Folker (2007) in 5.1 is an undervalued training method. The results as discussed in 13.1.6 enable the following conclusions to be drawn.

Firstly, in confirmation of Oliver (2003) issues of business structure are highlighted by Jennifer who has a trade-off between potentially higher staff costs and time for strategic management.

Secondly, contrary to Oliver (2003) who defines non-delegation as a weakness, in this research it emerges that being in touch operationally can be a strength as it has implications for the product/market strategy. Operational involvement can also help embed processes supporting “expansive learning” as outlined by Fuller and Unwin (2003) in 3.3 for the owner/manager into the live activity of the business. For example, James takes wedding appointments to learn about changing customer demands.

Thirdly, contrary to Oliver (2003) in this research outsourcing takes place and is utilised by the owner/managers for example, to acquire quality food preparation services as in the case of Thomas.

Finally, not identified in Oliver (2003) is the use of delegation as a means of training is highlighted by Catherine.

**17.2.12 Proposition 12: Hospitality and Tourism owner/managers of this research cohort have high levels of entrepreneurial talent.**

On the basis of qualitative measures, as set out below, identified by Ferrante (2003) outlined in 5.3, this proposition was devised to identify owner/managers' entrepreneurial talent.

- time spent on different tasks,
- investments made in the business in the past two years,
- systematic use of market analysis,
- how products meet the needs of their market segment,
- choice of strategies,
- sales levels generated by regular customers,
- sales levels generated by most popular products,
- arguments accepted for reducing a customers bill,
- price changes over the last three years,
- turnover generated through special offers, and
- credit control.

**Time spent on different tasks**

Ferrante (2003) considers that entrepreneurs spend less time on entrepreneurial activities. From the results outlined in 14.1.1 however, the following conclusions have emerged.

Firstly, contrary to Ferrante (2003), being embedded in the firm has managerial and ‘strategic’ importance for the respondents in this research. Issues such as staff supervision, setting standards, motivating staff while participating in work flows, are seen as essential to survival. For example, Thomas covertly monitors staff performance while working and Jane oversees her staff while working with them.

Secondly, contrary to Ferrante (2003) operational activities such as front of house ‘meet and greet’ are seen as underpinning the link between customer service standards and crucially, business success. Thomas for example, considers that 70% of his time should be devoted to this aspect of his work. Equally, James personally works to maintain standards in his “showcase”, the Bistro, to ensure customers for more lucrative business such as weddings are not put off.

### **Investments made in the business in the past two years**

Results of this research as outlined in 14.1.2 regarding the amounts owner/managers invested in their firms in the past two years differ from Ferrante (2003) in terms of timescale. From the rationale provided by the owner/managers, the following conclusions have been drawn.

Firstly, investment in ‘quality’ assets over a period of five years is considered entrepreneurial rather than two years as suggested by Ferrante (2003). Additionally, Ferrante (2003) did not take account of ‘quality’ of assets and the long-term commitment in the business demonstrated within a five year time perspective. This is

demonstrated by Duncan whose function room has been highly productive over this time span yet remains fresh and new looking.

Secondly, the quality of the fabric of the business can affect employee perceptions of the firm as identified by Sean. This can in turn impact on how they project business confidence to the customer. This penetrates deeper than issues of employee motivation as it effects their intrinsic beliefs about the organisation which they may unconsciously externalise.

### **Systematic use of market analysis**

While Ferrante (2003) proposes that systematic market analysis is entrepreneurial, few respondents in this research were systematic in their approach. As outlined in 14.1.3 there was market awareness among respondents but few were systematic. From this the writer concludes:

Firstly, internal marketing activity not identified in Ferrante (2003) is a basis for business sustainability through repeat business and referrals as demonstrated by Anjab and Trevor.

Secondly, for those owner/managers who undertake systematic market analysis multiple information sources are available and are utilised. This includes, the internet, magazines, newspapers, listening to reps and customers and visits to other cities as evidenced by Peter, Irene, Duncan Connell and James.

## **How products meet the needs of their market segment**

As outlined in the results in 14.1.4, each respondent feels they understand their clientele and offer a marketing mix that meets their needs. They also consider they operate at the quality end of the market segment they target. It can therefore be concluded that:

Respondents display entrepreneurial behaviour contrary to Ferrante (2003) as outlined in 5.3 as they understand their target market for example; Catherine knows she can sell bottles of wine priced between £200 and £300. Equally Connell can offer guest house accommodation which is a suitable affordable alternative to the Culloden hotel.

## **Choice of strategies**

Through a mix of strategies, all respondents seek to gain competitive advantage and consequently display entrepreneurial behaviour in alignment with Ferrante (2003) as outlined in 5.3. On this basis it can be concluded that:

Firstly, in all cases a pursuit of quality is evident and product/market strategies tend to be based on uniqueness as with Millicent which aligns to Porter (1996) as outlined in 7.1. Connell uses an added value strategy in alignment with Mason (2005) as outlined in 7.6.

Secondly, the product mix of firms in this sector must be devised in the context of an annual/seasonal timeframe. Excess capacity in low season, especially in tourism centres like those of Thomas and Catherine, results in special offers being essential. In this

context therefore, offers do not lower the image of the product. However, when prices are reduced quality standards must still be maintained in order to protect the reputation of the firm so that high season business is not affected.

### **Sales levels generated by regular customers**

Ferrante (2003) suggests that the concentration of sales should provide a measure of outside options as outlined in 5.3 as a narrow customer base can impede bargaining power. From the results outlined in 14.1.6 the following conclusions have been drawn:

Firstly, respondents are able to provide indicators of the ratio of regular to non-regular customers. For example, Millicent identifies 80% of sales coming from public service conferences.

Secondly, while respondents understand the source of their core business, some fail to develop multiple revenue streams such as Millicent and Sean.

### **Sales levels generated by most popular products**

Following on from above, the writer sought to identify if respondents understood the proportion of sales derived from each of their product ranges. This is an important measure as it is important to recognise those products which are at the core of the business. Such products define the business and its customers. From the results outlined in 14.1.6 the following conclusion has been drawn.

By not understanding the contribution individual products make to overall sales respondents are weak in evaluating their product strategies. This is evidenced particularly by Peter, Catherine and Samuel as outlined in 14.1.7.

### **Arguments accepted for reducing a customer's bill**

Ferrante (2003) as outlined in 5.3 relates bargaining strength to business performance. Within the context of the respondents retail environment, bargaining power would relate to their ability to gain full price for products. From the results outlined in 14.1.8 the following conclusions emerged.

Firstly, all respondents place the value of the customer as paramount and a long-term perspective is taken in respect of compensation. This is explained by Thomas who considers its “a short term loss and a long-term gain”.

Secondly, the importance of the supply chain in delivering quality to the end user is recognised as identified by Irene.

### **Price changes over the last three years**

Maintaining prices is seen by Ferrante (2003) as a measure of business strength in the market as outlined in 5.3. From the varied results as outlined in 14.1.9 in this regard the following conclusions have been drawn.

Firstly, most respondents align with Ferrante (2003) in showing business strength as they can maintain price and pass on supplier increases to their customers. This is evidenced for example, by Catherine, Irene and Thomas.

Secondly, rather than maintaining prices as suggested by Ferrante (2003) a key strength is understanding how pricing strategies can be manipulated to maximise sales. Trevor for example, trades-off price against increased number of visits per week by individual customers and Millicent's booking system tracks and maximises on market conditions.

### **Turnover generated through special offers**

This is considered in relation to output prices as described by Ferrante (2003) outlined in 5.3. The results set out in 14.1.10 reveal that most respondents consider that special offers would devalue their image.

Firstly, not identified in Ferrante (2003), price maintenance can be dependent on industry characteristics such as seasonality as highlighted by Catherine and James.

Secondly, also not identified in Ferrante (2003); as price change may be dependent on market conditions a better measure would be price change relative to competitors. If a firm can maintain its prices without negative effects on turnover relative to competitors and maintain business volume this would be a sign of business strength.

## **Credit control**

Ferrante (2003:165) as outlined in 5.3 makes the assumption that “weaker firms are obliged to accept late payment”. From the results outlined in 14.1.11 the following conclusion has been derived.

Most respondents align with the findings of Ferrante (2003) that stronger firms do not have to wait for payment and indeed can get advanced payment as is evidenced by James.

### **17.2.13 Proposition 13: Owner/managers in this research cohort do not have the capacity to grow**

Baum and Locke (2004) identify communicated vision and new resource skill as two key factors that affect business growth as outlined in 5.6. In order to measure these factors among the respondents in this research, questions have been asked in relation to the following issues:

- Communicated vision,
- Difficulty in obtaining new business resources,
- Integration of new resources into the firm,
- Business success measured against previous vision,
- Expectation of growth in the next three years,
- Anticipated internal or external enablers or barriers to growth.

## **Communicated vision**

Baum and Locke (2004) as outlined in 5.6 consider that communicated vision can be used to motivate and align entrepreneur-employee goals. From the results in 15.1.1 it has been concluded as follows:

Firstly, in alignment with Baum and Locke (2004) vision can be used as a means of motivating staff by giving them longer term expectations in relation to their own development as explained by Trevor.

Secondly, not considered by Baum and Locke (2004) there are many ways to communicate that a vision exists. Owner/manager's long-term conception of the business can become manifest through their normal business activity and hard work and need not necessarily be articulated as explained by Catherine.

Thirdly, Baum and Locke (2004) do not suggest negative affects of communicating vision. Those who do articulate their vision, such as Irene, can be open to criticism for raising expectations when they do not deliver.

Fourthly, not suggested in Baum and Locke (2004), vision can be formulated in a relational manner with employees whose knowledge and experience can contribute to its synthesis as shown by Millicent.

### **Difficulty in obtaining new business resources**

According to Baum and Locke (2004:589) as outlined in 5.6 an entrepreneur's 'new resource skill' will impact on their growth and performance. From the results in 14.1.2 the following conclusions have emerged:

Firstly, in alignment with Baum and Locke (2004) new resource skill is present among most owner/managers in this research. For example, Catherine in taking control of the growing process to enhance the consistency of fresh produce. Jennifer was able to negotiate the bureaucracy of government agencies to gain planning permission. Finally, Anjab in a similar way has had to be relentless in his attempts to recruit genuine Indian chefs.

Secondly, Baum and Locke (2004) considered only new ventures. It is demonstrated here that new resource skill is also relevant in established enterprises. This was demonstrated by Kathleen in her efforts to retain her chefs.

### **Integration of new resources into the firm**

In accordance with Baum and Locke's (2004) definition of 'new resource skill' as outlined in 5.6 the writer has sought to discover if integration of new resources was systemised. From the results outlined in 15.1.3 there have also been problems identified. It therefore has been concluded that:

Firstly, in accordance with Baum and Locke (2004) most respondents followed a process when integrating new resources. This has been for example, through consultation with staff and training as explained by Duncan or the ability to “absorb people into the flow” by gradually letting them develop their skills as explained by Jane.

Secondly, not considered by Baum and Locke (2004) pre-planning does not guarantee avoidance of disruption when introducing new resources. This is identified by Millicent who after planning implementation of new computer systems still encountered problems. Also, Samuel identifies that resistance to change by some staff members can make implementation “quite chaotic”.

### **Business success achieved measured against previous vision**

Business success achieved measured against previous vision in relation to ‘new resource skill’ as identified by Baum and Locke (2004) and outlined in 5.6 is considered here.

From the results in 15.1.4 the following conclusions emerged:

Firstly, ‘new resource skill’ was weak as the ability of the owner/managers to forecast the performance they had achieved was weak. Some over estimated as was the case with Peter and others underestimated as was the case with Irene.

Secondly, lack of target setting as is the case with Catherine and inaccurate target setting, including limited financial planning as identified in relation to Proposition 9, may impact on future growth and viability.

### **Expectation of growth in the next three years**

All respondents expressed an aspiration for further growth as outlined in 15.1.5 which most felt would be achievable after the recession. It is therefore concluded that:

All owner/managers seek growth and a diverse range of strategies has been revealed which demonstrates the creativity of the owner/managers. For those constrained by the footprint of their premises such as Connell, growth is sought through increased revenue. Growing her own vegetables is backward integration for Catherine and for Thomas the purchase of adjoining premises will help develop the accommodation side of the business. Anjab seeks to add a new revenue stream from a takeaway service.

### **Anticipated internal or external enablers or barriers to growth**

In continuing to assess 'new resource skill' as identified by Baum and Locke (2004) and outlined in 15.1.6, internal and external enablers to growth were identified. It can therefore be concluded that new resource skill is present among the owner/managers:

Firstly, both internal and external barriers to growth are recognised by respondents. Legislation, particularly in relation to human resource practices was perceived as a threat by Catherine. The Licensing Act in terms of it being like a 'restrictive practice' was cited as a barrier by Samuel. Additionally, the general business environment in Northern Ireland was perceived to be hostile as Irene refers to a "business mafia". She was also critical about slow, ineffective local government.

Secondly, Internal barriers are given as HRM skills as stated by James as well as Irene's self-criticism of her attitude to people. For Sean the problem lies in an inflexible building layout and for Peter an inability to delegate.

#### **17.2.14 Proposition 14: Owner/managers have limited knowledge of training solutions**

##### **Learning solutions identified**

Overall, many respondents demonstrate ideas on how to develop their learning as outlined in 16.1.1 and suggest a range of diverse training methods. Indeed, where training opportunities are limited Catherine, through boundary crossing, works in benchmark firms so creating her own learning solutions; which in itself demonstrates entrepreneurialism. In this context, Gibb (1997) in 5.1, advocates participation in knowledge circles and Dawe and Nguyen (2007) in 5.1, explain that small firms prefer such networking. In addition, Ashton et al (2008) in 5.1, consider such learning beneficial as it is specific to what needs to be known when the knowledge is required. It is therefore concluded that:

Firstly, all but Duncan and Sean accept a need for new learning in relation to their roles.

Secondly, it is possible for the owner/manager to create their own learning solutions as was demonstrated by Catherine, Irene and Thomas.

Thirdly, the owner/managers possess a significant pool of skills and knowledge. However, these are not sufficiently concentrated in individual organizations and so significant knowledge gaps exist.

Fourthly, from the pool of knowledge spread across all firms, there is potential for knowledge sharing if a framework were devised to facilitate such co-operation.

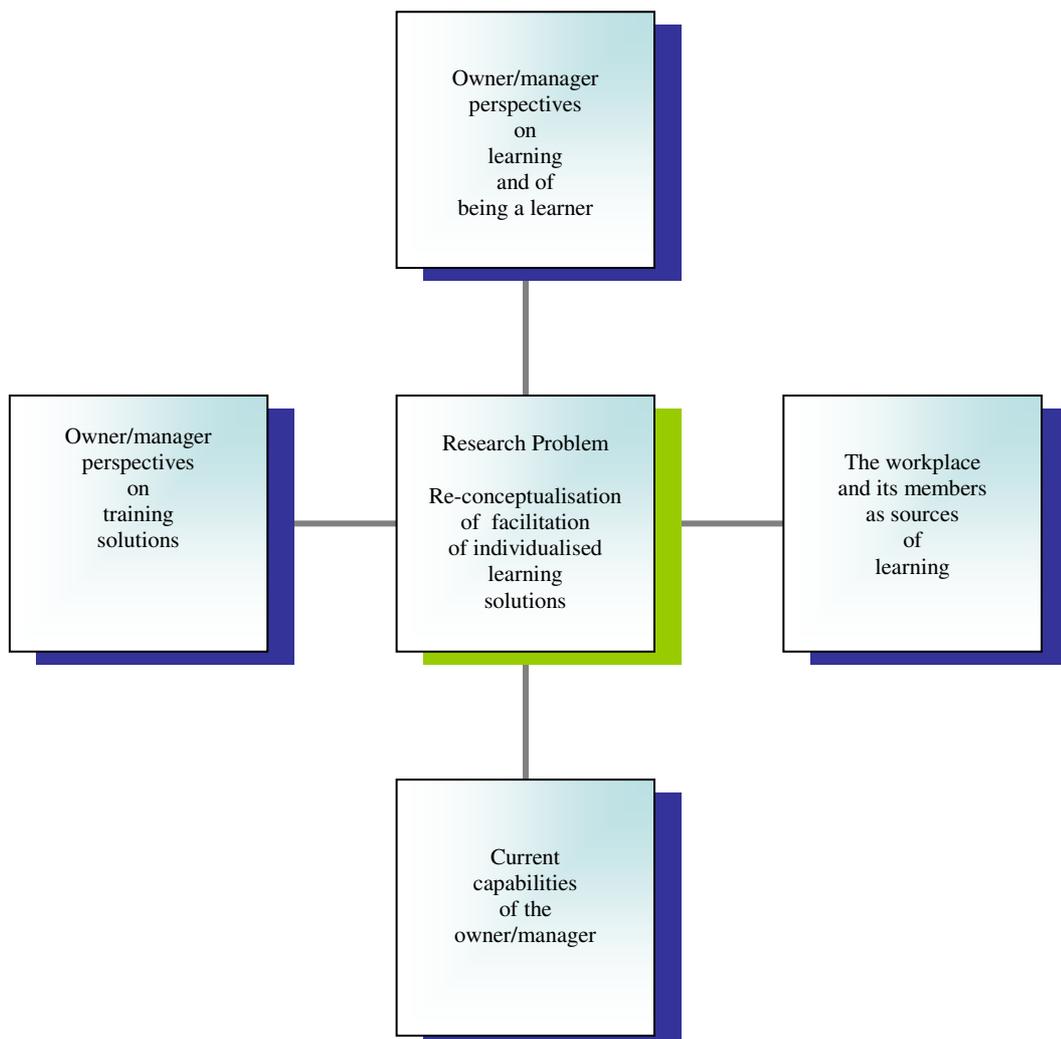
Finally, knowledge sharing is the preferred method of training if structured on the basis of working in the firms of others to gain experience as highlighted for example, by James, Irene, Jimmy, Samuel and Jane who says “I think that’s probably the number one thing” or as James says, “I would learn better in an environment where there are people in the same position as me trying to get to the same finish line”.

### 17.3 Conclusions about the research question

The problem being investigated through this research centred on the facilitation of individualised learning solutions for owner/managers of Hospitality and Tourism SME's in the Greater Belfast area. The problem has been considered within the wider context of lifelong learning and more specifically in relation to the owner/managers' conceptions of learning, as well as entrepreneurial talent and managerial skills.

The range of conclusions set out in 17.2 includes confirmations of existing research and a range of new insights not identified in the literature. These have been developed further into four themes as shown in Figure 2 and are discussed below.

#### Research themes - Revised



**Figure 2**

### **17.3.1 Owner/manager perspectives on learning and of being a learner**

Through investigation of the managerial skills and capabilities of the respondents in this research, a range of contributions to knowledge have emerged.

In relation to the effect of past educational experience on willingness to participate in new learning, as examined through proposition 1, four contributions to knowledge emerged. Firstly, contrary to the findings of the Information Society Forum (1996: 2) in Field (2000) as outlined in 2.2, previous educational failure did not act as a barrier to future learning. Respondents here with perceived past failures are willing to engage in new learning. In alignment with Dawe and Nguyen (2007) in 5.1, however, such learning would have to specifically enhance their business success. Indeed, regardless of previous educational background, Doyle and Hughes (2004) in 5.1, argue that formal learning is not a pre-requisite to being able to deal with major business issues. Secondly, not considered in Field (2000), an individual's innate ability to break down barriers through their personal drive is a trait that underpins their entrepreneurial abilities. Thirdly, also not considered in Field (2000), is that past educational success did not act as a springboard for engagement in new learning and indeed, could have neutral effect. Fourthly, personal drive to access learning can overcome constraints of "lack of supported learning process" as identified by Ashton (2004) in 4.5 within work contexts such as that of Millicent.

In the context of the need for respondents to reinvent themselves, as examined through proposition 2, three contributions to knowledge emerged. Firstly, respondents accepted they were always learning new things from the workplace dynamic. However, none had

considered the concept of reinventing themselves. This highlights the gap between the need to reshape skills and talents (to meet the changing needs of the workplace as identified by the Information Society Forum, (1996: 2) in Field (2000: 18) in 2.2), and the fact that the owner/managers were not conscious of this need. Secondly, in alignment with Salaman and Butler (1990) in 5.1, the owner/managers adapted the configuration of their firms. However, their skills may no longer interconnect with the skills required for the adapted business if they do not see the need to also readapt themselves. Indeed, it is emphasised by Doyle and Hughes (2004) in 5.1 that as SME's operate in increasingly more specialised markets, generic training needs are narrowing and more specific learning needs are broadening. Thirdly, respondents did not see any reason for learning contingent on their having to change careers thus demonstrating confidence in themselves and their businesses.

With regards to being labelled as a learner, as examined through proposition 3, in contrast to Boud and Solomon (2003) in 4.4, most respondents were happy with this label. However, two respondents did reject the learner label. This result provides three contributions to knowledge. Firstly, with the owner/managers being in a power position they need not feel threatened by learner status, so the concept of the *owner/learner* emerges. Secondly, accepting the learner label can portray *leadership for learning*. Thirdly, when a novice role is assumed within a hierarchy of expertise of a more elevated status, (as in the case of Catherine working in Bailey's), higher level learning opportunities become possible.

In the context of respondents' conceptions of work and of learning at work, as examined through proposition 4, three contributions to knowledge emerged. Firstly, the

conceptions identified in Pillay et al (2003) hold true in various different contexts to their research and among business owners rather than employees. Secondly, in alignment with Pillay et al (2003), all respondents held the highest conception of work as 'structuring my life'. However, their age, diversity of background and business type showed no effect on how they conceived their work. Thirdly, additional conceptions of work emerged not identified in Pillay et al (2003). These were, investing for long-term reward and security, 'a nest egg' as explained by Jimmy and as *defining* the individuals *place* in life as identified by Samuel. Additionally, the conceptions of work as supporting families and as being integral to the community fabric emerge from the responses of Irene and Thomas.

### **17.3.2 The Workplace and its members as a source of learning.**

In terms of the owner/managers being able to recognise the pedagogical properties of the workplace, as examined through proposition 5, in alignment with Pillay et al (2003) in 4.1, all respondents accepted the workplace provides informal, valid learning. From this, two contributions to knowledge emerge. Firstly, the social nature of learning at work was understood from which Irene identified the concept of 'unlearning'. Irene explained how she changed her relatively aggressive attitude, which although acceptable in her previous industry, was unacceptable in her current context. Secondly, the respondents understood the benefits of informal learning outside their firms through; networking, knowledge sharing and visits to benchmark organizations. Given that the respondents understand and value such approaches to learning, the design of new learning solutions incorporating such diverse pedagogies should be more easily accepted by the owner/learner.

In relation to the work dynamic providing learning opportunities as examined through proposition 6, six contributions to knowledge emerge. Firstly, in confirmation of Engestrom (2001) in 3.1, for some respondents the workplace triggered the internal tensions and dynamics from which learning could be derived. For example, where off the shelf solutions are not available this produced innovation for Samuel. However, where work processes were well rehearsed, as in the case of Catherine, this constrained learning. Secondly, awareness of the owner/manager's agency within the work dynamic as identified by Irene provides an insight in the context of the boundary crossing laboratory (Engestrom 2001), where the agency of the facilitator had not been considered. Thirdly, the concept of 'proactive' learning was elucidated to describe advanced planning directed at solving potential problems. Fourthly, in alignment with Nonaka and Takeuchi (1995) in 5.3, reflection on subliminal learning by Millicent enabled her to make her knowledge explicit. This would enable others to learn from her. Fifthly, the concept of 'ergonomic solutions' also emerged which describes the organisation of the workplace to facilitate both learning and productivity. Sixthly, at Connell's guest house the benefit of staff and management learning together as they transferred their learning from external courses into practice confirms Broad and Newstrom's (1992) in 6.4, theories on learning transfer.

In consideration of change emerging from tensions among organisational members as examined through proposition 7, five contributions to knowledge have emerged. Firstly, there is identification that change occurs within the respondents' organizations due to multiple tensions from multiple sources which aligns with Engestrom (2001) in 3.1. Secondly, however, it is identified here that such tension, and consequently learning must be continuously balanced through an adaptive management style. In alignment

with Natalie Shope Griffin (2003) in 5.4, this means that aspects of management style must be integral to any training solutions. Thirdly, Samuel articulated that while tension produces learning, it should align with organisational goals and “people must work together when they need to”. This highlights that ‘positive’ tension to support ‘positive’ learning is required to drive the organisation towards its aims. Fourthly, management attitude/style can suppress such ‘positive’ tension, perceiving it to come from troublemakers whom Millicent for example, characterises as “polluters”. This argument concurs with Lomas (1994: 31) in 3.2, who warn that “overly-conformist organizations” constrain learning. Fifthly, an insight derived from Catherine highlights a paradox between delegating responsibility to reduce tension; and utilising tension that supports learning.

In relation to the concept of learning from leavers as examined through proposition 8, six contributions to knowledge emerged. Firstly, there is confirmation of Ashton (2004) as outlined in 4.5, as reasons why staff leave includes issues such as lack of progression routes or status within the hierarchy of the firm. Secondly, not identified in Ashton (2004) are reasons for staff leaving being due to management style. Thirdly, the concept of ‘learning from potential’ leavers emerged where owner/manager’s proactive interventions revealed how problems can be resolved so retaining staff. This has practical implications given the difficulty and cost of recruiting staff as well as the loss of an individual’s skills and ‘tacit knowledge’ (Nonaka and Takeuchi 1995) in 5.3. Fourthly, the benefits identified in relation to learning from leavers and potential leavers quantify the loss of learning suffered where non-interventionist approaches are taken towards potential leavers. Fifthly, learning from leavers will be dependent on the owner/manager’s attitudes regarding from whom they are willing to learn. Sixthly, the

use of HRM procedures such as exit interviews does not substitute for non-interactionist management approaches towards potential leavers. Overall, leavers have been shown to be a source of learning, so the concepts of ‘learning from leavers’ and ‘potential’ leavers contribute to the body of knowledge from this research.

In relation to respondents integrating learning from other contexts into their organisation as examined through proposition 9, four contributions to knowledge have emerged. Firstly, in alignment with Engestrom (2001) in 3.1, it is identified that the owner/managers learn from all aspects of their lives. Secondly, Irene provides evidence that self-generated learning can be achieved from activities such as visiting benchmark restaurants as a customer. Similarly, and in alignment with Broad and Newstrom (1992) in 6.4, Catherine maximises the value of her leaning from boundary crossing activities by cascading her knowledge to her staff. Thirdly, from the learning achieved on such visits, the concept of ‘visual training’ emerges. This contrasts with the approach of Engestrom (2001) in 3.1, whose ‘boundary crossing’ laboratory operates on the basis of learning through questioning. The concept of ‘visual learning’ not only shows how something can be done, (in this case unusual menu dishes), it also overcomes scepticism to show that it *is* being done regardless of how abstract the dish might seem. Fourthly, from this, extending current ideas that the curriculum can reside in the classroom or the workplace (Thornton Moore 2004) in 5.1, this research identifies the external environment as an ‘open and accessible curriculum’.

Understanding from whom the owner/managers can learn was examined through proposition 10, from which five contributions to knowledge have been identified. Firstly, while within larger organisations, learning can be horizontal and vertical, for the

'sole' trader this is not possible. Consequently, such learning has to come from crossing the boundaries of other firms as demonstrated by Catherine. This aligns with Gibb (1997) in 5.1, who suggests looking outside organisational boundaries in search of learning. This issue is not identified in Engestrom (2001) in 3.1, who dealt with a single large organisation in his research. Secondly, where there is potential for vertical learning the owner/manager who is at the top of the organisation must be open to learning from subordinates. Such learning is possible as identified by Thomas and James. Thirdly, as demonstrated by Thomas, being able to harness the knowledge of others even if it is outside their job description can be utilised to enhance the business. Fourthly, being unwilling to learn from subordinates can result in the underutilisation of the knowledge pool within the organisation as was identified in the cases of Kathleen and Duncan. Fifthly, while Fuller and Unwin (2005) in 3.3, suggest learning from new entrants such learning is limited where there is a settled workforce resulting in low staff turnover, as was the case with Sean.

### **17.3.3 Current capabilities of the owner/manager**

In relation to management weaknesses as outlined by Oliver (2003) in 5.2 and examined through proposition 11, three contributions to knowledge were identified. Firstly, in contrast to Oliver (2003), who did not define 'growth' or 'confidence', it emerges from this research that a diverse range of growth strategies were being considered or enacted by respondents. Secondly, in alignment with Oliver (2003) weakness in managerial skills existed in some areas, for example Trevor who was continuing to grow his business failed to understand his multi-faceted business configuration which he perceived to be a single operation. This highlighted his need to learn how to structure

his business for effective operation. Thirdly, in contrast to Oliver (2003) others such as Millicent had the ability to make key strategic choices such as deepening their concept in alignment with Porter (1996) in 6.4, who considers growth to be a source of danger.

One contribution to knowledge emerged in relation to vision and strategy. In contrast to Oliver (2003) most respondents demonstrated they had a vision and strategy for developing their businesses. For example, respondents looked beyond the recession and some continued to invest in their operation so they would be prepared for the economic upturn.

In relation to the use of financial information three contributions to knowledge emerged. Firstly, in contrast to Oliver (2003) there was evidence of strong financial analysis capabilities as most owner/managers used KPI's to measure success. However, the use of such selective indicators conflicts with Porter's (1996) argument for a more holistic approach to measuring success. Secondly, in confirmation of Oliver (2003), respondents showed weakness in relation to financial planning and business modelling. Thirdly, as a consequence of the above it can be deduced that there is a misalignment between long-term envisioning in relation to business growth and short term thinking in financial planning terms.

Three contributions to knowledge emerged in relation to the utilisation of human resource skills. Firstly, in contrast to Oliver (2003), some respondents' demonstrated strength in utilising human resource skills such as Irene and Millicent who employed professional HRM staff.

Secondly, management style, a factor not identified in Oliver (2003) was identified here as a key HRM problem in some cases. For example, two respondents considered manipulating staff and putting words in their mouths was more appropriate than motivation in gaining staff compliance. Additionally, there was inconsistency in human resource skills among respondents in alignment with Oliver (2003) in 5.2. This included areas such as legislation and professional standards; knowledge that could be gained through formal courses. Thirdly, however, Irene who sets HRM standards in her firm as a benchmark for good industry practice; demonstrates that the SME owner/manager can look beyond their internal business context and address wider external issues. The owner/manager donning such a leadership role is not considered in Oliver (2003) who focuses only on individual weaknesses.

Three contributions to knowledge in respect of business confidence have emerged. Firstly, contrary to Oliver (2003) lack of management skills did not equate to lack of business confidence as was displayed by Jenifer and James. Secondly, contrary to Oliver (2003) business confidence in some cases was so strong that respondents like Peter, Irene and Catherine felt they ran benchmark organisations. Thirdly, the concept of holding multiple identities emerged through Thomas and Sean. They consider their firms to be integral to their communities. Such insight provides them with the capacity to tailor products and services that will best satisfy their market to help underpin business success.

In respect of delegation and outsourcing, four contributions to knowledge emerge. Firstly, in alignment with Oliver (2003) non-delegation was a feature highlighted through Jennifer who remained operational in order to minimise staff costs. Secondly,

not identified in Oliver (2003) is the strategic importance of the owner/managers being somewhat involved in operational activities. James for example, takes wedding appointments in order to gauge changing customer preferences so he learns how to develop his product/market strategy. Equally, through operational involvement, Thomas can set standards and embed expansive learning processes in alignment with Fuller and Unwin (2003) in 3.3, as staff can learn from his knowledge and experience. Thirdly, the owner/managers are happy to outsource by buying in products superior to what they could produce themselves. Fourthly, contrary to Oliver (2003) most owner/managers are willing to delegate. For example, Catherine delegates and uses job rotation for training purposes; an effective training method that is undervalued according to Kotey and Folker (2007) in 5.1.

In relation to entrepreneurial talent as outlined by Ferrante (2003) in 5.3 and examined through proposition 12, a range of contributions to knowledge emerged.

According to Ferrante (2003), time spent on strategic tasks is an indicator of entrepreneurial talent for which two contributions to knowledge emerged. Firstly, contrary to Ferrante (2003), operational work has strategic benefits such as upholding standards that are crucial to survival. Secondly, also contrary to Ferrante (2003) owner/manager involvement in operational activity such as meeting and greeting the customer is considered the crucial link between customer service and business success. Indeed, Thomas considers 'meet and greet' should take up 70% of his time.

In respect of investment in the firm over the past two years as being entrepreneurial according to Ferrante (2003), two contributions to knowledge emerge. Firstly,

respondents here substitute five years for two as they have invested in 'quality' assets with a longer return on investment period. This demonstrates both confidence and long-term commitment to the business. Secondly, not considered in Ferrante (2003) and elucidated from Sean's hotel, investment in the fabric of the business affects employee intrinsic beliefs about the business. Such beliefs are subliminally externalised which in turn can affect customer confidence. Investment in the firm therefore provides both employee and customer confidence.

In identifying if there was systematic use of market analysis, two contributions to knowledge emerged. Firstly, marketing focused on internal effort rather than through external communications. This highlights a subliminal interpretation of marketing as being at the core of the construct of activities of the firm. Such activities include consistency, high-level customer service and quality; all driven towards gaining repeat business and referrals as manifest by Anjab and Trevor. This perspective on marketing had not been identified in Ferrante (2003). Secondly, in alignment with Ferrante (2003) respondents demonstrated entrepreneurial talent in systematic marketing analysis. They identified multiple sources of information such as speaking to reps, listening to customers or visits to other cities.

In understanding how products meet the needs of their market segment, the following contribution to knowledge emerged. Respondents showed entrepreneurial talent in confirmation of Ferrante (2003) for example, Catherine understood her customer spending potential and stocked bottles of wine to sell at £100 and £200.

In respect of choice of strategies, to gain competitive advantage, two contributions to knowledge emerged. Firstly, the respondents demonstrated entrepreneurial talent and had clear product/market strategies. For example, Millicent in alignment with Porter (1996) in 7.1, aimed for product uniqueness and Connel delivered 'added value' to his customers in alignment with Mason (2005) in 7.6. In this way they also align with Ordonez de Pablos & Lytras (2008) in attempting to make their offerings inimitable. Secondly, the product pricing strategy in the hospitality and tourism sector, contrary to Ferrante (2003) requires special offers to attract customers in low season and does not devalue the product image. However, quality standards must be maintained to protect the reputation of the firm so that high season business is not affected.

In consideration of sales generated by regular customers, two contributions to knowledge emerged. Firstly, in alignment with Ferrante (2003), respondents had a grasp of the proportion of sales generated by regular customers. For example, Millicent identified 80% of sales from public service conferences. Secondly, not considered in Ferrante (2003), some respondents showed entrepreneurial weakness in having narrow revenue streams for example; Millicent's reliance on public service conferences could mean she risks having 'all her eggs in one basket'.

Respondents' weakness in relation to understanding sales level generated by most popular products is contrary to Ferrante (2003) and so provides a contribution to knowledge. Respondents were unable to provide any detailed revenue stream analysis suggesting entrepreneurial weakness in evaluating the success of product/market strategies or ability for timely adaptation of products to changing customer tastes.

In relation to arguments accepted for reducing a customer's bill two contributions to knowledge emerged. Firstly, contrary to Ferrante (2003), although respondents were willing to reduce the bill they displayed entrepreneurial talent through long-term thinking as they focus on getting the customer back. Furthermore, Thomas was willing not to charge unsatisfied customers as future repeat business and good customer relations were paramount. Secondly, Irene understood the need to trace problems within her supply chain if a product fell below standard so to avoid such problems in the future. She understood the significant role of the supplier as a stakeholder in delivering customer service and quality to the end user. Such learning within the stakeholder network aligns with Gibb (1997) in 5.1.

With regards to price changes over the last three years, two contributions to knowledge emerged. Firstly, most respondents were able to increase prices in the past three years in alignment with Ferrante's (2003) entrepreneurial behaviour, as they passed on supplier increases. In contrast, Sean is actively discounting to survive, Duncan must maintain prices in line with a low cost competitor and Samuel has consistency problems with his ales that can affect wholesale prices. Secondly, not referred to in Ferrante (2003), is the strategic insight revealed by Trevor who prices products to attract customers twice a week instead of just once. Equally, Millicent uses her yield management system to link price to customer demand.

With reference to turnover generated through special offers, two contributions to knowledge have emerged. Firstly, not identified in Ferrante (2003), industry characteristics such as seasonality can make special offers part of the ongoing product mix. Secondly, also not identified in Ferrante (2003), is that market conditions can

affect price. Therefore, measurement of entrepreneurial behaviour may be better achieved if price change was measured relative to competitor behaviour on price. Additionally, in a recessional environment in particular, maintaining customer base, rather than price may have longer-term benefits for the firm. As identified by Kathleen, for example, her customers have moved to a “lower spend” during the recession and she must react to this to keep customers.

With regards credit control, the following contribution to knowledge emerged. Those respondents with credit sales have some difficulty in collecting debtor funds and contrary to Ferrante (2003) show entrepreneurial weakness in this area. However, other respondents can collect money in advance or at point of sale.

The capacity for business growth as examined through proposition 13 is considered by Baum and Locke (2004) in 5.6 to reside in two key factors; ‘communicated vision’ and ‘new resource skill’.

In relation to communicated vision four contributions to knowledge emerged. Firstly, in confirmation of Baum and Locke (2004), vision can be used as a means of motivating staff. Trevor for example, shared his vision to give staff long-term expectations in relation to their own development. Secondly, not considered by Baum and Locke (2004) there are many ways to communicate vision. For example, through the owner/manager’s effort and commitment rather than articulation, their long-term conception of the business can become manifest as explained by Catherine. Thirdly, Baum and Locke (2004) do not consider negative affects of communicating vision. Those who do articulate their vision, such as Irene, can be open to criticism for raising

expectations if they do not deliver. Fourthly, not considered in Baum and Locke (2004), vision can be formulated in a relational manner with employees whose knowledge and experience can contribute to its synthesis as shown by Millicent.

In relation to difficulty in obtaining new business resources, two contributions to knowledge were identified. Firstly, in confirmation of Baum and Locke (2004) owner/managers in this research felt able to acquire new resources. For example, Catherine in taking control of the growing process to enhance the consistency of fresh produce. Jennifer was able to negotiate the bureaucracy of government agencies to gain planning permission. Similarly, Anjab has had to be relentless in his attempts to recruit genuine Indian chefs. Secondly, Baum and Locke (2004) considered only new ventures. It is demonstrated here that new resource skill is also relevant in established enterprises. For example, Kathleen demonstrated this in her efforts to retain her chefs.

In respect of integration of new resources into the firm, the following two contributions to knowledge have emerged. Firstly, in confirmation of Baum and Locke (2004) most respondents followed a process when integrating new resources. This has been for example, through consultation with staff and training as explained by Duncan; or the ability to “absorb people into the flow” by gradually letting them develop their skills as explained by Jane. Secondly, not considered by Baum and Locke (2004) pre-planning does not guarantee avoidance of disruption when introducing new resources. This is identified by Millicent who after planning implementation of new computer systems still encountered problems. Additionally, Samuel identifies that resistance to change by some staff members can make implementation “quite chaotic”.

As Baum and Locke (2004) consider new resource skill to affect growth the writer sought to identify how previous growth objectives had materialised. In this regard, two contributions to knowledge emerged in the context of respondents having limitations in relation to new resource skill. Firstly, weakness in projecting and envisioning what growth should look like could affect their ability to quantify and obtain the necessary resources to achieve growth objectives. Secondly, lack of target setting, as shown by Catherine, including limited financial planning as identified in relation to Proposition 9, may affect future growth and viability.

In relation to expectation of growth in the next three years all respondents displayed new resource skill with the following contribution to knowledge emerging. All owner/managers seek growth and a diverse range of strategies has been revealed which demonstrates the creativity of the owner/managers. Even for those constrained by the footprint of their premises such as Connell, growth is sought through increased revenue. Growing her own vegetables is backward integration for Catherine and for Thomas the purchase of adjoining premises will help develop the accommodation side of the business. Anjab seeks to add a new revenue stream from a takeaway service.

In consideration of anticipated internal or external enablers or barriers to growth, the writer sought to identify if respondents could recognise the strengths and weaknesses of their firms. Two contributions to knowledge emerged showing the respondents to possess new resource skill in this context. Firstly, respondents recognised both internal and external barriers to growth. Catherine perceived legislation, particularly in relation to human resource practices as a threat. Samuel cited the Licensing Act in terms of it

being like a 'restrictive practice' as a barrier. Additionally, the general business environment in Northern Ireland was perceived to be hostile as Irene refers to a "business mafia". She was also critical about slow, ineffective local government. Secondly, Internal barriers are given as HRM skills as stated by James. Also, Irene is self-critical of her attitude to people. For Sean the problem lies in an inflexible building layout and for Peter an inability to delegate.

#### **17.3.4 Owner/manager perspectives on training solutions**

In seeking to gain insights into the perspectives of respondents in relation to training solutions as examined through proposition 14, the following five contributions to knowledge emerged. Firstly, two owner/managers, Duncan and Sean, considered they did not need additional training/learning while all others sought new learning. Secondly, the owner/managers can have the capacity to create their own informal learning solutions as demonstrated by Catherine, Thomas and Irene. Ashton et al (2008) in 5.1, consider such learning beneficial, as it is specific to what needs to be known when the knowledge is required. Thirdly, while there is much evidence that all owner/managers possess a mix of managerial skills and entrepreneurial talent, there are also gaps in their knowledge and skills that could be resolved through further learning. Fourthly, respondents possess a pool of diverse knowledge so there is potential for sharing this knowledge if a framework was devised and accepted by respondents. Fifthly, respondents were already aware of a range of potential learning solutions including; internet based learning, seminars and formal courses but none of these gained significant support across all respondents. However, most considered inter-company visits or placements to have the greatest potential to provide learning. Such boundary

crossing aligns with Gibb (1997) in 5.1, who advocates participation in ‘knowledge circles’. Also, Dawe and Nguyen (2007) in 5.1, emphasise that small firms prefer learning through business to business networking or collaborative or group learning in business clusters.

Finally, from the owner/manager learning access model Figure 3.1, in 17.3.6 two additional contributions of this research emerge. Firstly, being an ‘advanced driver’ is an entrepreneurial trait. Secondly, a link emerges between delegation and moving to the domain of the ‘advanced driver’. Only through delegation will the owner/manager have the time to identify, consider and take advantage of new learning opportunities.

### **17.3.5 Re-conceptualisation of individualised owner/manager learning solutions**

The Interpretivist stance of this research underlies the theory-building approach followed in answering the research question:

*How can the facilitation of individualised learning solutions for SME owner/managers be reconceptualised?*

From this, a theoretical model, Figure 3.1 in 17.3.6 has been devised as a methodology for moving the owner manager towards the development of individualised learning solutions. From the contributions identified in 17.2, there emerges a clearer perception of the issues surrounding the development of learning solutions for the respondents in this research. This goes beyond the matter of managerial knowledge gaps and of

training content, to developing in the owner/manager, a propensity for the acquisition of learning.

Such propensity is centred on the ability to recognise knowledge sources and the means of gaining access to them from wherever they may be located. Indeed, it has been concluded in 17.2.9 that the external environment can be conceptualised as an *accessible and open curriculum*. From this open curriculum some owner/managers already generate their own learning solutions enabling access to knowledge. Examples of this include, working at top restaurants without pay or from visiting benchmark firms as customers.

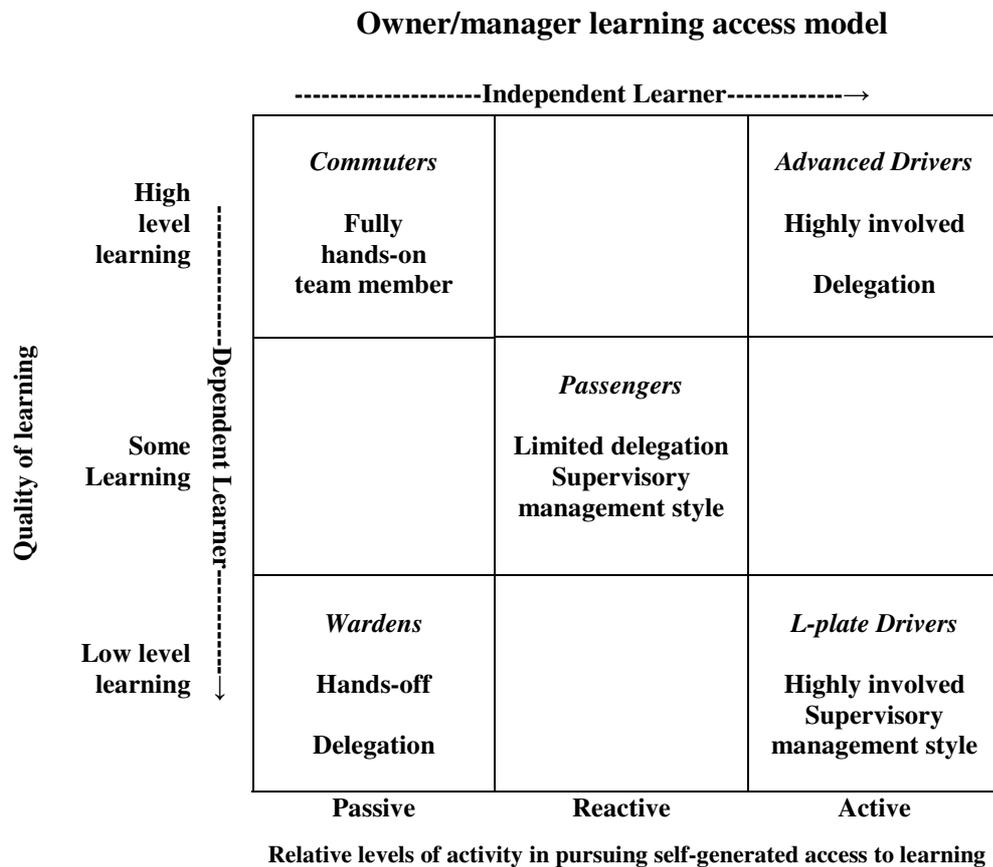
The development of a propensity for the acquisition of learning is conceptualised here as being a *layer of learning*, which is a pre-requisite to the gaining of specific managerial skills. Such learning should provide a platform from which the owner/learner can step onto a self-generated learning journey.

From this, the answer to the research question as stated above emerges. The facilitation of learning solutions in the context of this research requires a layer of learning that equips the owner/manager to recognise and gain access to learning opportunities. This layer of learning provides a re-conceptualisation of how individualised learning solutions for SME owner/managers may be facilitated. In explanation of this re-conceptualisation, examples of a range of positions occupied by respondents in this research are displayed in the 'owner/manager learning access model' Figure 3.1 in 17.3.6. These positions are located in relation to self-generated access to learning.

### 17.3.6 Relative levels of activity in pursuing self-generated access to learning

#### Advanced drivers

These owner/managers are highly self-driven, independent entrepreneurs such as Catherine, Irene and Thomas. They are highly involved in the business but are happy to delegate. They seek to rise above normally accepted standards to set themselves apart. They find their own solutions to overcome problems like lack of training provision. They also place no restrictions from whom they are willing to learn.



**Figure 3.1**

### **L-plate drivers**

These respondents are relatively inexperienced in business but are self-driven towards success. Peter is a particularly good example of this profile. He has been in business only three years and is very keen to learn but doesn't know where to gain access to learning. Also like Anjab, he is mostly hands-off although highly involved and manages through direct supervision as he is afraid of anything going wrong. He seeks to achieve the highest standards of product and service quality and does not want to put the firms' reputation at risk.

### **Commuter**

This profile is representative of Jennifer. She runs her business successfully by following the same routine every day. She is self-driven and independent, is highly operational in the business, but does not delegate significantly as she is a member of the working team. She does not have time for courses as she cannot take the time out from work, but is very keen to learn from the everyday detours presented by the business dynamic. She is also willing to accept and learn from customer criticisms and employees.

### **Passengers**

This profile relates to those who operate established businesses and feel their personal touch with the customer is what matters most. This would include, James and Kathleen. While they say they delegate they maintain a highly supervisory management style. They are not self-driven in developing new learning opportunities and look to others to

organise training and development courses for them. They tend to be selective from whom they will learn.

### **Warden**

This profile is representative of Duncan and Sean. They delegate to managers and take little part in the operation of the business and are not hands-on. They do not have set working hours and tend to call in periodically to check up on the business. They do not believe they need, or seek to learn anything more to be able to improve how they run their businesses.

## **17.4 Implications for theory**

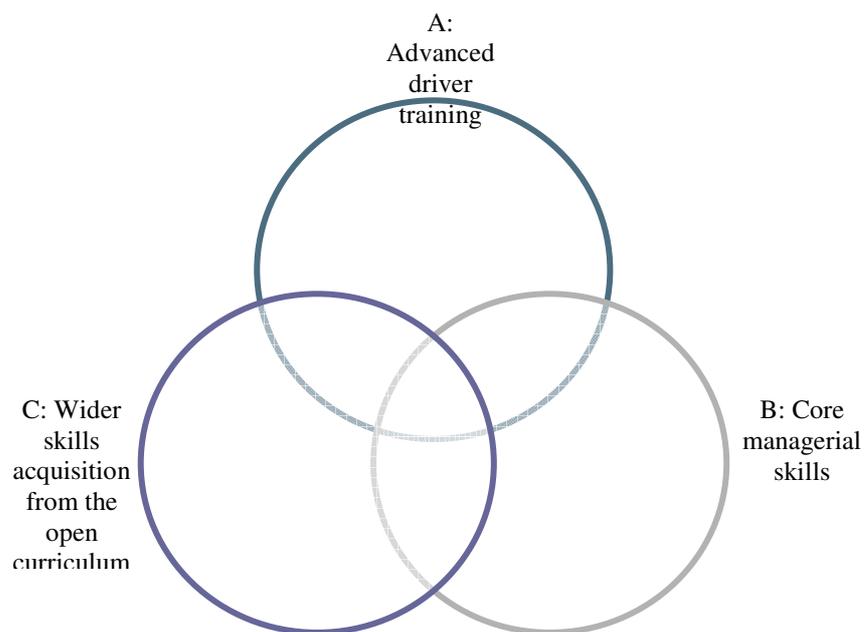
### **Review of the Owner/manager learning access model**

This model provides a method for classifying the owner/managers in this research. It also provides the potential for the concept to be used as a diagnostic tool in other situations to identify where other owner/managers might be located in relation to their ability to independently access new learning.

The important revelation emerging from this model however; is that before managerial training proper becomes accessible, owner/managers must learn how to become an advanced driver. By so doing the open curriculum of the external environment becomes accessible. The writer would define this open curriculum as being all potential learning opportunities available. This learning includes, formal and informal; already devised and yet to be devised training, as tailor made solutions for example, need to be constructed. To become an advanced driver means firstly, locating the owner/manager in the model and then, devising a strategy for repositioning. In consequence, this reveals that a different type of initial training may be necessary. This would involve challenging owner/manager conceptions in relation what constitutes learning, sources of learning and where learning can be located. It would involve a change in any belief that because training has not been structured as a course, other methodologies are not possible. It is in the domain of the advanced driver that training solutions will exist. For example, most respondents in this research identified visits to other organizations as having the potential to provide the most relevant training. However, this does not suggest that formal training is not necessary. It is likely that managers from all domains

may still need to obtain core/technical managerial skills. In this research budgeting and cash flow forecasting have been highlighted as such a necessary skill and this could be acquired through formal courses. The interconnections between components of training/learning, are shown in Figure 4 below.

### **Interconnections of components of training/learning**



**Figure 4**

Two key questions arise from the above. Firstly, who should organise such courses? It could be argued that once the owner/manager has moved into the advanced driver domain they will be able to organise their own solutions, for example, by establishing strategic learning partnerships with others within their industry. In other words, once owner/managers have developed their advanced driver skills, then other skills will become accessible.

Samuel is one of those who considered learning from visiting the organizations of others would be most valuable and asked how this could be made possible. This highlights that while the owner/managers might often know what they need, they do not know how to acquire it. In the case of Samuel, he already demonstrates advanced driver skills in networking with other brewers to overcome technical constraints which is a hidden form of learning. However, he does not apply the same concept in overcoming knowledge constraints where overt learning is needed. This highlights that the owner/manager learning access model requires the learner to become aware of both the hidden and open curriculum.

The next question is who should provide the training to enable the owner/manager to move into the advanced driver domain? It is most likely that a role for enterprise agencies and 'Investni' is possible in this regard. Additionally, it is also possible for such agencies to liaise between owner/managers to facilitate cross learning opportunities. Equally, industry organizations may have such a role.

From the owner/manager learning access model, two additional contributions of this research emerge. Firstly, being an advanced driver is an entrepreneurial trait. Secondly, a link emerges between delegation and moving to the domain of the advanced driver. Only through delegation will the owner/manager have the time to identify, consider and take advantage of new learning opportunities.

## **17.5 Implications for policy and practice**

A synthesis between the research analysis and the framework of the theories underpinning the research resulted in the emergence of the owner/manager learning access model Figure 3.1. Not only was it identified that much owner/manager training happens informally but the most innovative respondents produced their own learning solutions. This implies that all respondents have the capacity for such innovation however; most did not actively access informal learning outside the boundaries of their own firms. Indeed, even though Samuel was already involved in learning from an established network of breweries that helped each other solve technical problems; he failed to recognise the nature of the broader learning resource he could have utilised.

Although terms such as networking, learning clusters or action learning sets describe specific learning mechanisms, an advancement in this research is to have conceived the label of the ‘the accessible open curriculum’ of the external environment. This implies there can be learning configurations for which no established label has yet been defined. These labels can become manifest through the creativity and innovation of the owner/manager. For example, terms emerging from this research such as ‘ergonomic solutions’ or ‘visual learning’ derive from the manifestation of Irene’s creative thinking. In practice, such labels help in communicating the nature of these possibilities to others. In the same way, the naming of owner/learner types within the owner/manager learning access model, creates a lexicon to facilitate discussion and appreciation of the relative characteristics of different profiles. This in turn should contribute to the understanding of issues pertaining to particular learners such as learning style so that such issues can be resolved.

Although the ethos of the model is to centre on the individual, self diagnosis could be problematic. For example, some respondents may not wish to be identified as anything less than an 'advanced driver'. Such self-denial could defeat the purpose of the process. Consequently, an objective process of self-diagnosis could be explored through further research. Furthermore, given the purpose of the model to help owner/managers understand how to access individualised, self-generated learning solutions, there is emphasis that the individual must become self-reliant. Consequently, a key challenge for the owner/managers is to assume an internal locus of control as the concept of the 'advanced driver' means they have the potential to define and discover their own training/learning solutions.

As discussed in 17.3.5, a new layer of 'advanced driver' training may be required in order to elucidate the concept of the 'accessible and open curriculum'. This has implications for enterprise agencies such as investni, colleges or industry bodies that could provide leadership and co-ordination of such training. Additionally, it is also possible for such agencies to liaise between owner/managers to facilitate cross learning opportunities. Furthermore, there could be implications for the menu of training provision offered by such organisations. Additionally, there are implications for management trainers who may be more familiar with delivering seminars in management methods, but may now expand their role in giving 'advanced driver' lessons

Training content such as case studies of individuals who display characteristics of the manager types identified within the model could help the diagnostic process. From these

case studies, individuals could come to understand their own position in relation to the typology of profiles presented. Also, by learning from the experience of ‘advanced drivers’ participants could gain awareness of the kind of innovative learning solutions that can be made possible. In this way they could devise strategies to move towards a redefinition as an ‘advanced driver’. There are also implications for mechanisms to support the owner/manager for example, through mentoring or coaching. Mentoring would provide support from established experts or perhaps from those already defined as ‘advanced drivers’. Coaching could facilitate the owner/manager in becoming independent in setting their own objectives and personally identifying and following up new ideas for their learning. This is not to say that all current training initiatives are now redundant. It is simply to say that individual owner/managers need individualised training. This is unlikely to be possible through formal channels. Instead, such learning is most likely to be accessible through strategic learning partnerships for example which can be developed through network building.

As discussed in 17.3.5, a new layer of ‘advanced driver’ training may be required in order to elucidate the concept of the ‘accessible and open curriculum’. This has implications for enterprise agencies such as investni, colleges or industry bodies that could provide leadership and co-ordination of such training. Additionally, it is also possible for such agencies to liaise between owner/managers to facilitate cross learning opportunities. Furthermore, the elucidation of an additional foundational tier of managerial training as identified through this research may have implications for the menu of training provision offered by such organisations. Additionally, there are implications for management trainers who may be more familiar with delivering

seminars in management methods, but may now expand their role in giving ‘advanced driver’ lessons.

The overriding objective defined within the model is to become an ‘advanced driver’ who can access learning from an ‘accessible open curriculum’. Indeed, much learning is available through observation or participation for example, learning as a customer at a benchmark restaurant. Consequently, there can be a lowering of the cost barrier to learning and flexibility in terms of when learning is accessible.

## **17.6 Limitations**

While the research methodology is the key strength of this research the questionnaire contained a large number of questions. These questions were however essential to elucidating owner/manager conceptions of learning, their current skills and perspectives on training solutions. However, this presented the main limitation of the research, for while having strong foundations from the literature, it was timely to administer. In practice, questioning ranged from between just over one hour to two hours. The writer had undertaken a pilot of the questionnaire which originally had 42 questions. This was subsequently reduced to 34 questions to make the length of the interview more acceptable for the respondent. It was also ethical for the writer to inform all respondents at the recruitment stage that there was an estimated one and a half hour commitment to the interview. However, this resulted in a second major limitation as there was a large number of refusals from potential interviewees. Obtaining respondents therefore became a drawn out process. Additionally, many of those who agreed to be interviewed later cancelled and so replacement interviewees had to be recruited. The writer also

wished to interview smaller sized businesses like bed and breakfasts; however these owner/managers were difficult to persuade to become involved. Regardless of this however, the cohort of respondents recruited presented a diverse range of business types and sizes in their sector, ranging from small coffee shops to hotels to a brewery. As such it provided a rich source for the collection of data. Additionally, the research subjects, although drawn from the Greater Belfast area, were otherwise chosen at random which enhanced external validity. Finally, while these limitations have been identified, they do not detract from the significance of the findings outlined above.

## **17.7 Implications for methodology**

The methodology utilised in this study involved 34 open ended questions within the framework of a semi-structured interview. From this a profile of the owner/managers, their managerial skills and their entrepreneurial talent was sought. It was also designed to elucidate their conceptions of learning and how they considered they could best learn new things. The purpose was to gain a multi-dimensional understanding of the respondent which could be placed in the context of how they might access new learning in the future. Such learning was considered from the perspective of providing sustainable competitive advantage for the owner/manager.

The methodology was designed to gain measurements of propositions devised from the review of the literature and covered the following key areas:

- Personal disposition to learning,
- Entrepreneurial talent,
- Management skills,
- Conceptions of learning and learning at work,
- Sources of learning, and
- Capacity for business growth.

## **17.8 Implications for further research**

Overall, it is suggested by the literature that learning has many sources. There is also concentration on the perspective of provision of learning opportunities for the owner/manager as being both limited and not sufficiently tailored to their needs. This theory building research through a comparative case study approach has highlighted that a new layer of managerial training may be beneficial. This is derived from the findings that owner/managers who did not have tailor made solutions available to them devised their own. This highlighted that there was no need for owner/managers to wait for solutions to come along as there were many examples of learning from an open external environmental curriculum. For example, two respondents visited the outlet of a benchmark organisation as a customer i.e. Gordon Ramsay's in London and showed that access to new learning was possible. The new layer of managerial training has been termed 'advanced driving lessons' as displayed in Figure 3.1 in 17.3.6. This suggests that training the owner/manager to recognise types, sources and locations of learning from both the hidden and open curriculum as defined earlier will open them up to new potential sources of learning. The owner/manager learning access model can also be used as a diagnostic tool in order to identify the owner/learner's current position so that a strategy for repositioning to the advanced learner domain can be devised.

This study could be extended by further research which could test the models devised here and the suggested link between delegation and the ability to become an advanced driver. The writer would emphasise that delegation is the cornerstone of access to managerial and business development. However, this does not simply mean delegation as abandonment of responsibility to others. As has been concluded here, being involved with operational activities in the SME has strategic importance.

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## Appendices

## **Appendix 1**

### **Index of cases**

### Index of cases

<b>Owner</b>	<b>Premises</b>
Catherine Barnes	Stag Inn
Irene Irvine	Gastro City
Connell Campbell	Beaufort Hall
Jimmy Murphy	'Escape'
Millicent Boyle	Garland Hotel
Peter Mc Garrigle	Cottage Restaurant
Samuel Fern	Cooley's Bar/Restaurant/Brewery
Sean Anderson	Old Barn Hotel
Duncan Kennedy	The Central Bar
Thomas Ryan	The Big Fish
Jennifer Allen	The Milestone Teahouse
Anjab Sunny	Masala
James Kelly	Newfort Arms
Kathleen Best	Salmon Leap inn
Jane Simmons	Fools Paradise
Brendan Mc Cormack (Pilot Study)	Braeside Inn

## **Appendix 2**

### **Business and career profile**

## **Instructions**

**Please progress through the following  
Business and career Profile completing all sections.**

### **Business and Career Profile**

Name of owner	Business Name
Business Address	Description of the business
Date started	Number of Outlets
Number of employees	Average Tenure
Telephone	Web & Email Address
Age	Marital Status
Children	Ages of children

### **Key Personal and Business Achievements/Awards**

--

### **Hobbies and interests**

--

**Employment History (including apprenticeships and gaps in employment)**

<b>Dates</b>	<b>Role</b>	<b>Duties/experience</b>	<b>Reason for leaving</b>

### Educational History

<b>Dates</b>	<b>Institution</b>	<b>Qualifications</b>	<b>Grade</b>

**Record of on the job training**

<b>Dates</b>	<b>Location</b>	<b>Qualification</b>	<b>Standard Achieved</b>

**Record of off the job training**

<b>Dates</b>	<b>Location</b>	<b>Qualification</b>	<b>Standard Achieved</b>

## **Appendix 3**

### **Sample interview transcripts**

## Samuel

G. In what way has your previous education, including your 11+, apprenticeships, training or work experience affected your willingness to participate in new learning?

S. Well I suppose really it was my, eh, it wasn't any of my educational experience it was more work. I suppose when I went to work for Gallaghers' [cigarette manufacturer in Belfast] as a statistician in the tobacco industry, and there I, you know, just suddenly everything opens up and a whole new world to learn about. I stayed with them a few years and then I moved to ehm, various government quangos, and I was working on and in... I was working I suppose really very much in a sort of research environment, even the Gallagher one was R & D and the ah, when I moved into the government quangos one was eh, on pay and eh, I worked for an organisation called the pay board which was a government body or a quango, and after that for a royal commission on the distribution of income and wealth. So I was, and then when I first came back here I was working for the Northern Ireland Economic council. So I was working for organizations that were always pushing at the boundaries.

G. so you were always learning?

S. I was always... yea, It was always almost sort of

G. Natural?

S. required it was part of the job description. And em, and not only part of the job description, but because of the nature of that career path, there was no narrow focus, it was, you know if you switch from tobacco to, in fact even within Gallaghers I switched from tobacco to personnel where I was working on eh, personnel information statistics. And it was from there I jumped to the Pay Board where I was working sort of on national statistics. And similarly in distribution and with national statistics and similarly with the, when I came back to Northern Ireland then it was the economic council which was a bit more em parochial, but still it was information gathering.

G. Has anything ever put you off learning?

S. No, no,

G. you've always been happy to learn, and

S. I've always thought you do your best work when you're, well I'm always amazed really when you look back at what you've done, really. You do your best work when you are still finding your feet. And when you think you know it all you become a bit eh.

G. yes you sort of realise you don't

S. Yea, yea. So I think you do your best work sometimes when you're eh, when you're eh, when you're finding out.

**Irene**

Question 6

Em...I'm not sure ... the dynamic prevents learning ... Sorry I'm not

G. The atmosphere, the way things run, the way things run on a daily basis, does it help you to learn new things or does it prevent you from learning?

I. Of course it helps you learn new things, whether its negative or positive, something like at the moment right now we're having problems, not massively, but you know, we've noticed there's low moral in the kitchen. So you have to sort of like encourage good moral, do you know what I mean? You know its...

G. Try and get over that?

I. Of course you know, yea of course , of course, ergonomic solutions, even where things are placed in an industry and how the place looks, how it feels, it enhances people to work better, of course it does, and then you get better productivity from your, you know, your employees and stuff and maximises business and that's important, you know what I mean,

G. and what are the things you learn most while you're working, things you learn most about?

I. Just people really, its just people isn't it, people whether its your staff or your clients, and the way you deal with them and how susceptible they are to product change, and atmospheric change, and I mean, even how I come in sometimes can effect can affect peoples mood changes, yea, so, yea.

## **Millicent**

G. How do you use your human resource management skills to maximise business performance?

M. Well I have a human resource manager

G. you have.

M. And we also have an outside company, we would spend a lot on that. I would like to concentrate a bit more on training because it seems to be you're always going from disciplinary to probationary review, but at the minute we're trying to compile, ehm, service standards, you know and formalise that a bit more, and

G. within the company?

M. Yes and some, all departments have sort of a manual but they're all being updated, and then we're going to try and ehm, have common, have common service standards right across.

G. that's good. So the other thing you were saying earlier as well, you can actually get people to buy into things. That you would usually use your personal skills to persuade people and motivate people?

M. your effective managers are easy, because they want to grow, the ones that are the polluters are the ones that eh you have to force things on.

G. so you would impose things on them

M. Yea

G. to make them comply with the general flow

M. Muh huh

G. And there's never really much of a problem with that?

M. you have to manipulate it but yea, but my day will come.

## **Duncan**

G. How would you describe the tensions within your staff to generate changes in how your business operates?

D. Oh god yea, for example, I couldn't work on a better scenario for the question you've asked. Every time that I would have bought an establishment I would have tried to put my own authority on it. And a lorry load of times I would be against a black wall. But the people who I was against a black wall were no longer in the company within a couple of weeks. Certainly, and to be fair with them people don't like change, but, ... for example, I paid one and a half million pounds for this pub eight, nine years ago.. I wasn't going to walk in and see it run the way that it was run because it was.. good places don't come on the market, you understand what I mean? Places that people have had their day in are just, can't get the staff to run it, they're the ones that I have snapped up over the years. I'm not going to go in and run them the way that they were run before. So what I try to do is I try to put my stamp because, without trying to blow my own trumpet, but again, I want people to walk in and say 'that's a Kennedy pub'. You understand? ... I don't want six pubs that are run very, very well and one pub because the staff don't like the way that I do it to be run like that, and I've had many a run in.

G. amongst the good staff, and the staff you retained, is there ever any tensions there?

D. No the good staffs would never give me grief.

G. Do they ever have ideas and do they sort of feel they can talk to you about....

D. Yes well to be fair, good staff, good staff want to learn more, good staff have maybe been frustrated the way that it has been run before. It's the staff that you don't want, they're the trouble makers and they're the one's that we've got rid of over the years.

## **Appendix 4**

### **Contributions to the body of knowledge**

## **Contributions to the body of knowledge**

Key:

- A. Confirmations of existing research findings,
- B. Findings contrary to the expectations derived from the literature,
- C. Speculations in the literature, but no empirical testing,
- D. New areas that have not been raised in the previous literature.

	<b>17.2.1 Proposition 1: Failure in previous learning is a barrier to participation in new learning.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, although there was evidence of one owner/manager, Jennifer that perceived failure in the past had left psychological scars, this did not put her off engaging in new learning. Others who had perceived failure in the past also engaged in new learning. Respondents were however, only interested in new learning that related to enhancement of business performance.		✓		
2	Secondly, it can be concluded that drive to succeed can exist regardless of past failure, as demonstrated by Peter and Irene who found their own informal routes to learning. This would suggest that these owner/managers possess an innate ability to break down barriers, a trait that underpins their entrepreneurial capabilities.		✓		
3	Thirdly, the Information Society Forum, (1996: 2) in Field (2000: 18) did not consider, whether past educational success had a positive impact on an individual's willingness to learn. In this research it can be concluded from Jane that past educational success gave no additional drive to learn, rather it appeared to have a neutral effect.				✓
4	The final conclusion centres on access to knowledge and "supported learning processes" Ashton (2004:45) as outlined in 4.5. It is shown in this research that such access is not a given when joining a family business as was revealed by Millicent. Conversely, Jane and Duncan entered their family businesses and were given full access to knowledge.	✓			

	<b>17.2.2 Proposition 2: Owner/managers must reinvent themselves through lifelong learning to remain in business.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, no respondents had considered a need for new learning in order to 'reinvent' themselves, in particular Jane.		✓		
2	Secondly, owner/managers here focused on continually adapting their <i>business</i> configuration to meet changing customer demands rather than themselves.	✓			
3	Thirdly, they did not see any reason for learning contingent on their having to change careers thus demonstrating confidence in themselves and their businesses.		✓		

	<b>17.2.3 Proposition 3: Because of their position, the owner/manager does not want to be labelled as a learner.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, as explained by Jennifer and Millicent the learner label as attached to the owner/manager can portray enthusiasm and leadership for learning, a point not identified in Boud & Solomon (2003).				✓
2	Secondly, accepting the 'owner/learner' label may be easier compared to the 'employee/learner' label. This is because, as owners hold the power position within the firm their status as 'competent worker' is not threatened regardless of their ability levels.				✓
3	Finally, accepting the learner label means that even an expert can gain advantage from assuming the role of a novice within a different hierarchy of expertise as demonstrated by Catherine.				✓

	<b>17.2.4 Proposition 4: Being an owner/worker is no different to holding down a job</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, the conceptions identified in Pillay et al (2003) hold true in various different contexts to their research and also among business owners rather than employees.	✓			
2	Secondly, as all respondents, in alignment with Pillay et al (2003), held the highest conception of work as 'structuring my life' their age, diversity of background and business type was shown to have no effect on how they conceived their work.		✓		
3	Thirdly, additional conceptions of work emerge which build on Pillay et al (2003). These were, investing for long term reward and security, 'a nest egg' as explained by Jimmy and as <i>defining</i> the individuals <i>place</i> in life as identified by Samuel. Additionally, the conceptions of work as supporting families and as being integral to the community fabric emerge from the responses of Irene and Thomas.				✓

	<b>17.2.5 Proposition 5: The owner manager does not recognise the pedagogical properties of the workplace.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, the conception of 'unlearning' at work becomes explicit as demonstrated by Irene.				✓
2	Secondly, respondents linked learning 'at' work to learning in 'relation' to work. This involved learning sources outside the boundaries of their firms and involved networking, knowledge sharing and visits to benchmark organisations as explained by Caroline, Samuel and Irene. This is reflective of the strategic position they hold where gaining knowledge and information externally is fundamental to their internal role.			✓	

	<b>17.2.6 Proposition 6: The owner/managers' work dynamic provides them with learning opportunities.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, the working environments of the respondents to some extent support such expansive learning. This is particularly true where innovative thinking is required when off the shelf solutions to problems are not available as identified by Samuel. Additionally, he reveals the challenge of learning about people as a never ending process for which general lessons cannot be learned. However, it emerges that learning is limited where work routines are well rehearsed as is explained by Catherine.	✓			
2	Secondly, how the owner/manager affects the workplace dynamic is elucidated. In contrast to all other respondents who take the perspective of being on the 'outside' looking in, Irene locates herself 'inside' the activity system and is aware that she can effect "peoples mood changes" and as such affects the work/learning environment.				✓
3	Thirdly, the technique of proactive learning is elucidated by Jane, i.e. thinking things through in advance to identify and solve problems before they occur. She also identifies that learning occurs in relation to external stimulus such as market forces.				✓
4	Fourthly, reflection on work activity can make explicit, learning that was previously subliminal, as explained by Millicent. This is crucial in enabling the application of such learning in future situations or to teach others.	✓			
5	Fifthly, workplace design and atmosphere or 'ergonomic solutions' as it is labelled by Irene, are identified as crucial to supporting workplace learning and enhances the quality of work and productivity.				✓
6	Finally, the concept of management and staff learning together is disclosed by Connell as a useful way to develop skills.	✓			

	<b>17.2.7 Proposition 7: Tensions among organisational members effects change</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, there is confirmation that tensions to effect change occur within respondents' organisations and is accepted as a source of expansive learning as described by Peter and Irene.	✓			
2	Secondly, multiple tensions from multiple sources can be present which fosters learning Such tension however, must be continuously balanced through an adaptive management style as identified by Thomas.				✓
3	Thirdly, as can be deduced from Samuel's comments that while tensions are acceptable these must ultimately be aligned with the goals of the organisation as people must "...come together and work together when they need to".				✓
4	Fourthly, Engestrom (2001) does not identify issues in relation to negative perceptions of tensions, for example, where Millicent defines non-compliant staff as 'polluters' and Kathleen 'allows' ideas she believes are of limited value. From this it can be concluded, in alignment with Natalie Shope Griffin (2003) outlined in 5.4, understanding management style is a pre-requisite to devising training solutions. A method for evaluating management style in advance of training therefore needs to be developed.	✓			
5	Finally, delegation of authority can reduce tensions as employees participate in managing the firm as is apparent from Catherine's business. It may be elucidated from this that participation through delegation enables positive organic change to occur where individual goals are in alignment with organisational goals.				✓

	<b>17.2.8 Proposition 8: Leavers can provide a critique of organisational issues, problems and management.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, employees leaving due to lack of progression routes or status in the hierarchy of the firm, as outlined by Jennifer and Jane, confirms Ashton's (2004) assertion.	✓			
2	Secondly, the owner/managers can learn from leavers about the impact of their management approach on staff and staff turnover, an issue not identified in Ashton (2004). This is elucidated through Irene and James, who recognise they can be part of the problem.			✓	
3	Thirdly, proactive interventions from the owner/manager can reduce staff turnover by resolving problems so the concept of 'learning from potential leavers' emerges as explained by Thomas.				✓
4	Fourthly, non-interventionist strategies may limit learning in relation to HRM, as is evident in relation to responses by Jimmy and Kathleen, who let things take their course.		✓		
5	Fifthly, the owner/manager's attitude to leavers will determine if learning from leavers is possible as is interpreted from Duncan's comments.				✓
6	Finally, human resource procedures such as undertaking exit interviews do not substitute for managerial action as outlined by Kathleen who is non-interventionist in relation to potential leavers.				✓

		A	B	C	D
	<b>17.2.9 Proposition 9: The owner/manager integrates learning from other contexts into their organisation.</b>				
1	Firstly, in confirmation of Engestrom (2001) owner/managers constantly learn from all aspects of their life including leisure activities such as watching television programmes, socialising and holiday experiences as is explained by Jimmy, Jane and Duncan.	✓			
2	Secondly, informal self generated 'boundary crossing' learning solutions are possible with potential sources/locations for learning being numerous. This is evidenced by Catherine and Irene who learn from being customers at restaurants such as Gordon Ramsay's. Additionally, Catherine works without pay at top Belfast restaurants to learn from top chefs and to keep in touch with what's going on at the top of the industry. This conclusion further illuminates the work of Engestrom (2001)	✓			
3	Thirdly, while Engestrom (2001) identifies questioning as the key mechanism for the generation of new learning the new concept of 'visual training' emerges here as described by Irene. This involves visiting other restaurants to see highly unusual menu ideas that might be integrated into her restaurant.				✓
4	Finally, a wide range of learning is available from diverse sources, as evidenced by Catherine and Irene. Consequently, it can be concluded that the external environment can be conceptualised as offering an accessible and open curriculum and as such represents a contribution from this research.				✓

	<b>17.2.10 Proposition 10: The owner manager can learn from existing organisational members and from new entrants in their firms'.</b>	A	B	C	D
1	Firstly, horizontal learning in a hierarchical organisation is not possible for the sole owner/manager so access to horizontal learning would have to come from inter organisational boundary crossing. This is not identified in Engestrom (2001) which deals with a single, large organisation. Such inter-organisational boundary crossing is demonstrated as being possible by Catherine's work with Crofts' and Baileys'.		✓		
2	Secondly, vertical learning from employees is possible only where the owner/manager has the capacity to accept the knowledge of others. This is evidenced by Thomas who learns from young people with superior IT skills.				✓
3	Thirdly, innovative owner/managers have the creativity to find applications for the knowledge they discover in others to enhance their businesses. This may involve tasks outside their role or in an extended role for the knowledge holder evidenced by Thomas's use of employee IT skills.				✓
4	Fourthly, owner/managers who are selective in who they learn from may underutilise their pool of human resource skills. This is demonstrated by Kathleen and Duncan who feel there is little or nothing to be learned from employees.				✓
5	Finally, Fuller et al (2005) as outlined in 3.4 identify new entrants as a source of learning however, it can be concluded here that low staff turnover constrains learning as is the case in Sean's hotel as outlined in 12.8.		✓		

	<b>17.2.11 Proposition 11: Owner/managers of SME's display the same weaknesses.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
	<b>Lack of management skills and business confidence to enable growth</b>				
1	Firstly, the work of Oliver (2003) is extended through this research as while he did not define business growth, there are diverse interpretations of business growth among owner/managers emerging from the results 13.1.1. These include: rebuilding the business back to survival levels for Sean, market repositioning for Millicent and developing new revenue streams for Jane. For Irene it was backwards integration and for James extension of his premises. Growth for Jimmy would involve moving to larger premises and opening an additional outlet was discussed by Irene.		✓		
2	Secondly, a key managerial weakness is identified in this research in that; owner/managers may not understand their business configuration or, the extent of their success. This is demonstrated by Trevor whose business configuration included multiple business units in the same complex. However, he could not understand how an individual could run more than one business.	✓			
3	Thirdly, in this research some owner managers demonstrate an ability to make key strategic choices. Deepening their business concept to gain competitive advantage rather than external growth strategies is the choice made by Millicent and Connell. They are in alignment with Porter (1996) as outlined in 7.3, who considers growth as a source of danger.		✓		
	<b>Vision and Strategy</b>				
1	Most owner/managers provided evidence of having a vision and a strategy. For example, Connell and Kathleen who are continuing to invest during the recession and Catherine who seeks to open a new outlet post recession. Only Sean indicated that short-term survival was the overriding objective.		✓		
	<b>Use of financial information in decision making</b>				
1	Firstly, in contrast Oliver (2003), there is evidence here of financial analysis capabilities as respondents demonstrated extensive use of KPI's in managing their businesses. For example, Kathleen, Millicent and Irene monitor performance using KPI's and James gives priority to KPI's over financials. However, prioritising KPI's opposes the view of Porter (1996) as outlined in 7.1 who criticises the focus on critical success factors rather than viewing the business as a whole.		✓		
2	Secondly, In alignment with Oliver (2003) few respondents appreciate the problem solving and modelling applications of financial tools such as budgets and cash flow statements. This includes Irene who felt budgets were for larger organisations and James who uses them for setting spending limits only.	✓			
3	Thirdly, there is a misalignment between long term envisioning in relation to business growth and short term thinking in financial planning terms. This is evident from Jane and Jennifer who do not put a time frame on future growth targets they simply wait until they have built up enough money. This misalignment between vision and planning is not identified in Oliver (2003)	✓			
	<b>Utilisation of human resources</b>				
1	Firstly, respondents understand and place significant importance on the HRM discipline. In particular this is evidenced by Irene and Millicent who outsource aspects of HRM and have a full-time specialist employed.		✓		
2	Secondly, management style, not identified as a factor in Oliver (2003), emerged as an important factor in relation to leading and motivating staff. This ranged between supporting a work/life balance among employees as is the case with Samuel. Also, hands on participation in the practical training of staff as with Thomas. Evidence of manipulation of staff or 'putting words in their mouth' in an effort to effect change also emerged from Millicent and Kathleen.		✓		
3	Thirdly, not identified in Oliver (2003) is that good HRM practice has been set in the perspective of professionalising hospitality roles to underpin a stronger industry as explained by Irene. This is an important conclusion in that Irene even as owner of a small business displays the confidence to take on a leadership role within her industry through developing benchmark business practices.		✓		

	<b>Business confidence</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, contrary to Oliver (2003) Lack of management skills does not necessarily equate to lack of business confidence or intention to pursue business growth as evidenced by Jennifer and James.		✓		
2	Secondly, also contrary to Oliver (2003) self-identity as a benchmark organisation has high importance for some respondents. This is from an ethical business perspective for Irene and from a quality and innovation perspective for Catherine and Peter.				✓
3	Thirdly, a new perspective on business identity has been identified through this research; owner/managers in the hospitality sector can have multiple identities within their market/communities as explained by Thomas and Sean. This level of awareness in how they interconnect with or are woven into their communities should enable them to understand how best to satisfy the diversity of their customers' needs and from this build a stronger business.				✓
	<b>Delegation and outsourcing</b>				
1	Firstly, in confirmation of Oliver (2003) issues of business structure are highlighted by Jennifer who has a trade-off between potentially higher staff costs and time for strategic management.	✓			
2	Secondly, contrary to Oliver (2003) who defines non-delegation as a weakness, in this research it emerges that being in touch operationally can be a strength as it has implications for the product/market strategy. Operational involvement can also help embed processes supporting "expansive learning" as outlined by Fuller and Unwin (2003) in 3.3 for the owner/manager into the live activity of the business. For example, James takes wedding appointments to learn about changing customer demands.		✓		
3	Thirdly, contrary to Oliver (2003) in this research outsourcing takes place and is utilised by the owner/managers for example, to acquire quality food preparation services as in the case of Thomas.		✓		
4	Finally, not identified in Oliver (2003) is the use of delegation as a means of training is highlighted by Catherine.		✓		

	<b>17.2.12 Proposition 12: Hospitality and tourism owner managers of this research cohort have high levels of entrepreneurial talent.</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
	<b>Time spent on different tasks</b>				
1	Firstly, contrary to Ferrante (2003), being embedded in the firm has managerial and 'strategic' importance for the respondents in this research. Issues such as staff supervision, setting standards, motivating staff while participating in work flows, are seen as essential to survival. For example, Thomas covertly monitors staff performance while working and Jane oversees her staff while working with them.		✓		
2	Secondly, contrary to Ferrante (2003) operational activities such as front of house 'meet and greet' are seen as underpinning the link between customer service standards and crucially, business success. Thomas for example, considers that 70% of his time should be devoted to this aspect of his work. Equally, James personally works to maintain standards in his "showcase", the Bistro, to ensure customers for more lucrative business such as weddings are not put off.		✓		
	<b>Investment in the business</b>				
1	Firstly, investment in 'quality' assets over a period of five years is considered entrepreneurial rather than two years as suggested by Ferrante (2003). Additionally, Ferrante (2003) did not take account of 'quality' of assets and the long term commitment in the business demonstrated within a five year time perspective. This is demonstrated by Duncan whose function room has been highly productive over this time span yet remains fresh and new looking.	✓			
2	Secondly, the quality of the fabric of the business can affect employee perceptions of the firm as identified by Sean. This can in turn impact on how they project business confidence to the customer. This penetrates deeper than issues of employee motivation as it effects their intrinsic beliefs about the organisation which they may unconsciously externalise.				✓

	<b>Systematic use of market analysis</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, internal marketing activity not identified in Ferrante (2003) is a basis for business sustainability through repeat business and referrals as demonstrated by Anjab and Trevor.				✓
2	Secondly, for those owner/managers who undertake systematic market analysis multiple information sources are available and are utilised. This includes, the internet, magazines, newspapers, listening to reps and customers and visits to other cities as evidenced by Peter, Irene, Duncan Connell and James.	✓			
	<b>How products meet the needs of their market segment</b>				
1	Respondents display entrepreneurial behaviour contrary to Ferrante (2003) as outlined in 5.3 as they understand their target market for example; Catherine knows she can sell bottles of wine priced between £200 and £300. Equally Connell can offer guest house accommodation which is a suitable affordable alternative to the Culloden hotel.			✓	
	<b>Choice of strategies</b>				
1	Firstly, in all cases a pursuit of quality is evident and product/market strategies tend to be based on uniqueness as with Millicent which aligns to Porter (1996) as outlined in 7.1. Connell uses an added value strategy in alignment with Mason (2005) as outlined in 7.6.	✓			
2	Secondly, the product mix of firms in this sector must be devised in the context of an annual/seasonal timeframe. Excess capacity in low season, especially in tourism centres like those of Thomas and Catherine, results in special offers being essential. In this context therefore, offers do not lower the image of the product. However, when prices are reduced quality standards must still be maintained in order to protect the reputation of the firm so that high season business is not affected.		✓		
	<b>Sales levels generated by regular customers</b>				
1	Firstly, respondents are able to provide indicators of the ratio of regular to non-regular customers. For example, Millicent identifies 80% of sales coming from public service conferences.	✓			
2	Secondly, while respondents understand the source of their core business, some fail to develop multiple revenue streams such as Millicent and Sean.				✓
	<b>Sales levels generated by most popular products</b>				
1	By not understanding the contribution individual products make to overall sales respondents are weak in evaluating their product strategies. This is evidenced particularly by Peter, Catherine and Samuel as outlined in 14.1.7.		✓		
	<b>Arguments accepted for reducing a customers bill</b>				
1	Firstly, all respondents place the value of the customer as paramount and a long term perspective is taken in respect of compensation. This is explained by Thomas who considers its "a short term loss and a long term gain".		✓		
2	Secondly, the importance of the supply chain in delivering quality to the end user is recognised as identified by Irene.	✓			
	<b>Price changes over the last three years</b>				
1	Firstly, most respondents align with Ferrante (2003) in showing business strength as they can maintain price and pass on supplier increases to their customers. This is evidenced for example, by Catherine, Irene and Thomas.		✓		
2	Secondly, rather than maintaining prices as suggested by Ferrante (2003) a key strength is understanding how pricing strategies can be manipulated to maximise sales. Trevor for example, trades-off price against increased number of visits per week by individual customers and Millicent's booking system tracks and maximises on market conditions.				✓

	<b>Turnover generated through special offers</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, not identified in Ferrante (2003), price maintenance can be dependent on industry characteristics such as seasonality as highlighted by Catherine and James.				✓
2	Secondly, also not identified in Ferrante (2003); as price change may be dependent on market conditions a better measure would be price change relative to competitors. If a firm can maintain its prices without negative effects on turnover relative to competitors and maintain business volume this would be a sign of business strength.				✓
	<b>Credit control</b>				
1	Most respondents align with the findings of Ferrante (2003) that stronger firms do not have to wait for payment and indeed can get advanced payment as is evidenced by James.		✓		

<b>17.2.13 Proposition 13: Owner/managers in this research cohort do not have the capacity to grow</b>		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Communicated Vision</b>					
1	Firstly, in alignment with Baum and Locke (2004) vision can be used as a means of motivating staff by giving them longer term expectations in relation to their own development as explained by Trevor.	✓			
2	Secondly, not considered by Baum and Locke (2004) there are many ways to communicate that a vision exists. Owner/manager's long term conception of the business can become manifest through their normal business activity and hard work and need not necessarily be articulated as explained by Catherine.				✓
3	Thirdly, Baum and Locke (2004) do not suggest negative affects of communicating vision. Those who do articulate their vision, such as Irene, can be open to criticism for raising expectations when they do not deliver.				✓
4	Fourthly, not suggested in Baum and Locke (2004), vision can be formulated in a relational manner with employees whose knowledge and experience can contribute to its synthesis as shown by Millicent.				✓
<b>Difficulty in obtaining new business resources</b>					
1	Firstly, in alignment with Baum and Locke (2004) new resource skill is present among most owner/managers in this research. For example, Catherine in taking control of the growing process to enhance the consistency of fresh produce. Jennifer was able to negotiate the bureaucracy of government agencies to gain planning permission. Finally, Anjab in a similar way has had to be relentless in his attempts to recruit genuine Indian chefs.	✓			
2	Secondly, Baum and Locke (2004) considered only new ventures. It is demonstrated here that new resource skill is also relevant in established enterprises. This was demonstrated by Kathleen in her efforts to retain her chefs.			✓	
<b>Integration of new resources into the firm</b>					
1	Firstly, in accordance with Baum and Locke (2004) most respondents followed a process when integrating new resources. This has been for example, through consultation with staff and training as explained by Duncan or the ability to "absorb people into the flow" by gradually letting them develop their skills as explained by Jane.	✓			
2	Secondly, not considered by Baum and Locke (2004) pre-planning does not guarantee avoidance of disruption when introducing new resources. This is identified by Millicent who after planning implementation of new computer systems still encountered problems. Also, Samuel identifies that resistance to change by some staff members can make implementation "quite chaotic".				✓
<b>Business success achieved measured against a previous vision</b>					
1	Firstly, 'new resource skill' was weak as the ability of the owner/managers to forecast the performance they had achieved was weak. Some over estimated as was the case with Peter and others underestimated as was the case with Irene.		✓		
2	Secondly, lack of target setting as is the case with Catherine and inaccurate target setting, including limited financial planning as identified in relation to Proposition 9, may impact on future growth and viability.		✓		
<b>Expectation of growth in the next three years</b>					
1	All owner/managers seek growth and a diverse range of strategies has been revealed which demonstrates the creativity of the owner/managers. For those constrained by the footprint of their premises such as Connell, growth is sought through increased revenue. Growing her own vegetables is backward integration for Catherine and for Thomas the purchase of adjoining premises will help develop the accommodation side of the business. Anjab seeks to add a new revenue stream from a takeaway service.	✓			
<b>Anticipated internal or external enablers or barriers to growth</b>					
1	Firstly, both internal and external barriers to growth are recognised by respondents. Legislation, particularly in relation to human resource practices was perceived as a threat by Catherine. The Licensing Act in terms of it being like a 'restrictive practice' was cited as a barrier by Samuel. Additionally, the general business environment in Northern Ireland was perceived to be hostile as Irene refers to a "business mafia". She was also critical about slow, ineffective local government.	✓			
2	Secondly, Internal barriers are given as HRM skills as stated by James as well as Irene's self-criticism of her attitude to people. For Sean the problem lies in an inflexible building layout and for Peter an inability to delegate.	✓			

	<b>17.2.14 Proposition 14: Owner/managers have limited knowledge of training solutions</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1	Firstly, all but two owner/managers, Duncan and Sean, accept a need for new learning in relation to their roles.				✓
2	Secondly, it is possible for the owner/manager to create their own learning solutions as was demonstrated by Catherine, Irene and Thomas.				✓
3	Thirdly, the owner/managers possess a significant pool of skills and knowledge. However, these are not sufficiently concentrated in individual organisations and so significant knowledge gaps exist.				✓
4	Fourthly, from the pool of knowledge spread across all firms, there is potential for knowledge sharing if a framework were devised to facilitate such co-operation.				✓
5	Finally, knowledge sharing is the preferred method of training if structured on the basis of working in the firms of others to gain experience as highlighted for example, by James, Irene, Jimmy, Samuel and Jane who says "I think that's probably the number one thing" or as James says, "I would learn better in an environment where there are people in the same position as me trying to get to the same finish line".				✓

## **Appendix 5**

### **Business and career profile summary**

### Summary – Business and career profiles Part A

	Age	Yrs in business	Outlets	Married Single	Children & Ages	Hobbies	Apprenticeship or training	Work experience	World travel	11+	GCSE	In house training	Off job training	Mgt course
Catherine Barnes	40	7	1	M	None	Sport & Skiing	College trained chef course 3 yr	hotels	Australia	Not sat	7	Wine tasting	none	None
Irene Irvine	32	6	1	S	None	socialising		Bar work & clubs in Ibiza 10 yrs	Australia	No	4	Inductions only	Bench marking	N
Connel Campbell	38	9	1	M	3 ch 2,4,6,	Fishing	Diploma hotel Mgt Trained chef	Hotels in UK, Germany & New York	Germany, New York	No	4	None	None	Visa Marketing
James Murphy	49	10	1	M	None	Rugby Golf	Self trained chef	In-flight catering Hospital chef	No	No	5	None	None	HCIMA parts 1 & 2
Millicent Boyle	56	30	1	Divorced	2 ch 22 & 23 yrs	Family & Friends	none	Working in the hotel since being a child	No	No	6	Supervisory cours	Mgt Dev by Tourism Trust	Visa Marketing
Peter Mc Garrigle	34	3	1	M	3 ch 2,5,6 yrs	Gym GAA	C & G 7061/2 NVQ 3 college Trained Chef	Catering Companies and Hospital chef	No	No	None	none	none	None
Samuel Fern	67	25	2	M	3 ch Adults	Listening to msic	None – degree in Maths and statistics	Public service statistician	No	Yes	Y Cant recall them	None	None	None
Sean Anderson	49	23	1	M	3 ch 12,14, 17 yrs	Golf & Magic	Shannon Hotel College 4 yrs	In family hotel	No	Yes	7	None	None	Seminars

### Summary – Business and career profiles Part B

Duncan Kennedy	43	20	2	S	None	Golf in Spain	Learned the ropes in the family business	Family business	No	Not sat	None	None	None	None
Thomas Ryan	46	20	1	M	2 Adults	Youth Football	Scholarship to hotel school 3 yrs course	Chef in hotels Ireland Switzerland & USA	USA	Yes	8 Leaving Cert	General	None	None
Jennifer Allen	51	5	1	M	2 Adults	Running	None	Worked in Belfast hotels	No	No	4	None	None	HCIMA Diploma
Anjab Sunny	52	11	1	M	5 Adults	Football 5 a side	None	Working in various jobs in Indian restaurants	No	Not sat	None	None	None	None
James Kelly	41	6	1	M	3 ch 4,8,11, yrs	gym	Hospitality Degree Leeds	12 yrs in hotels in Belfast and USA	USA	Yes	6 GCSE 1 A level in French	Y	None	Visa Marketing
Kathleen Best	46	20	1	M	4 ch 10,12, 14,16 yrs	Show jumping	Degree in Education	None	No	Yes	10 GCSE 2 A lvs	None	None	Visa Marketing
Jane Simmons	37	12	1	M	None	Hockey	Masters in Computing	Catering Sales Family Pub	No	Yes	8 GCSE 3 A lvs	None	None	None

