

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

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DBA Abstract

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

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

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

The thesis examined perceptions of SE owner/managers participating in management education programs and whether there is a contribution to the

solvency of businesses from an educational framework that gives SE owners who lack crucial business/management skills, direction towards specific information, knowledge and abilities. The intention was to bridge research gaps concerning levels of SE solvency and skill-education available using four major types of business educational organisations.

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

The table below summarises outcomes of data analysis and indicates that of the 16 potential results of SE management education listed, only 4 achieved an acceptable level of support from course participants.

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

| | | | | | | | |
|---|--------------------|-------|------|-----|----------|------|--|
| 4 | Impact on solvency | 5.3.4 | 5.40 | 205 | Concepts | 3.91 | |
|---|--------------------|-------|------|-----|----------|------|--|

* = Acceptable level of support

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

Positive perceptions

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

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

Negative perceptions

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

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

Conclusion

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

