

## 4. Key Informant Interviews

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### Overall Perspectives

- 4.1 We gained excellent levels of interest and support from a variety of ‘key informants’ from organisations including major public bodies (WDA, ELWa, WAG), business support organisations (enterprise agencies, SSCs), training providers and FE/ HE colleges, representative bodies (FSB, IoD) and a number of others (private sector consultants, developers/ publishers of various materials). More information about interviewees is given in Appendix V.
- 4.2 Key informants confirmed most of the points identified through the literature review, including a strong belief in the importance of management/ leadership development in improving overall organisational performance – but high levels of caution about most SMEs’ likelihood of ‘doing anything about it’. One point frequently stressed centred on what is widely seen as a complex, *“often confusing”* range of sources of information about business development in general, and often management/ leadership development in particular: *“Who are the gatekeepers for all of this? Where do they get their information? What would they **really** know about something like this?”* (representative body).
- 4.3 This tended to be coupled with concerns about the quality and relevance of some of what is on offer. *“I see a very confusing picture. If people want to improve their management skills, it’s not easy for them to know how they should go about it. They’ll see ‘initiatives for this and that’. It’s very difficult to tell the wheat from the chaff – in the sense of getting something that’s really relevant, just doing what’s needed, conveniently and accessibly”* (business adviser). These points paralleled many of those made in the ‘Raising our Game’ report about *“a confusing plethora of options (presented) to the consumer”* which may be *“inflexible, may lack practical application”* - which we have quoted already.
- 4.4 Having said this, several interviewees who are responsible for, or know of, what they see as *“well-designed, good quality”* management or leadership development initiatives can often (not always) describe major challenges in gaining support from sufficient numbers of SME owner-managers. *“It can be hard to attract peoples’ attention: partly it’s scepticism, partly it’s not knowing what they don’t know ... partly it’s lack of time (but they do seem to have time to do what they really want to*

do ...”). Good results can be achieved, however: as well as this kind of information coming from key informants, the SME interviews covered several individuals who are very positive about particular programmes they have taken part in.

## Diagnostic Tools

- 4.5 For most key informants, direct experience of self-diagnostic management/ leadership tools was low – partly because of the general lack of significant numbers of ‘true’ tools in this category we have described already, but often because their areas of interest and expertise were rather different. *“It’s important to look at the business as a whole, not necessarily assume people need this sort of development, or that sort of development”* (liP practitioner); *“We want to help develop sustainable, successful businesses – management skills are an important element, not the only one”* (business adviser). *“People come and say ‘we’re interested in your ... programme’; we say ‘fine but come in and have a chat first, talk about whether it’s the right thing for you before you start; do some tests; look through some options for modules’. They sometimes change their minds. We sometimes say ‘we don’t think you’d make it’ and don’t let them start ...”*. (HE lecturer).
- 4.6 Key informants stressed the challenges which have been seen in the past in gaining SME interest in management or leadership development initiatives – and which would have to be overcome if any self-diagnostic tool were to gain acceptance in the future. Four main categories of concern arose:
- 4.7 **Time and other pressures:** Key informants were clear that, for many SMEs finding the time to address leadership and management development issues really is a problem. *“You have to accept that a lot of people (particularly in the very small businesses) are working an awful lot of hours, thinking only a day or two ahead – firefighting, really. It’s very hard to take a step back, think ‘management’, ‘strategy’ ... or ‘do a test’”*. Similar points sometimes apply to costs: *“There isn’t a lot of money in quite a few of the businesses we deal with ... just the funds involved with an MBA, say, rule it out”* (business adviser).
- 4.8 **SME owners’ attitudes and abilities:** Running successful small businesses requires many skills, *“but not necessarily thinking deeply about things. Activities like ‘plan’, ‘manage,’ ‘develop’ – they’re sometimes proud to say they don’t do them”* (training provider). We need to stress that many SMEs certainly are aspiring to achieve higher levels of management and leadership performance, but this is

clearly a minority at the moment. Additionally, many successful business people have limited academic achievements, and may not value these capabilities and the 'book learning' they represent. *"Quite a few are just too arrogant to realise the importance of the issue; others haven't the basic ability to go through a process of assessing their strengths and weaknesses ..."* (business support organisation).

- 4.9 **Lack of clear routes into effective leadership and management development programmes:** *"Everyone knows how to go to their accountant or bank manager, hardly anyone knows how to sort out management development"* (training provider) summarises a major series of concerns about lack of role models, patterns of behaviour and basic awareness of management/ leadership development options. A number of successful programmes for SMEs certainly have been run in Wales – by enterprise agencies, FE/ HE colleges and others (albeit much less often by the private sector on a non-subsidised basis). Gaining support has usually required considerable effort, however, with the most effective way of recruiting appropriate individuals typically requiring a combination of word-of-mouth 'authentication' from other SMEs and careful 1:1 briefing from those running the programme.
- 4.10 **Programmes which are/ have been provider-led rather than SME-led:** The FSB report 'Lifting the Barriers to Growth in UK Small Businesses'<sup>1</sup> concluded that *"many courses"* are geared more towards what is convenient for providers (particularly FE/HE colleges) to deliver, rather than to the needs of small businesses, for example through provision being offered at inappropriate centres and inconvenient times. Our interviews with key informants tended to repeat these concerns – although providers themselves pointed to *"a lot of work to make things more accessible – bite-size options, evening programmes, not-just-term-time – that sort of thing"*.
- 4.11 Views about the usefulness of tools were inevitably constrained by low numbers of tools currently available which could **really** be categorised as management and leadership self-diagnostic instrument to refer to, and very varied perceptions of *"what something like this might actually look like"*. Key informants did, however, urge us to be *"realistic"* in supporting any plans for developing a self-diagnostic tool for managers – particularly in SMEs: *"Most would never use it, never even look at it."* Key informants told us that a proportion of *"brighter, more enlightened"* SME

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<sup>1</sup> Federation of Small Businesses, *Lifting the Barriers to Growth in UK Small Businesses – The FSB Biennial Membership Survey, 2004*

owners and managers might well find such a tool worthwhile – provided a number of requirements were met including the need for any tool to be:

- demonstrably relevant to owner/managers of SMEs, particularly if financial benefits can be anticipated
- sufficiently jargon free, not appearing ‘theoretical only’;
- attractive, with an enticing ‘brand image’;
- directed towards managers not part of big, hierarchical structures;
- available to those both with and without access to the internet;
- capable of identifying specific needs, then indicating clearly how those needs can be met;
- needing only a ‘reasonable’ length of time to complete;
- available at a ‘reasonable’ cost;
- maybe linked to case studies relating to SMEs that have completed the process;
- offering tangible benefits;
- independent, robust – managers/ owners need to know results will be treated confidentially, and can be relied on.

Many links with points already identified by the WMC (see para. 1.2.6 above) will, of course, be readily identified.

- 4.12 Bearing in mind the strong recommendation in ‘Agenda for Action’ that the use of a self-diagnostic tool ought to be supported by an effective ‘infrastructure’ to *“ensure that managers can find a quick and easy route to development opportunities ...”* we were keen to discuss with key informants how any tool might link into wider programmes of development and support. Results here were overwhelmingly positive – subject to the points about the need to improve the general management/ leadership ‘infrastructure’ we have made already.
- 4.13 To start with, providers of current programmes were confident that a tool **could** help build appreciation of the development needs their programmes address, not only encouraging more SME managers to attend relevant programmes, but helping them to prepare better for these programmes and apply what they learn more reliably.
- 4.14 Those offering more broadly-based business support pointed to potential benefits from *“another way of addressing the key issue for lots of businesses, how they’re managed”* – with opportunities for offering a **range** of development opportunities as

a result: *“mentoring, seeing how other people do it, going to a few seminars, whatever – provided they have a clear picture of where they are and where they ought to be going”* (business adviser).

4.15 Even more radical options may become feasible, perhaps including linking other forms of support (grants, loans) to information about current management and leadership skills gathered through a self-diagnostic tool, along with evidence that they will be actively developed in future.

4.16 Central to all of these views is, however, the challenge that any self-diagnostic tool should meet several highly demanding requirements simultaneously – being reputable, enticing, well-supported, robust, reasonably quick to complete, and so on. *“Just another ‘initiative,’ something superficial and seen as ‘pushing public-sector solutions’ would be worse than useless. It would make a poor position worse”* (representative organisation).