

5. SME Interviews

- 5.1 Initial plans for collecting information about SMEs' views and experiences relied on contacting 30 owners/ managers through intermediaries so that individuals with at least some exposure to management/ leadership development issues might be asked to provide information, rather than 'SMEs in general'.
- 5.2 Problems arose in getting the sort of data we needed from initial contacts with intermediaries, so a sample of 25 'general' SMEs were identified from standard databases and interviewed using the topic guide given in Appendix III. Subsequently, a group of 28 'informed' SMEs was identified through different intermediary organisations, and again telephone interviews took place using the topic guide in Appendix III. In all cases, responses were content-analysed and – although this was never intended to form a representative sample of Welsh SMEs – a summary of the overall levels and proportions of particular issues being raised was maintained.
- 5.3 Although not following the original work plan, this approach brought a number of benefits. In particular, the likelihood that most SMEs will have absolutely no experience of, nor interest in, management and leadership development was amply confirmed. Whilst management and leadership processes *per se* might well be working effectively (several firms contacted seemed to be achieving appreciable business success), it appeared that the likelihood of them showing interest in formal development programmes in the foreseeable future was low.
- 5.4 Even when we extended our sample to include more 'informed' SME owner/managers, awareness levels about self-diagnostic tools and appropriate development routes were often very limited. A small proportion (10-15% only) mentioned liP as a way of promoting 'better management'; particularly because this group included students on an MA in Enterprise and Management Development, several were actively engaged in practical and challenging development programmes, but even here several were candid in their views e.g. "*I didn't know what was out there; the only diagnostic work I've done was part of this programme*" (software business).
- 5.5 Most of the 'informed' SMEs contacted during this research recognised the importance of management (although perhaps not leadership) skills in principle – but this did not always translate into any form of practical action, maybe for

reasons identified already like pressures on time, but in many cases because of “*not knowing where to go*” and “*confusion because of all the millions of organisations who want to tell you how to do your job*” (retail business).

5.6 Perceptions about currently available management and leadership development programmes (usually based on supposition rather than direct experience) were usually negative, and included:

- not delivered at convenient locations
- not delivered at convenient times
- poor relevance/ quality
- not supported by attractive grant assistance (although several indicated that “*finance wouldn’t be a problem if you could be sure it would pay off for the business*”).

5.7 Some of the other constraints likely to influence the successful introduction of a self-diagnostic tool for managers in SMEs, and/ or higher-profile management/ leadership development programmes described by SMEs, were categorised by the research team as:

- Lack of ambition to grow significantly
- Organisation size: very small businesses may find leadership/ management issues in general hard to relate to
- Being very busy - “*no thinking time*”
- Older owners “*not really interested in any sort of development*”
- Lack of formal education; limited personal literacy/ numeracy among some owner/ managers
- Lack of choice; perceptions that “*there isn’t any good-quality, flexible private sector provision*”.

Need and Demand

5.8 It is important to recognise the sorts of messages SMEs were giving in relation to a possible management/ leadership diagnostic tool. We have pointed out that our key informants and much literature indicates a major **need** for SMEs to improve their management and leadership skills – with a self-diagnostic tool, potentially, offering important opportunities for helping address this need. SMEs did not, overall, deny this need – either because they agreed it exists, or because they described concerns about business performance which could be implied as

stemming from sub-optimal management and leadership capabilities.

- 5.9 Yet levels of formal **demand** for such a tool are currently very low – in the sense that few if any managers are currently expressing interest in using one and, if one were to be introduced tomorrow, there is no reason to expect significant take-up without a good deal of active promotion and support. Current demand is, of course, constrained by a lack of examples which would have allowed interviewees to “*see the sort of thing you’re on about.*”
- 5.10 Latent demand, in the sense of managers who are already ‘thinking about’ some sort of management/ leadership development and who **could** find a tool “*a good starting point*” is clearly higher again, as is the category of owners/ managers who ‘might consider’ management or leadership development tools if “*they got presented in the right way*”. This parallels findings from other studies to the effect that “*Raising demand needs to be orchestrated at many levels*¹” if significant levels of take-up for management and leadership development in general, and self-diagnostic tools in particular, are to be achieved.
- 5.11 Even with active promotion and support, this study does confirm the view that there is likely to be a major ‘rump’ of managers and owners who are very unlikely to consider any form of management/ leadership development in the foreseeable future, and so – irrespective of underlying need - representing no demand for a possible management and leadership development self-diagnostic tool. This position is summarised in Figure. 2.
- 5.12 Our limited data collection programme pointed to the proportions of SMEs in the 4 elements within Figure. 2 being roughly as presented there – that is to say with easily the largest proportion lying in the ‘no demand’ element. Our data collection programme did not include a representative sample of SMEs, however, and it may be that further work to undertake pilot management skills audits and gain more information about these different categories of demand should be considered by ELW_a or appropriate partner organisations.

¹ ‘Raising our Game’ p.18

Figure 2: A Representation of Current Demand for Management and Leadership Development Self-Diagnostic Tools

