

SMALL BUSINESS TRAINING AND DEVELOPMENT IN THE UNITED STATES BY YEARS IN BUSINESS

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ABSTRACT

Today's knowledge worker must exhibit judgment, creativity, technical expertise and interpersonal skills that promote knowledge creation and sharing. These are intangibles that often cannot be forced like a labor standard on an assembly line (Nonaka & Takeuchi 1995).

According to 'Winning the Race', a report issued by the Council on Competitiveness, there is an acute skills shortage in every part of the country that threatens the foundation of American competitiveness. These acute skills include good work habits, people skills and cognitive skills specific to the workplace, as well as to technical knowledge. The acquisition of such skills is critical for today's workers if they expect to obtain and maintain jobs and excel in a work environment.

The study provides data regarding the extent to which training is conducted, formally and informally, according to years in business, in a sample of small businesses. Specifically, the results showed four trends related to the entrepreneur and employee views to training. The major factor in relation to perceived need and type of training related to the organisational life cycle.

Keywords: Training; development; life cycle; entrepreneur; small business

INTRODUCTION

The intensity of competition and pace with which knowledge becomes obsolete is heralding an era where leadership, organisational structure and control systems must increasingly focus on the management of knowledge and skills. Such an environment requires management to systematically design an infrastructure that is effectively tailored to the needs of an increasingly mobile knowledge worker and supports organisational learning in areas of strategic concern (Cross & Funk 1997).

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Today's knowledge worker must exhibit judgment, creativity, technical expertise, and interpersonal skills that promote knowledge creation and sharing. These are intangibles that often cannot be forced like a labor standard on an assembly line (Nonaka & Takeuchi 1995). Compounding the current state of the workforce are projections that the supply of individuals with the necessary education and skill will not meet the demands of jobs in the US economy (Carnevale et al. 1990). According to 'Winning the Race', a report issued by the Council on Competitiveness, there is an acute skills shortage in every part of the country that threatens the foundation of American competitiveness. These acute skills include good work habits, people skills and cognitive skills specific to the workplace, as well as to technical knowledge. The acquisition of such skills is critical for today's workers if they expect to obtain and maintain jobs and excel in a work environment.

Traditionally, training and development was not viewed as an activity that could help companies create 'value' and successfully deal with competitive challenges. Today that view has dramatically changed. Companies that use innovative training and development practices are likely to report better financial performance than their competitors that do not. Training and development also helps a company to meet competitive challenges. As companies attempt to expand into global marketplaces, their success will be determined by employees' ability to work in a new culture (the global challenge) (Noe 1998).

Researchers in the United States have noted the shortage of survey data documenting human resource management practices and their impact on firm performance (Becker & Gerhart 1996). Furthermore, the absence of data on human resource practices is particularly acute with regard to small businesses (Rowden 1995; Flanagan & Deshpande 1996). While smaller employers may be interested in tracking developments in large organisations, it should not be assumed that practices used by large firms are necessarily beneficial or practical for smaller business (Wagar 1998).

LITERATURE REVIEW

Importance of Training and Development

Organisations provide training for many reasons. They wish to orient new hires to the organisation or teach them how to perform in their initial assignment. Some organisations also wish to improve the current performance of employees who may not be working as effectively as desired, or to prepare employees for future promotions, or for upcoming changes in design, processes or technology in their present jobs (Fisher et al. 1999). Training can help an organisation succeed in a number of ways. Traditionally, training facilitates the implementation of strategy by providing employees with the skills and knowledge needed to perform their jobs.

Recent changes in the environment of business have made the human resource development function even more important in helping organisations maintain competitiveness and prepare for the future (Goldstein & Gilliam 1990). Technological innovations require training, with employees often needing more sophisticated skills in troubleshooting and problem-solving than they did previously. The pressure of global competition is also changing the way organisations

operate and the skills that their employees need. For instance, organisations have been increasingly providing quality management and customer service training in an attempt to keep up with rising consumer expectations (Bellizzi & Piontkowski 1990; Lee 1991).

Approximately 70 per cent of employers provide some formal training (Noe 1998). The larger the company, the more likely its workers were to have been trained. In smaller companies, 75 per cent of respondents in firms with fewer than 500 employees received some training, compared with 82 per cent in companies with more than 1,000 people (Schaaf 1998). Smaller to midsize firms, employing 100 to 499 people, averaged 140,040 dollars per company for training; these companies make up about 78 per cent of the Dun & Bradstreet database of 146,837 US organisations.

Those employing between 500 and 999 people, about 10 per cent of the database, planned to spend about 237,600 dollars each. The largest companies, those with 10,000 or more employees (1 per cent of the database), had training budgets that averaged well over 15 million dollars. Small companies (50-99 employees) spend about one-third as much as large employers (500+ employees) (Noe 1998).

Most training goes to managerial, supervisory, white-collar, salaried employees. Eighty per cent of people at work today are hourly workers. Mincer (1997) also reported that people who in the past have received training are more apt to undergo further training in the future.

Of the nearly \$60 billion expended by organisations employing one hundred or more employees, 42.1 billion dollars was spent for HRD staff salaries, and another 14.7 billion dollars was allocated for outside services (seminars, conferences, materials, etc.) (Blanchard & Thacker 1998). The most recent reports estimate that employers spend around one per cent of payroll on training. To keep up with the current trend, this amount is expected to increase to three per cent by the year 2000 (Chance 1998).

Small Business Training and Development Issues

There are three prominent issues in today's small business training environment. The first issue questions where small business will find qualified employees in an economy where capable labor is going to be a relatively scarce good. The second issue concerns how small businesses are projected to use training to raise their productivity in order to compete in the marketplace (Lichtenstein 1992). The third issue is that small businesses have created most of the new jobs in recent years and will need training if they are to survive and grow. Each issue will be discussed in turn.

A study conducted by the American Society for Training and Development addresses the first issue. The study shows that most American workers are not getting the training they need to keep their companies competitive. With such a lack of training, it is expected that by the year 2000, there are likely to be too few well-educated and well-trained workers to satisfy the nation's economic needs (*USA Today*, 1989). Other surveys illustrate the extent of the skills gap as perceived by American business: a recent Coopers and Lybrand business poll posed the question:

'Is the lack of skilled workers hurting your revenue growth?' In 1993, twenty-seven per cent responded 'Yes' to this question. The affirmative responses increased to over sixty-six per cent in 1998. Clearly, small businesses will have to look for less qualified employees to fill new positions (Lichtenstein 1992), and will have to work harder to keep their existing workforce and increase their productivity (O'Connor et al. 1996).

The second issue, training and development, is one that is often mentioned but rarely viewed as a potential source of competitive advantage (Fairfield-Sonn 1987). Lack of investment in training is an often-cited reason why US companies are losing market share to foreign competitors. For example, whereas sixty-six per cent of German workers are involved in apprenticeship training programs, only two-tenths of one per cent of US workers is involved in similar programs (Carnevale et al. 1990).

On average, US companies only spend about one-third as much as Japanese companies on training per year. Some statistics also suggest that only sixteen per cent of US employees have ever received any training from their employers! (Noe 1998). A study conducted by the American Society for Training & Development concluded that managers in Europe were more likely to describe globalisation as the most fundamental force driving their skill creation needs than were managers in the United States. US managers were more likely to identify rapid technological change as the most significant force shaping their changing skill requirements (*Training and Development*, 1999).

Small businesses can raise productivity by training their employees. Training ensures that the right people learn the right things at the right time and in the right priority order (O'Connor et al. 1996). As a result, training is one of the primary ways to bring less-qualified employees up to acceptable standards of performance, and to increase their productivity in a time of global competitiveness (Lichtenstein 1992).

In addition, a major new study finds that those on the receiving end of company-sponsored training do, indeed, value it. It finds workers reporting that training makes a difference not only on the job, but also in the way they view their employer and how inclined they might be to jump to another company (Schaaf 1998). In the long run, the only sustainable source of competitive advantage is an organisation's ability to learn faster than its competition (Senge 1994). Small businesses need to train employees in order to increase productivity and to gain a competitive advantage, but smaller firms are generally the ones that can least afford training. As a result of this financial constraint, training tends to be dealt with on an 'if-we-can-afford-it basis' in small firms (Feuer 1988). Less than nineteen per cent of small businesses include formal training programs for new hires, compared to forty-four per cent of large firms. This lack of formal training is due to the high costs of training, and may put smaller firms at a competitive disadvantage (Lichtenstein 1992).

The third issue is that small businesses have created most of the new jobs in recent years, and will need training if they are to survive and grow. As previously stated, it is estimated that organisations with fewer than twenty employees create ninety-eight per cent of all net new jobs

(Feuer 1988). Although many small businesses will go out of business in the first year, many of the ones that survive will become larger companies (Kelly & Thompson 1988).

The reasons it is difficult to market training to small businesses are numerous, but the majority have fifty or fewer employees, with tremendous workloads, and a lack of clearly defined duties. Due to a lack of human resource professionals or training personnel, training is mostly on-the-job training. Also it is difficult for an employee to be absent, even for a day, for training. But the chances are good that these new jobs require ongoing training. That is why more small businesses are taking on the responsibility of training. Further, that is where the new jobs are. Of the 12 million new jobs created in the nation between 1992 and 1996, small and micro size businesses added nine and one-half million, seventy nine per cent of all new jobs.¹

ORGANISATIONAL LIFECYCLE

Researchers have argued that organisations evolve in a consistent and predictable manner through various stages of development (Adizes 1988; Churchill & Lewis 1983; Greiner 1972). Numerous scholars have written and empirically examined the concept that all organisations, including small and medium enterprises (SMEs), have developmental stages with predictable patterns that are similar to an individual's adult developmental stages (Adizes 1988).

Adizes (1988) compares an organisation's developmental stages to the lifecycles in human development. Scholars believe that, just like an individual, an organisation has predictable patterns of sequential and progressive behaviour that is associated with each stage of an organisation's life. As the organisation grows, management struggles between the polarity of organisational flexibility and controllability; just as an individual struggles with the polarity of his/her own needs and societal needs until a transformation takes place (Smelser & Erikson 1980).

A healthy organisation is one that can maintain a balance between growth and controllability. Even though researchers differ as to the number of organisational stages, common characteristics and developmental tasks associated with each stage of the organisation's lifecycle exist (Hanks et al. 1993). In summarising the literature on lifecycle characteristics, Hanks et al. (1993) developed a four-stage model that incorporated ten lifecycle models. The four stages of Hank's lifecycle model are start-up, growth, maturity, and diversification. In each lifecycle stage, Hanks examined variables such as managerial style, structure and the organisational size or complexity (1993).

Greiner (1972) found that an organisation goes through various relatively stable evolutionary stages that are separated by periods of revolution or dramatic changes. Management builds the foundation for the organisation's structure by making choices based on the tasks associated with each stage.

¹ Note: "micro" businesses have less than 20 employees; "small" businesses have 20 to 99 employees.

Start-up or Entrepreneurial Stage

Since a successful leader is concerned primarily with survival in the start-up phase, he/she will show a high concern for maximising production and little regard for building relationships with his/her employees (Blake & Mouton 1964). In a new business, entrepreneurs will typically be dealing with immature subordinates, so task, not relationship, is emphasised. The leader provides specific direction as to what, how and when things should be done (Hersey & Blanchard 1972). In a new business, entrepreneurs will typically be dealing with immature subordinates, so task, not relationship, is emphasised. For the start-up phase, a strong leader is important to the survival of the business.

Growth or Expansion Stage

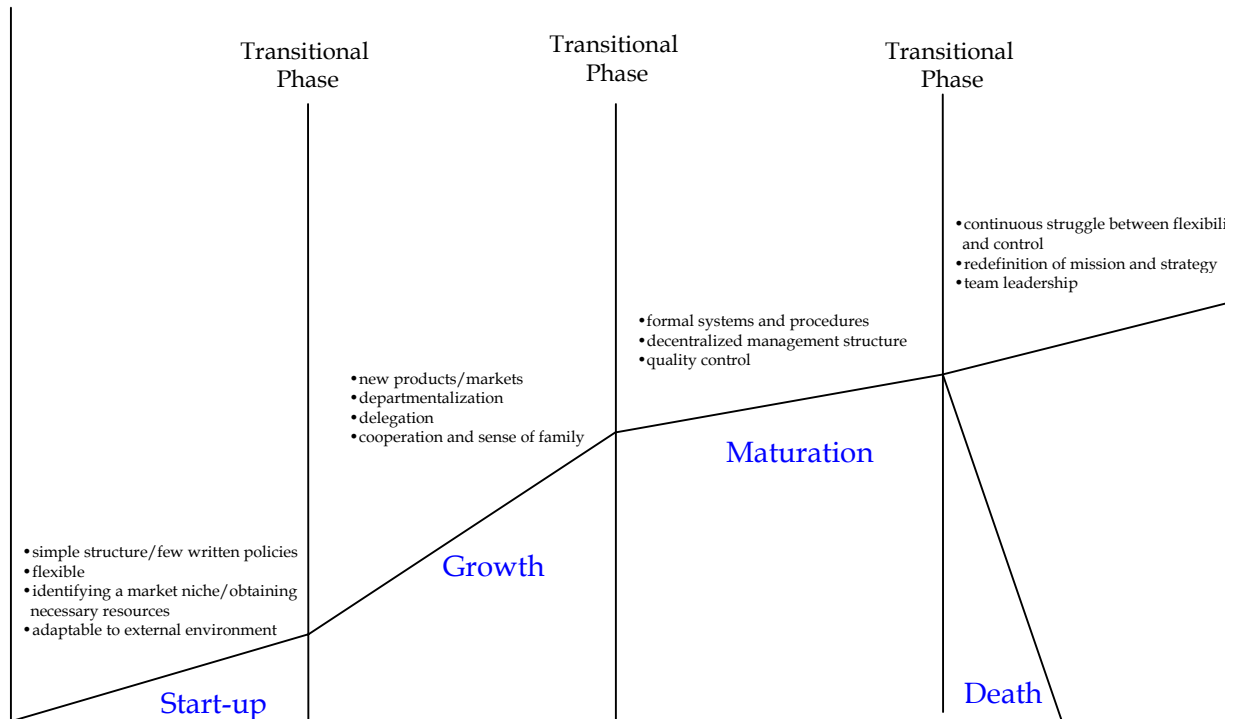
As an organisation grows and changes, a leader must be able to empower others by giving them authority and accountability to lead their departments (Jaques & Clement 1991). The transitional periods require a leader to use reflective thinking to accurately assess the task required for the organisation's transformation to a new level (Quinn 1988; Quinn & Cameron 1983). As the business grows, the leader must build relationships with his/her employees and needs to rely on them more. Based on Hersey and Blanchard's (1972) model, the leadership behaviour should change from telling or directing to selling or coaching.

Although the founder is in control, he/she must begin to rely on a few key employees as the organisation experiences rapid changes (Gupta & Chin 1994). Therefore, it is necessary to develop a sense of family and cooperation with the organisation's members to increase the importance of human relationships and personalised leadership (Quinn 1988). The organisation's structural changes are necessary for the next organisational stage. An organisation's subsequent developmental stage will be affected when management has failed to accomplish the task from a previous stage (Adizes 1988). The founder's task is to departmentalise by developing a complex functional structure with limited delegation (Hanks et al. 1993). If the organisation does not begin an administration system during the growth stage, the transition to the maturity stage may be impossible (Adizes 1988).

Model 1 summarises the various researchers' conceptual views regarding the organisational lifecycle stages.

Model 1

Organizational Lifecycle

*Consolidation and Maturity*

The transitional stage to organisational maturity is a painful and prolonged process. Management must have developed formal systems and procedures to increase the profitability by monitoring expenses (Adizes 1988). Developing quality products and establishing rules and procedures to increase the business' stability and continuity is more important than growth. Management should develop a framework to support the organisation's transition from a centralised to a decentralised management structure. Due to the increase in the organisation's complexity, a leader must empower others to have accountability and authority for their departments.

If the implementation of controls does not allow for a balance of flexibility and control, an organisation can become too rigid and ironbound in tradition (Adizes 1988). If an organisation is unable to adapt to the competing needs that are prevalent in its fourth stage of development, the organisation can suffer from stagnation. The leader's behaviour should become participative to balance the organisation's need for flexibility and controllability.

Death, Revitalisation

The last stage of organisational development is a time of continuous struggle between flexibility and control. Organisational maturation can lead to a rigid structure that inhibits the business' adaptability to changes in the market (Adizes 1988). Formalisation reduces innovativeness and flexibility. Gupta and Chin (1994) believe that when an organisation is in the maturity stage, management is less apt to react to the environment and develop a proactive strategic plan. Revitalising and redefining the business' mission and strategy during the diversification stage will prevent the decline and death of the business (Adizes 1988). The implementation of decentralisation and team leadership will create a more flexible environment.

METHODOLOGY

In order to better understand the areas in which small business employees need the most training, what methods small organisations are using to train, and what problems are most often encountered in the training process, by years in business, a survey was developed and distributed to small business owner/managers in the Small Business Development Centers (SBDCs) throughout the United States. The sample population was taken from the client addresses of the SBDCs.

Approximately, two thousand (2 000) mail surveys were distributed by a stratified random sample through out the United States. Four hundred and fifty-two (452) or twenty-three per cent (23%) responded to the survey. The questionnaire consisted of twenty-five questions, beginning with the respondent's age, gender, and education level. The owner/managers were then asked to provide the number of employees (both full and part-time) employed by their company during the last three years, and the type of business or industry (retail, construction, professional, manufacturing, wholesale, R & D, service or general service) in which they are involved.

Also, respondents were asked how long their business has existed, if they started or purchased the business, and if it was a family business. Finally, the twenty-five-question survey provided a wide range of information pertaining to the areas in which the small business managers and their employees need the most training, what methods organisations currently use to train, and the problems that are most often encountered in the training process.

DATA ANALYSIS

In order to conduct meaningful data analysis regarding the needs of the small business/entrepreneurial firm, data were cross tabulated by how long the business existed—organisational life cycle stages—against a number of training and development variables affecting the success or survival of the small business and/or its entrepreneur.

Table 1 provides the responses to the survey question regarding which areas of training the entrepreneurs and their employees believed they need for the success and survival of the small business, cross-tabulated by how long the business has existed. As shown in Table 1, in the early

years, from initial start-up to year 4, the respondents selected Marketing as the area of training in highest demand (35.6%), followed closely by Finance (34.3%) and Accounting (31.7%). In the early growth years, businesses in existence between 5-10 years, the areas of training the respondents selected were Accounting (30.3%) followed closely by Finance (28.3%) and Marketing (28.3%). In the mature growth stage, businesses in existence between 11-20 years, the same three areas were selected as being the most desirable and all were equally in demand (Finance 13.9%, Accounting 13.8% and Marketing 13.3%). Finally, in the mature stage, businesses in existence greater than 20 years, Accounting was highest in demand (24.1%) followed closely by Marketing (22.8%) and Finance (22.5%).

The data displayed in Table 1 shows that as the businesses moved from their initial start-up, organisational life cycle stage (0-4 years) to their mature stage (20 years or older), the entrepreneurs and the employees perceived less need for training. In fact, the trend shows that during the first three organisational life cycle stages, the demand for training consistently dropped. In the final stage (greater than 20 years in existence), however, demand for training increased by approximately seventy-five per cent (75%).

The results shown in Table 1 seem to indicate that the perceived value of training by entrepreneurs and their employees, regardless of topical area, declines as the business moves from its initial start-up phase through its mature growth stage but then dramatically increases in the mature stage. This may be the result of various internal and external factors, some of which may be that the business is about to reform or launch new products and services or perceives a threat to its share of the market and must recast itself to grow and prosper.

Table 1

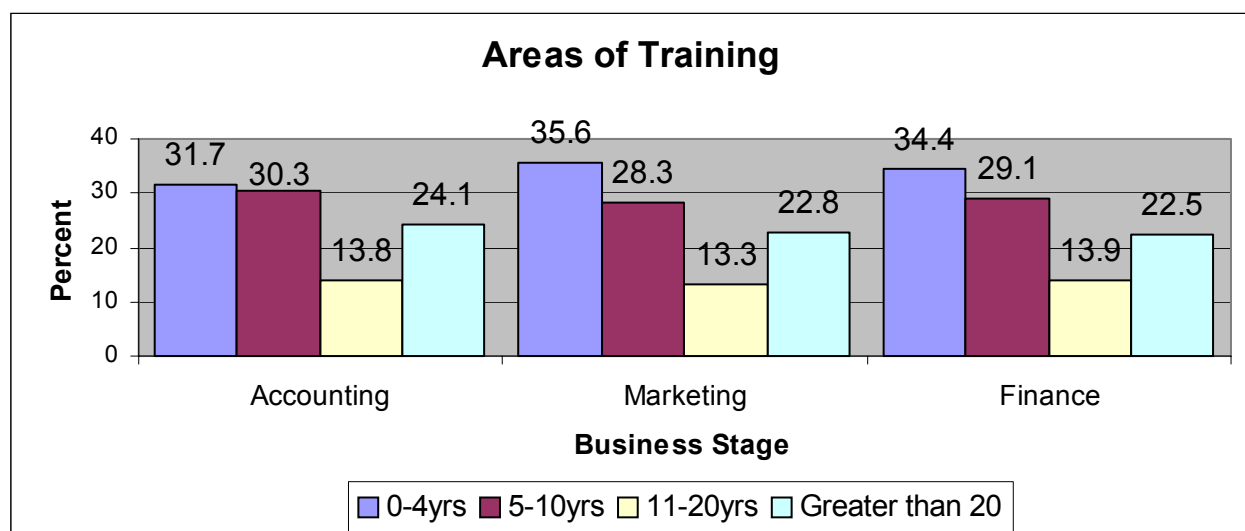
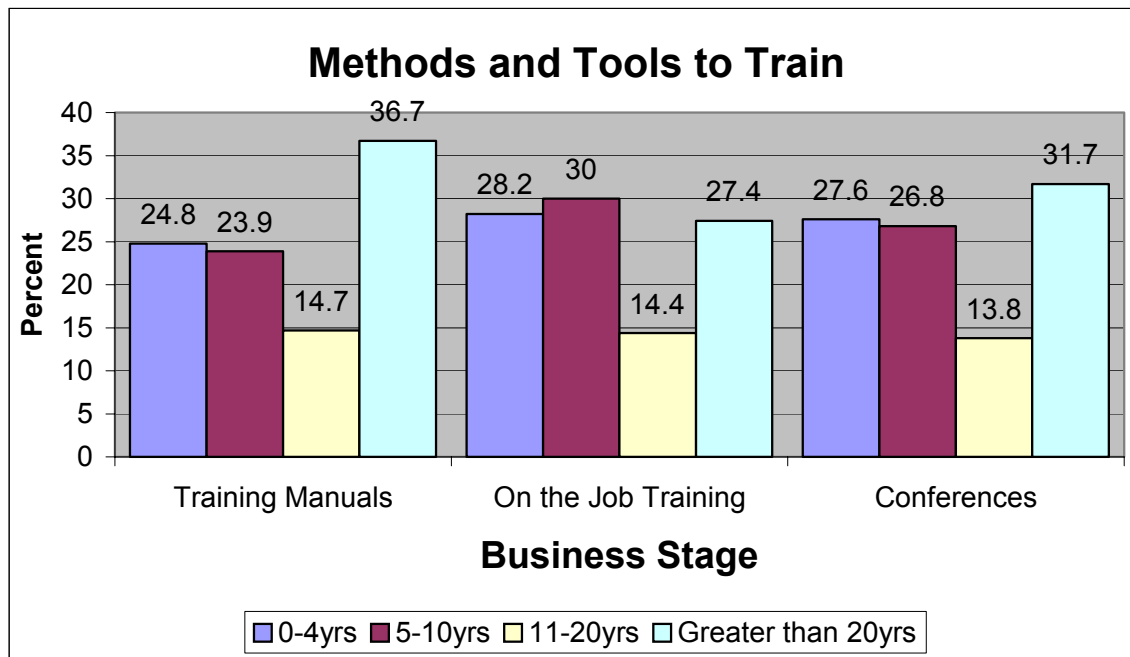


Table 2 provides the responses to the survey question regarding which methods and tools available to train the entrepreneurs and their employees were believed essential for the success and survival of the small business, cross-tabulated by how long the business had existed.

As shown in Table 2, in the early years, from initial start-up to year 4, the methods and tools the entrepreneurs and employees selected most were: On-the-Job Training (28.2%), Conferences (27.6%) and Training Manuals (24.8%). In the early growth years, businesses in existence between 5-10 years, the methods and tools the entrepreneurs and employees selected most were: On-the-job Training (30%), Conferences (26.8%) and Training Manuals (23.9%). In the mature growth stage, businesses in existence between 11-20 years, the methods and tools entrepreneurs and employees selected most were similar in perceived usefulness, i.e., On-the-job Training (14.4%), Conferences (13.8%) and Training Manuals (14.7%). Finally, in the mature stage, businesses in existence greater than 20 years, the methods and tools entrepreneurs and employees selected most were: Training Manuals (36.7%), Conferences (31.7%) and On-the-job Training (27.4%).

Table 2



The data as displayed in Table 2 shows that as the businesses moved from their initial start-up, organisational life cycle stage (0-4 years) to their mature stage (20 years or older), the entrepreneurs and the employees are less interested in various training methods and tools. In fact, the trend shows that during the first three organisational life cycle stages, the demand for training methods and tools consistently dropped but in the final stage (greater than 20 years), demand for training methods and tools increased by over one hundred per cent (100%).

The results of Table 2 seem to indicate that the perceived usefulness by entrepreneurs and their employees of various of training methods and tools declines as the business moves from its initial start-up phase through its mature growth stage, but then dramatically increases in the mature stage. This again may be due to various reasons, internal and external business factors.

Table 3 provides the responses to the survey question regarding which training delivery options, available to train the entrepreneurs and their employees, were believed essential for the success and survival of the small business, cross-tabulated by how long the business had existed.

As shown in Table 3, in the early years, from initial start-up to year 4, the preferred training delivery options available to train the entrepreneurs and employees were: One-on-one (25.6%), Mentoring (25.2%) and Group Training (18.9%). In the early growth years, businesses in existence between 5-10 years, the preferred delivery options of the entrepreneurs and employees were: One-on-one (32.8%), Mentoring (25.2%) and Group Training (21.6%). In the mature growth stage, businesses in existence between 11-20 years, the preferred delivery options of the entrepreneurs and employees were: Group Training (19.8%), One-on-one (13.6%) and Mentoring (12.9%).

Finally, in the mature stage, businesses in existence greater than 20 years, the preferred training delivery options of the entrepreneurs and employees were: Group Training (39.6%), Mentoring (36.7%) and One-on-one (28%).

The data as displayed in Table 3 shows that as the businesses moved from their initial start-up organisational life cycle stage (0-4 years) to their mature stage (20 years or older), the entrepreneurs and the employees tend to use less training delivery options. In fact, the trend shows that during the first three organisational life cycle stages, the use of the various training delivery options consistently dropped, but that in the final stage (greater than 20 years) use of the various training delivery options and tools increased by from one hundred to three hundred per cent.

The results of Table 3 seem to indicate that the perceived usefulness by entrepreneurs and their employees of various of training methods and tools declines as the business moves from its initial start-up phase through its mature growth stage, but then dramatically increases in the mature stage. This may be because the business is about to reform or launch new products and services or perceives a threat to its share of the market and must recast itself to grow and prosper. Also, as the business matures, the use of group training increases as employees and entrepreneurs possess the necessary knowledge and skill to impart that knowledge to others in the business.

Table 3

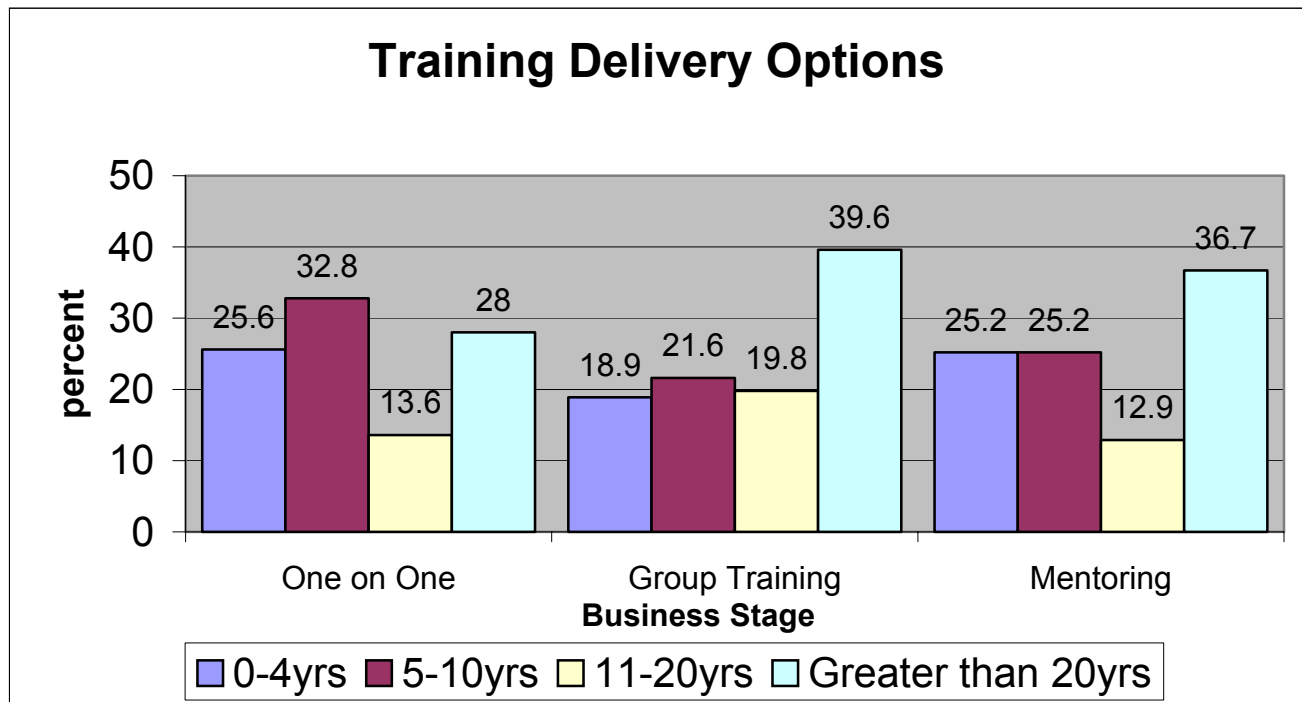


Table 4 provides the responses to the survey question regarding which areas the entrepreneurs and their employees believed that additional training was needed in order for the business to succeed and survive, cross-tabulated by how long the business had existed.

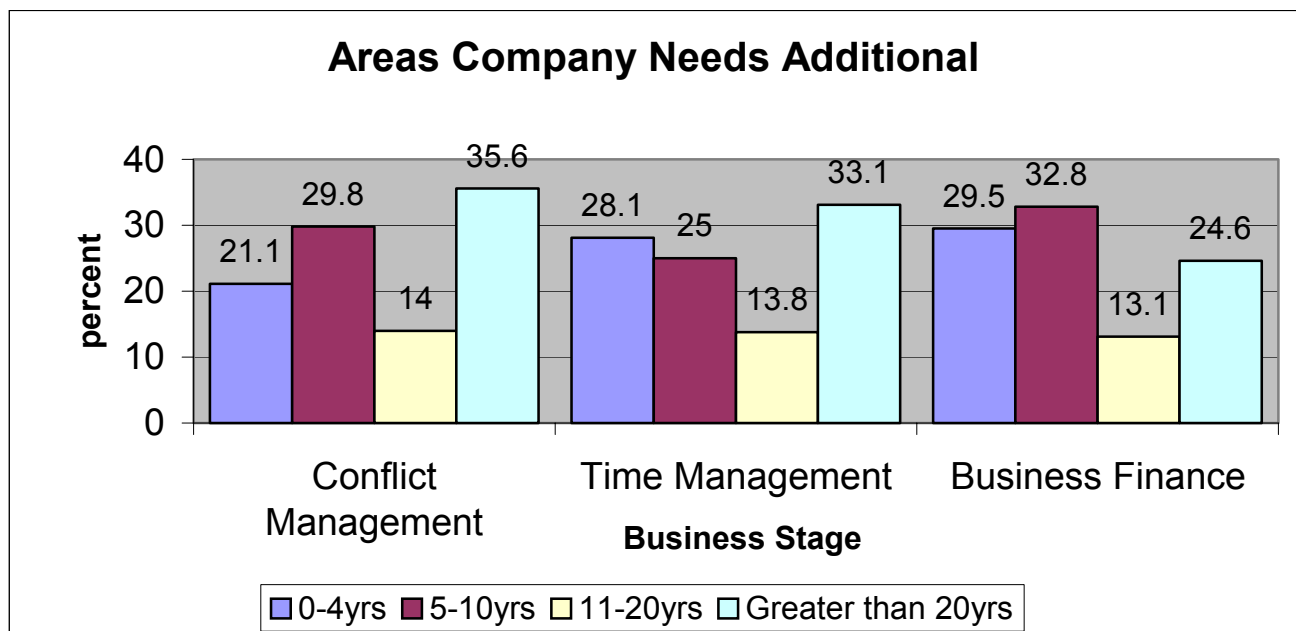
As shown in Table 4, in the early years, from initial start-up to year 4, the three areas of training most selected were: Business Finance (29.5%), Time Management (28.1%) and Conflict Management (21.2%). In the early growth years, businesses in existence between 5-10 years, the three most selected areas were: Business Finance (32.8%), Conflict Management (29.8%) and Time Management (25%). In the mature growth stage, businesses in existence between 11-20 years, the three most selected areas were: Conflict Management (14 %), Time Management (13.8%) and Business Finance (13.1 %). As can be seen from the results, there was not a great deal of variance among the three most selected areas in which the company needed additional training. These results are similar to Tables 1 and 2.

Finally, in the mature stage, businesses in existence greater than 20 years, the three most selected areas of training were: Conflict Management (35.6 %), Time Management (33.1%) and Business Finance (24.6%). The data displayed in Table 4 reveals that as the businesses moved from their initial start-up organisational life cycle stage (0-4 years) to their mature stage (20 years or older), the entrepreneurs and the employees perceive less need for additional training. In fact, the trend shows that during the first three organisational life cycle stages, the need for additional training consistently dropped in the final stage (greater than 20 years), however, the need for additional training options and tools increased from one hundred to two hundred per cent.

The results of Table 4 seem to indicate that the perceived need by entrepreneurs and their employees for additional training declines as the business moves from its initial start-up phase

through its mature growth stage, but then dramatically increases in the mature stage. As stated previously, relative to the areas they believed additional training was required for their businesses to survive, this may be because the business is about to reform or launch new products and services or they perceive a threat to its share of the market and must recast the business to grow and prosper. Also, as the business matures, the need for time management declines while the need for additional training in conflict management increases. At the same time, the need for business finance training initially increases then decreases as the business grows. Perhaps, as the business grows, business finance issues are handled by outsourcing.

Table 4



CONCLUSION

A survey was developed to better understand the training and development issues confronting small business owner/managers in the United States as their businesses evolved from start-up phase through the maturity stage of the business's organisational life cycle. Among the training and development issues examined were: what areas they and their employees believed were needed to start, manage and grow their businesses to remain competitive, what methods their businesses used to train, what delivery options are most often encountered in the training process and what additional training areas they believed were needed to stay competitive.

The literature indicates that today's small and medium enterprises are not getting the training they need to keep their companies competitive. The survey results indicate that employees need training in a number of areas to better compete in today's market. It is clear that the entrepreneurs in the study believe that training is particularly critical in the areas of accounting, finance, and marketing. The entrepreneurs also believe that they need additional training in the areas of time

management, conflict management and basic business and financial skills in order to help their organisations better compete in the marketplace.

A major issue affecting the success and viability of small businesses to grow and compete is the methods which are commonly used to train the entrepreneurs and their employees. The survey results indicate that entrepreneurs and their employees believe that the training methods most useful are: On-the-job training, training conferences and training manuals. Finally, training was usually delivered on a one-to-one basis, or through mentoring and attending conferences.

Specifically, the results showed four trends. First, the outcomes indicate that the perceived value of training by entrepreneurs and their employees, regardless of topical area, declines as the business moves from its initial start-up phase through its mature growth stage—but then dramatically increases in the mature stage. This may be the result of various internal and external factors, some of which may be that the business is about to reform or launch new products and services or perceives a threat to its share of the market and must recast itself to grow and prosper.

Second, the research seems to indicate that the perceived usefulness by entrepreneurs and their employees of various of training methods and tools declines as the business moves from its initial start-up phase through its mature growth stage, but then dramatically increases in the mature stage. This again may be due to various reasons, internal and external business factors.

Third, investigations seem to indicate that the perceived usefulness by entrepreneurs and their employees of various of training methods and tools declines as the business moves from its initial start-up phase through its mature growth stage, but then dramatically increases in the mature stage. This may be because the business is about to reform or launch new products and services or perceives a threat to its share of the market and must recast itself to grow and prosper.

Last, the findings seem to indicate that the perceived need by entrepreneurs and their employees for additional training declines as the business moves from its initial start-up phase through its mature growth stage, but then dramatically increases in the mature stage.

The last issue that the literature has not really addressed and that this study revealed was that as the business evolved, the need for training declined, regardless of the medium and training approach used. After the mature growth stage (11-20 years), however, the entrepreneur and their employees involved in the business apparently realise again and request training on a variety of issues. Possible explanations were that these businesses were about to be recast, recapture their market share, venture out onto new markets and new product lines, and needed to retool their human resources.

The results of this study will help researchers and small business owner/managers to better understand the areas in which both owner/managers and their employees need the most training, what methods are used successfully to train, and what problems are encountered in the training process, as the business evolves through its organisational life cycle. The results of this study may also be of benefit to small business entrepreneurs as they create training programs capable

of meeting the needs of the business, while examining how small businesses can increase employee productivity, and allow them to better compete in today's market.

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