

# TRAINING FOR SMALL AND MEDIUM SIZED ENTERPRISES (SMEs) IN THE BAHAMAS

Michael Rolle

Business & Administrative Studies Division  
The College of The Bahamas

*(This article is adapted from a survey report entitled "Management Training for Small Business in Canada." It was funded by the Federal Government in 1990, and is composed of two studies. The first is a review of various sources of information available on the topic of small business management training. The second study comprises the results of a nation-wide survey of 187 professionals involved in activities related to management training. Whereas the survey report evaluates existing management training services available to Canadian small businesses, this article applies the research findings to the Bahamian environment. Preliminary research on the training and development needs of Bahamian SMEs supports the general consensus emerging from this comparative study that both Canadian and Bahamian small businesses, as a whole, do not devote enough time and resources to management training.)*

## INTRODUCTION

Up to now, the training industry in The Bahamas has been geared primarily to the management needs of big business. Small and Medium Sized Enterprises (SMEs), however, often have limited financial and human resources and are faced with management problems that are unique to their size. While some private and public providers of management training services have come to recognize the special needs of SMEs and to offer management training with these firms in mind, most efforts in this area are quite recent. As a result, little evaluation has been undertaken of either the effectiveness or the extent of these newer services.

## THE NATURE OF THE PROBLEM

The lack of access to reliable data and research on management training by smaller firms makes it difficult to draw any firm conclusions about the nature and extent of SME management in The Bahamas. It is apparent, however, that they generally do far less management training than larger firms, and it is becoming evident that training activities tend to be focused largely on new employees who require orientation, technical and sales staff, and those in apprenticeship trades.

### Time Constraints

Academic studies and articles suggest a number of reasons why Small and Medium Sized Businesses generally undertake less management training than larger firms. One of the many reasons cited is lack of time. In cases where a SME is operated by an owner/manager or a handful of managers, it is difficult for the management of the firm to absent themselves from daily operations in order to undertake the course, even on a part-time or evening basis.

The manager of a small firm generally has a wide range of responsibilities and tasks. The plant manager of a small firm, for example, may be responsible for purchasing, planning, quality control, new buildings and building maintenance, plant maintenance, hiring and firing, transport, internal handling, industrial relations, health and safety, payment systems, and training and staff records. By contrast, in a large firm, most of these duties would be delegated to specialist managers. The pace of business in a small firm is also usually fast. Frequently, the details of a firm's operations (a minor accident, a machine that needs repair, proof of delivery needed before a debtor

will pay, and of course, collecting on accounts receivable), will occupy all of a manager's time, leaving little time to consider the longer-term value of investing in a management training course.

### **Financial Constraints**

In addition to a shortage of time, many SMEs simply do not have the resources to devote to management training. Many of these firms that are most in need of management training often suffer from cash flow problems and a shortage of capital for longer-term asset investment. Small and Medium Sized firms facing a precarious financial situation are unlikely to consider spending money on a luxury good such as management training, particularly where the link between training and the profitability of the firm is often less than obvious.

Even where a small firm manager is prepared to spend scarce financial resources on improving his or her management skills, however, he or she faces the difficult task of finding affordable training programmes. The few private sector training programmes ask for a high daily fee (justified on the grounds of extensive support services, lavish presentations and sophisticated reporting) when a more modest service would be sufficient for the small firm manager.

### **Lack of Information**

Many SME owners are discouraged from considering training opportunities because there is no simple and inexpensive source of information on available training programmes in The Bahamas. Like other resources, obtaining information about training programmes generally costs the small firm manager time and money. Attending informational events, buying data and information services or hiring a consultant to advise the firm on appropriate training programmes all use scarce financial resources. While the government is making an effort to inform SMEs of low cost training programmes and services available to them, these efforts are often perceived as piecemeal, involving little co-operation among the government, educational institutions, and private sector trainers.

### **Lack of Awareness of the Importance of Training**

Little information is available on the state of awareness of the importance of training in The Bahamas, however, preliminary research suggests that many SME owners fail to see a connection between management training and the success of their firm. It appears as if some owners are interested in the use and application of microcomputers, but very few seem to be interested in the more traditional areas of management such as marketing and business planning.

The apparent lack of appreciation for training on the part of many SMEs is often a direct result of their small size. Unlike larger firms, successful Small and Medium Sized Business managers generally have only two objectives - supply and sell a product or a service. This "bottom-line" orientation means that activities not directly related to these two main objectives may be perceived as unnecessary or of low priority. Like strategic planning and product design, however, training is a longer term investment that has the potential to significantly increase profits. More small firm managers should therefore be encouraged to appreciate the real and substantial link between effective management training and the profitability of their businesses.

### **WHY IS MANAGEMENT TRAINING IMPORTANT?**

Recently, the Bahamas government has been promoting the development of small business as a way to reduce unemployment. Perhaps, as a result of this, public interest in management training and education has increased. Private and public sector managers, employers and governments now recognize that there are clear benefits to training which accrue to both an organization and its employees. From the employer's perspective, management training offers a way of injecting innovation, financial dynamism,

and ultimately greater profitability and success into a firm. From the owner/manager's point of view, training may offer opportunities for promotion, high wages, better job security and more challenging work. Three factors, in particular, are responsible for the growing imperative for firms to train: technological change, increased competition, and human resource pressures.

### **Technological Change**

Technology is rapidly changing the daily routine of most companies. The introduction of micro-computer technology to the workplace to assist with tasks such as accounting, inventory planning, and word processing, now pervades all areas of Small and Medium Sized Businesses.

### **Increased Competition**

SMEs, like large firms, are exposed to growing national and international competition. As the number of SMEs in The Bahamas has swollen over the past few years, so has the number of competitors each firm faces. Moreover, as international trade expands, small Bahamian firms are being forced to compete not only with other Bahamian firms for a share of the domestic market, but also with foreign firms both large and small. Evidence of this is noted in the increasing frequency of advertisements in the local media by foreign consultants inviting Bahamians to avail themselves of their services.

Most large firms understand that training managers and other employees to provide a better service or product to their customers is one means of gaining a competitive edge over other firms. SMEs, particularly those serving a uniform, highly competitive market, should also appreciate that training can be used as a competitive weapon to differentiate themselves from competitors and overcome any disadvantages created by their size.

### **Human Resource Pressures**

Attracting and retaining skilled managers is a challenge for all firms, but particularly so for SMEs. Compared to their counterparts in larger firms, the job of a Small and Medium Sized Business manager is often lonely and frustrating. As the only manager, or perhaps one of a small group of managers, he or she has little ability to delegate tasks or to rely on peers for advice or support. Moreover, these managers are generally responsible for a much wider range of tasks than their large business counterparts, and those working under an owner/manager face little chance for promotion other than perhaps taking a financial interest in the firm. Faced with these kinds of challenges, Small and Medium Sized Business owners often find it difficult to attract and retain capable managers and supervisors.

One way of attracting qualified employees and retaining those already employed is to provide them with opportunities to undertake training. Many Small and Medium Sized businesses owners are discovering that training managers and other employees and rewarding them with incentives for obtaining education and skills is increasingly the most effective way to maintain a committed and qualified staff.

## **THE NEW MANAGEMENT SKILLS REQUIRED BY SMALL AND MEDIUM SIZED BUSINESSES**

Competition and technology, among other factors, are reshaping the set of skills required by SME managers to successfully run their firms. In addition to traditional management fields such as marketing, accounting and finance, these businesses managers are also finding it necessary to acquire expertise in strategic planning, leadership skills, technological literacy, and human resource management.

### **Strategic Planning Skills**

With less time and fewer staff and resources than most larger firms, Small and Medium Sized businesses managers often find it difficult not to let immediate concerns overwhelm more important, long-term strategic considerations. Like their counterparts in larger firms, however, these owner/managers must

practise strategic planning if their operations are to remain viable in the longer term. This means articulating a philosophy of business and a corporate mission that is understood by both management and employees, and making sure that management understands the broader environment the company operates in. Strategic planning also means having a long-term plan of action that allows the business to move clearly towards an established goal in the face of rapidly changing conditions and opportunities.

The smaller firm must understand its competitors and develop strategies to compete against them, particularly in mature markets. Those that lack a strategic vision will find it difficult not to lose their focus when confronted with momentous changes in technology, competition and regulations. They will also be less able than many of their competitors to adapt to diverse situations and market opportunities quickly and creatively.

**The results of the survey of New Providence SMEs comprising the sample revealed that the STRATEGIC PLANNING category captured only 17.54% of responses (SEE TABLE). It is apparent from this low ranking that long-term planning has not yet been identified as one of the crucial elements for business success among survey respondents. This lack must be addressed if productivity goals are to be reached.**

### **Leadership Skills**

Concern about the morale of middle managers and the need to create innovative competitive management groups are the main reasons for the growing emphasis on leadership training among large firms. These same concerns should motivate Small and Medium Sized business owners and managers to undertake leadership training. In both the large and small firm, the presence of strong and creative leaders can make a substantial contribution towards the firm's ability to compete. Of all the areas of management training, however, leadership represents perhaps the most subtle and difficult set of skills to master.

The second highest percentage of responses from Bahamian SMEs surveyed was recorded for LEADERSHIP TRAINING (49.71%). This indicates an awareness among survey respondents of the causality between good and skilled leadership and increased productivity.

**TABLE**

**IDENTIFICATION OF TRAINING NEEDS  
OF BAHAMIAN SMEs REGARDING TRAINING NEEDS  
OF SMALL AND MEDIUM BUSINESS ENTERPRISES**

**LEADERSHIP AND EMPLOYEE MOTIVATION**

Leadership Skills	49.71%
Human Relations Motivational Skills and Stress Management	60.82%
Oral and Written Communication	45.03%
Supervisory Skills	45.03%
AVERAGE OF TOTAL RESPONSES	(50.14%)

**OFFICE ADMINISTRATION**

Office Administration Skills	31.58%
Secretarial Skills	26.90%
AVERAGE OF TOTAL RESPONSES	(29.24%)

**COMPUTER AND TECHNOLOGY**

Computer Applications	42.69%
Information Systems	15.20%
AVERAGE OF TOTAL RESPONSES	(28.94%)

**MARKETING AND RESEARCH**

Marketing/Research Skills	26.32%
AVERAGE OF TOTAL RESPONSES	(26.32%)

**FINANCE AND ACCOUNTING**

Financial Planning Skills	18.13%
Accounting Skills	26.90%
Money Management	12.28%
AVERAGE OF TOTAL RESPONSES	(19.10%)

**STRATEGIC PLANNING**

General Business Planning	18.71%
Risk Management	12.28%
Labour and Industrial Relations	19.30%
Project Management	19.88%
AVERAGE OF TOTAL RESPONSES	(17.54%)

**Technological Literacy**

Included in the general challenge of managing change is the specific need to manage technology. As the applications of new technology to the Small and Medium Sized businesses workplace expand, so does the need to understand and exploit this technology to the maximum benefit of the firm. Effective management of technology generally means placing a premium on the ability to learn quickly, rather than on the utilisation of previously acquired knowledge. Analytical and conceptual skills dominate, as does the need to respond to problems from a system's approach rather than from a single element point of view. Part of the skills involved in managing technology include understanding how the new technology will impact on employees and the entire production process, and how the adjustment process for workers can be made as smooth as possible.

The third highest area of need identified through the survey of Bahamian SMEs was **OFFICE ADMINISTRATION (31.58%)** and **COMPUTERS AND TECHNOLOGY (42.69%)** The relatively high responses to these categories of training needs again support the emphasis on

increased productivity in the workplace and an understanding of the essential elements required to make it happen.

### **Human Resource Management**

In today's international marketplace, it is human resources rather than capital or natural resources which serve as the most important determinant of a company's success or failure. Consequently, more and more firms are devoting considerable time and finances to training their managers in human resource development and planning. Unfortunately, managing, motivating, and satisfying employees is not a skill that comes easily to many, if not most, managers.

Good human resource management requires strong interpersonal/behavioural skills to motivate employees and build teams. It also requires negotiation skills to resolve conflicts, an ability to listen to subordinates, and a willingness to include them in decisions that affect their jobs. Sound human resource management is even more crucial in SMEs where contact between employees and between employees and the owner/manager is more extensive. For the employees of a SME, work is often characterized by hectic production schedules, varied job duties, and pay scales and benefits less generous than those available in larger firms. Faced with this combination of factors, the manager of a small firm faces an even greater challenge than the large firm in cultivating a loyal and motivated staff.

**HUMAN RELATIONS AND MOTIVATIONAL SKILLS AND STRESS MANAGEMENT TRAINING** received the highest percentage of responses from Bahamian SMEs surveyed (60.82%). The implications are many but one immediate conclusion could be that among Bahamian SMEs there is a recognized need for short-term, customized, human resource training that relates the attainment of the organization's goals to the personal objectives of employees.

### **ALTERNATIVE SOURCES OF MANAGEMENT TRAINING**

#### **What SMEs should look for in a Management Training Programme**

Existing academic and journalistic literature on management training is virtually unanimous in declaring that effective management training (i.e. if it is to have a beneficial impact on the firm's bottom line) means that training programmes must be chosen with a view to meeting specific needs. This implies that the training programme must be based on the firm's current and future commercial strategy and the management skills, knowledge and experience that this strategy will demand. Some studies suggest that the most successful management training programme is one that allows the manager to concentrate on his own activities and associated problems. This enables the operators to gain the knowledge and develop the skills that allow them to do the job more effectively. In practical terms, SMEs should look for management training programmes that can be customized to their specific business and management concerns. Before looking for a customized training programme, however, the small firm owner/manager must determine what the development goals of the management training are to be. If anyone other than the firm's owner is to undertake training, their views on required management skills should also be consulted.

The Small and Medium Sized businesses manager must consider how much time he or she can realistically devote to undertaking training and, of course, must set out a budget for training. The manager must rank those areas of management knowledge he or she would like to improve in order of importance. The owner/manager must also take time to consider what he/she feels to be existing strengths and weaknesses. Wherever possible, the small firm should ensure that the use of a training programme is supported by a follow-up programme that monitors managers' performance when they return to work.

#### **Current providers of Management training: Their advantages and Disadvantages.**

Small and Medium Sized Businesses looking for management training programmes have a wide

choice of possible sources to choose from. At present, private sector trainers, educational institutions, business associations and governments all offer different kinds of management training programmes. At the same time, some firms design and administer their own training programme for their managers. The task of selecting the most appropriate programme from among these alternatives can be a daunting prospect for the small firm owner/manager. To assist SMEs in their assessment efforts, this section reviews the various sources of management training and highlights the advantages and disadvantages of each.

### **Private Sector Trainers**

The private sector training industry in The Bahamas is composed largely of individual and small groups of training consultants, as well as private sector training institutes both large and small. Preliminary investigations suggest that, at present, private sector providers of training with business experience are the trainers of choice among Small and Medium Sized firms, followed by consultants and public educators with business experience.

From the perspective of the Small and Medium Sized business owner/manager, private sector trainers have two main advantages: their ability to respond quickly (if not immediately) to a management training need, and their capacity to tailor training to the specific needs of the firm and its managers. As in the rest of its business, the small firm generally takes an informal, entrepreneurial approach to making training decisions, and the decision to invest in management training is often made on short notice. Trainers are sometimes needed almost immediately - perhaps only for a few hours - to train management in a new computer technology or on a somewhat longer basis to teach management a new marketing strategy to launch a new product or business. Moreover, the use of private sector trainers by Small and Medium Sized Businesses is often on a one-time basis.

While this approach may appear to save the company time and money in the short term, it is questionable whether such an approach serves a small firm's longer term needs. Can a small company, or government department, for example, afford to hire a consultant every time it runs into a problem with its microcomputer system? Private sector trainers generally charge higher fees for their services than do public sector alternatives. Moreover, few private sector trainers are able to offer SMEs the continuity of training available in more structured courses run by educational institutions. From the perspective of the Small and Medium Sized businesses owner/manager, the cost of private sector trainers represents a significant barrier to their use as an ongoing or regular source of training expertise.

### **Industry and Professional Associations**

Internationally, industry and professional business associations are often used by SMEs to garner information on industry trends, legislative and regulatory changes applicable to their business, and general knowledge about how to manage their operations. The major strength of the industry and professional associations as a potential provider of management training is their ability to offer courses and seminars directly related to the business of the small firm. In general, the more specific the potential audience of the management training course (for example food retailers as opposed to all retailers), the more popular the training programme is with the Small and Medium Sized owner/manager.

Management training programmes offered by industry associations tend to be more business-oriented than theoretical courses usually offered by public education institutions and therefore of greater interest to SMEs. Moreover, seminars, courses and other programmes sponsored by industry associations have the advantage of drawing together owners/managers who run similar kinds of businesses. As most surveys of SME needs suggest, contact with other owner/managers facing or anticipating problems similar to his or her own is one of the most effective forms of management education for the small firm manager.

Another important advantage of the industry association as a source of management training is its ability to provide SMEs with training publications, seminars and programmes at a much lower cost than

private sector trainers. The advantages of cheaper training, however, are offset to a large extent by the fact that associations have very little ability to tailor training to the individual SME and to provide this training to the firm on an on-site basis. As it stands now, in The Bahamas, very few associations offer tailor-made management training services to their members at company premises. In most cases, this is because financial constraints and the fact that most associations already have a broad mandate of needs to serve, also inhibit many industry and professional associations from moving further into the field of management training for their members. Further compounding this issue is the fact that in many cases, training packages are imported wholesale that are designed in foreign, parent company organizations, and are frequently delivered by trainers who are unconnected to the special needs of Bahamian owners/managers.

### **Public Education Institutions**

Public education institutions that offer management training to small firm owner/managers include The College of The Bahamas (COB), Bahamas Agricultural and Industrial Corporation (BAIC), The Bahamas Development Bank (BDB), The Bahamas Hotel Training centre (BHTC), and the Bahamas Technical and Vocational Institute (BTVI); all of whom offer some form of management training on a full-time and part-time basis.

While public education institutions have always been an economical source of management training for SMEs, their usefulness to the small firm has often been limited by the fact that many SME owners/managers do not have confidence in public education instructors to provide them with the kind of hands-on, relevant management training they need. This may be due, in part, to the fact that many public education management programmes are overly structured and academic, providing small firm owners/managers with little flexibility in either curriculum, course length or timetable. Moreover, many public education institutions lack the equipment and expert instructors required to provide leading-edge training in new technology or management techniques as a result of under-funding. Finally, the institutional nature limits their ability to provide customized management training to owners/managers on company premises.

Faced with the challenge of attracting more SMEs to their programmes, many public education institutions need to adopt a more private sector approach to training. Extensive consultation and co-operation with industry associations, business advisory groups and others, will most likely lead to a more customized, "consultant" approach to training. Joint ventures with industry associations can go a long way towards providing the kind of customized, economical management training most Small and Medium Sized firms are looking for.

The Bahamas Government

As in the case of public institutions, the main advantage of government administered management training programmes is that they are inexpensive and, in some cases, free. Unfortunately, the lack of co-ordination among these programmes serve as a deterrent to accessing existing programmes. Informal investigations suggest that Small and Medium Sized Businesses do not draw heavily on government funding. The reasons may range from a general reluctance to accept government assistance to a lack of information on what programmes are available. The excessive paper burden and time associated with participating in government programmes, and the fact that there is lack of confidence in government as an effective source of information on management training, act as disincentives to training for SMEs.

### **In-House Management Training**

Very few Small and Medium Sized firms offering formal training have separate training units, training budgets, or a full-time employee on staff whose full-time primary function is to work as a trainer. These conditions underline a common problem faced by SMEs who do their own management training. Without the resources to hire a full-time trainer, many businesses instead elect an employee with little or no expertise in the field of human resource development to perform this task - in addition to the duties he or she is already asked to perform. In this situation, management training invariably receives less attention



and is less effective than would have been the case if training had been provided by an outside supplier.

This is not to suggest that in-house training is necessarily ineffective. Indeed, provided they receive adequate resources, company-designed training programmes offer significant advantages to the Small and Medium Sized businesses owner/manager. Company-run training programmes, for example, can be the least expensive and most readily available source of customized training. Moreover, training on an in-house basis eliminates costs for lodging, meals and travel (only if local training resources are used, however). At the same time, company-run programmes are convenient because they can be held at dates, times and locations most convenient to on-going operations, and the information provided can be tailored to the company's specific requirements.

Where a SME is run by more than one manager, in-house training also provides an effective means of encouraging a group of managers to embrace new ideas or approaches. In situations where one manager is sent to an outside training course or seminar, it can often be difficult to convince the owner or other managers back at the office to implement ideas that result.

## **CONTINUING BARRIERS TO MANAGEMENT TRAINING FOR SMALL AND MEDIUM SIZED ENTERPRISES**

While management training constitutes a significant and growing component of the large firm's training strategy, the practice of training small firm managers remains less common. In part, the apparent under-investment in management training by SMEs is the direct result of the continuing barriers they face in gaining access to quality training programmes. Some of these barriers arise from inefficiencies in the private sector training market. Others, however, are the result of government policies. In general, there are four major barriers which continue to prevent SMEs from adequately investing in management training. Each of these is examined below.

### **Lack of Affordable, Quality Training**

Finding affordable, quality management training programmes remains a problem for most SMEs. From the vantage point of the small firm, management training programmes offered by private sector trainers are expensive and often overly sophisticated. Management training programmes sponsored by public education institutions are generally more affordable but many courses are inappropriate or too theoretical to be of use to a SME. Research indicates that compared with larger companies, these businesses are unwilling to invest significant amounts of money in training their managers. Moreover, many SME owners view training as a dubious expenditure because its link to the success of the firm is less than clear. Some private sector trainers have taken note of Small and Medium Sized businesses' distinct attitude to management training and have started offering scaled down, more economical training packages as a result. However, the bulk of private and public sector providers continue to offer training services that focus on larger firms needs at the expense of SMEs, thereby limiting even further the number of affordable management training programmes designed for them.

### **Time Constraints**

For many smaller owners/managers, lack of time remains the single largest barrier to undertaking a training programme. Compared to larger firms, SMEs tend to operate in a less structured, more unpredictable environment. Business is often conducted at a frenetic pace than offers little opportunity for strategic planning or consideration of longer term business needs like management training. Unfortunately, this is particularly the case in the earliest stages of a business start-up when management training is needed most.

While no external training provider can devise a way of providing SMEs with the time they

require to undertake management training, the training industry can nonetheless take a number of steps to help alleviate this problem. First, public sector providers, such as The College of The Bahamas and government, can design a timetable of programming that is likely to be more accommodating to the needs of Small and Medium Sized firms. Offering more management training courses during weekends, evenings and during the slack season for a particular industry would be a step in the right direction. Enrolment in management training programmes could also be encouraged by having both private and public training providers deliver the training service directly to participants at his or her place of operations.

### **The Absence of a Single Source of Information**

There is a multitude of useful sources of information on management training. Government, associations and training institutions -public and private - produce a wide array of brochures, booklets, videos and other material outlining various management training services. Many of these services are advertised through a combination of newsletters, trade publications, directories and traditional advertising. Unfortunately, consulting these various sources of information is both frustrating and time consuming. Small firm that develop the effort to inquire about relevant management training programmes often end up confused about the wide array of training options available. Many others are discouraged by the jungle of training information from making inquiries in the first place.

Firms which have the financial means tend to cope with this information overload by hiring a consultant to advise them on the kind of training they require. Others deal with the problem by simply picking the first public or private or public sector trainer they find. Until government or some other organization makes an effort to summarize all these sources of information in a fashion that is concise and understandable to Small and Medium Sized businesses, however, many small firm owners/managers will continue to be discouraged from considering training for both themselves and their management employees.

### **Lack of Awareness of the Importance of Training**

In addition to time and financial constraints, simple lack of awareness of the importance of management training also ranks as one of the most persistent barriers preventing SMEs from investing in management training. Management consultants, business educational institutions and governments have made great strides in convincing large firms that executive training is a vital component of a firm's competitive strategy. Relaying this same message to the thousands of Small and Medium Sized firms scattered across the country has been more difficult, however. Immersed in the day to day workings of their own business, many SMEs have had little chance to ponder the larger competitive forces that are making training a necessity for economic survival. Even Small and Medium Sized firms aware of the new "lifelong learning ethic" may feel that concerns about management training apply mostly to big businesses rather than to themselves.

A national campaign directed at alerting SMEs to the connection between management training and a firm's profits could help remove this barrier. Whether government, non-profit organizations, the educational system, or the private training sector take the lead in this awareness campaign is not important. What is important, however, is that the information source chosen be credible to SMEs; that the information drive be managed as much as possible by the local business community; and that the case for management training be made with a view to the specific concerns and needs of Small and Medium Sized businesses.

## **CONCLUSIONS**

If there is common theme running through the literature on management training, it is that management training remains primarily a private sector concern. The need for executive training and the form it should take is dictated largely by market forces, including competitive and technological pressures. The responsibility to react to these pressures with appropriate training strategies lies with individual companies,

but should be supported by a wide network of private and public sector training advisors. Most literature on management training endorses the view that the private sector should remain the dominant supplier of management training services. Still, it emphasizes that governments and the public education system have a valuable role to play in the provision of training services. This role, however, should complement the existing array of private sector services, rather than compete directly with it.

There is, according to the literature, a number of specific measures government can take to encourage the adoption of management training among Small and Medium Sized firms. Some of these measures call on government to be the sole actor, others suggest having government act in concert with public and private training suppliers. Among measures which call for government to be the sole or dominant actor are initiatives designed to improve general labour market information available to Small and Medium Sized firms and the setting of training standards for various trades and professions.

Some of the literature suggests that since most firms and private sector suppliers concentrate on short-term training, there is a role for government to play in encouraging the longer-term training or management and other employees. Specifically, government can help SMEs strengthen their expertise in areas like needs analysis, and training plan design. Government can also assist by sponsoring train-the-trainer programmes and by becoming more active in establishing training course content and minimum standards of competence based on industries' requirements, as well as by providing certification for workers who complete prescribed programmes.

#### **Possible Joint Initiatives between Government and Other Training Suppliers.**

Small and Medium Sized Businesses are generally sceptical of government's ability to design and deliver effective, management training programmes. This suggests that government should move away from the direct provision of training services and instead focus on supporting business associations, local chambers of commerce, educational institutions and others in their efforts to provide SMEs with management education.

Through joint ventures with other training providers, government can help defray programme costs, and, in the process, help SMEs overcome their reluctance to train due to financial barriers. Co-sponsorship of programmes with industry associations is a particularly attractive option for government since this encourages the provision of industry-based, affordable training - a commodity which is currently in short supply. In the area of managing new technology, for example, government co-sponsorship with educational institutions, associations, and individual firms offers the potential to fill a major void in current management education programming.

By directing its training dollars to the provision of more customized, industry-based management training, government can spend its training dollars more effectively. Moreover, by exploiting its unique position as an interested but unbiased participant in the drive for management education, government is in a unique position to foster a national dialogue carried out at the local level between Small and Medium Sized businesses and public education institutions. By encouraging a constant two-way flow of idea between educators and managers, government can go a long way towards fostering a systematic culture of management training among SMEs.

## NOTES

1Preliminary research was conducted as a class assignment by the 1995 Fall Management class at The College of The Bahamas (COB) to determine the training needs of SMEs in New Providence, The Bahamas. The targeted sample consisted of fifteen different categories of organizations for the most part conforming to the definition of Small and Medium Sized Enterprises (SMEs): independently owned, operated and managed; having an annual revenue base of less than 2 Million dollars. However, some Government ministries and departments were included as they share many of the same concerns which impact productivity in SMEs.

Individual interviews were conducted in selected organizations by students using a questionnaire guide. Questions related to organizational type, number of personnel in managerial categories, training and development programmes in place, types of training available, locales for off-the-job training, types of training needed, preferred training format, support for training at COB.

Of the 177 responses received, the percentage of responses for the various organizational categories were ranked as follows: Wholesale and Retail (16.95%), Personal Services (16.45%), Restaurants and Insurance (10.73%), Government Departments (10.73%), Financial Institutions (9.60%), Manufacturing Enterprises (9.60%), Transportation (6.21%), Public Corporation (4.52%), Hotel and Tourism (4.52%) and Media (.3.95%).

Training needs identified by the survey are to be found in the table in the body of the article.

## **AUTHOR**

Michael Rolle is a lecturer in Management and Marketing in the Business Administrative Studies Division of The College Of The Bahamas. He has served as a marketing professor at St. Mary's University in Halifax, Nova Scotia and a consultant in community economic development for business and government organizations.

Mr. Rolle holds a Commerce degree from St. Mary's University in Halifax, Nova Scotia and an MBA from the University of Miami, Miami, Florida.