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Generating Growth

Theme:

Small Firm Performance and the Policy Agenda

Abstract

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Management Training for SMEs: A Comparative Study of Three European Regions

Management training has become a key component of UK policy for supporting businesses and raising the competitiveness of the UK economy. More recently, policy attention has been directed towards SMEs and an explicit aim of policy has been to encourage owner-managers to expand their businesses. However, SME management training policies appear to have achieved very little with owner-managers showing very little interest in government schemes.

The paper reports on an international study of management training for SMEs sponsored by the Management Charter Initiative and the DfEE. The research focuses on SMEs in the mechanical engineering industry in three European regions: Baden-Württemberg (Germany), Aarhus (Denmark) and South London (England). The study aimed to develop a better understanding of management training by exploring the 'milieux' within which SME management training is embedded. SME owners and managers learn from a variety of sources and in a variety of ways. It is important, therefore, to have an understanding of the broader networks within which SMEs operate and their significance. Drawing on experience in Germany and Denmark, the central aim of the paper is to identify policy proposals to support management training in SMEs in the UK.

Previous research suggested that the support infrastructures in the German and Danish locations were very different to that which exists in England and, particularly in the German case, had achieved a notable degree of success. In each region interviews were conducted with a range of support providers - local government, chambers of commerce, employer associations, educational organisations, private consultancies - as well as with SME owner-managers themselves to provide a more grounded account of the environment for SME management training.

Key differences in the business support networks in the three regions are highlighted and an analysis of SME owner-managers' training attitudes and behaviour is provided. Although no suggestion is made that support systems can be imported in their entirety, some policy proposals are offered which might be viable in the UK context. Specifically, the paper contributes to the debate on whether SME policies should be integrated into wider industrial and/or regional policies. These policy recommendations may have a wider relevance than to SMEs in the mechanical engineering industry.