

## **PRACTITIONERS' CORNER**

### **THE APPROPRIATENESS OF CURRICULUM CONTENT IN PROMOTING SMALL BUSINESS DEVELOPMENT**

**Maria M. Bounds - University of Johannesburg, South Africa**

**Geoff A. Goldman - University of Johannesburg, South Africa**

#### **Abstract**

This study examines the appropriateness of the curriculum content of Small Business Management instructional offerings at Higher Education Institutions. Increased calls for quality and applicability of such offerings stem from the need to develop skills and promote new business creation. Higher Education Institutions cannot assume that small business owners and students know what they would need to learn in order to be successful. Higher Education Institutions need to determine which critical skills prospective small business owners need to possess. Following a quantitative approach, a survey was conducted amongst 249 small business owners in the Johannesburg Metropolitan area. Collected data were subjected to ANOVA and Factor analysis. Most pertinently, the study found that if instructional offerings in the field of small business management are aligned with the requirements of the economy, education could play a more important role in building the skills needed for economic development. The study also showed the topics that small business owners ranked as most important to have knowledge about when starting up their businesses and so makes a number of recommendations with regard to course content in this area.

## **Introduction and rationale for the study**

Current figures indicate that unemployment has drifted back up to 25.6% in 2013 (Statistics South Africa, 2013). This puts serious and unfair demands on the economically active population of the country. Also, the poverty and associated economic crime caused by this high level of unemployment seriously hinders economic development in South Africa. It is imperative that an entrepreneurial ethos be inculcated amongst this part of the population to promote opportunity, recognition and new venture creation. Small businesses owners need exposure and access to improved information and training with regard to managing a small business (Bridge, O'Neill & Cromie: 2003). Orford, Wood & Herrington (2004) state that it is necessary to improve the quality and appropriateness of entrepreneurial education and training to assist small businesses both in terms of costs and administration and to rethink methods of service delivery and support offered to small businesses.

Owners and managers of businesses cannot be considered to be well informed or effective in their functioning unless they have a true understanding of the economy and how to manage small businesses (Meyer & Heppard, 2002). Bennett, Robson & Brattan (2003) note that that the main source of external advice for small businesses is from the private sector. Sources of external advice include accountants, lawyers, banks and consultants.

Additional sources such as social contacts through family and friendship networks, specialist trade and professional associates and even local chambers of commerce are also noted to be important sources of external advice for small businesses. The public sector, such as local and central government, are mostly secondary sources of information for small business and only account for eight percent of sources used for advice (Parker, 2005).

Findings concerning the relationship between education and entrepreneurship have been fairly mixed. Some research suggests that owners of small businesses have a lower than average education while other research suggests that owners or starters of a new business have a higher than average education (Davidson, 2000). Based on this situation, the question that this study endeavours to address is as follows:

Does the undergraduate Small Business Management curriculum content at a South African Higher Education Institution address the needs for managing a business in the small business sector?

In order to try and answer the stated research question, this study aims:

To determine the appropriateness of the Small Business Management curriculum content in addressing the requirements of small business owners in starting up a small business.

### **Literature review: development of small businesses**

In 2003 the South African Minister of Finance Trevor Manuel (2003) revealed that the National Treasury would be identifying obstacles to small business growth. He further stated that government would be taking the job creation ability and the role the small business sector plays in this regard seriously. According to the Government Information System (GIS, 2008), the Local Business Service Centres provide business counselling and advice, training, information and networking. The role of the government in developing small businesses should include: more information and assistance to small businesses; changes to the taxation system and its simplification; an improved educational system; and better education, to assist small business owners in the basics of starting up a small business.

Small businesses are identified as a potential medium for political, social and economic development in less developed countries. Even in the presence of governmental interventions, small businesses in developing countries continue to be burdened with challenges such as lack of technology, unskilled workforces, lack of infrastructure and the inability to obtain finance (Arinaitwe, 2006). Friedrich (2003: 30) suggests that half of the success of a small business depends on the traits of the owner and most of the attributes required to run a successful business can be taught and states that specific entrepreneurship training is the missing link in reducing the failure rate of start-up businesses. However, Schwenke (2003: 9) states that a successful entrepreneur needs a complex range of skills, including so-called 'doing skills', vital in the start-up phase of a small business. A lack of business skills and access to funding continue to plague the small and medium-sized business sector, despite government attempts over the past decade to remedy the problem (Sukazi, Wood & Bester, 2003).

In the entrepreneurial small business enterprise, a wider range of skills and competencies are required, with implications for managerial training in industry and within higher education.

South Africa, following recent global trends, is in a process of transforming its institutional, social, economic, political, technical, physical, and demographic environments. The formal education authorities and the private sector have recognised the need for a curriculum, which will enable students to acquire knowledge, basic skills and appropriate attitudes with respect to the business world and entrepreneurship.

### **Curriculum**

Longstreet & Shane (1993: 2) defined curriculum as an 'historical accident', as it has not been deliberately developed to accomplish a clear set of purposes. Rather, it has evolved as a response to the increasing complexity of educational decision-making. Pinar & Reynolds (1995) view a curriculum as an interrelated set of plans and experiences that a student undertakes under the guidance of an institution. Goodson (1996) describes 'curriculum' as: 'a multifaceted concept, constructed, negotiated and

renegotiated at a variety of levels and in a variety of arenas'. According to the literature curriculum has both narrow and broader definitions. Narrow definitions are limited to formal descriptions of either academic offerings of specific programmes or the whole range of programmes on offer. Broader definitions might encompass both the intentional plan(s) and design(s) for learning across an institution (Du Plessis, 2011).

Saunders (1998) states that, in the majority of cases, work-related teaching is known as work-related curriculum. The potential for teaching work-related issues within the curriculum is therefore substantial (Trainor, 2002). In its broadest interpretation work-related teaching, encapsulates all teaching within the spectrum of vocational education and training. Teaching within these vocational areas is largely concerned with demonstrating competency and performance in the workplace. As these vocational options are discrete entities within the curriculum, they have their own content, structure and assessment (Ahier & Ross, 1995).

Mdladlana (2003) indicates that the success of the Skills Development Strategy in South Africa is based on a common ambition driven by a set of objectives and targets. The main objectives are to develop a culture of high quality lifelong learning; encouraging skills development in the formal sector; increasing skills through social development programmes; and supporting skills development in small businesses. The competence-based curriculum produces graduates who are better prepared for their future management tasks, students who have learned to adapt to change and to adapt their abilities to a variety of contexts and situations, developing managerial competencies for a turbulent world (Pacheco, 2000).

In South Africa, higher education is not producing the numbers and the types of graduates required by labour markets (Cloete & Bunting, 2000). One of the major challenges facing higher education in South Africa is to develop curricula continuously that are responsive to the changing social, political and economic imperatives of countries. The challenge of education and training is therefore the appropriateness of curricula and training programmes for learning in the outside world (Thomson, 2005).

Motshedga (2010) denoted that it is vital that South Africans are kept abreast of the progress that the Curriculum Review process is making in order that all education

stakeholders can take ownership of the process. Therefore public consultation is vital and the process is open and transparent.

### **Education as a prerequisite for small business success**

Education directly and indirectly affects the development of knowledge and skills. Buckley & Caple (1995) state that education is a process and a series of activities which aim at enabling the student to assimilate and develop knowledge, skills, values and understanding that are not simply related to a narrow field of study of activity but also allow a broad range of problems to be defined, analysed and solved. A review on Community Service-Learning in teacher training showed that skills could be developed and enhanced through a Service Learning experience, as Service-Learning provides an environment where students can actively practice their leadership and communication skills to bridge the gap between theory and practice (Abourzek & Patterson, 2003). The following conditions according to Oblinger & Verville (1998) need to be intersected and appropriate between curriculum content and needs of small business owner:

It is necessary to know the questions, tasks and problems those managers of some small businesses face in real life to be able to design relevant learning situations in a curriculum context.

Function and discipline-specific knowledge and skills are, and remain, important since without these it is not possible to deal effectively with the specific tasks and problems in areas such as finance, production and marketing.

Situations are almost never completely new, specific knowledge and skills are necessary to discover similarities and differences between the old and new situation. There is always a certain degree of overlap between the transfer of knowledge and the link to transferable skills.

In view of the multi-disciplinary nature of many management problems, attention must be given to universally applicable heuristics, knowledge and skill areas such as problem solving, decision-making and leadership.

## **Small business management module content**

The questionnaire was constructed by the researchers on the following three Small Business Management modules used by a South African metropolitan university. The three modules are: 'Creative Entrepreneurship', 'Growing a Small Business', and 'Small Business Marketing'. Each will be outlined in turn.

In the Small Business Management module 'Creative Entrepreneurship' the first-year students were taught why most entrepreneurs enter the business world via the small business sector and also gain understanding of the differences between small and large enterprises. Content matter of this module was:

Strengths and weaknesses of small enterprises

Reasons for small business failure

The role of government in small business development (Struwig, 2002).

In the Small Business Management module 'Growing a small business' the outcome was that second-year students will be able to understand the growth process in small businesses and confront issues arising due to growth in small businesses. Content matter of this module was:

The life cycle of business ventures

The student will be aware of the growth phases in small businesses and will demonstrate an understanding of aspects occurring during each phase.

The entrepreneurial manager

The student will be able to identify the management orientation needed to handle growth in small businesses.

New venture team formation

The student will understand new venture team formation in small businesses.

Ensuring proper opportunity utilization in a growing small business

The student will be able to use marketing at the different stages of growth in a growing small business.

The implication of growth on financial management in a small business

The student will be able to understand the financial implications of growing a small business (Verhoeven & Mayhew, 2000).

In the Small Business Management module 'Small Business Marketing' the outcome for third-year students was that they will be able to market their own small business / products/ services. In order to achieve this, the content matter for this module was:

Building your own marketing plan

The student will comprehend the nature and importance of compiling a marketing plan before participating in any marketing activities.

Selecting your customer

The student will demonstrate the ability to explore and engage in the selection of customers.

Salesmanship and selling

The student will be able to demonstrate the ability to engage in sales activities.

Distribution management

The student will be able to demonstrate an understanding of the range of distribution activities in the business world and their implication for his/her small business.

Satisfying your customer

The student will understand the interrelationship between the customer and the small business.

### Export marketing

The student will be able to demonstrate an understanding of the range of economic activities globally and their implications for South Africa.

### Computers in the small business environment

The student will be able to understand the nature and value of the computer in the small business environment (Mayhew & Struwig, 2001).

The existing discipline-orientated curriculum essentially remains intact, and the lecturer remains relatively independent in teaching the subject matter, gradually on a module by module basis, the new dimensions are incorporated.

### **Research methodology employed in this study**

A positivistic paradigm was adopted in order to satisfy the aim of this study. Positivism is associated with deductive reasoning aimed at inferring universal principles applicable to a certain research population from a representative sample (Collins & Hussey, 2003). The research population targeted for this study was small business owners and or managers (SME's) operating in the Johannesburg Metropolitan. The sample frame consisted of all SME's registered with the Chamber of Commerce; 340 in total. Ninety-one of these businesses did not comply with the requirements for small businesses, and were therefore not considered for the study. Employment size for this study has been selected because it is the most stringent criterion and it is used most often to distinguish between small and medium businesses; in this case, small businesses with one to 50 employees. The total sample size was 249 small businesses who complied with one to 50 employees.

Element: Small businesses

Sampling units: Small businesses (retailers, manufacturers, contractors, personal and trade services, financial, brokers, estate agents)

Extent: Gauteng

A customised measuring instrument, in the form of a 'questionnaire' was developed

for this study. This questionnaire was divided into two sections. Section A contained items soliciting biographical information about the respondent, and Section B contained items pertaining to the curriculum content of Small Business Management modules (as seen in module content). Questions 1 to 6 covered the Business Management module of 'Understanding small business as a natural port of entry for entrepreneurs to the business world'. Questions 7 to 19 covered the Business Management module of 'Growing a small business' Questions 20 to 36 covered the Business Management module of 'Small business marketing'. Questions 37 to 47 covered what the researchers deemed as important and should be incorporated in future Small Business Management modules. (See Annexure A.)

The measuring instrument was delivered to SME owners/managers for completion either by hand or by email. Weekly telephone follow-up calls were conducted and respondents were afforded the maximum time period of one month to complete the questionnaire and return 249 surveys.

Data analysis comprised quantitative reliability tests, descriptive as well as inferential statistics. The Cronbach alpha reliability test was conducted to measure the internal reliability of the questionnaire. 'Reliability' relates to the extent to which a particular data collection approach will yield the same results when used on other occasions (Lancaster, 2005). The Cronbach alpha coefficient provides an index that is scored between 0 and 1, with a score of 0.7 or higher being deemed reliable (Burns & Burns, 2008).

Descriptive statistics were compiled to assess the nature of the normal distributions of the data solicited. Furthermore, the following inferential statistics were applied. Factor analysis is a technique used in quantitative research in order to summarise the data gathered from a large number of variables into a small and manageable number of variables or factors (Hair, Money, Samouel & Page, 2007). The factor analysis was performed using, Total Variance and ANOVA (Analysis of variance). Total Variance refers to statistical techniques used in quantitative research. It displays the amount of variance explained by each factor (Drew, Hardman & Hart, 1996). ANOVA refers to a parametric statistical test used in quantitative research methods to compare three or more means simultaneously (Drew et al., 1996).

### **Findings resultant from the study**

The following statistics are related to the profile of the respondents. The biographical data pertaining to the respondents can be seen in Table 1.

In categorising each main activity of small businesses, it was noted that the highest percentage was that of retailing (one of the oldest forms of business). There was a close link between the respondents in the other forms of business. Referring to qualification it was noted that a very small group of respondents (0.4%) received no formal education or some primary education. The overwhelming number of respondents (29.8%) had passed grade 12. The majority of the respondents stated that their main reason for starting a business had been personal interest. It is interesting to note that the next group of respondents (19.4%) had actually studied for their type of business

Table 1: Biographical data

Variable		Absolute frequency (%)
Ownership	Male	63
	Female	37
Main business activity	Manufacturing	11.6
	Contractor	13.7
	Personal services	15.7
	Trade services	7.2
	Retail	23.2
	Financial services/estate agents	17.3
	Other	11.2
Qualifications	No formal education	0.4
	Some primary	0.4
	Some secondary	3.2
	Matric	29.8
	Post school diploma/certificate	26.2
	B Degree	24.2
	Post Graduate qualification	15.7
Reason for start up	Personal interest	48
	Business is part of family concern	10.9
	Unemployed	6.5
	Retrenched	8.1
	Responded to advertised business opportunity	2.4
	Use of savings/inheritance/Lotto	2
	Studied/trained for it	19.4
	Other	2.8

To account for the reliability of the measure used in this study, the Cronbach Alpha was determined. Researchers regard the value of alpha greater than 0,7 as reliable, while others regard values greater than 0,8 and 0,85 as reliable. For the purpose of this study, the alpha values greater than 0,7 was regarded as reliable.

A factor consisting of nine items with a Cronbach alpha reliability coefficient of 0,842 was termed marketing functions of small businesses. The mean of the scale is 3.35 with a standard deviation of 0.52.

A factor consisting of five items with a Cronbach alpha reliability coefficient of 0,783 was termed social and ethical roles played by small businesses. The mean of the scale is 3.066 with a standard deviation of 0.61.

A factor consisting of six items with a Cronbach alpha reliability coefficient of 0,80 was termed marketing plan of small businesses. The mean of the scale is 3.28 with a standard deviation of 0.53.

A factor consisting of four items with a Cronbach alpha reliability coefficient of 0,78 was termed export markets and small business. The mean of the scale is 2.58 with a standard deviation of 0.77.

A factor consisting of four items with a Cronbach alpha reliability coefficient of 0,75 that was termed labour laws and regulations. The mean of the scale is 3.308 with a standard deviation of 0.57.

A factor consisting of four items with a Cronbach alpha reliability coefficient of 0,69 was termed strengths and weaknesses of small businesses. The mean of the scale is 3.429 with a standard deviation of 0.53.

A factor consisting of three items with a Cronbach alpha reliability coefficient of 0,73 was termed role of teams in small businesses. The mean of the scale is 3.06 with a standard deviation of 0.72.

A factor consisting of four items with a Cronbach alpha reliability coefficient of 0,68

was termed stages of small businesses. The mean of the scale is 3.26 with a standard deviation of 0.51.

A factor consisting of two items with a Cronbach alpha reliability coefficient of 0,80 was termed financing. The mean of the scale is 3.2653 with a standard deviation of 0.71.

A factor consisting of three items with a Cronbach alpha reliability coefficient of 0,71 was termed human resources. The mean of the scale is 2.96 with a standard deviation of 0.654

A factor consisting of two items with a Cronbach alpha reliability coefficient of 0,48 was also the result of the factor analysis, but it was discarded due to the very low level of reliability.

The above first order factors were then further reduced to two factors, namely 'Marketing Policy of Small Businesses and the Role of Small Businesses'.

Second order factor one, consisting of 26 items with a Cronbach Alpha reliability coefficient of 0.91. This factor was termed marketing policy of small businesses. The mean of the scale is 3.28 with a standard deviation of 0.431.

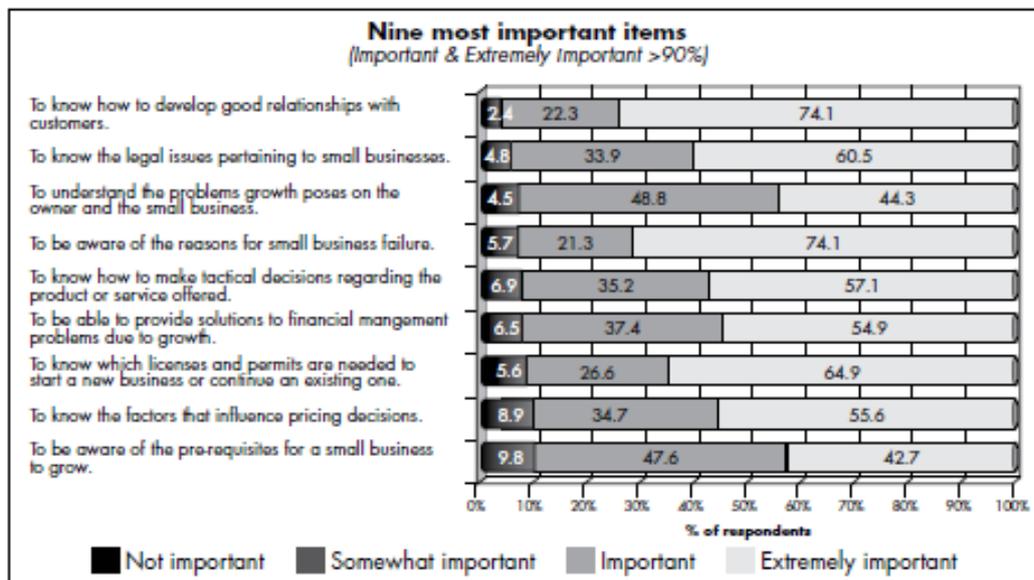
Second order factor two, consisting of 21 items with a Cronbach Alpha reliability coefficient of 0.88. This factor was termed the role of small businesses. This factor can be represented by one scale with a maximum value of 2.48 and minimum value of 723.

First Order Factor One indicated what the owners / managers of small businesses emphasise as extremely important, important, somewhat important and not important to the content of the Small Business Management modules (as listed above). The frequency distribution results are indicated in Figure 1 and Figure 2.

In Figure 1 the small business owners indicated the nine most important items (topics) for them:

- to know how to develop good relationships with customers
- to know the legal issues pertaining to small businesses
- to understand how growth poses on the owner and the small business
- to be aware of the reasons for small business failure
- to know how to make tactical decisions regarding the product or service offered
- to be able to provide solutions to financial management problems due to growth
- to know which licenses and permits are needed to start a new business or continue an existing one
- to know the factors that influence pricing decisions
- to be aware of the pre-requisites for a small business to grow.

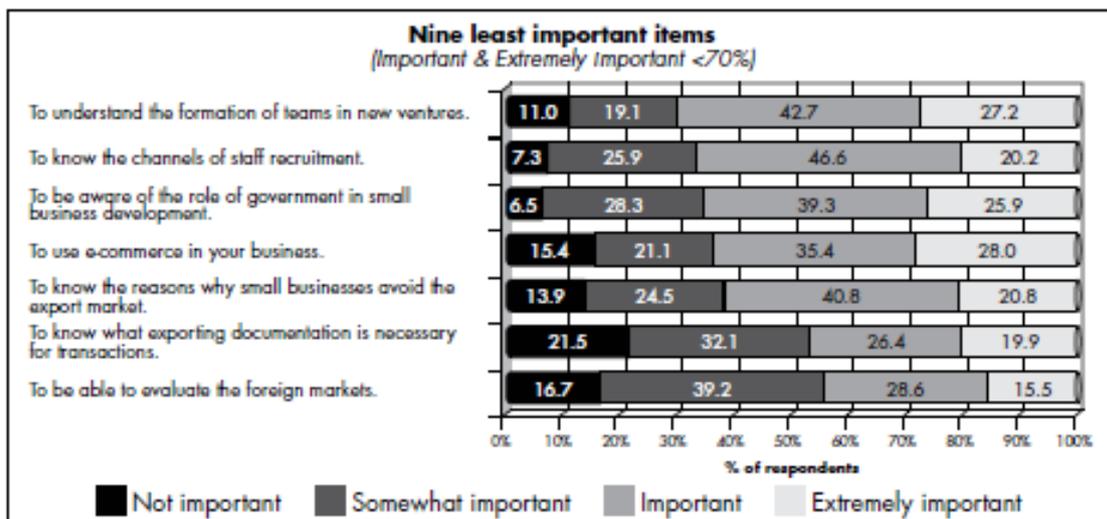
Figure 1:  
*Nine most important items of module content in questionnaire according to business owners*



In Figure 2 the small business owners indicated the seven items that are not important for them in the content matter of Small Business Management. These are to:

- understand the formation of teams in new ventures
- know the channels of staff recruitment
- be aware of the role of government in small business development
- use e-commerce in your business
- know the reasons why small businesses avoid the export market
- know what exporting documents is necessary for transactions
- be able to evaluate the foreign markets.

Figure 2:  
Seven least important items of module content in questionnaire according to business owners



### Comparison of biographical data in relation to marketing policy and the role of small businesses

Gender of business owner

Table 2 indicated that males had lower scores than females on both second order factors, (marketing policy) and (the role of small businesses). The male respondents in this sample attached significantly less importance to marketing policy and the role of small businesses. Males had a significantly lower score than females on the second factor (the role of small businesses), indicating that the male respondents in this

sample attached less importance to the role of small businesses.

Table 2:

Descriptive statistics – Gender of business owner

Second order	Gender	N	Mean	Std. Deviation
Marketing policy of small businesses	Male	146	3.2532	0.45867
	Female	83	3.3401	0.38266
The role of small businesses	Male	146	2.4357	0.38813
	Female	84	2.5659	0.31982

According to the Independent sample t-Test there is a statistical difference ( $p < 0.05$ ) between males and females with regard to the second order factor two (the role of small businesses). There are no statistically significant differences ( $p > 0.05$ ) between males and females with regard to the second order factor one (marketing policy of small businesses). See Table 2.

Table 2:

t-Test – Gender of business owner

Second order	T-test	Df	P-value
Marketing policy of small businesses	-1.536	196.515	0.126
The role of small businesses	-2.607	228.00	0.010 *

\* Significant difference

### Main activity of business

The mean values, for all six groups of business activities are between 2.3694 and 3.3628 as noted in Table 3 below. The highest standard deviation was obtained for second order factor one (marketing policy) by the trade services. The lowest standard

deviation was obtained for second order factor two (the role of small businesses) by contractors. An analysis of the statistics of the relationship between the independent variable number of the main activity of the business and marketing policy / role of small businesses, indicates that the difference in mean values is not significant.

Descriptive statistics: The main activity

		N	Mean	Std. Deviation
Marketing policy of small businesses	Manufacturer	28	3.2253	.41829
	Contractor	30	3.2705	.38982
	Personal Services	35	3.2560	.47674
	Trade Services	16	3.2091	.68615
	Retailers	56	3.3159	.40417
	Financial/insurance/ estate agents/brokers	41	3.4034	.36030
	Other	26	3.1982	.38824
	Total	232	3.2850	.43103
The role of small businesses	Manufacturer	27	2.4074	.40833
	Contractor	30	2.3487	.27623
	Personal Services	35	2.4824	.39404
	Trade Services	16	2.5433	.35331
	Retailers	56	2.4993	.38416
	Financial/insurance/ estate agents/brokers	43	2.5859	.31681
	Other	26	2.4852	.40164
	Total	233	2.4842	.36723

As represented in Table 4 there are no differences with regard to the main activity of the business in their relationship to second order factor one (marketing policy) and second order factor two (role of small businesses).

Table 4:  
One-way ANOVA: Main activity

		Sum of Squares	Df	Mean Square	F	Sig.
Marketing policy of small businesses	Between Groups	1.052	6	.175	.942	.466
	Within Groups	41.866	225	.186		
	Total	42.917	231			
The role of small businesses	Between Groups	1.223	6	.204	1.532	.169
	Within Groups	30.065	226	.133		
	Total	31.288	232			

The main activity of the business has a small practical effect of 0.1 – 0.3 for second order factor one (marketing policy of small businesses) and second order factor two (the role of small businesses) (Eta = .198) see Table 5.

Table 5:  
Effect size of the main activity

	Value
Marketing policy of small businesses Dependent	157
The role of small businesses Dependent	198

#### Highest academic / business qualifications

According to the analysis of the mean value, all the mean values are between 2.3694 and 3.3628 indicating that the research data tend to cluster around these values. The highest standard deviation was obtained for second order factor one (marketing policy) by owners with a degree (B.A, B.Com). The lowest standard deviation was obtained for second order factor two (the role of small businesses) by owners with post graduate qualifications. See Table 6. In the second order factor one (marketing policy), there

was a statistically significant difference among the different qualifications. There was no statistically significant differences between the academic qualifications and second order factor two (the role of small businesses).

Table 6:  
Descriptive statistics: Qualifications

		N	Mean	Std. Deviation
Marketing policy of small businesses	Grade 12 or lower	76	3.2419	.42085
	Post school diploma/certificate	60	3.3628	.37952
	Baccalaureas Degree (e.g. B.A., B.Com., B.Sc)	59	3.3533	.46809
	Post Graduate Qualifications (e.g. honours, masters, etc.)	36	3.1474	.43877
	Total	231	3.2870	.43082
The role of small businesses	Grade 12 or lower	76	2.4868	.38674
	Post school diploma/certificate	60	2.4821	.35445
	Baccalaureas Degree (e.g. B.A., B.Com., B.Sc)	58	2.5597	.37040
	Post Graduate Qualifications (e.g. honours, masters, etc.)	38	2.3694	.32862
	Total	232	2.4846	.36797

According to Table 7 there are statistical differences ( $p < 0.05$ ) in means with regard to highest academic / business qualifications in their relation to the second factor one (the marketing policy of small businesses).

One-way ANOVA: Qualifications

		Sum of Squares	Df	Mean Square	F	Sig.
Marketing policy of small businesses	Between Groups	1.460	3	.487	2.680	.048
	Within Groups	41.228	227	.182		
	Total	42.689	230			
The role of small businesses	Between Groups	.832	3	.277	2.076	.104
	Within Groups	30.446	228	.134		
	Total	31.278	231			

There are statistical significantly differences in terms of average (mean) second order factor one score (the marketing policy of small businesses) between the various educational groups. Owners with higher education degrees indicated that second order factor one - marketing policy was more important in their business, compared to owners with grade 12 and lower qualifications who indicated that marketing policy was less important. Conclusion, a small practical effect on the opinions related to the marketing policy of small businesses and the role of small businesses ( $\eta^2 = 1.85$ ), see Table 8.

Table 8:

Effect size: Qualifications

	Value
Marketing policy of small businesses Dependent	1.85
The role of small businesses Dependent	1.63

Main reason for starting the business

The mean values for the six groups (starting a business) are 2.4400 and 3.3825,

indicating that there is not a big difference in opinions among owners regarding their reason for starting their businesses. In analysing the mean value, all the mean values are between two and three indicating that the research data tend to cluster around these values, as indicated in Table 9.

Table 9:  
Descriptive statistics - Reason for starting a business

Second order	Reason for starting a business	N	Mean	Std. Deviation
Factor 1: Marketing policy of small Businesses	It was of personal interest	109	3.3197	0.40686
	The business is part of a family concern	27	3.2365	0.42129
	I was unemployed / retrenched	34	3.2602	0.47372
	I studied/trained for it	43	3.2111	0.43379
	Other	18	3.3825	0.51169
	Total	231	3.2859	0.43175
Factor 2: The role of small businesses	It was of personal interest	109	2.4488	0.35722
	The business is part of a family concern	25	2.4400	0.43088
	I was unemployed / retrenched	34	2.4706	0.34389
	I studied/trained for it	46	2.5251	0.38189
	Other	18	2.6624	0.31066
	Total	232	2.4828	0.36741

There are no statistical differences with regard to the main reason for starting a business in their relationship to second order factor one and two (the marketing policy and the role of small businesses) as shown in Table 10.

Table 10:  
One-way ANOVA – Reason for starting business

Second order		Sum of Scores	Df	Mean	F	P-value
Marketing policy of small businesses	Between Groups	0.621	4	0.155	0.831	0.507
	Within Groups	42.252	226	0.187		
	Total	42.874	230			
The role of small businesses	Between Groups	0.839	4	0.210	1.570	0.183
	Within Groups	30.343	227	0.134		
	Total	31.183	231			

#### Effect size

The effect is 0.1 – 0.3. Conclusion a small practically effect on the opinions related to marketing policy and the role of small businesses (Eta = 1.64) as shown in Table 11.

Table 11:  
Reason for starting a business

Second order factor one	Value
Dependent – Marketing policy of small businesses	0.120
Second order factor two	Value
Dependent – The role of small businesses	0.164

## **Conclusions based on the study findings**

The study revealed that knowledge of small businesses is essential for those wishing, to start or manage a small business, in order for them to be made aware of potential pitfalls. All the respondents perceived most of the Small Business content matter as important or very important. Among the items surveyed, owners ranked growth as very important. Of the items surveyed the following nine items were ranked as extremely important by small business owners (above 90%):

- to be aware of the pre-requisites for a small business to grow
- to know the factors that influence pricing decisions
- to know which licenses and permits are needed to start a new business or to continue the existing business
- to be able to provide solutions to financial management problems resulting from growth
- to know how to make tactical decisions regarding products or services offered
- to be aware of the reasons for small business failure
- to understand the problems growth poses on the owner and the small business
- to know the legal issues pertaining to small businesses
- to know how to develop good relationships with customers.

The following seven items were ranked as not important by small business owners:

- to be able to evaluate foreign markets
- to know which exporting documents are necessary for transactions
- to know the reasons why small markets avoid the export markets
- to use e-commerce in a business
- to be aware of the role of government in small business development
- to know the channels of staff recruitment

It can be deduced that the majority of small business owners are concerned mainly with local customers and that the foreign market is not important in their business.

The majority of the respondents indicated agreement with the items relating to the marketing function. Small business owners indicated the items dealing with marketing as 'extremely important'. This shows the value of Small Business Management content matter, as respondents considered marketing to be important in a successful business. The following items are therefore important in the marketing policy of small businesses:

to understand the importance of drawing up a marketing budget

to understand market related concepts such as market segmentation, target market and market positions

to understand the importance of compiling a marketing plan prior to implementation

to understand the implications of growth on financial management in the business

to know how to make tactical decisions regarding the product or service offered.

As far as small businesses are concerned, it is recommended that topics such as the following could be considered as very important:

Marketing policy

Finance and budgets

Labour laws and legislation

Legal issues pertaining to small businesses.

Higher education could not assume that small business owners and students knew what they would need to learn and consequently a needs assessment of Small Business Management content matter was conducted. The core objective of this study was to explore the possibility of new curriculum content for small business development, as an alternative to the one used by a higher education institution.

Furthermore it proceeded to test the viability of such a curriculum through an empirical survey within the small business environment. Understanding learning and curriculum theories and principles is essential for the design and restructuring of effective curriculum programmes. The conclusion from the empirical study was that all the respondents perceived most of the Small Business content matter as important or very important.

### **Recommendations based on the findings**

The development of a small business curriculum and the creation of new businesses should be seen as a long-term process. It is recommended that a democratic process of curriculum development be introduced, which make provision for participation by all the role players.

The management process in developing Small Business curriculum should be a bottom up as well as a top down process with participation on university level, national level as well as participation by the business sector. The curriculum should be based on a modular approach with basic modules being compulsory for all students.

As far as management involvement is concerned, it is important that lecturers and small business owners should be empowered to face the challenge of curriculum restructuring. Unless lecturers and small business owners are trained on curriculum matters, their effectiveness in curriculum restructuring becomes questionable.

It is recommended that the following elements should be incorporated into the future content of Small Business Management of the undergraduate degree programme at the University of Johannesburg:

Development of skills and training courses offered to small businesses

Recent labour market legislation and the impact it has on small businesses

How to deal with labour unions and labour laws and legislation

Licenses and permits needed to start a new business or to continue an existing one

Small Business Programmes on national and local levels that are available.

In 2001 it was indicated that 'Never has the entrepreneurial spirit been more alive in South Africa and never has it been that crucial to the quality of our lives' (Heil, 2001: 2). This is still valid in today's business world.

The limitations accompanying the study are readily acknowledged. This study was restricted to small businesses consisting of one to fifty employees. A similar study including the medium to large business sector is proposed. Certain other issues also need to be investigated, the first being the relationship between Business Management training, theory and small business practice. Not only does the relationship need to be investigated, but methods need also to be developed to integrate theory and practice.

## References

Abourzek, T. & Patterson, D.L. (2003) 'Bridging the gap for pre-service teachers' Academic Exchange Quarterly 7 pp.121-126.

Ahier, J. & Ross, A. (1995) The Social Subjects within the Curriculum. London: Falmer Press.

Arinaitwe, S.K. (2006) 'Factors Constraining the Growth and Survival of Small Scale Business. A Developing Countries Analysis' Journal of American Academy of Business 8(2):167-178. EBSCOHost: CINAHL: <http://search.global.epnet.com/> (Accessed 25 August 2012).

Bennett, R.J., Robson, P.J.A. & Bratton, W.J.A. (2001) 'The Influence of Location on the Use by SMEs of External Advice and Collaboration' Urban Studies 38(9) pp.1531-1557.

Bridge, S., O'Neill, K. & Cromie, S. (2003) Understanding enterprise, entrepreneurship and small business. 2nd ed. Houndmills, Basingstoke: Macmillan Business.

Buckley, A. & Caple, J. (1995) The theory and practice of training. London: Kogan Page.

Burns, R.B. & Burns, R.A. (2008) Business Research Methods and Statistics using SPPSS. Los Angeles: Sage.

Cloete, N. & Bunting, I. (2000) Higher Education Transformation: Assessing performance in South Africa. Pretoria: CHET.

Collins, J. & Hussey, R. (2003) Business Research: A practical guide for undergraduate and postgraduate students. Hampshire: Palgrave-McMillan.

Davidson, P. 2000. Determinants of entrepreneurial intentions. Swedish Foundation

for small businesses. (Unpublished research paper).

Drew, C.J., Hardman, M.J. & Hart, W. (1996) Designing and conducting research: Inquiring in education and social sciences. 2nd ed. Boston: Allyn & Bacon.

Du Plessis, E. (2011) Becoming a teacher. Cape Town: Heinemann.

Friedrich, C. (2003) 'Small is beautiful' 19 November 2003. This Day. pp.11-33.

GIS. (2008) 'Employment strategy framework: Part 2' Government Information Systems. Pretoria: Government Publishers <http://www.polity.co.za/html/govdocs/misc/jobsframework1.html> (Accessed November 2012).

Goodson, I.F. (1996) 'National Curriculum' In N. Taylor (Ed.) Inventing knowledge. Contests in Curriculum Construction. Cape Town: Maskew Miller Longman.

Hair, J.J., Money, A.H., Samouel, P. & Page, M. (2007) Research methods for business. England. Leyn Publishing.

Lancaster, G. (2005) Research Methods in Management. Burlington: Elsevier.

Longstreet, T.W.S. & Shane, H.G. (1993) Curriculum for a new millennium. Boston: Allyn & Bacon.

Manual, T. (2003) Government to focus on small businesses. <http://www.news24.com/news24/finance/economy/,2-8-251326141,00.html> (Accessed 12 November 2012).

Mayhew, W. & Struwig, M. (Eds.) (2001) Study Guide for Small Business Marketing. BMA 6005. Department of Business Management, Vista University, South Africa.

Mdladlana, M. (2003) 'The skills revolution is blooming' City Press Careers. 19 October. Johannesburg, South Africa.

Meyer, G.D. & Heppard K.A. (2002) *Entrepreneurship as Strategy: Competing on the Entrepreneurial Edge*. Thousand Oaks, CA: Sage Publications, Inc.

Motshekga, M.P. (2010) 'The Progress of the Review of the National Curriculum Statement' 6 July 2010. Issued by the Ministry of Basic Education. Spokesperson - Minister of Basic Education, South Africa.

Nigrini, M. & Schoombee, A. (2002) 'Credit Guarantee Schemes as an instrument to promote access to finance for Small and Medium Enterprises: an analysis of Khula Enterprises Finance Ltd's individual Credit Guarantee Scheme' *Development Southern Africa* 19(5) pp.735-750.

Oblinger, D. & Verville, A. (1998) *What business wants from higher education*. Phoenix: The Oryx Press. Orford, J., Wood, E. & Herrington, M. (2004) *Global Entrepreneurship Monitor: South African Report*. Cape Town: UCT Graduate School of Business.

Pacheco, A. (2000) *Meeting the challenge of high-quality teacher education. Why education must change*. New York: AACTE Publication.

Parker, S.C. (2005) 'Foundations and Trends in Entrepreneurship' *NOW: The essence of learning* 1(1) pp.1-20.

Pinar, W. & Reynolds, W. (1995) *Understanding Curriculum*. New York: Peter Lang.

Saunders L. (1998) 'The Work-Related Curriculum: The New Entitlement' *British Journal of Education and Work* 6(1) pp.90-94.

Statistics South Africa. (2013) 'Labour force survey - August 2013' Statistical release P021. Pretoria. Schwenke, J. (2003) 'Education is the missing link' *Sunday Business Times*. 30 March p.9.

Struwig, M. (2002) *Study Guide for Creative Entrepreneurship BMA 5003*. Department of Business Management, Vista University, South Africa.

Sukazi, J., Wood, E. & Bester, L. (2003) 'Black hole in skills, funding his progress' Sunday Business Times. 30 March.

Thomson, L.A. (2005) 'Funding and mentoring young entrepreneurs' [www.conectutah.co./article](http://www.conectutah.co./article) (Accessed November 2012).

Trainor, D. (2002) Coherence, progression and continuity in work-related teaching and learning. Centre for Education and Industry: University of Warwick, UK.

Verhoeven, C.E. & Mayhew, W. (2000) Study Guide for Growing a Small Business BMA 5505. Department of Business Management, Vista University, South Africa.

Zikmund, W.G. (2000) Business Research Methods. 6th ed. Fort Worth: Dreyden Press.

## ANNEXURE A: SURVEY TO SMALL BUSINESS OWNERS

Note: Please use a 4 point scale as follows.

4 = extremely important    3 = important  
 2 = somewhat important    1 = not important

How important is each of the following for the owner of a small enterprise?

1.	To understand the contribution made by the small business enterprise in the economy of South Africa	4	3	2	1
2.	To be aware of the challenges facing the small business owner	4	3	2	1
3.	To know the strengths of small enterprises (e.g. flexible decision making)	4	3	2	1
4.	To know the weaknesses of small enterprises (e.g. limited capital)	4	3	2	1
5.	To be aware of the reasons for small business failure	4	3	2	1
6.	To be aware of the role (assistance, involvement) of government in small business development	4	3	2	1
7.	To be aware of the pre-requisites for a small business to grow	4	3	2	1
8.	To understand what the growth stages in small businesses entails	4	3	2	1
9.	To understand the problems growth poses on the owner and the small business	4	3	2	1
10.	To identify the characteristics involved at each stage of the growth process of a small business	4	3	2	1
11.	To understand that an entrepreneur moves from doing things to managing things	4	3	2	1
12.	To understand the formation of teams in new ventures	4	3	2	1
13.	To know why new venture teams are successful	4	3	2	1
14.	To understand the different marketing environments (micro, market and macro)	4	3	2	1
15.	To understand market related concepts such as market	4	3	2	1

	segmentation, target market and market positions				
16.	To understand the implications of growth on financial management in the business.	4	3	2	1
17.	To be able to provide solutions to financial management problems due to growth.	4	3	2	1
18.	To know what kind of financing is available	4	3	2	1
19.	To know which institutions provide financial assistance	4	3	2	1
20.	To understand the importance of compiling a marketing plan prior to implementation	4	3	2	1
21.	To understand the importance of drawing up a marketing budget	4	3	2	1
22.	To know how to make tactical decisions regarding the product or service offered	4	3	2	1
23.	To know the factors that influence pricing decisions	4	3	2	1
24.	To be able to devise a pricing strategy	4	3	2	1
25.	To assess a potential supplier before making a purchase agreement	4	3	2	1
26.	To know that the appearance of a business can affect sales	4	3	2	1
27.	To able to engage in sales activities	4	3	2	1
28.	To identify the qualities required in a salesperson	4	3	2	1
29.	To understand the range of distribution activities in the business world	4	3	2	1
30.	To understand the inter-relationship between the customer and the small business.	4	3	2	1
31.	To know the reasons why small businesses avoid the export market	4	3	2	1
32.	To be able to evaluate the foreign markets.	4	3	2	1
33.	To know what exporting documentation is necessary for transactions	4	3	2	1
34.	To use e-commerce in your business (buying and selling over internet)	4	3	2	1
35.	To know how to develop good relationships with customers	4	3	2	1
36.	To understand the small business' social responsibility towards	4	3	2	1

	the community				
37.	To know the ethical role played by small business (social awareness of ethics)	4	3	2	1
38.	To know the legal issues pertaining to small businesses	4	3	2	1
39.	To know that education (qualification and training) is a prerequisite for managing a business	4	3	2	1
40.	To know that many of the characteristics needed for a successful small business can be acquired through study	4	3	2	1
41.	To be aware of skills training courses offered to your employees	4	3	2	1
42.	To know the channels of staff recruitment	4	3	2	1
43.	To know how the recent labour market legislations have an impact on your business	4	3	2	1
44.	To be able to deal with labour (trade) unions	4	3	2	1
45.	To know the labour laws dealing with hiring and firing of employees	4	3	2	1
46.	To know which licenses and permits are needed to start a new business or continue an existing one.	4	3	2	1
47.	To be aware of the variety of programmes to help promote small businesses (government at the national and local levels)	4	3	2	1