

## **What Factors Affect Coaching and Mentoring in Small and Medium Sized Enterprises**

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### **Abstract**

This study adopts a mixed methodology case study approach in order to provide support for the call for a radical re-evaluation of what enables coaching and mentoring within the small and medium sized enterprise (SME) context. The findings highlight the complex and inter-related nature of many of the barriers that hinder practice and support the contention that at the core of both of these phenomena is the pervasive level of control that owner/managers actually wield. Significantly this means that owner/managers hold the key to coaching and mentoring success within the SME environment and their engagement by government agencies and providers is crucial.

**Key Words:** Small and medium sized enterprises, coaching, mentoring, management style, gender

### **Introduction**

Small and medium sized enterprises (SMEs) possess a set of 'unique' characteristics. These characteristics make studying SMEs especially challenging because of the need to develop a different appreciation and understanding compared to larger companies (Beaver and Jennings, 2000, Hill and McGowan, 1999, Jennings and Beaver, 1997, Storey, 1994 and Carson and Cromie, 1990). The two key questions to be addressed in this study are firstly, how to understand the nature and impact of highlighted factors that enable all coaching and mentoring activity in SMEs. Secondly to discuss some of the barriers that inhibit this coaching and mentoring activity, how they work and how might they be addressed in order to increase accessibility. These two questions are set against the backdrop of a continuing chasm that exists in good quality literature and research (O'Regan and Ghobadian, 2004, Thomas, 1998 and Curran et al, 1986) specifically within the SME environment. This is further compounded by the additional lack of research which specifically addresses the question of coaching and mentoring within the SME context, and even coaching and mentoring in general (Cox and Ledgerwood, 2003). I also suggest that the visible lack of the development of this appreciation and understanding provides a plausible explanation as to why the research that has been produced is of a mixed and indifferent quality (Thomas, 1998 and Curran et al, 1986).

The increase in research interest in SMEs according to Curran (1999), Gray (1998), Storey (1994) and Stanworth and Gray (1991) has been generated by their increasing economic significance. Providing evidence for this contention the Organisation for Economic Co-operation and Development (OECD, 2000 p.1) reported that SMEs constitute 95 per cent of firms and 60 to 70 per cent of employment within the OECD countries. In Europe the significance is even greater suggested the European Commission (2003a, b), which identified that there are 20.5 million enterprises in

Europe which provide employment for 122 million people, 99.8 per cent of which are SMEs.

The European Commission classifies SMEs as enterprises with fewer than 250 employees with either an annual turnover not exceeding £50 million or an annual balance sheet not more than £43 million. Within the UK using the same classification SMEs accounted for 58.5 per cent of employment and 51.3 per cent of turnover in 2004 according to the Department of Trade and Industry (DTI 2005). SMEs also made up 99.9 per cent of all the 4.3 million enterprises within the UK. Beaver and Prince (2004) also contend that this impact is even greater when one considers the fact that the number of SMEs in the UK has increased by 50 per cent over the last 25 years. The pace of this increase is itself gaining momentum with a year on year increase of 13 per cent between 2003 and 2004 according to the DTI (2005).

### **The Study Structure**

The review of the existing literature I suggest is most significant regarding the particular methodology adopted within this study, because as Strauss and Corbin (1990) and Yin (1984) contend it delineates the links between theory and practical judgements about how the research will be carried out. The existing literature also has an implicit relationship with how the data is collected and later analysed; therefore this relationship needs to be explicitly recognised. I therefore, outline the literature that supports the argument that SMEs are unique and that they need to be studied in a unique manner, providing a foundation for using innovative SME specific techniques. The literature on some of the key areas that are researched within this study is also outlined.

Following this review, I outline why a case study using a mixed approach was adopted as the answer to Hill et al (2002) and Hill and Wright's (2001) call for the development of new and innovative ways of conducting research in the SME context. I then move on to discuss some of the factors which this study indicates can be used to enable the effectiveness of coaching and mentoring within this sample of SMEs. These factors include current levels of coaching and mentoring activity, management style and gender. Each is analysed and proposed as an enabler because once incorporated into a coaching and mentoring strategy they provide every possibility of success. Next I move on to detail and analyse the barriers to coaching and mentoring deployment within the sample SMEs. These barriers serve to illuminate the complexity within which coaching and mentoring activity takes place within the SME context. They also provide an agenda of issues that need to be addressed if coaching and mentoring interventions are to be successful within the SME context. A discussion of these issues will then follow in order to expand and inform the analysis of these results.

Finally, I highlight the key findings of this study and outline some possible practice and policy implications. I discuss the contribution this research has made to the development of an understanding of the impact of the SME specific coaching and mentoring enablers and barriers. Finally, I advocate support for Storey's (1994) original call for more SME specific research to be undertaken by signposting the need for more innovative research in several fundamental areas in this most challenging of environments.

### **The 'Uniqueness' of SMEs**

Beaver and Jennings (2000), Hill and McGowan (1999), Jennings and Beaver (1997), Storey (1994) and Carson and Cromie (1990) suggest SMEs require a different appreciation and understanding of their unique characteristics, because they are not large firms in miniature. Beaver (2002) and Curran and Blackburn (2001) go further and suggest that researchers have generally not acknowledged the many problems specific to small business research, like sample size and accessibility for example. The continuing absence of SME research has also been highlighted recently by O'Regan and Ghobadian (2004), which serves to indicate that things are not improving.

Supporting this 'uniqueness' Thomas (1998) and Curran et al (1986) suggest that SME research output has been of a mixed and indifferent quality, due principally to failures to recognise and accommodate the special nature of the SMEs issues and context. Consequently, for clarity, the view adopted within this study will be that where there is SME research available it will be used. However where there is little indicative literature, other sources will be used to supplement the void and inform the debate. This view resonates with the similar approach adopted by researchers like Burke and Jarratt (2004) concerning SME strategy development and Collins and Smith (2004) in relation to IIP and HR practices.

### **Barriers to Coaching and Mentoring in the SME Context**

Possibly one of the greatest barriers identified in the literature is the difficulty in persuading SMEs of the benefits of any form of workforce development including coaching and mentoring. This is because of a lack of evidence that clearly demonstrates a link between development and profitability (Westhead and Story, 1997, Wong et al, 1997 and Winterton and Winterton, 1996). Supporting this finding Matlay (2000) reports on a detailed study that evaluated the attitude of owner/managers to development and training and found that in companies with less than 49 employees there was little interest in any formal scheme on offer. Cosh et al (1998) in one of the most detailed and systematic studies, covering eight years and 1,640 SMEs, failed to find consistent links between training and development and a range of performance related variables such as survival, sales growth and profitability.

The literature suggests that there are two possible explanations for these findings. Firstly, Patton et al (2000) argues that this lack of research evidence linking improvements in performance to investment in training and development can be attributed to methodological weaknesses. Secondly the difficulty of establishing this link lies in the sheer number of variables that could impact on an individual SMEs overall profitability making the task impossible (Chaston et al, 1999). Further even if it were possible to establish this link, it is still improbable that demonstrable evidence could be found within SMEs. This is because SMEs lack the means and will to carry out such evaluation activity (Kerr and McDougall 1999 and Cushion, 1995, 1996).

A further barrier is the attitude of the SME owner/manager. Beaver and Prince (2004, p.398) argue that 'management in small firms cannot be separated from the motivations

and actions of the key actors'. This is because they fashion 'the relationships between ownership and decision making, managerial style, organisational structures and culture...'. Supporting this suggestion Carter and Evans-Jones (2000) and Storey (1994) contend that the psychological characteristics of the owner/managers manifest themselves in a distinctive managerial style. This managerial style is identified as being autocratic, egocentric, impulsive and often unpredictable. Marlowe (2000) and O'Gorman (2000) suggest that because of this managerial style, relationships between owner/managers and their employees are particularistic, often involving personal and highly idiosyncratic relationships.

Another potential barrier is the SMEs own restricted resources (Macpherson and Wilson, 2003). This is most apparent in the way that time is viewed as a fundamental issue for SMEs, primarily because these organisations are focused on short-term, day to day crises which are given priority over development. This is linked to cost to the SME, which features high on the list of constraints (Kerr and McDougall, 1999, Smith et al, 1999 and Westhead and Storey, 1996). This is not just in terms of the cost of the training or development, which in itself can be severely limiting, but also the time lost to the SME and the resultant opportunity costs. These constraints serve to explain why Perren and Grant (2001) found that SMEs prefer to approach any learning in 'bite size' portions. This is often because owner/managers then have more control over what employees are doing.

Possibly one of the most subtle barriers is the impact of gender differences as manifested in SME owner/managers management style. I suggest that gender inequality is constructed and reproduced through the organisational context and this is well established in the research of Wajeman (1999), Acker (1998) and Savage and Witz (1992). I further suggest that intuitive reasoning supports the contention that this must have an impact on managerial/leadership style. This in turn facilitates the potential for coaching and mentoring because of the proximity of the owner/manager and their formative influence on all organisational activity as suggested by Hofstede et al (1990). However early research by Powell (1993), Eagly and Karau (1991), Lehman (1990) and Maupin (1990) found a distinct lack of support for the claim that women utilise different leadership styles than do their male counterparts. More recent research by Bass et al (1996), Lipman-Blumen (1996), Alimo-Metcalf (1995) and Rosener (1995) has provided a counter view to the earlier research cited above. This counter view suggests that there are in fact concrete differences between female and male leadership styles which affect the ways in which the different genders manage within their organisations. The inconclusiveness of this debate warrants its investigation within this study because of its potential impact on coaching and mentoring within the SME context.

## **Methodology**

The rationale for a mixed approach comes from Jick's (1983, p. 138) contention that '...the weakness in each single method will be compensated by the counter-balancing strengths of another'. Nau (1995) further argues that 'blending qualitative and quantitative methods can produce a final product which can highlight the significant contribution of both'. Stainback and Stainback (1988) also contend that the combination of qualitative and quantitative approaches provides the opportunity to combine

discovery with verification, understanding with prediction and validity and reliability within the same research design. The most prominent concern about this approach according to Simon (1994) and Jick (1983) is that there is no universally agreed process for integrating these two methodologies into a research design.

There were several reasons why the use of a case study methodology was decided upon. Firstly, Perry (1998) and Eisenhardt (1989) point out that a case study is particularly well suited to new or inadequately researched areas of study. This is the case in relation to existing research which specifically addresses the issues of the impact of and barriers to effective coaching and mentoring activity in the SME context. Secondly, Yin (1984, 1993) contends that a case study is the most appropriate approach for investigations of 'contemporary phenomenon within their real life context, where the boundaries between the phenomenon and context are not clearly evident', (Yin 1984, p.21). Finally, Yin (2003, p. 97) argues that 'a major strength of case study data collection is the opportunity to use many different sources of evidence'. Thus triangulation can be viewed as the combination of methods in the study of the same phenomena. The assumption 'is that the effectiveness of triangulation rests on the premise that the weaknesses in each single method will be compensated by the counter-balancing strengths of another' (Amaratunga et al 2002, p. 24). This study incorporates different methods: qualitative in the form of semi-structured interviews and quantitative in the form of a questionnaire. The different methods provide the opportunity to elaborate or develop a richer more detailed analysis: the aim of case study research according to Yin (2003) is to generate analytical rather than statistical generalizations and the combination of qualitative and quantitative methods offers this opportunity.

When considering the types of SMEs to be involved I decided to use purposive rather than random sampling as an effective method of selecting SMEs rich in data that were pertinent to understanding this research problem (Marshall and Rossman 1995). Stake (1994), Patton (1990) and Eisenhardt (1989) all provide support for this decision by emphasising the significance of information richness as a pre-eminent case selection criterion as opposed to the application of a scientific sampling protocol.

Westbrook (1995) argues that multiple cases attempt specifically to reach more generalisable conclusions than those provided by a single case and that their real value lies in the building of theory from the analysis of practice. Yin (2003) further identifies the need for the use of several case studies because they allow for cross-case analysis to be used for richer theory building. Simon et al (1996) expands this argument by pointing out that where several cases are examined simultaneously, comparisons, contrasts and themes can be discussed in an analytical fashion. Thus a pattern emerging from one data source can be corroborated with evidence from another, the findings are therefore stronger and better grounded (Eisenhardt, 1989). Eisenhardt further suggests that an appropriate number of cases for selection is between four and ten and the support for opting for the upper end of this scale is provided by Perry (1998, p.791) who argues that "with fewer than four cases it is difficult to generate theory with much complexity, and its empirical grounding is likely to be unconvincing."

### The Sample and the Context of the Research Problem

The sample used in this case study consisted of 10 Welsh SMEs selected from a wide range of industry backgrounds as indicated in Table 1a.

<b>Agriculture</b>	<b>Utilities</b>	<b>Manufacturing</b>
<b>Construction</b>	<b>Distribution</b>	<b>Chemicals</b>
<b>Banking/Finance</b>	<b>Professional Services</b>	<b>Other Services</b>
3	3	4

**Table 1a: Industry Breakdown of Sample SMEs**

The sample was also drawn from diverse locations throughout Wales as outlined in Table 1b and the breakdown of the numbers of employees per SME is outlined in Table 1c. All of the sampling decisions were made with the purpose of improving the reliability of study and thereby increasing the likelihood of being able to generalise the findings from this sample to the wider SME community.

<b>North Wales</b>	<b>South Wales</b>	<b>East Wales</b>	<b>West Wales</b>	<b>Mid Wales</b>
2	3	2	2	1

**Table 1b: Geographical Distribution of Sample SMEs**

<b>Under 11 employees</b>	<b>11 – 24 employees</b>	<b>25 – 49 employees</b>	<b>50 – 99 employees</b>	<b>100 – 199 employees</b>	<b>200 - 250 employees</b>
2	1	3	2	1	1

**Table 1c: Employee Size breakdown of Sample SMEs**

In terms of the semi structured interviews two respondents were chosen from three out of the 10 companies (6 respondents). For the questionnaire a further, different two respondents were used from all 10 companies (50 respondents)

### Data Analysis

Rowley (2002) suggests that there are no agreed forms of data analysis within case study research. However she does advocate adherence to some principles, namely, all relevant evidence is used in the analysis thereby providing the opportunity to consider rival interpretation, exploring each in turn. Additionally the analysis should address the most significant aspects of the study and draw on the unbiased and objective expert knowledge of the researcher. Consequently the data in each of the interviews was gathered through note taking and, as Strauss (1987) recommends, the coding of this data was done early and frequently within the research timeframe.

The analysis of the data generated by these techniques was undertaken by using content analysis as outlined by Gillham (2000). Additionally, tabulation of responses to closed questions in the questionnaire was undertaken and categorisation of data to make analysis easier. This was done in order to identify patterns or trends, which were either complimentary or dissonant, thus providing the opportunity to highlight the necessity for further more extensive research.

## Results and Analysis

### The Impact of Management Style on Coaching and Mentoring

Results suggest that management style can be viewed as a significant enabler of coaching and mentoring activity within the SME context as the vast majority of respondents believed that their owner/managers initiated all such activity (see Table 2 below). This is not surprising given that owner/managers play such a central role in determining the development activity of the SME (Institute of Management Survey, 2000).

Issue	Number of positive responses	Number of non-responses	Number of negative responses	Number who could have responded	%
Managers initiate coaching and mentoring activity	25	1	0	26 #	96
Managers make all decisions about coaching and mentoring activity	20	0	0	20 *	100
#	26 respondents based on interview and questionnaire responses				
*	questionnaire responses only				

**Table 2: Impact of Management Style on Coaching and Mentoring in SMEs**

Additionally the enormity of the influence owner/managers exert is further evidenced by the fact that 100 per cent of the sample also believed that owner/managers made all the decisions about coaching and mentoring activity within the SME. That such decisions would be made by owner/managers and not by employees is supported by Beaver and Prince's (2004) contention that owner/managers actually "fashion" the entire context within which all business decisions are developed and ultimately made. More specifically within a development context Jennings et al (1996) and Hendry et al (1991) both found that owner/managers and supervisors, because of their ability to determine the ethos and strategic direction of the business, directly determined the appropriateness of training and development opportunities for employees.

The amount of control that owner/managers want to maintain and how employees' apparent isolation from decision-making about their own development are related factors, I would suggest, with the former exacerbating the latter. Consequently the

above sample evidence about initiation and decision- making means that SME owner/managers have to be actively involved in supporting a coaching and mentoring intervention if they are to work as enablers. The fact that managers play a pivotal role in deploying successful coaching and mentoring initiatives, is supported by Klasen and Clutterbuck (2002) and Murray and Owen (1991). This significance is further intensified within the SME environment because of the greater involvement of managers in the decision making process thereby rendering their wholehearted participation as an essential pre-requisite to coaching and mentoring success (Devins and Gold, 2000).

Further compounding the impact of management style on coaching and mentoring, respondents claimed that decisions were based not on the basis of business needs but on the importance accorded to the relationship with the employee. A typical response from employees was “I never get any coaching because I stand up for myself and the boss doesn’t like that”. That business decisions in SMEs are based on personal and often “idiosyncratic” relationships between owner/managers and their employees, is supported by Marlowe (2000) and O’Gorman (2000), who suggest that this is typical of the distinctive management style that is prevalent in SMEs. The fact that this distinctive management style often has a negative impact on employees, in this case negating their opportunity to influence their own development, is further supported by Fletcher’s (1998) assertion that SMEs have strong familial cultures based on personal linkages.

**The Difference that Gender makes to Coaching and Mentoring in SMEs**

Cross case analysis of this study reveals that gender based differences both exist within SMEs (Bass et al, 1996, Lipman-Blumen, 1996, Alimo-Metcalf, 1995, Rosener, 1995), and have an impact on coaching and mentoring activity (Klasen and Clutterbuck, 2002, Murray and Owen, 1991). The breakdown of sample respondents’ gender and its relationship with owner/manager or employee status is shown in Table 3. The study found that female owner/managers were much more likely to spend time coaching and generally developing their employees than male owner/managers were. As one respondent commented, “The owner (female) is very different from all the other male managers I have had because she focuses on what I do well and builds on that”. Male owner/managers on the other hand were exemplified by focusing on mistakes or deviations from set standards. Typical responses included “I only get told when I do things wrong” and “comments from the manager always focus on the mistakes I have made not on the things I have achieved”. Support for these findings comes from the recent research of Burke and Collins (2001) who found the same sort of gender based disparity.

	<b>Owner/manager</b>	<b>Employee</b>	<b>Total</b>	<b>%</b>
<b>Male</b>	10	9	19	73
<b>Female</b>	3	4	7	27

**Table 3: Breakdown of Respondents Gender and Occupational Status**

Female owner/managers were also seen as being effective role models, both in terms of the way they treated people generally and more specifically their management style. A typical response was, "I never thought I would say this but I would really like to learn to manage like my (female) manager does". Male owner/managers were seen as having little to recommend them as role models and their management style was seen as "conflictual", "unequal", and put bluntly -partisan. Support for these findings comes from Marlowe (2000) and O'Gorman (2000), although they do not make this gender based distinction, as their research was not looking to examine the effects of such characteristics.

These findings serve to fuel the debate about the relationship between gender and management style and its impact on individuals and organisations. The findings of this study call into question the earlier research of Powell (1993), Eagly and Karau (1991), Lehman (1990) and Maupin (1990) who argued that there was little support for the claim that women and men used distinctly different leadership styles.

Further, the consequence of these findings for practice is that male owner/managers could be encouraged to role model the more effective developmental management styles of their female counterparts (McAdam et al, 2004). The fact that these management characteristics are also positively associated with business success is also no coincidence (Bass et al, 1996, Avolio et al, 1988). This correlation should make it much easier to get this idea accepted and promulgated within the SME community. Additionally this would provide an opportunity for male owner/manages to benefit from 'networked learning', which is viewed by Morrison and Bergin-Seers (2002) as being highly prized amongst SMEs. Thus I would suggest that the combination of role modelling and business success could be one of the most effective enablers of coaching and mentoring for SMEs in the future.

### **Barriers to Coaching and Mentoring within SMEs**

The barriers identified within this study serve to illuminate the complexity within which coaching and mentoring activity takes place within the SME context. They also provide an agenda of issues that need to be addressed if coaching and mentoring interventions are to be successful within the SME context.

The majority of respondents saw the financial constraints of working within an SME as a major inhibitor to coaching and mentoring activity taking place (see Table 4 below). Respondents said that, "the cost of any investment in coaching has to be justified by its return because of the limited amount of financial resources that we carry" and "everything here boils down to money and there doesn't seem to be that much to spare for us workers". These comments typify responses from owner/managers and employees respectively. Analysis of the results of this study also indicates that there are a number of interrelated financial constraints that exert influence over the SMEs decision to employ coaching and mentoring interventions.

The first financial constraint clearly identified within this study is the lack of hard transparent evidence to prove a return on investment for the SME. A number of owner/managers commented on this issue, claiming that "no one has ever proved to me

that coaching will improve my business performance” and “how can time spent coaching someone to do what they should already be able to do help my company make more money”. Significantly over 80 per cent of owner/managers in this study expressed doubt about investing in coaching and mentoring because of this lack of evidence to prove that it is a good investment. This analysis is supported by the findings of Westhead and Story (1997), Wong et al (1997) and Winterton and Winterton (1996), who suggest the same lack of evidence supporting a link between development and profitability.

Issue	Number of positive responses	Number of non-responses	Number of negative responses	Number who could have responded	%
Financial constraints of SME inhibit coaching and mentoring activity	24	0	2	26 #	92
Owner/managers reluctance to invest in coaching and mentoring because of lack of investment return	17	0	3	20*	85
#	26 respondents based on interview and questionnaire responses				
*	questionnaire responses only				

**Table 4: Financial Barriers to Coaching and Mentoring in SMEs**

Results suggest that owner/managers are reluctant to make any investment in coaching and mentoring regardless of the amount of evidence available because of a lack of immediate return. Owner/managers suggested that they were more concerned with “putting bread on the table today not honey tomorrow”. This can be explained by the fact that owner/managers are focussed on short term gain not long term return (Westhead and Story, 1997). This explanation is made even more significant by the contention that the short term tends to be even shorter for the small company compared with larger ones (Lange et al, 2000). Thus this short-termism is endemic and a direct result of the scarce resources which SMEs suffer from (Greenbank, 2001). Additionally, adding another plausible dimension to this explanation, Jameson (2000) argues that there is a positive correlation between the state of growth that an SME finds itself in and its disposition towards offering training and development opportunities to its employees. Therefore the greater the growth the more disposed an SME is to invest in development and learning activity and this has also been associated with the top performing SMEs. These top performers invest much more in training and learning opportunities than their poorer performing counterparts and also have a culture that actively promotes the ethos of a ‘learning organisation’ (Beaver and Hutchings, 2005, Beaver and Jennings, 2001).

Another interrelated financial aspect, which serves to demystify the owner/ managers' viewpoint about investing in coaching and mentoring, is the fact that within this context there is a real fear of employees being poached. Owner/managers said "I can't afford to throw money away on people who may not be with me in twelve months time because they are more marketable" and "once staff have gained additional skills or qualifications they often want more money to stay here because they know they can get it in a bigger company". This is supported by Johnson (1999) and Westhead and Storey (1996), who suggest that owner/managers are reluctant to invest in qualifications because they fear their staff will move on to other companies and their initial investment will not just be lost but will actually benefit one of their competitors. Additionally support for this contention comes from Keep (2000) and Stevens (1999) who both found that the actual or perceived threat of employee poaching was driving SMEs to move away from generic training and concentrate on company specific development thereby minimising the transferability of skills to other companies.

The final interrelated financial constraint of investing in coaching and mentoring is the cost itself. Owner/managers identified that they suffer from "cost disadvantage because of our size...which affect the money we can spend on external coaching". This is exacerbated by the fact that smaller companies do not possess the same negotiating power that larger organisation possess with coaching providers to gain discounts based on numbers attending (Lange et al, 2000). Other owner/managers typically commented that, "We don't have the time to spend on coaching here because it means that other more important jobs just don't get done". So it appears that it is not just the cost of external coaching provision that concerns owner/managers but also the time lost to the company when they or their own managers are coaching. Again this has a more significant impact on smaller companies who do not possess a wealth of human resource (Kerr and McDougall, 1999, Smith et al, 1999, Westhead and Storey, 1996).

## **Conclusion**

This study is the first to clearly identify and articulate the dichotomy between enablers and barriers to coaching and mentoring activity specifically within the SME context. The fact is that many issues historically viewed as barriers, gender for example, can in fact be used as enablers. This transition from barrier to enabler is based on the proposed opportunity to incorporate these concepts into any future coaching and mentoring initiative within this economically significant sector, a 1 per cent increase in productivity would yield the UK economy an additional 12.3 billion pound per year (DTI 2005) for example. This has been achieved through the use of a SME specific mixed methodology case study.

The study also clearly illuminates the interdependent nature of many of the identified barriers and serves to highlight how complex this situation actually is. An understanding of these complexities can only serve to improve the provision of coaching and mentoring in the future and actually address the needs of SMEs rather than providing development activity that is not fit for purpose (Morrison, 2003, Deakins and Freel, 1998, Gibb, 1997).

Perhaps most significantly the findings of this study have clearly indicated the actual level of control that owner/managers wield within the SME. This has ranged from the emphasis placed on informal learning (Kotey and Slade, 2005, Morrison, 2003, Deakins and Freel, 1998, Gibb, 1997), to taking complete responsibility for all the decisions relating to the development activity that goes on within the company (Beaver and Prince, 2004, Jennings et al, 1996, Hendry et al, 1991).

Consequently the implications for both policy and practice are that the key to coaching and mentoring success within an SME lies with the owner/manager. That is, if the owner/manager is unwilling or unable to engage in such an intervention (Devins and Gold, 2000) then I would argue, based on the findings of this study, that there is little point in ensuring that the SME and its environment is ready (Devins et al, 2005, Matlay, 2000) for coaching and mentoring. This has a direct impact on the national policy currently being followed by the LSC, Business Link and the Small Business Service which places great emphasis on the attainment of formal qualifications which often run counter to the attitudinal (Carter and Evans-Jones, 2000, Marlowe, 2000, O’Gorman, 2000, Storey, 1994) and business predisposition of the owner/manager (Kerr and McDougall, 1999, Smith et al, 1999, Westhead and Storey, 1996). Thus these agencies must ensure that they adapt their interventions to meet the needs of the owner/manager – a call that is currently being ignored according to Devins et al (2005) and Morrison (2003).

The second key finding identified within this study is the complex and inter-related nature of the financial barriers that can stifle effective coaching and mentoring within the SME context. It is not just lack of return on investment (Westhead and Story, 1997, Wong et al, 1997, Winterton and Winterton, 1996), nor a lack of immediate return driven by short-termism (Greenbank, 2001, Lange et al, 2000, Westhead and Story, 1997). It is not even a fear that better qualified more marketable employees will be poached by competitors (Keep, 2000, Johnson, 1999, Stevens, 1999, Westhead and Storey, 1996) or that size related cost disadvantages of investing in such programmes is burdensome (Lange et al, 2000): but a combination of all four factors which interlink in different ways to form a net through which most SMEs will apparently not swim.

The policy implications for these findings are that government sponsored selective financial support should be implemented via the existing infrastructure of Learning and Skills Councils, Business Links and regional Development Agencies in order to focus coaching and mentoring provision as already advocated by Matlay (1999) in the training arena. This would have the added advantage of addressing the awareness barriers already identified within this study through the well developed networking skills of owner/managers (Morrison and Bergin-Seers, 2002, Hannon and Patton, 1999). The concomitant practice issue emanates from a need for coaching and mentoring providers to ensure that they can supply a range of economically priced and SME customised interventions (Devins et al, 2005, Centre for Enterprise, 2001, Matlay, 2000) which may also need to receive some sort of government subsidy if it is to be a viable option in the future.

### **Limitations of the Study**

It needs to be acknowledged that the findings of this study may be limited by the relatively small size of the sample. Regardless of how good the purposive sampling, data collection, triangulation or data analysis techniques were, the fact that only 10 SMEs were involved in this study necessitates a word of caution about the generalisability of these findings to the wider SME community. This does not however invalidate the conclusions reached in this study; it merely makes them indicative and the basis for future larger scale research, which is equally rigorous in its approach as this study has tried to be.

### **Future Research**

This study has raised more questions than it has provided answers for. Consequently much more research is needed to be able to increase the generalisability of these study findings which I suggest also needs to satisfy O'Regan and Ghobadian (2004), Thomas (1998) and Curran et al (1986) call for better quality research in the SME arena. I suggest that the areas I have selected will yield the greatest impact on shaping successful coaching and mentoring interventions in the future. Thus, future research would certainly need to be undertaken to develop a range of new SME specific research methodologies thereby addressing Hill et al (2002) and Hill and Wright's (2001) advocacy for the development of innovative ways of conducting research in the SME context. The interdependent relationships that may exist between the SMEs unique characteristics and coaching and mentoring enablers and barriers also needs to be researched if these potential links and their impact are to be fully established.

Cross case analysis has also highlighted the existence of gender differences found within this study (Burke and Collins, 2001, Bass et al, 1996, Lipman-Blumen, 1996, Alimo-Metcalfe, 1995, Rosener, 1995), and the fact that they appear to have a very positive impact on coaching and mentoring activity. The correlation with female owner/managers and a much more inclusive management style and the ability to effectively act a positive role model were also emphasised within these findings. This also provides an excellent opportunity to utilise these skills through role modelling to enhance not just coaching and mentoring activity (McAdam et al, 2004) but also the future success of the company (Bass et al, 1996, Avolio et al, 1988). Replication with a much larger sample may resolve these questions by either validating these findings or by highlighting the uniqueness of the sample used in this study.

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