



THE IMPORTANCE OF TRAINING AND EDUCATION FOR NEW ZEALAND ENTREPRENEURS TO BE SUCCESSFUL: SOME EMPIRICAL EVIDENCE

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***Abstract:** Entrepreneurship date back thousands of years. Effective workforces require training and education. Entrepreneurs need a thorough training needs analysis before adapting training programmes. Training describes learning activities to improve entrepreneurs' knowledge, skills and abilities to perform and manage effectively. Education improves competency of entrepreneurs. Models are referred to in the literature review. Training and education needs were identified for entrepreneurs to maintain competitive advantage and profit margins. A study done in 2008 in Auckland, New Zealand found that training and education is necessary for entrepreneurs and employees; how they could gain greater efficiencies and increased profit through training of current employees.*

Introduction

Entrepreneurship dates back many thousands of years and the complexities of wielding an effective workforce require training at all levels. History has proven that training is an essential part of creating a cohesive and effective workforce. In order to be an effective team member in a work situation, all personnel must be completely immersed in the organisation's culture and values and have an in depth knowledge of policies and procedures (Du Plessis, Marriott, and Manichith, 2016). An ancient example can be used to confirm that successful entrepreneurs and organisations need sufficient and effective training; the military training and precision in action is the phalanx formation where an advancing unit of soldiers would protect themselves by overlapping rectangular shields (Montgomery of Alamein, 1968). This formation was methodical

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and disciplined requiring the whole unit to move in unison to maintain the integrity of the shield. Training was needed to get this move to perfection. Where in the past, military training relied on discipline and the enforcement of rules, nowadays technology and the latest information with smarter ways of training is required.

Training, education, development and learning are often thought of as synonymous and although they can overlap, there are key differences. Training describes specific learning activities to improve an employee's knowledge, skills and abilities in order for them to do the job better. Education improves overall competence beyond the workplace. Development aims to fulfil an employee's potential within the organisation through a number of methods including career counselling, mentoring and job rotation. The main learning theories include behavioural, humanistic, cognitive and social learning theories and an individual's learning style reflects the way in which they prefer to learn. The organisation's approach to learning will also impact on how training is conducted (Du Plessis, 2014).

Entrepreneurs need to do a thorough training needs analysis to adapting training to suit advances in technology and to cater for the latest generation of employees. Generation Y, or the Millennium Generation, has posed a direct challenge to the traditional work environment as they do not have automatic respect for authority (Du Plessis, 2014; Lindquist, 2008). Millennials (people born between 1977 and 1994) tend to be confident and have a feeling of entitlement, constantly wanting feedback and ready to give criticism back in return. This does not fit the traditional work discipline mould where new employees are expected to do as they are told and be seen and not heard. Millennials are normally well educated in history and are high achievers so in order to take advantage of their unique talents, the entrepreneur must adapt by taking lessons from the studies into Human Resource Management (HRM).

Training is one of the key functions of HRM. Traditionally, the entrepreneur has not been structured to run their operation like a business but recent times have forced a rethink (Erasmus, 2006). Entrepreneurs have to compete for market share and make profits to survive. However, in recent times, entrepreneurs have found themselves competing in a diminishing recruitment pool and have been forced to become more expense savvy with rapidly constricting budgets. This has required entrepreneurs to start thinking as Chief Executive Officers and adopt business best practice.

The study into Organisational Behaviour (OB) has contributed to the evolution of HR through the understanding of employee behaviour (Robbins, Judge, Millett & Waters-Marsh, 2008). Drawing on psychology, sociology, anthropology and political science, the study into OB seeks to understand what people do in an organisation and how behaviour affects the performance of the organisation. By understanding the effects policies have on behaviour allows companies to adopt the policies that will result in the right behaviours to pursue a chosen strategy. It can also assist in trouble shooting when behaviours of individuals are undesirable. The revelation that employees can create competitive advantage launched HRM into the limelight.

Entrepreneurs strategies in order to gain a better sense of strategic direction and what is strategically important (Wheelan & Hunger, 2013). The internal and external scanning

and evaluation involved in the process of strategy formulation allows an entrepreneur (company) to identify key strategic issues. With knowledge of these strategic issues, management can make strategic plans to exploit strengths and opportunities while improving on weaknesses and minimising the impact of any threats. An internal strength or weakness is the organisation's workforce and effective management of employees is crucial to profitability and the firm's ability to compete (Becton & Schraeder, 2009). Achieving competitive advantage requires HRM policies and procedures to be aligned with the overall company strategy.

To accomplish whether training and education could be applied to the entrepreneurial environment, a literature review in the training area will be explored and training models discussed. This will be followed with an exploration of the entrepreneur's unique characteristics as a trainer and in a training's role in the pursuit of achieving their organisation's mission. A study done in 2008 in the Rosebank Business Precinct of Auckland, New Zealand, has very valuable and informative information that will be discussed as well.

Objectives of this study

As training and education is essential to the successful induction of new employees into the work environment and is also a key function of HRM in an organisation the question can well be asked whether the research into the training area could be applied to entrepreneurial training? The objective of this study is to ascertain whether this is the case and if training models formulated are applicable to training and education in the entrepreneurial environment.

Problem statement

Training and education needs were identified that are necessary for the entrepreneur to maintain their competitive advantage and their profit margins. A fine balance must be struck between entrepreneur's needs and the needs of their organisations. A study was done in 2008 in the Rosebank Business Precinct in Auckland, New Zealand. In the analysis and discussion we point out what training and education is necessary in 2016 for entrepreneurs and how they could gain greater efficiencies and increased profit through attention to the training needs of current and future employees. The purpose of these educational interventions is to provide better "equipped" employees with knowledge and skills to add value in these organisations.

Literature review

It is important to define certain terminology. Entrepreneurship, as defined by Schermerhorn, Campling, Poole and Wiesner (2012), is dynamic, risk-taking, creative and growth-oriented behaviour. On the other hand they regard an entrepreneur as willing to pursue opportunities in situations others view as problems or threats. In the business concept an entrepreneur starts new ventures that bring life to new product or service ideas. The theory exists that entrepreneurs are 'jacks-of-all-trades' who may not excel in any one skill, but are competent in many. Individuals with balanced skills appear to be

more likely than others to become entrepreneurs (Erasmus, 2006). A different view is from Du Plessis (2007; 2014) that entrepreneurship is not a natural process in some countries and it should be managed until it becomes a more ordinary part of the daily existence. Training and education is therefore important for entrepreneurs' success.

Organisations train their staff for both the benefit of the organisation and the individual (Erasmus, Loedolff, Mda & Nel, 2016). There are a number of benefits to the organisation including employees with higher knowledge, skills and abilities, a workforce with high morale, enhanced corporate image and increased productivity and quality. Individuals also benefit from training by increasing motivation, empowerment and higher job satisfaction. However, many organisations believe training is unnecessary as skills can be learnt on the job or 'bought' when necessary (Macky, 2011). There is also the belief that training equips and motivates employees to seek employment elsewhere. Both of these viewpoints are flawed. The first is short-sighted as it only provides a temporary solution in up skilling staff and assumes the organisation is static. There is also widespread complaint that companies are not able to find the necessary skills required on the labour market (Ballot, Fakhfakh & Taymaz, 2006). The second viewpoint is a myth. Investing in employee training and development is more likely to retain employees and although there is a risk of poaching skilled staff, training is valuable to the success of the company. The long term effects of training and development highlights a strategic focus.

Training and development is in fact a strategic activity, as it helps entrepreneurs achieve organisational strategies (Du Plessis, 2015; Macky, 2011). Training and development can be an expensive cost and as such must be strategically managed through alignment with overall corporate strategies to ensure value for money. More companies today are becoming knowledge based in order to gain sustained competitive advantage (Noe, 2002). Training is a way to enhance an entrepreneur's knowledge base and managing that knowledge has the potential to create significant value, but only if linked to the company's overall strategy (Halawi, McCarthy & Aronson, 2006). It is also acknowledged that to keep up with the rapidly changing business environment, gaining new knowledge must be ongoing; enter the learning organisation.

A learning organisation is a company that both learns and fosters learning (Erasmus *et al.*, 2016). By integrating work and learning, a learning organisation seeks quality, excellence and continuous improvement. There is an emphasis on continual transformation in order to better collect, manage and use knowledge. Learning organisations can be distinguished by their ability to continually expand their capacity to learn and transform themselves (Thomas & Allen, 2006). It is through organisational learning that companies can gain sustained competitive advantage and the emphasis on training, education and development of individuals is most important.

Training, education and development are concepts often thought of as synonymous but the differences must be understood to effectively manage training in an organisation (Du Plessis, 2015; Erasmus *et al.*, 2007). The next few paragraphs will explore the definitions and roles of each of the three concepts. However, in practice, the concepts cannot be definitively compartmentalised, as each may have elements of the others. It is suggested that an integrated approach to achieving an organisations training and development needs will improve performance.

Training describes the specific learning activities undertaken to improve an employee's knowledge, skills and abilities in order for them to better perform their duties (Macky, 2011). Training can also be defined as a means for acquiring and pre-determining behaviours (Dugan, 2003). Whenever a new behaviour is needed in the workplace, a training programme is required to teach the employee the required new behaviour. Training is about giving employees the skills and knowledge to undertake their responsibilities and is related to their workplace. Training can be specific to their role, like operating a forklift, or generalised, like anti-harassment policies. Education goes beyond the restrictions of the workplace.

Education improves overall competence of the employee beyond the job they are currently performing (Dugan, 2003). In general terms, education is designed to prepare an individual for life while training prepares an individual to perform specific tasks. The range of competencies gained from education ranges from basic literacy, numeracy and interpersonal skills to advanced management programmes. Education programmes are generally outsourced to schools, colleges, universities and specialist private companies (Erasmus *et al.*, 2016) while training is usually an internal function. Up-skilling employees through education and training programs lead to employee development.

Development is designed to help develop and fulfil an employee's potential within an organisation (Macky, 2011). This may take many forms including training, on-the-job training, job rotation, mentoring and career counselling. Employee development is a necessary component of improving quality, retaining key employees and keeping up-to-date with social change, global competition and technological advances (Du Plessis, 2015; Noe, 2002). Many companies use development as a means for strategic succession planning where employees are identified early in their career and developed for higher management positions (Macky, 2011). Regardless of what label is given, the main thrust behind of training, education or development is learning.

Although there is no universally accepted theory of learning, it is recognised that organisations need to foster a learning environment to develop knowledge and intellectual capital. (Erasmus *et al.*, 2016; Mills, Helms Mills, Forshaw & Bratton, 2007). By being aware of the different learning theories, a company is able to critically examine the principles, in order to select a one that best matches the specific learning goals of the organisation. As such, it is not recommended that a company uses one particular theory as dogma, but should mix and match principles to suit. Learning can be explored and interpreted from many different perspectives, which have lead to the development of various schools of thought on learning.

Some of the main learning theories include behavioural theories, humanistic theories, cognitive theories and social learning theories (Mills *et al.*, 2007; Erasmus *et al.*, 2016). Behavioural theorists believe learning is the result of positive or negative reinforcement of behaviours. If a wanted behaviour is rewarded with positive reinforcement, it is more likely that the behaviour will be repeated. From a training perspective, the trainee will learn behaviours and skills better when the trainer can identify what outcomes the trainee finds positive (Noe, 2002). Humanistic theorists believe that the learner, being human, will act to achieve personal objectives (Du Plessis, 2015; Erasmus *et al.*, 2007). Therefore, the task of the trainer is not to teach but to facilitate learning by providing a

favourable learning environment and evaluating learning outcomes. The cognitive theorists believe the learning process is complex and learning is influenced by an individual's perception, how they evaluate feedback and how they process information given (Mills *et al.*, 2007).

Learning occurs when an individual applies their own perceptions and experience to think about a problem, by organising their ideas and therefore gaining insight (Erasmus *et al.*, 2016). Social learning theorists believe people learn through observing others, who they believe are knowledgeable and credible (Noe, 2002). Learning occurs when an individual directly experiences the consequences of using a skill or behaviour, or by observing the consequences of others using the same skill or behaviour. Behaviours learnt through observation need to be perfected through practice and are largely dependent on the individuals motivation to learn (Mills *et al.*, 2007). People's learning styles also have an impact on the way they learn.

A learning style is the different way in which individual's learn (Erasmus *et al.* 2016). Although the training is the same, each person has a different way of learning the content, determined by their preferred learning style. There are many reasons why an individual may have a particular preferred learning style, from gender, upbringing or culture. Research has identified four personality learning styles including: the activist, who is a busy individual, ready to dive into anything without much thought; the reflector, who learns from others experiences to avoid making mistakes themselves; the theorist, who wants to know how things relate; and the pragmatist, who is concerned with how they can apply the new knowledge gained. The challenge for the trainer is to be able to manage all four styles equally well in order to capture all students' preferred styles. As well as the individual aspect of training, the approach the organisation takes to training will impact on how training is conducted.

HRM is the management of work and people in organisations and began its evolution in the early 1900's (Du Plessis, 2015; Boxall, Purcell & Wright, 2007; Nankervis, Compton & Baird, 2005). HRM is an unavoidable consequence of doing business, as any organisation who employs staff will be involved in some form of human resource practice, whether they realise it or not. This requirement was first acknowledged in the early 1900's and since then, has transformed into an avenue for organisations to create competitive advantage by smart utilisation of its most valuable asset – people. However, there were significant differences of opinion in the evolution of effective employee management.

The term human resource (HR) has become synonymous with unitarism, proactivity and long term focus (Nankervis *et al.*, 2005). Unitarism is the belief that managers and employees have a common interest in the survival of an organisation and tensions can be completely resolved by nurturing a psychological contract based on cooperation (Abbott, 2006). 'Soft' HRM practices build positive attitudes through the fulfilment of employees needs (Edgar & Geare, 2005). By building commitment and positive attitudes to the organisation, HR grows a satisfied and productive workforce for future success. However, this can only be true if HR policies are aligned with overall company strategy.

Knowledge management and the identification and development of talent within an organisation are rapidly becoming key competitive factors (Halawi, McCarthy &

Aronson, 2006; Altman, 2008). In order to gain sustained competitive advantage, organisations must create strategies that leverage on intellectual assets (Halawi *et al.*, 2006). A human capital strategy supports the achievement of organisational strategic goals and talent management is essential in creating competitive advantage (Altman, 2008). Talent management strategies can take many forms; however, success of such a strategy is largely down to the degree of focus and fit to organisational strategies (Garrow & Hirsh, 2008). One of the avenues to develop talent in an organisation is through training and development.

Approaches to Training and Education

There are a number of different approaches to achieve training needs (Erasmus *et al.*, 2016). Each training approach has its own unique set of advantages and disadvantages and the degree of its success will depend on the individual characteristics of the organisation. For example, the 'learning by exposure' or 'sitting by Nellie' approach is considered a popular management option as training happens by chance by the trainee's exposure to a colleague's experience. The advantages are it is cheap and easy because the trainee learns ad hoc while doing the job. However, the disadvantages are the trainer is usually not trained to teach and the trainee will pick up any bad work habits they may have. Training the trainer will overcome these issues and therefore can be an effective approach for some organisations. The managerial approach places more emphasis on the training manager's role in organisational training.

The managerial approach to training emphasises the responsibilities training managers have for the effective management of training and development needs within an organisation (Erasmus *et al.*, 2016). Under this approach, the training manager uses the planning, organising, guiding and controlling management model to manage training, keeping in mind the organisation's vision, mission, strategies and objectives. In the planning phase, the training manager identifies the types of training required, establishes training objectives and plans for the successful delivery of the training. The organising phase gathers the resources and facilities required to meet objectives. The guidance phase is where the training manager co-ordinates, leads and motivates the students and trainers to achieve outcomes required. The control phase continuously monitors the progress of the achievement of goals, providing feedback in the process. In contrast to the managerial approach, the systems approach views training as an organisational sub-system.

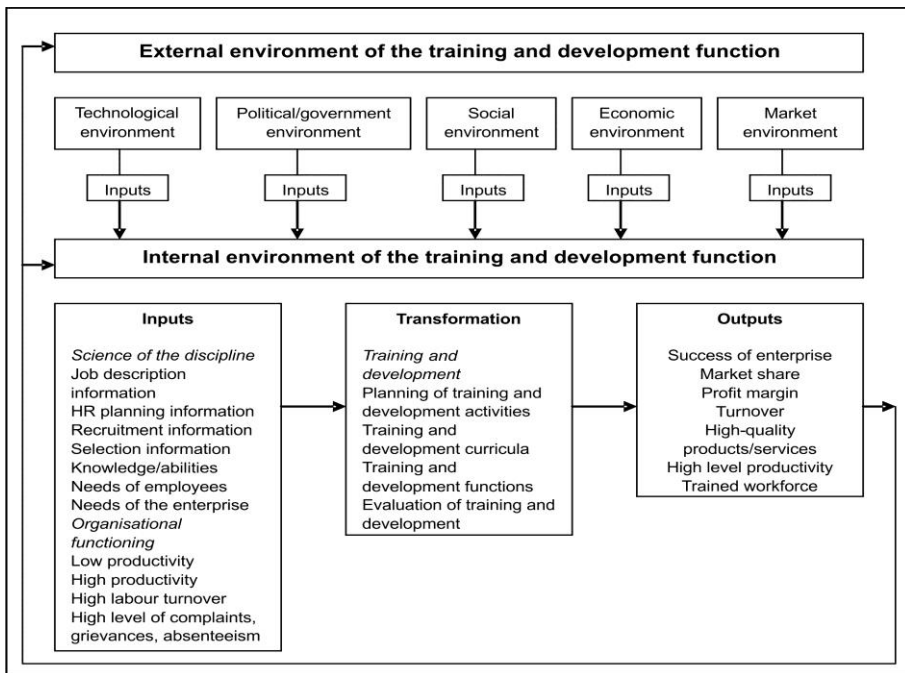
A systems approach to training regards training as a sub-system operating within an organisation, requiring inputs to achieve outputs (Macky, 2011). A system is a set of interdependent parts forming a unit, which obtains inputs and processes them to provide outputs in the form of goods or services (Erasmus *et al.*, 2016). As an open system, the training system is influenced by environmental factors including both the internal and external environment the training function operates in. This relationship is shown in Figure 3, below. Inputs of the training system include: technical input - such as job descriptions, HR planning, recruitment and assessment; and organisational functioning inputs – negative aspects the organisation wishes to improve, such as low productivity, wastage and high staff turnover. The transformation process represents the training function itself and the outputs are the desired outcomes of training, such as

improvements in productivity, quality and labour costs. Outputs also provide the feedback which links back to the environmental factors, repeating the cycle

Different Training Models

A number of models are referred to and discussed in this paper to confirm the interdependency of training and education, and HRM and the importance of training for entrepreneurs. Entrepreneurs need to be aware of these models and the relationship between a HRM function (training) and entrepreneurship.

Figure 1: Internal and External Training and Development Environment



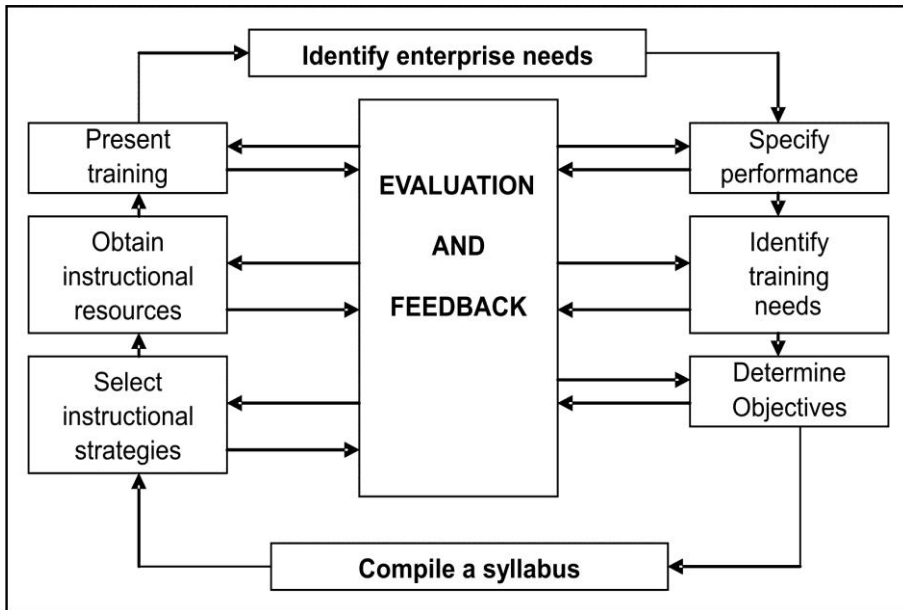
Source: Erasmus et al., 2007: 9

Training models give an overview of the overall training process but should not be treated as dogma according to Erasmus, et al, (2016) and Du Plessis, (2014). The general steps in the training process include: determining training needs; programme design; presenting training; and evaluating training. The models to be discussed in this paper are the Nadler’s critical events model, the Camp, Blanchard and Huszco Model and the High-impact Training Model. Each model is created with a certain organisation in mind. However, in reality, each entrepreneur’s (organisation’s) training needs will be different. As such, models should be look at as a guide to be adapted to suit the individual needs of the

organisation. The first model to be discussed, the Internal and External Training and Development Environment Model, provides a general view of training.

The idea of Nadler's Critical Events Model is to provide a general, holistic view of training in an organisation (Erasmus *et al.*, 2007; 2016). Shown in Figure 2, below, Nadler's model consists of nine steps beginning with identifying the organisation's needs. The most prominent aspect of this model is the evaluation and feedback step which actually takes place throughout each step of the model with the exception of identifying training needs and compiling a syllabus. This emphasises the need to continually monitor the progress of training to ensure it meets organisational needs. In contrast to a holistic view of training, the next model to be discussed takes a view of a definite need.

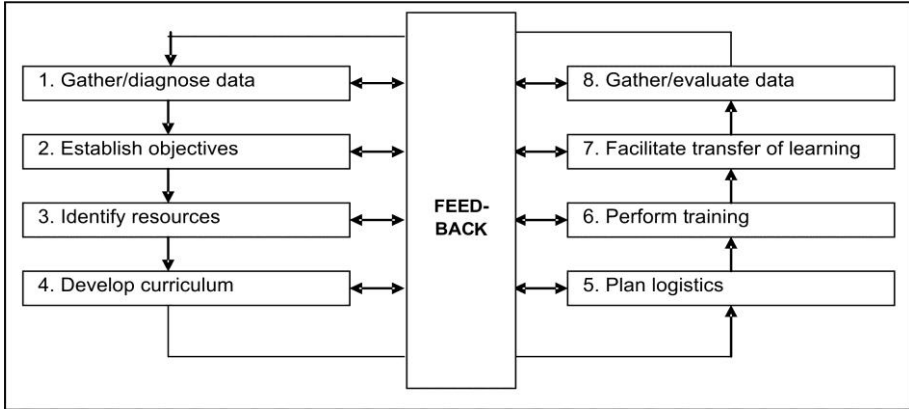
Figure 2: Nadler's critical events model



Source: Erasmus et al., 2007:15

The Camp, Blanchard and Huszco Training Model (Figure 3, below) is geared towards the definite needs of an organisation and consists of eight steps (Erasmus *et al.*, 2007; 2016). As such, the first step of diagnosing training needs is the most important step. There is an emphasis on gathering feedback throughout the eight steps to ensure relevance to the overall needs but evaluation is in itself a step in the model in contrast to the previous model.

Figure 3: Training Model of Camp, Blanchard and Huszko

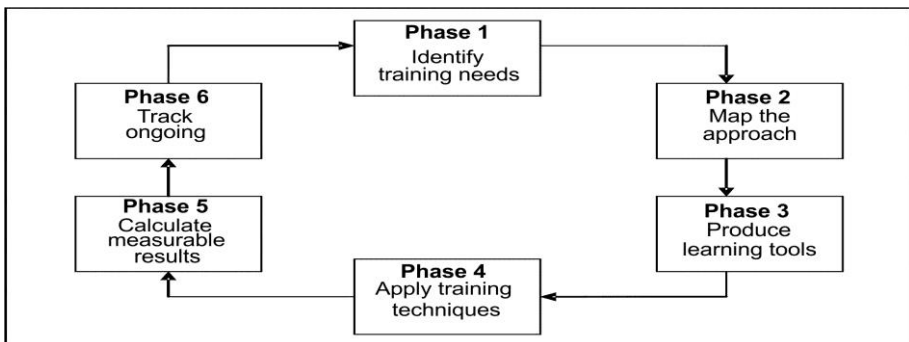


Source: Erasmus et al., 2007:17

It should also be noted that developing a curriculum is undertaken after resources have been identified. This takes into consideration that resources are limited and knowing what support is available will avoid the development of training programs that cannot be resourced. Targeting the training needs of an organisation is the focus of the next training model.

The High-Impact Training Model (Figure 4, below) emphasises the need to move training forward and consists of six phases (Erasmus *et al.*, 2007). Each phase builds on the previous and, as there is no continuous feedback, the success of each phase is dependent of the success of the previous. This model addresses the need for an organisation’s training system to be adaptable to constantly changing business environment but at the same time, runs the risk not meeting training needs if each phase is not successful undertaken.

Figure 4: High-Impact Training model



Source: Erasmus et al., 2007:18

The Importance of Training and Education for Entrepreneurs

For all training within an organisation to be co-ordinated and complimentary, there must be a written training policy. Policies bring together assumptions and principles to form philosophies and can be thought of as an expression of intent (Du Plessis, Marriott and Manichith (2016) and Erasmus, *et al.*, (2007; 2016) Training, education and development policies should include: the aim of training and development within the organisation; the objectives to be achieved; the organisational values relating to training and development; the purpose for training and development and educational assistance to be provided. Training policies can take many forms and are influenced by a number of variables unique to every organisation. Once an organisation has identified its training philosophies and articulated them in policy, training needs can be assessed.

Assessing training needs is the first step in planning a training programme and can be linked to organisational success (Erasmus *et al.*, 2016; van Eerde, Tang & Talbot, 2008). As such, it must be thorough for training to be successful. Needs assessment is all about finding out whether training is necessary and if so, where, when and how. It is easy to come to the conclusion that a problem can be fixed by training before a proper assessment is done. This could end up wasting time and money on training programmes that will not work. Training should be based on needs defined by gaps or discrepancies in performance of an organisation. Types of needs include: organisational needs – taking into consideration the system-wide components of an organisation including goals, resources, internal and external constraints; group needs – related to a group of people doing the same type of work; and individual needs – addressing deficiencies in individual employees work; and job needs – identifying what knowledge or skills is required to do the job.

The dominant approach to needs assessment is the McGehee & Thayer three-level framework including organisational analysis, task analysis and person analysis (Macky, 2011). Organisational analysis is the broadest level of needs assessment, which examines the strategic situation and organisation is system-wide factors. This level of analysis identifies what the major issues are and, if training is relevant, answers the ‘where’ and ‘when’ questions. Task analysis is the mid-level of assessing training needs and examines how a job is done and what knowledge, skills and abilities a worker needs to be competent at the job. Task analysis identifies ‘what’ must be trained. Person analysis focuses on the individual needs and determines ‘who’ needs training (Du Plessis, 2014).

When conducting a training needs assessment, an organisation should consider who should be involved and how it should be done (Noe, 2002; Erasmus *et al.*, 2016). As needs assessments are done to determine if training is necessary, it is important to include managers and employees in the assessment process. Training managers, although they can advise on training matters, do not have the complete picture when it comes to proficiency in a task. There are many techniques for gathering data from key personnel including questionnaires, individual interviews, observations, group discussions, records and reports and job description analysis. When interpreting the

data collected, training managers need to be mindful of how individuals may differ in their perceptions of training needs based on their work experience, self-efficacy and skill proficiency (Dierdorff & Surface, 2008). Once the training needs have been established, programme design and development can begin.

Phases in Training Programmes

A training programme sets the written framework to facilitate the learning in an organisation and training design is important in the success of a training programme (Velada, Cactano, Michel, Lyons & Kavanagh, 2007). Erasmus *et al.* (2016) define a training programme as a purposeful and structured set of learning experiences designed to enable learners to achieve pre-specified exit-level outcomes. As such, it includes the training outcomes, instructional methods and media to be used. Outcomes based learning is based on the successful achievement of the outcomes set by the programme. Every training programme must have a clear purpose, stating the reason for the programme and what learners will have to achieve to pass. The curriculum (a plan for the process of teaching in education) for any training programme must start with the intended outcomes (Du Plessis, Bhat and Williams, 2007). Outcomes of a course go beyond goals and objectives; they are demonstrable mastery of knowledge, skills and/or abilities gained as a consequence of learning (Du Plessis and Frederick, 2008). Outcomes based training focuses on organising everything around the end product of learning and the curriculum, instruction and assessment is built on this.

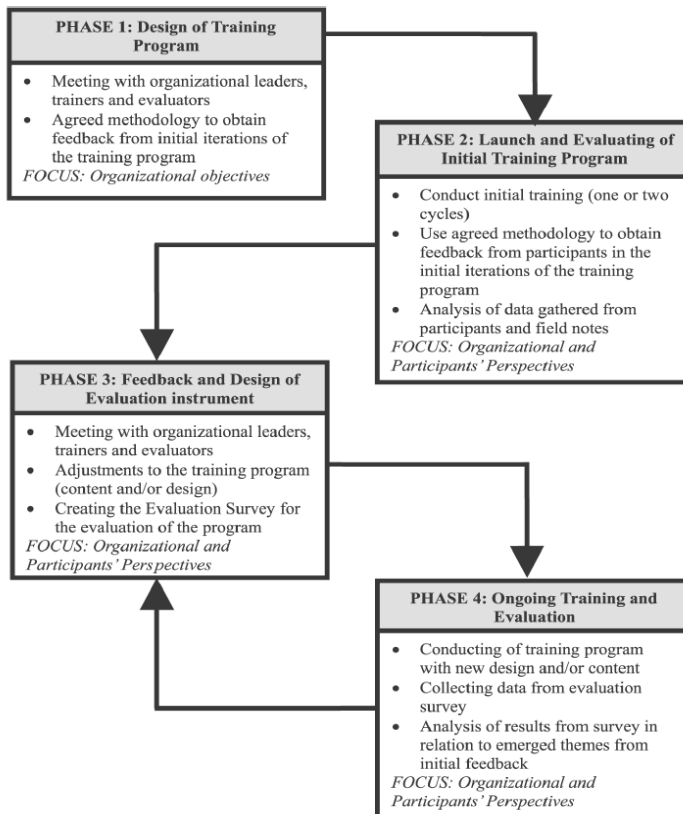
The next phase in training design is to select and sequence content (Du Plessis *et al.* 2007). Content is the subject matter, teaching points and learning activities that will assist the trainee in achieving the required outcomes. Preparing for a training programme turns the planning focus to how knowledge is to be transferred to the trainee. The traditional view of training, commonly known as the 'bucket theory', sees the information being poured from one mind to another (Erasmus *et al.*, 2007; 2016). Another approach is the facilitating trainer, where it is believed the trainer is not there to convey information but create opportunities for learners to gain information. Training methods include presentation, hands-on and group methods and a combination of all three can be used (Noe, 2002). Presentation methods include lectures and audio-visual techniques. Preparing and presenting a training programme is the culmination of all previous activities and as it is the part that is seen, is mostly the basis for evaluation. Assessment and evaluation is the last step in a training programme and encompasses trainee assessment and programme evaluation. The Kirkpatrick's evaluation level is a four-level model where each level is arranged hierarchically in terms of impact of training (Macky, 2011).

The Importance of Training Evaluation for Entrepreneurs

Programme evaluation measures the return on training investment, being benefits to both the individual and the organisation. The purpose of a training evaluation system is to make decision on individual performance, make decisions on improvements, make

decision on effectiveness and determine whether set outcomes have been achieved. There are two types of evaluation: formative – concerned with decision made while programme was developed; and summative – concerned with the value of instructional materials after training has taken place. Lingham, Richley & Rezania (2006) support a four-phase model for training evaluation, shown in Figure 5, below.

Figure 5: Four-phase Evaluation Model



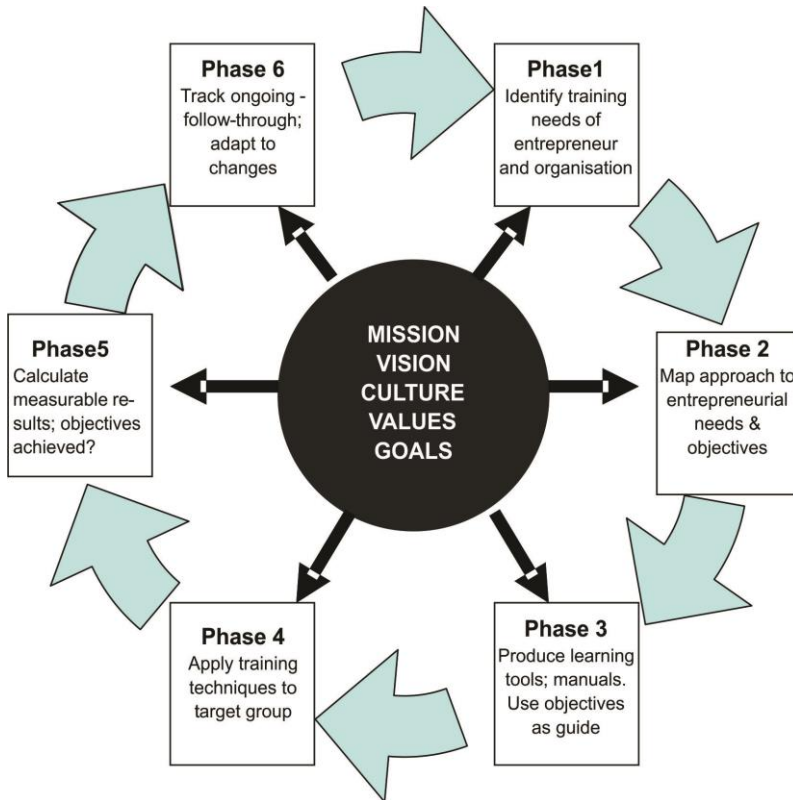
Source: Lingham, Richley & Rezania (2006)

In essence, delivering a successful training system relies on a deliberate and structured sequence of events. Each step along the way builds on previous work done, culminating in the delivery of the training. The evaluation and feedback loop is essential in assessing that required outcomes have been met and lessons learnt are used to improve training in the next cycle. The word cycle is used deliberately as the training system in an ongoing cycle, aimed at continuous improvement in the value to the organisation (Du Plessis 2016).

Entrepreneurial High-Impact Model

Figure 6, below, shows the original model re-developed by the authors to reflect the unique needs of the entrepreneur. The model is an adaptation of the High-Impact Training Model of Erasmus *et al.*, 2007 (p. 18) which most closely aligns with the entrepreneur’s requirement for high intensity training. Each phase of the cycle moves training forward by using the work done in the previous phase as an input for the next. High impact training also fits with the need to establish habits and automated responses in certain situations. Repetitive and highly detailed training establishes an almost unthinking response, resulting in predictable behaviour (Eggenesperger, 2004). Each of the phases in the adapted model remains unchanged. As discussed earlier, the actual steps in establishing a training programme are relevant in the entrepreneurial context. What is different is the large circle in the middle representing the entrepreneur’s mission, vision, culture and values. It is large and in the middle of the model because of the primary significance it has.

Figure 6: Entrepreneurial High-Impact Model



Source: Adapted and re-developed from High-Impact Training Model (Erasmus et al., 2007 p. 18)

In Figure 6, above, mission, vision, culture, values and goals set for the organisation are the foundation blocks that the organisation is built on and as such, must be forefront in the minds of entrepreneurs within the training function when developing training programmes. The model shows arrows leading to each phase in the training cycle representing the influence mission, vision, culture, values and goals have in the development of each phase. The arrows are pointing one way, as training will not influence mission, vision, culture and values. Training may be used as a vehicle to shape culture but the actual change itself will be driven by influences outside the training system. Mission, vision, culture, and values needs to be ‘re-charged’ by reinforcement throughout an individual’s career. Following this model, any training within an employee’s career, from recruiting, training to ongoing professional development, would be constantly reinstating the importance of mission, vision, culture and values to their role.

This article sets out to ask if training theories are relevant to the entrepreneur in 2016. The literature review above discussed theories, models and reasons from an entrepreneurial context and confirms that training and education is of the utmost importance for entrepreneurs in 2016 and beyond. The next section is the empirical study confirming the literature review outcome.

Methodology

Financed by Auckland City Council this study focuses on Auckland’s Rosebank Business Precinct (ARBP) where entrepreneurs are managing their businesses. The surrounding communities, particularly Māori, Pacific peoples and recent migrants, experience disparities in employment. Our research questions were:

Is there a skills match between the present-day workforce and actual business (entrepreneurial) needs over the medium term?

What can these data tell us about Rosebank’s trajectory as a skilled business cluster and about its future workforce requirements?

What education and training will be necessary for these organisations (entrepreneurs) to maintain their competitive advantage and profit margins?

The present research also examines the training and education needs of entrepreneurs in the ARBP. The target population were the 500-600 businesses operating in Rosebank including start-ups by entrepreneurs. When we combined and de-duplicated the data, we arrived at 529 businesses in the Rosebank population of businesses. We conducted face-to-face interviews with 102 companies within that population. We used a 36-question questionnaire and employed random stratified cluster sampling. We divided the population into “Industry” and “Firm Size” groupings to establish desired representative proportions based on Statistics New Zealand (2006). We selected a random sample from the members of each grouping. The grouping was treated as the sampling unit and analysis was done on a population of groupings. The sampling frame was entrepreneurs (owner-managers) of firms within the Rosebank Business Precinct.

Analysis of the results

Education qualifications

Table 1, below, shows clearly what the qualifications are of the employees in the neighbouring regions and cities of the ARBP. Overall, school leavers in this catchment area reached a lower level of attainment compared with both the regional average and the national average Department of Labour (2008a). Waitakere City, from which Rosebank recruits a great deal of its workforce, has 22.3% of its population with no qualification whatsoever (Du Plessis and Frederick, 2008)

Table 1: Education qualifications near Rosebank Business Precinct

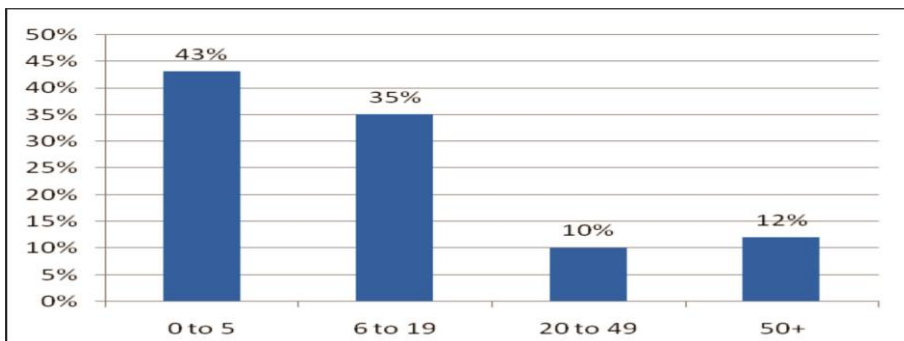
	Waitakere City	Auckland City	Auckland Region	New Zealand
% No qualifications	22.3%	14.1%	18.9%	23.2%
% school qualifications only	35.2%	33.0%	34.6%	32.5%
% post-school qualified	21.7%	19.2%	21.1%	22.4%
% Bachelor Degree and Higher	13.7%	27.4%	18.5%	14.7%

Source: Department of Labour Key Information Tool (KIT), January 2008

Respondent's Firm size

In Figure 7, below, it is evident that smaller firms outnumbered larger firms. An enormous seventy-eight percent had less than twenty employees. Rosebank has more large firms than the national or even Auckland average, and so due consideration must be given to their needs as well. The one hundred firms in this sample were employing 1714 full-time employees. Respondents expected a decline of 1.8% in job numbers over the next year but a 1% increase by 2011, bringing the total decline in employee numbers to just less than 1% within three years. In other words, within the bounds of confidence, Rosebank entrepreneurs (owner/managers) are predicting a steady rate of employment. However, it is important to note that a quarter of respondents were not able to predict three years into the future.

Figure 7: Respondent's Firm size



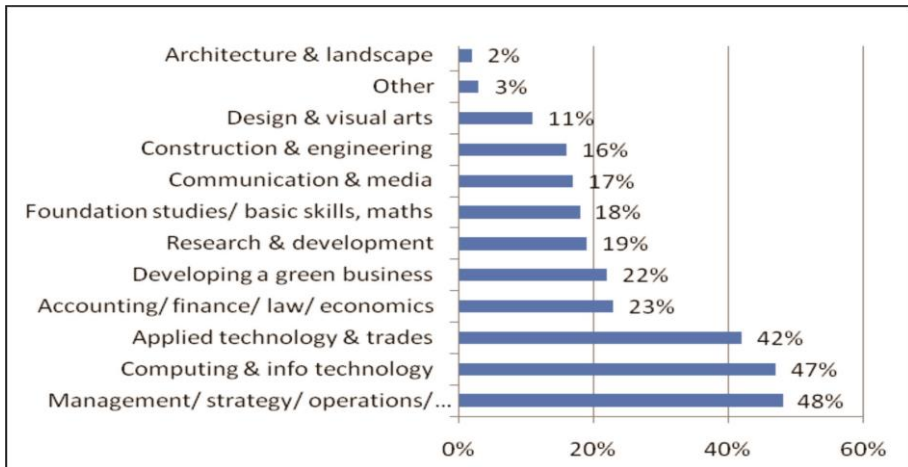
Education and Training and Programme needs

The respondents were asked to describe the top education and training needs that they had over the next three years, respondents could choose more than one category and most respondents chose several categories (Figure 8 below). The top needs of ARBP businesses were:

- Management/ strategy/ operations/ sales and marketing
- Applied technology and trades.
- Computing & information technology, followed by
- Accounting, finance and law.

The Business Disciplines (Categories 1 & 4) had the greatest share of needs.

Figure 8: Where are your training needs over the next 3 years?



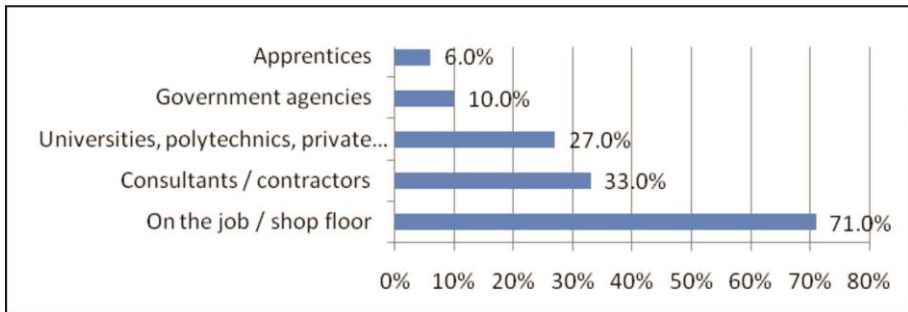
Type of Training

Almost half of the respondents (41%) reported that they already undertook training when they were asked whether their firm had training at all whilst 57% had nothing. Of those who already have training, were asked to describe that training. This ranged from simple Occupational Health and Safety (OHS) training to more in-depth and expensive professional training. Responses included project management, time management, sales, IT training, electrical trade, food and hygiene, fire safety, first aid, warehousing, logistics, security, inventory management, competitor intelligence, trade certification, business coaching, and traffic management.

Sources of training

According to the respondents, the greatest source of training was on-the-job / shop floor training at 71% (Figure 9 below). Consultants/contractors were also an important training source at 33%. Universities, polytechnics, and private educators provided 27% of the training within businesses. Government agencies and apprenticeships were relatively minor sources of training.

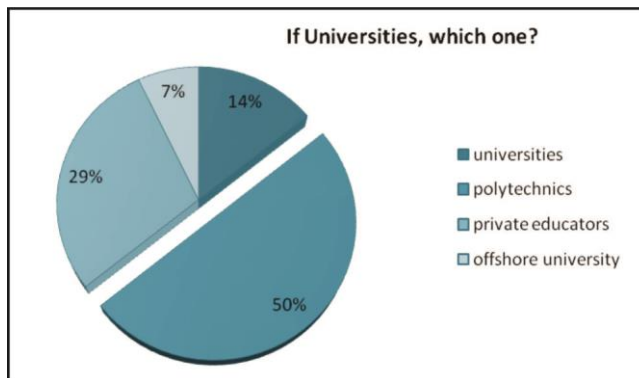
Figure 9: What are your sources of training?



Universities, Polytechnics, and Private Educators

Polytechnics were the most favoured amongst the 28 respondents who used educational institutions, with 50% mentioning this option (Figure 10 below). Private educators were second at 29% with universities scoring only 14% and universities offshore at 7%.

Figure 10: Which training / education source do you use?



Implications for Entrepreneurs for 2016 and beyond

Training is one of the key functions of HRM and can be utilised by entrepreneurs in the achievement of their strategic goals. Entrepreneurs need to strategies by scanning the environment, both internal and external, in order to identify strategic issues and gain a better sense of where their strategic strengths lie. By aligning HRM strategies with corporate strategies (that include training and education), employee attitude and behaviour will be influenced positively to support company objectives. The key to competitive advantage is the entrepreneur's knowledge, skills and abilities. As such, knowledge management and development of talent within an organisation are rapidly becoming key competitive factors.

Recommendations for Entrepreneurs

Training and development within an organisation assist with corporate strategy in two ways. First, it grows the right employees to pursue their chosen strategy where the required skills may not be available in the labour market. Secondly, by investing in their employees, it will positively affect commitment to the organisation and attract talent by being an employer of choice. Training and development is a strategic activity given the long-term consequences.

Conclusions

Training, education, development and learning are often thought of as synonymous. Training describes specific learning activities to improve an employee's knowledge, skills and abilities. Education improves overall competence beyond the workplace. Development aims to fulfil an employee's potential within the organisation through a number of methods including career counselling, mentoring and job rotation. The main learning theories include behavioural, humanistic, cognitive and social learning theories and an individual's learning style reflects the way in which they prefer to learn. The organisation's approach to learning will also impact on how training is conducted. There are a number of different approaches and models to explain the importance of training for entrepreneurs. The entrepreneur's approach places the success of a training system on the trainer's ability to plan, organise, guide and control training. The main training models discussed was the Nadler's critical events model, the Camp, Blanchard and Huzco model and the High-Impact Training Model. Each has been developed with different organisational needs in mind and therefore places more emphasis in different areas. The Nadler's critical events model provides a holistic and general view of training while the Camp, Blanchard and Huzco model is geared towards fulfilling a particular need. The Entrepreneurial High-Impact Training Model was re-developed and emphasises the need to move training forward. Each model in some form identifies four main themes. The training function within an organisation consists of four main areas: assessing training needs; training design and development; preparing and presenting training; and trainee assessment and programme evaluation.

Rosebank Business Association should seek best-practice advice on labour force education and training. Educational institutions and Rosebank businesses should

develop relationships to better understand business needs, provide education and training, and revamp curricula to fit needs.

Human Resource departments, and entrepreneurs (managers / owners), not outside contractors, are best placed to know the education, training and development of career needs as well as the corporate culture and will therefore need to make final decisions in consultation with their own business managers and other interested parties within the ARBP organisations in the future. Learning is a relatively permanent change in behaviour or cognition occurring as a result of education, training and experience. Management / employers in the ARBP should budget for education and training of their employees. Knowledgeable employees are usually more productive and loyal.

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